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## LETTER FROM THE BOARD

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**Tian Ge Interactive Holdings Limited**

**天 鵠 互 動 控 股 有 限 公 司**

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

**(Stock Code: 1980)**

*Executive Directors:*

Mr. Fu Zhengjun (*Chairman*)

Mr. Mai Shi'en

Mr. Zhao Weiwen

*Non-executive Director*

Ms. Cao Fei

*Independent non-executive Directors:*

Mr. Tse Ming Lun Alan

Mr. Wang Mingchun

Mr. Lam Yick Man

*Registered Office:*

Grand Pavilion

Hibiscus Way

802 West Bay Road

P.O. Box 31119

KY1-1205

Cayman Islands

*Headquarters*

13-14/F

Intime City Tower E

Gongshu District

Hangzhou, PRC

*Principal place of business in Hong Kong:*

31/F, Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

18 December 2025

*To the Independent Shareholders*

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF  
TRUESENSE TRADING LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
TIAN GE INTERACTIVE HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
OR TO BE ACQUIRED BY  
TRUESENSE TRADING LIMITED, MS. HONG YAN, MR. FU  
ZHENGJUN AND BLUEBERRY WORLDWIDE HOLDINGS LIMITED)**

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## LETTER FROM THE BOARD

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### INTRODUCTION

Reference is made to the Joint Announcement.

The Company was informed by the Offeror that on 28 October 2025, the Offeror acquired the Acquisition Shares (i.e. 20,000,000 Shares which represent approximately 1.80% of the total number of the issued share capital of the Company as at the Latest Practicable Date) on the secondary market. The total consideration for the Acquisition Shares is HK\$13,597,870.

Immediately after the Acquisition, the Offeror and parties acting in concert with it (including Mr. Fu's direct and deemed interests in the Shares but excluding Sina's interests in the Shares) are in aggregate interested in a total of 350,895,000 Shares (representing approximately 31.63% of the total number of the issued share capital of the Company). Pursuant to Rule 26.1 of the Takeovers Code, after the Acquisition, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or to be acquired by the Offeror, Ms. Hong, Mr. Fu and Blueberry Worldwide).

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things: (i) the details of the Offer; (ii) the information relating to the Group, the Offeror, Ms. Hong, Mr. Fu and Blueberry Worldwide; (iii) the letter from Astrum Capital containing, among others, the details of the Offer; (iv) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer; and (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer.

Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

### INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising comprises the sole non-executive Director, namely, Ms. Cao Fei, and all the independent non-executive Directors, namely, Mr. Tse Ming Lun Alan, Mr. Wang Mingchun and Mr. Lam Yick Man, has been established to advise the Independent Shareholders in connection with the Offer and in particular as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Red Sun Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Offer and in particular as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. The appointment of Red Sun Capital Limited has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

You are advised to read the "Letter from the Independent Board Committee" addressed to the Independent Shareholders, the "Letter from the Independent Financial Adviser" and the additional information contained in the appendices to this Composite Document before taking any action in respect of the Offer.

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## LETTER FROM THE BOARD

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### THE OFFER

Astrum Capital is, for and on behalf of the Offeror, making the Offer to acquire all the Offer Shares (other than those already owned or to be acquired by the Offeror, Ms. Hong, Mr. Fu and Blueberry Worldwide) in compliance with the Takeovers Code and on the terms to be set out in this Composite Document on the following basis:

**For each Offer Share . . . . . HK\$0.68 in cash**

The Offer Price of HK\$0.68 per Offer Share is equal to the highest price per Acquisition Share paid by the Offeror under the Acquisition.

The Offer is unconditional in all respects.

The Offeror confirms that the Offer Price is final and will not be increased.

The Company confirms that as at the Latest Practicable Date: (i) it has not declared any dividend which is not yet paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the Closing Date. If, after the Latest Practicable Date, any dividend or other distribution is declared, made or paid in respect of the Offer Shares, the Offeror must reduce the Offer consideration by an amount equal to that dividend (or other distribution) so that the overall value receivable by the Shareholders remains the same pursuant to Note 11 to Rule 23.1 of the Takeovers Code.

Further details regarding the Offer, including the terms and procedures for acceptance of the Offer, are set out in the “Letter from Astrum Capital” and Appendix I to this Composite Document and the accompanying Form of Acceptance.

### INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information on the Offeror, Ms. Hong, Mr. Fu and Blueberry Worldwide” in the “Letter from Astrum Capital” in this Composite Document for information on the Offeror.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 1980). The Group is principally engaged in the operating of online interactive entertainment services and other services in the Middle East, the PRC and other global regions.

