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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in A Metaverse Company, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**a metaverse company**

**A Metaverse Company**

**一元宇宙公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1616)**

**(1) PROPOSED GRANT OF ISSUE MANDATE,  
REPURCHASE MANDATE AND EXTENSION MANDATE  
(2) PROPOSED RE-ELECTION OF DIRECTORS  
AND  
(3) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at Room 1609, Building A, Cyberspace Mansion, Courtyard No.28, Xiaoyun Road, Chaoyang District, Beijing, the PRC on Tuesday, 28 May 2024 at 2 p.m. is set out on pages 17 to 21 of this circular. A form of proxy for use at the annual general meeting is also enclosed herewith. Such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.starrise.cn](http://www.starrise.cn)).

Whether or not you are able to attend the meeting, you are requested to complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. Sunday, 26 May 2024 at 2 p.m.) before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

All times and dates specified herein refer to Hong Kong local times and dates.

25 April 2024

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## DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be convened and held at Room 1609, Building A, Cyberspace Mansion, Courtyard No.28, Xiaoyun Road, Chaoyang District, Beijing, the PRC on Tuesday, 28 May 2024 at 2 p.m. or any adjournment thereof, the notice of which is set out on pages 17 to 21 of this circular
“Articles of Association” or “Articles”	the second amended and restated articles of association of the Company adopted on 27 December 2023 and as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors
“Cayman Companies Act”	the Companies Act (As Revised) of the Cayman Islands as consolidated and revised from time to time
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	A Metaverse Company, a company incorporated in the Cayman Islands on 24 February 2010 as an exempted company with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Extension Mandate”	the general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue or otherwise deal with new Shares not exceeding 20% of the total number of Shares in issue as at the date of passing the relevant resolution approving such mandate
“Latest Practicable Date”	18 April 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or otherwise supplemental from time to time
“Memorandum of Association” or “Memorandum”	the second amended and restated memorandum of association of the Company, adopted on 27 December 2023 and as amended, modified or otherwise supplemented from time to time
“Nomination Committee”	the nomination committee of the Company
“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
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase Shares during the relevant period not exceeding 10% of the total number of Shares in issue as at the date of passing of the relevant resolution approving such mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value of US\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

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## LETTER FROM THE BOARD

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**a metaverse company**

**A Metaverse Company**

**— 元 宇 宙 公 司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1616)**

*Executive Directors:*

Mr. LIU Dong (*Chairman*)  
Mr. LIU Zongjun (*Chief Executive Officer*)  
Ms. YANG Qinyan  
Mr. HE Han

*Registered office in the Cayman Islands:*

P.O. Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

*Independent Non-executive Directors:*

Mr. LAM Kai Yeung  
Mr. KWOK Pak Shing

*Principal place of business in Hong Kong:*

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai  
Hong Kong

25 April 2024

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED GRANT OF ISSUE MANDATE,  
REPURCHASE MANDATE AND EXTENSION MANDATE  
(2) PROPOSED RE-ELECTION OF DIRECTORS  
AND  
(3) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and information regarding the following proposals to be put forward at the AGM for the approval of the Shareholders: (i) the grant to the Directors of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, and (ii) the re-election of the retiring Directors.

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## LETTER FROM THE BOARD

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### PROPOSED GRANT OF ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

At the AGM, separate ordinary resolutions will be proposed:

- (a) to grant a general mandate to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with new Shares with a total number not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 2,151,577,026 Shares were in issue. Subject to the passing of the proposed ordinary resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company between the Latest Practicable Date and the AGM, a maximum of 430,315,405 new Shares may be issued pursuant to the Issue Mandate. The Issue Mandate will expire on the earliest of (a) the conclusion of the next annual general meeting of the Company following the AGM; or (b) the date by which the next annual general meeting of the Company following the AGM is required to be held by the Articles of Association; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company following the AGM;
- (b) to grant a general mandate to the Directors to exercise the powers of the Company to repurchase Shares not exceeding 10% of the total number of Shares in issue as at the date of passing the relevant resolution. As at the Latest Practicable Date, the number of Shares in issue is 2,151,577,026 Shares. Subject to the passing of the proposed ordinary resolution approving the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Company may repurchase pursuant to the Repurchase Mandate a maximum of 215,157,702 Shares, being 10% of the total number of Shares in issue as at the date of passing of the resolution in relation thereof. The Repurchase Mandate will expire on the earliest of (a) the conclusion of the next annual general meeting of the Company following the AGM; or (b) the date by which the next annual general meeting of the Company following the AGM is required to be held by Cayman Companies Act or the Articles of Association; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company following the AGM; and
- (c) subject to the passing of the aforesaid ordinary resolutions of the Issue Mandate and the Repurchase Mandate, to extend the number of Shares to be allotted and issued under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

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## LETTER FROM THE BOARD

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In accordance with the Listing Rules, an explanatory statement is set out in Appendix II to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution in respect of the Repurchase Mandate at the AGM.

### PROPOSED RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board comprises four executive Directors namely Mr. LIU Dong, Mr. LIU Zongjun, Ms. YANG Qinyan and Mr. HE Han and two independent non-executive Directors namely Mr. LAM Kai Yeung and Mr. KWOK Pak Shing.

In accordance with Article 16.18 of the Articles of Association, at each annual general meeting of the Company one-third of Directors for the time being (or, if the number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. LIU Dong, Mr. LIU Zongjun and Mr. HE Han, shall retire from office by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election.

In order to identify suitable candidates as Directors, the Nomination Committee may search extensively for candidate from the Group, the human resources market or through referrals of other Directors. In assessing the suitability of a proposed candidate to be appointed as Director or Directors proposed to be re-elected at the general meetings of the Company, the Nomination Committee will, based on the nomination policy (the “**Nomination Policy**”) and board diversity policy (the “**Board Diversity Policy**”) of the Company, refer to the following factors when evaluating candidates, *inter alia*: reputation, the achievements and experience in the film and television, financial, legal, accounting or investment industries, the time available and the interests of the relevant parties, and the diversity of the Board (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and service tenure). After reviewing the qualifications of the candidate on the criteria for Director, the Nomination Committee then makes recommendation to the Board regarding the candidate as director of the Company and submits the relevant information to the Board prior to the appointment of new Director or Directors proposed to be re-elected at the general meetings of the Company.

For Directors who serve on multiple listed companies, the Company has not set any limitation on the maximum number of listed companies that an individual Director may serve. Instead, the Nomination Committee will make an assessment on a case-specific basis, having regard to the time commitments and attendance records of the relevant Director. Taking into consideration (a) each of Mr. LIU Dong, Mr. LIU Zongjun and Mr. HE Han does not serve on any other listed companies and (b) the high attendance records of Mr. LIU Dong, Mr. LIU



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## LETTER FROM THE BOARD

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Zongjun and Mr. HE Han at meetings of the Board and Board committees, the Nomination Committee is satisfied that each of Mr. LIU Dong, Mr. LIU Zongjun and Mr. HE Han is able to devote sufficient time and attention to the affairs of the Company.

The Nomination Committee and the Board had reviewed the structure and composition of the Board, the diversified educational background and professional experience in their expertise, and recommended the re-election for each of Mr. LIU Dong, Mr. LIU Zongjun and Mr. HE Han as executive Directors at the AGM.

Details of the above named Directors who are subject to re-election at the AGM are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 23 May 2024 to Tuesday, 28 May 2024, both days inclusive, during which period no share transfers can be registered. In order to be eligible for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 22 May 2024.

### **NOTICE OF ANNUAL GENERAL MEETING**

Set out on pages 17 to 21 of this circular is the notice of AGM at which, *inter alia*, ordinary resolutions will be proposed to the Shareholders to, among other things, consider and approve (i) the grant to the Directors of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; and (ii) the re-election of the retiring Directors.

### **FORM OF PROXY**

A form of proxy is enclosed herewith for use at the AGM. Such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.starrise.cn](http://www.starrise.cn)). Whether or not you intend to attend the AGM, you are requested to complete, sign and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. Sunday, 26 May 2024 at 2 p.m.) before the time fixed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish. If you attend and vote at the AGM, the authority of your proxy will be revoked.

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## LETTER FROM THE BOARD

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### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Article 13.6 of the Articles of Association, any vote of shareholders at a general meeting shall be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

On a poll, every Shareholder presents in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each Share registered in his/her name in the register. A Shareholder entitled to more than one vote need not use all his/her votes or cast all the votes he/she uses in the same way.

### 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.

### RECOMMENDATION

The Directors consider that the proposed resolutions set out in the notice of the AGM including (a) the Issue Mandate; (b) the Repurchase Mandate; (c) the Extension Mandate; and (d) the re-election of the retiring Directors are in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors, recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

### GENERAL

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

### MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully  
By order of the Board  
**A Metaverse Company**  
**LIU Dong**  
*Chairman*

*The following are the particulars of the Directors who are subject to re-election at the AGM (which are required to be disclosed under the Listing Rules).*

Save as disclosed herein, none of the following Directors holds any other positions with the Company or any of its subsidiaries nor any other directorships in listed public companies in the last three years.

Save as disclosed herein, none of the following Directors has any relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

In addition, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

## **DIRECTORS PROPOSED TO BE RE-ELECTED**

### **Executive Directors**

#### ***Mr. LIU Dong***

Mr. LIU Dong (劉東), aged 55, is the chairman of the Board and an executive Director appointed on 24 February 2010, and one of the Company's substantial shareholders. Mr. LIU has been with the Group since the acquisition of the equity interest of Zibo Yinshilai Textile Co., Ltd. (淄博銀仕來紡織有限公司) ("**Yinshilai Textile**") by Zibo Yinshan Chemical Fiber Co., Ltd. (淄博銀杉化纖有限公司) ("**Yinshan Chemical Fiber**") in June 2005. Mr. LIU is currently the legal representative and a director of Yinshilai Textile and was firstly appointed to such posts in September 2005. Mr. LIU was appointed as a Director on 24 February 2010. He is primarily responsible for overall business development, strategic planning and business development of the Group. Mr. LIU has accumulated more than 20 years of experience in the textile industry in the PRC, which can be traced back to 1996 when he was appointed as the general manager of Zibo Wanjie Fiber Co., Ltd. (淄博萬傑纖維有限公司). Mr. LIU had served as a deputy general manager of Zibo Wanjie Group Co., Ltd. (淄博萬傑集團有限公司), and subsequently as a director and general manager (between December 1998 and December 2001) and the chairman of the board of director (between December 2001 and November 2004) of Shandong Wanjie High-Tech Co. Ltd. (山東萬傑高科技股份有限公司) ("**Wanjie High-Tech**"). Mr. LIU studied in College of Textile Engineering of Shandong (山東紡織工學院) majoring in management and subsequently obtained a master of business administration degree from the Chinese Academy of Social Science in November 1998.

Mr. LIU was recognized as “Model Worker of the Textile Industry of the PRC” (全國紡織工業勞動模範) by the Ministry of Personnel of the PRC (中華人民共和國人事部) and China National Textile and Apparel Council (中國紡織工業協會) in 2006, “Outstanding Entrepreneur of the Zibo Municipality for the year 2006” (2006年度淄博市優秀企業家), “Outstanding Entrepreneur of the Zibo Municipality for the year 2008” (2008年度淄博市優秀企業家) and “Outstanding Entrepreneur of the Zibo Municipality for the year 2009” (2009年度淄博市優秀企業家) by the Zibo Municipal Committee of the Chinese Communist Party (中共淄博市委) and the People’s Government of Zibo Municipality (淄博市人民政府) in 2007 and 2010, respectively, “Star Entrepreneur of the Zibo Municipality for the year 2010” (2010淄博市明星企業家) by the Zibo Municipal Committee of the Chinese Communist Party (中共淄博市委) and the People’s Government of Zibo Municipality (淄博市人民政府) in 2011, “Outstanding Entrepreneur of the Shandong Province” (山東省優秀企業家) by Shandong Enterprise Confederation (山東省企業聯合會), Shandong Entrepreneur Association (山東省企業家協會), Shandong Industrial and Economics Confederation (山東省工業經濟聯合會) and Shandong Quality Association (山東省質量協會) in 2011, “Award for Outstanding Entrepreneurs of the Textile Industry of the Shandong Province” (山東省紡織企業家創業獎) by the Shandong Textile Industry Office (山東省紡織工業辦公室) and the Shandong Textile Enterprise Management Association (山東紡織企業管理協會) in 2007, one of the “Twelve Batch of Outstanding Young Entrepreneurs of the Zibo Municipality” (第十二屆淄博市傑出青年企業家) by the Zibo Municipal Committee of the Communist Youth League (共青團淄博市委), Zibo Municipal Economy and Trade Committee (淄博市經濟貿易委員會), the Zibo Municipal Administration for Industry and Commerce (淄博市工商行政管理局), the Zibo Municipal Department of Environmental Protection (淄博市環境保護局), the Zibo Municipal Association of Entrepreneur (淄博市企業家協會) and the Zibo Municipal Association of Young Entrepreneur (淄博市青年企業家協會) in 2007, “Outstanding Persons of the Textile Brand Culture Development of the PRC for the year 2010” (2010中國紡織品牌文化建設傑出人物) by China National Textile and Apparel Council (中國紡織工業協會) and the Chinese Association for Textile Enterprises Culture Construction (中國紡織企業文化建設協會) in 2010, and “Boshan Star Entrepreneur for the year 2008” (2008年度博山區明星企業家), “Boshan Star Entrepreneur for the year 2010” (2010年度博山區明星企業家) and “Boshan Star Entrepreneur for the year 2011” (2011年度博山區明星企業家) by the Boshan District Committee of the Chinese Communist Party (中共博山區委) and the People’s Government of Boshanm District (博山區人民政府) in 2009 and 2011, respectively. Mr. LIU is a representative of the Fourteenth People’s Congress of Zibo City (淄博市第十四屆人民代表大會).

Mr. LIU has renewed the service contract with the Company for a term of three years commencing on 12 April 2021 and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the service contract, Mr. LIU is entitled to a director’s remuneration of HK\$225,000 per annum, which has been determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities with the Company and prevailing market condition.

As at the Latest Practicable Date, Mr. LIU was deemed to be interested in 307,809,902 Shares (representing approximately 14.31% of the total issued share capital of the Company as at the Latest Practicable Date) with the meaning of Part XV of the SFO.

***Mr. LIU Zongjun***

Mr. LIU Zongjun (劉宗君), aged 53, is an executive Director appointed on 26 June 2012, and chief executive officer of the Company appointed on 1 April 2015. He joined the Group as assistant to the chairman of the board of directors, deputy general manager and manager of the human resources department of Zibo Yinshilai Textile Co., Ltd. (淄博銀仕來紡織有限公司) since April 2010.

Mr. LIU Zongjun is experienced in administrative management and has accumulated more than 20 years of experience in the textile industry. Between July 1993 and June 1994, Mr. LIU Zongjun worked in the Shanghai office of Weifang Economic and Trade Centre (濰坊經濟貿易中心) governed by the Shandong Weifang Municipality Economic Committee (山東濰坊市經濟委員會). Between September 1994 and October 2004, Mr. LIU Zongjun worked with Wanjie Group Co., Ltd. and held a series of positions including the role of executive in foreign economy and trade department of the Shanghai office, assistant to the general manager of Zibo Wanjie Fiber Co., Ltd. (淄博萬傑纖維有限公司) and assistant to the general manager and human resources manager of Shandong Wanjie High-Tech Co. Ltd. (山東萬傑高科技股份有限公司). Between October 2004 and April 2010, Mr. LIU Zongjun served as general manager of Zibo Tianhao Weaving and Dyeing Co., Ltd. (淄博天浩織染有限公司).

Mr. LIU Zongjun graduated from Shanghai Textile College (上海紡織高等專科學校) in July 1993, majoring in textile material chemical processing. He obtained a Bachelor's degree in Chinese literature from Shandong University of Technology (山東理工大學) in January 2007. He also obtained an Executive Master of Business Administration (EMBA) from Donghua University (東華大學) in December 2014.

Mr. LIU Zongjun entered into a service contract with the Company on 12 April 2021 for a term of three years, which may be terminated by not less than three months' notice in writing served by either party on the other. Mr. LIU Zongjun is entitled to receive emoluments of HK\$125,000 per annum plus a discretionary bonus as determined by the Board on the basis of his experience, performance, duties and market conditions.

As at the Latest Practicable Date, Mr. LIU does not have any interest in the Shares within the meaning of Part XV of the SFO.

**Mr. HE Han**

Mr. HE Han (何漢), aged 52, is an executive Director appointed on 8 November 2016 and is an experienced filmmaker and a member of board of directors of the Beijing Film Academy. He has been the president of Beijing Starrise Pictures Co., Ltd. (北京星宏影視文化有限公司) (formerly known as Beijing Yingsheng Cultural Investments Co., Ltd. (北京瀛晟文化投資有限公司)) since October 2015. Beijing Starrise Pictures Co., Ltd. is a wholly-owned subsidiary acquired by the Company in July 2016. Prior to joining the Group, Mr. HE Han served as the vice president of CITIC Culture Media Group (中信文化傳媒集團) and the chief director of the planning division of Century Heroes Film Investment Co., Ltd. (世紀英雄電影投資有限公司) from 2001 to 2005. Mr. HE Han also acted as the general manager of Beijing Airmidia Corporation Limited (北京航美影視文化有限公司), the president of Beijing Xinghe Lianmeng Entertainment Co., Ltd. (北京星河聯盟影視發行有限公司) and the publisher of the “Cinema World (電影世界)” magazine between 2005 and 2015. Mr. HE Han graduated from the Beijing Film Academy with a Bachelor’s degree in public service administration (film and television).

Mr. HE Han has entered into a service contract with the Company for a term of three years commencing from 8 November 2022, and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the service contract, Mr. HE Han is entitled to a director’s remuneration of HK\$10,000 per month, which has been determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities with the Company and prevailing market condition.

As at the Latest Practicable Date, Mr. HE was deemed to be interested in 16,254,000 Shares (representing approximately 0.76% of the total issued share capital of the Company as at the Latest Practicable Date) within the meaning of Part XV of the SFO.

*The following is an explanatory statement, as required by the Listing Rules, to provide you with the requisite information for your consideration of the Repurchase Mandate.*

### **LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase shares, either directly or indirectly, on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that (i) the shares of such company proposed to be repurchased must be fully paid up; (ii) such company must have previously sent to its shareholders an explanatory statement containing all the necessary information as required under Rule 10.06(1)(b) of the Listing Rules; and (iii) all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders at a general meeting duly held and convened, either by way of a general mandate or by specific approval of a particular transaction, in compliance with the requirements under Rule 10.06(1)(c) of the Listing Rules.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,151,577,026 Shares of nominal value of US\$0.01 each. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of AGM, the Company may repurchase pursuant to the Repurchase Mandate a maximum of 215,157,702 Shares which represent 10% of the total number of Shares in issue as at the date of passing of the relevant resolution at the AGM during the period ending on the earliest of (a) the conclusion of the next annual general meeting of the Company following the AGM; or (b) the date by which the next annual general meeting of the Company following the AGM is required to be held by the Cayman Companies Act or the Articles of Association; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company following the AGM.

### **REASONS AND FUNDING OF THE REPURCHASE OF SHARES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Memorandum of Association, the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands (including Cayman Companies Act). The Cayman Companies Act provides that the amount paid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Cayman Companies Act. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Company's Shares are repurchased in the manner provided for under the Cayman Companies Act.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the Repurchase Mandate were to be exercised in full at the current prevailing market value, it may not have a material adverse impact on the working capital or the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

#### **GENERAL**

To the best of their knowledge and belief, having made all reasonable enquiries, none of the Directors or any of their close associates, as defined in the Listing Rules, currently intends to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if the same is approved by the Shareholders and is exercised.

The Directors will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

No core connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is granted by the Shareholders at the AGM.

If, as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.



As at the Latest Practicable Date, to the best knowledge and belief of the Directors, each of Aim Right Ventures Limited (a limited liability company incorporated in the British Virgin Islands and wholly owned by Mr. LIU Zhihua) and Mr. LIU Zhihua was interested in 505,322,946 Shares, representing approximately 23.49% of the issued share capital of the Company, respectively. In the event that the Directors should exercise in full the Repurchase Mandate, the shareholding of each of Aim Right Ventures Limited and Mr. LIU Zhihua in the Company will be increased to approximately 26.10% of the issued share capital of the Company, respectively. To the best knowledge and belief of the Directors, such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in the number of Shares in public hands falling below the prescribed minimum percentage of 25%.

The Company confirms that neither this explanatory statement nor the proposed share repurchase has any unusual features.

Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

#### **SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the six months preceding the Latest Practicable Date.

## SHARE PRICES

The highest and lowest traded prices for the Shares recorded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest traded prices <i>HK\$</i></b>	<b>Lowest traded prices <i>HK\$</i></b>
<b>2023 (Note)</b>		
April	–	–
May	–	–
June	–	–
July	–	–
August	–	–
September	–	–
October	–	–
November	0.199	0.033
December	0.044	0.026
<b>2024</b>		
January	0.032	0.010
February	0.038	0.011
March	0.024	0.015
April (up to the Latest Practicable Date)	0.024	0.017

*Note:* Trading in the Shares on the Stock Exchange was suspended from 1 April 2022 to 3 November 2023 due to the delay in publication of the 2021 and 2022 annual results, and 2022 and 2023 interim results.

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**a metaverse company**

**A Metaverse Company**

**— 元 宇 宙 公 司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1616)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “AGM”) of A Metaverse Company (the “Company”) will be held at Room 1609, Building A, Cyberspace Mansion, Courtyard No.28, Xiaoyun Road, Chaoyang District, Beijing, the PRC on Tuesday, 28 May 2024 at 2 p.m. for the following purposes:

#### ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “Director(s)”) and auditor of the Company (the “Auditor”) for the year ended 31 December 2023.
2. (a) To re-elect the following persons as Directors:
  - (i) Mr. LIU Dong, as an executive Director;
  - (ii) Mr. LIU Zongjun, as an executive Director; and
  - (iii) Mr. HE Han, as an executive Director.(b) To authorise the board of Directors (the “Board”) to fix their remuneration.
3. To re-appoint Moore CPA Limited as the Auditor and to authorise the Board to fix their remuneration.
4. To consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:
  - (A) “**THAT:**
    - (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the

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Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the total number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined) or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the total number of shares of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly;
- (iv) for the purpose of this resolution:
  - (a) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
    - (1) the conclusion of the next annual general meeting of the Company;
    - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and

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- (3) 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
- (b) “**Rights Issue**” means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the capital of the Company whose names appear on the register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”
- (B) “**THAT**:
- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued Shares in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) shall be in addition to any other authorization given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to purchase its Shares at a price determined by the Directors;
- (iii) the total number of shares of the Company which are authorized to be purchased by the Directors pursuant to the approval in paragraph (i) above shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and

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(iv) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and
- (3) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**THAT** conditional upon the passing of resolutions 4(A) and 4(B) above, the general mandate to the Directors pursuant to resolution 4(A) be and is hereby extended by the addition thereto of an amount representing the total number of shares of the Company purchased by the Company under the authority granted pursuant to the resolution 4(B), provided that such amount shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing this resolution.”

By order of the Board  
**A Metaverse Company**  
**LIU Dong**  
*Chairman*

Beijing, the PRC, 25 April 2024

*Notes:*

- (i) Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on behalf of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy needs not be a shareholder of the Company.
- (ii) In the case of joint holders, any one of such persons may vote at the above meeting (or at any adjournment thereof), 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 any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

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- (iii) In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours (i.e. Sunday, 26 May 2024 at 2 p.m.) before the time appointed for the holding of the AGM or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the AGM (or any adjourned meeting thereof) if they so wish.

For determining the entitlement for attending and voting at the AGM, the register of members of the Company will be closed from Thursday, 23 May 2024 to Tuesday, 28 May 2024, both days inclusive, during which period no share transfers can be registered. In order to be eligible for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 22 May 2024.

- (iv) In respect of ordinary resolution 2 above, Mr. LIU Dong, Mr. LIU Zongjun and Mr. HE Han shall retire from office by rotation and be eligible for re-election at the AGM. Details of the above retiring Directors are set out in Appendix I to the accompanied circular dated 25 April 2024 (the "Circular").
- (v) In respect of ordinary resolution 4(A) above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the shareholders as a general mandate for the purposes of the Listing Rules.
- (vi) In respect of ordinary resolution 4(B) above, the Directors wish to state that they will exercise the powers conferred by the Repurchase Mandate of the Company in circumstances which they deem appropriate for the benefits of shareholders as a whole. The explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the Circular.
- (vii) Ordinary resolution 4(C) will be proposed to the shareholders for approval provided that ordinary resolutions 4(A) and 4(B) are passed by the shareholders of the Company.

*As at the date of this notice, the Board comprises six Directors, namely Mr. LIU Dong, Mr. LIU Zongjun, Ms. YANG Qinyan and Mr. HE Han as executive Directors; and Mr. LAM Kai Yeung and Mr. KWOK Pak Shing as independent non-executive Directors.*