Set out below is the summary of the financial information of the Group for the financial years ended 31 December 2023 and 2024 as extracted from the annual report of the Company for the year ended 31 December 2024, and for the six months ended 30 June 2025 as extracted from the interim report of the Company for the six months ended 30 June 2025:

	For the year ended 31 December		For the six months ended 30 June
	2023	2024	2025
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
	(audited)	(audited)	(unaudited)
Revenue	67,621	10,160	32,425
Profit/(Loss) before income tax	(123,778)	26,177	(30,682)
Profit/(Loss) for the year/period	(135,052)	19,916	(24,647)

  

	As at 31 December		As at 30 June
	2023	2024	2025
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
	(audited)	(audited)	(unaudited)
Total assets	2,560,083	2,619,747	2,576,344
Total equity	2,252,984	2,234,497	2,179,046

Your attention is also drawn to Appendices II and V to this Composite Document which contain further financial and general information of the Group.

In deciding whether or not to accept the Offer, the Independent Shareholders should consider the qualified opinion issued by the independent auditors of the Company on the consolidated financial statements of the Group for the years ended 31 December 2023 and 2024.

The following is an extract of the independent auditor's report on the Group's financial statements for the years ended 31 December 2023 and 2024:

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## LETTER FROM THE BOARD

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**For the financial year ended 31 December 2023**

***“Our qualified opinion***

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

***Basis for Qualified Opinion***

As explained in note 3.3 and note 21(h) to the consolidated financial statements, the Group has an investment in certain equity securities<sup>(Note)</sup> listed on the Main Board of the Stock Exchange of Hong Kong Limited. This investment is accounted for as financial assets at fair value through profit or loss in the consolidated balance sheet. As at 31 December 2023, the carrying amount of the Group’s investment in the equity securities was RMB17,584 thousand, and the Group recognised a fair value loss of RMB27,247 thousand for the year then ended.

The trading of the above-mentioned equity securities was suspended in April 2023 and has not resumed. Management assessed the fair value of the Group’s investment in these equity interests as at 31 December 2023 using a market approach by benchmarking to the median share price decline ratio, between the dates of trading suspension and trading resumption, of certain selected companies listed on the Stock Exchange of Hong Kong Limited that have experienced share trading suspension and resumption.

Management, however, was unable to provide evidence about the appropriateness of the selection of companies to support the reasonableness of the median share price decline ratio. We were unable to obtain sufficient appropriate audit evidence we considered necessary to assess the reasonableness of the median share price decline ratio adopted in management’s assessment of the fair value of the Group’s investment in the equity securities. Consequently, we were unable to determine whether any adjustments might be necessary to the carrying amount of the Group’s investment included in financial assets at fair value through profit or loss as at 31 December 2023 and the amount of fair value loss included in other losses, net for the year ended 31 December 2023.

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

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## LETTER FROM THE BOARD

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**For the financial year ended 31 December 2024**

### *Qualified Opinion*

“We have audited the consolidated financial statements of Tian Ge Interactive Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 129 to 288, which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated statement of comprehensive income/loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### *Basis for Qualified Opinion*

As explained in Notes 3.3 and 21 to the consolidated financial statements, the Group has an investment in certain equity securities<sup>(Note)</sup> listed on the Main Board of the Stock Exchange of Hong Kong Limited (“**SEHK**”). However, that equity securities was suspended for trading since April 2023 and its listing on the Main Board of the SEHK had been cancelled on 16 December 2024. This investment is accounted for as financial assets at fair value through profit or loss (“**FVTPL**”) in the consolidated balance sheet. As at 31 December 2023 and 2024, the carrying amount of the Group’s investment in the equity securities was RMB17,584 thousand and RMB2,778 thousand, respectively, and the Group recognised a fair value loss of RMB27,247 thousand and RMB15,105 thousand for the years ended 31 December 2023 and 2024, respectively.

As at 31 December 2023, the management assessed the fair value of the Group’s investment in the equity securities using a market approach by benchmarking to the median share price decline ratio, between the dates of trading suspension and trading resumption, of certain selected companies listed on the SEHK that have experienced share trading suspension and resumption.

As set out in predecessor auditor’s report dated 28 March 2024 on the Group’s consolidated financial statements for the year ended 31 December 2023, the predecessor auditor had qualified its opinion due to the management was unable to provide evidence about the appropriateness of the selection of comparable companies to support the reasonableness of the median share price decline ratio adopted in the assessment of the fair value of the abovementioned equity securities. The predecessor auditor was unable to obtain sufficient appropriate audit evidence it considered necessary to assess the reasonableness of the median share price decline ratio adopted in the management’s assessment of the fair value. Consequently, the predecessor auditor was unable to determine whether any adjustments might be necessary to the fair value of the Group’s investment included in financial assets at FVTPL as at 31 December 2023 and the amount of fair value loss included in other gains/(losses), net for the year ended 31 December 2023.

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## LETTER FROM THE BOARD

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Despite the above, given the lack of sufficient appropriate audit evidence to assess the appropriateness of the key assumptions adopted by the management in its previous year's assessments of the valuation of that equity securities, as of the date of this report, we were unable to determine whether any adjustments were necessary to the opening balances of the Group's investment in that equity securities as at 1 January 2024. Any adjustments to the opening balances of the fair value of the Group's investment in that equity securities as at 1 January 2024 could have a significant consequential effect on the consolidated statement of comprehensive income/loss as reported by the Group for the year ended 31 December 2024 and its corresponding figures for the year ended 31 December 2023. There were no other satisfactory audit procedures that we could perform to determine whether any adjustments to the fair value change included in other gains/(losses), net recognised in the consolidated statement of comprehensive income/loss for the year ended 31 December 2024 were necessary.

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (“**IESBA Code**”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.”

*Note:* The equity securities pertain to Huafang Group Inc. (stock code: 03611) which was listed on the Main Board of the Stock Exchange.

Pursuant to Note 3 to Rule 2 of the Takeovers Code, the Board would like to draw the attention of the Independent Shareholder to the qualified opinion issued by PricewaterhouseCoopers and Deloitte Touche Tohmatsu on the consolidated financial statements of the Group for the years ended 31 December 2023 and 2024, respectively.

As disclosed in the annual report of the Company for the year ended 31 December 2024, while the management understands and accepts the limitation on the auditor's audit, it is of the view that the market approach adopted by the Company was an acceptable and the only practical method to assess the fair value of the Group's investment in shares of Huafang Group Inc. (the “**Relevant Shares**”). The Company expects the audit limitations relating to the Relevant Shares to have the effect of comparability of the relevant financial information presented in the consolidated financial statements for the year ending December 31, 2025 as its then comparative figures in the consolidated statement of comprehensive income/loss for the year ended December 31, 2024, and barring any unforeseen circumstances, the management expects the auditor to cease issuing qualified opinions for the year ending December 31, 2026. Based on the foregoing, the Board considers that the qualified opinions issued by PricewaterhouseCoopers and Deloitte Touche Tohmatsu would not have any material implication on the Offer and the Company.

The Independent Shareholders are advised to take into account the foregoing and consider carefully the terms of the Offer. If the Independent Shareholders decide not to accept the Offer, they should be aware of the potential risks associated with the uncertainties in consolidated financial statements of the Group for the years ended 31 December 2023 and 2024.

## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately prior to the Acquisition; (ii) immediately following the Acquisition; and (iii) as at the Latest Practicable Date:

	Immediately prior to the Acquisition		Immediately after the Acquisition		As at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>Approximately % (Note 8)</i>	<i>Number of Shares</i>	<i>Approximately % (Note 8)</i>	<i>Number of Shares</i>	<i>Approximately % (Note 8)</i>
Blueberry Worldwide						
(Note 1)	330,695,000	29.81	330,695,000	29.81	330,695,000	29.81
Mr. Fu (Note 1)	200,000	0.02	200,000	0.02	200,000	0.02
Offeror (Note 2)	–	–	20,000,000	1.80	55,286,000	4.98
Sina (Note 3)	300,000,000	27.04	300,000,000	27.04	300,000,000	27.04
the Offeror and parties						
acting in concert with it	630,895,000	56.87	650,895,000	58.67	686,181,000	61.85
Mr. Mai (Note 4)	4,050,000	0.37	4,050,000	0.37	4,050,000	0.37
Mr. Zhao (Note 5)	1,105,203	0.10	1,105,203	0.10	1,105,203	0.10
<b>Public Shareholders</b>						
Xinshow Limited (Note 6)	62,381,197	5.62	62,381,197	5.62	62,381,197	5.62
Other public Shareholders (Note 6)	410,958,762	37.04	390,958,762	35.24	355,672,762	32.06
<b>Total</b>	<b>1,109,390,162</b>	<b>100.00</b>	<b>1,109,390,162</b>	<b>100.00</b>	<b>1,109,390,162</b>	<b>100.00</b>

Notes:

1. UBS Trustees (B.V.I.) Limited, the trustee of Mr. Fu's Trust, holds the entire issued share capital of Three-Body Holdings Ltd through its nominee, UBS Nominee Limited. Three-Body Holdings Ltd holds the entire issued share capital of Blueberry Worldwide. Blueberry Worldwide in turn holds 330,695,000 Shares. Mr. Fu's Trust is a discretionary trust established by Mr. Fu (as the settlor) and the discretionary beneficiaries of which are Mr. Fu and his family members. Accordingly, each of Mr. Fu, UBS Trustees (B.V.I.) Limited, Three-Body Holdings Ltd and Blueberry Worldwide is deemed to be interested in 330,695,000 Shares held by Blueberry Worldwide.
2. The Offeror is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Ms. Hong. Ms. Hong is deemed to be interested in 55,286,000 Shares held by the Offeror as at the Latest Practicable Date. In addition, Ms. Hong is the spouse of Mr. Fu, and is deemed to be interested in 330,895,000 Shares which Mr. Fu is interested in.
3. As at the Latest Practicable Date, Sina was ultimately owned as to approximately 61.24% by Mr. Charles Guowei Chao and was interested in 300,000,000 Shares (representing approximately 27.04% of the total number of the issued share capital of the Company). Given that both Mr. Fu and Sina are interested in 20% or more of the voting rights in the Company, Mr. Fu and Sina are presumed to be acting in concert in respect of the Company pursuant to class (1) to the definition of acting in concert under the Takeovers Code.



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4. Mr. Mai is an executive Director.
5. Mr. Zhao is an executive Director and the chief executive officer of the Company.
6. Xinshow Limited, the nominee to the trustee of the 2024 Share Scheme, is wholly owned by TCT (BVI) Limited, which is in turn wholly owned by The Core Trust Company Limited. Therefore, TCT (BVI) Limited and The Core Trust Company are deemed to be interested in 66,412,002 Shares held by Xinshow Limited. As at the Latest Practicable Date, amongst such 66,412,002 Shares, (i) 500,000 Shares are to be used to satisfy the unvested share awards granted to an employee of the Group under the 2024 Share Scheme; (ii) 61,881,197 Shares are to be used to satisfy future grants of share awards under the 2024 Share Scheme (as disclosed in the circular of the Company dated 6 June 2024, a total of 63,113,000 restricted share units (“RSU(s)”) were being held by an independent trustee to the Post-IPO RSU scheme of the Company adopted on 16 June 2014 (and subsequently amended on 30 March 2021) (“Excess Shares”) pending future grants. The Excess Shares were a result of a series of on-market purchases made in prior years and remain to be granted to eligible participants. Among the 63,113,000 RSUs, there were grants of 500,000 RSUs on 28 March 2025 and 880,000 RSUs on 10 October 2024. In addition, 148,197 RSUs have been cancelled, resulting in a total of 61,881,197 Shares retained for the purposes of satisfying future grants as at the Latest Practicable Date); and (iii) the remaining 4,030,805 Shares are held in respect of vested share awards under the 2024 Share Scheme and the post-IPO restricted share unit scheme of the Company approved and adopted on 16 June 2014 (and subsequently amended on 30 March 2021) which have not been transferred to the share award holders yet due to administrative reasons. As the relevant share award holders may deal with the Shares in respect of the vested share awards themselves directly, such 4,030,805 Shares are not included in the Shares held by Xinshow Limited and instead are included in the Shares held by other Shareholders in the table above. There have been no dealings in the securities of the Company by Xinshow Limited in the six months immediately prior to the Latest Practicable Date.
7. Save for Mr. Fu and Mr. Mai, none of the other Directors hold any Shares.
8. Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

### INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed “Intentions of the Offeror in relation to the Group” in the “Letter from Astrum Capital” in this Composite Document. After the Acquisition, the Offeror and Mr. Fu have become the controlling Shareholders (as defined under the Listing Rules). The Group is principally engaged in the operating of online interactive entertainment services and other services in the Middle East, the PRC and other global regions. The Offeror will conduct a review of the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

Save for the Offeror’s intention regarding the Group as set out above, the Offeror has no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business. The Offeror also intends to continue the existing principal business of the Group immediately after the Acquisition and has no intention to downsize, cease, or dispose of any of the existing business of the Group.

The Board is willing to cooperate with the Offeror and act in the best interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The sole director of the Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, such as disposal of Shares held by the Offeror or parties acting in concert with it for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

### RECOMMENDATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” as set out on page 28 to page 29 of this Composite Document which contains its recommendation to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to their acceptance of the Offer; and (ii) the “Letter from the Independent Financial Adviser” as set out on page 30 to 50 of this Composite Document which contains its advice to the Independent Board Committee in connection with the Offer and the principal factors considered by it in arriving at its advice.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to the Composite Document. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I “Further terms and procedures for acceptance of the Offer” to the Composite Document and the accompanying Form of Acceptance.

In considering what action to take in connection with the Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your professional advisers.

Yours faithfully,

For and on behalf of the Board of  
**Tian Ge Interactive Holdings Limited**

**Fu Zhengjun**

*Chairman*

