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 中國創意  
**Creative China**  
**Creative China Holdings Limited**  
中國創意控股有限公司

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

(Stock code: 8368)

**DISCLOSEABLE TRANSACTION  
ACQUISITION OF THE TARGET ASSET  
INVOLVING THE ISSUE OF CONSIDERATION SHARES  
UNDER THE GENERAL MANDATE**

**INTRODUCTION**

The Board is pleased to announce that on 27 May 2021 (after trading hours of the Stock Exchange), the Vendor, the Company and the Purchaser, an indirect non-wholly owned subsidiary of the Company, entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Target Asset at the Consideration of RMB14,000,000 which will be settled in the following manner on the Completion Date: (i) the amount of RMB4,000,000 out of the Consideration to be set off against the Deposit in the amount of RMB4,000,000 which had been paid by the Purchaser to the Vendor under the Operation Agreement; and (ii) the amount of RMB10,000,000 out of the Consideration to be satisfied by the allotment and issue of the Consideration Shares by the Company to the Vendor or its nominees at the Issue Price.

The Consideration Shares represents (i) approximately 4.74% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.53% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change in the issued share capital of the Company between the date of this announcement and the Completion).

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares will be allotted and issued pursuant to the General Mandate and are not subject to the approval of the Shareholders. The Consideration Shares, when allotted and issued, shall rank *pari passu* with the Shares in issue.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As the highest applicable percentage ratio (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Acquisition is more than 5% but less than 25% and the part of the Consideration will be satisfied by the allotment and issue of the Consideration Shares, the Acquisition constitutes a discloseable transaction and share transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

**Shareholders and potential investors of the Company should note that the completion of the Acquisition is subject to the fulfillment (or waiver, if applicable) of certain Conditions Precedent under the Agreement, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

The Board is pleased to announce that on 27 May 2021 (after trading hours of the Stock Exchange), the Vendor, the Company and the Purchaser, an indirect non-wholly owned subsidiary of the Company, entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Target Asset at the Consideration of RMB14,000,000.

## **THE AGREEMENT**

Principal terms of the Agreement are summarised as follows:

- Date** : 27 May 2021 (after trading hours of the Stock Exchange)
- Parties** : (a) Idol Entertainment Limited (愛豆娛樂有限公司) as the Vendor;
- (b) Beijing Yiju Creative Technology Limited\* (北京易聚創意科技有限公司) as the Purchaser; and
- (c) Creative China Holdings Limited (中國創意控股有限公司).

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, each of the Vendor, its shareholders and its ultimate beneficial owners is an Independent Third Party.

**Target Asset** : All assets pertinent to the Mobile APP (a social media platform which connects users with artists by distributing lifestyle and entertainment content and information, and offers advertising services and marketing solutions to customers) developed and owned by the Vendor, including, among others, its business, ownership, operating rights and the Intellectual Property Rights.

### **Consideration**

The Consideration in the total sum of RMB14,000,000 (equivalent to approximately HK\$16,800,000) shall be settled in the following manner on the Completion Date:

- (i) RMB4,000,000 (equivalent to approximately HK\$4,800,000) out of the Consideration to be set off against the Deposit in the amount of RMB4,000,000 which had been paid by the Purchaser to the Vendor under the Operation Agreement; and
- (ii) RMB10,000,000 (equivalent to approximately HK\$12,000,000) out of the Consideration to be satisfied by the allotment and issue of the Consideration Shares by the Company to the Vendor or its nominees at the Issue Price.

The Consideration was arrived at after arm's length negotiation among the Parties having taken into account: (i) the valuation with the appraised value of the Mobile APP as at 30 April 2021 of RMB14,957,000 carried out by Valplus Consulting Limited, an independent and qualified valuer engaged by the Company; and (ii) other factors as set out in the paragraph headed "Reasons for and benefits of the Acquisition" in this announcement.

The Consideration Shares represent (i) approximately 4.74% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.53% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (the "**Shareholding Ratio**") (assuming that there is no other change in the issued share capital of the Company between the date of this announcement and the Completion).

The Issue Price of HK\$0.16 represents:

- (i) a premium of approximately 122.22% to the closing price of HK\$0.072 per Share as quoted on the Stock Exchange on the date of the Agreement;
- (ii) a premium of approximately 120.39% to the average closing price of HK\$0.0726 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Agreement; and
- (iii) a premium of approximately 126.31% to the average closing price of HK\$0.0707 per Share as quoted on the Stock Exchange for the ten consecutive trading days of the Shares immediately prior to the date of the Agreement.

In circumstances where there is any alteration of the number of the issued Shares by reason of any consolidation or subdivision during the period from the date of the Agreement to the Completion Date, the number of the Consideration Shares and the Issue Price may be adjusted proportionally so that the Shareholding Ratio shall remain unchanged.

### **Conditions Precedent**

Completion is conditional upon the following Conditions Precedent being fulfilled or waived by the Purchaser in writing (as the case may be):

- (i) all necessary consents, confirmations, permits, approvals (including approval of the Acquisition by the Shareholders, if required) and authorisations under the GEM Listing Rules and other regulatory regime having been granted to and/or obtained by the Purchaser (collectively, the “**Necessary Approvals**”), and the Necessary Approvals having remained valid and effective, and not being threatened with any revocation, withdrawal, cancellation or suspension at any time prior to Completion;
- (ii) the GEM Listing Committee having approved the listing of and dealing in the Consideration Shares, and such approval shall not be threatened with any revocation, withdrawal or cancellation at any time prior to Completion;
- (iii) the Purchaser having completed due diligence exercise on the Target Asset and reasonably being satisfied with the results thereof;
- (iv) no events having been occurred that would result in any material adverse effect on the Target Asset up to the Completion Date; and
- (v) all the representations, warranties and undertakings given by the Vendor under the Agreement remaining true and accurate in all material aspects up to Completion Date.

The Purchaser may waive any of the Conditions Precedent referred to in paragraphs (iii) to (v) above at any time before the Completion by written notice to the Vendor. Save as aforesaid, none of the other Conditions Precedent above is capable of being waived.

If any of the above Conditions Precedent has not been fulfilled or waived at or before 5:00 p.m. Hong Kong time on the Long Stop Date, all rights and obligations of the Parties under the Agreement shall cease and terminate (save for the provisions on interpretation, rescission, confidentiality and restriction on announcements, costs and expenses, miscellaneous, notices and governing law and jurisdiction which shall remain in full force and effect), and no Party shall have any claim against the others save for claim (if any) in respect of such continuing provisions or any antecedent breach thereof.

### **Completion**

Subject to the fulfilment or waiver (as the case may be) of all the Conditions Precedent, the Completion shall take place on the Completion Date.

Pursuant to the Agreement, the Vendor undertakes that:

- (i) within three (3) months from the Completion Date, the Vendor shall not sell, or otherwise transfer or dispose of, either directly or indirectly, any Consideration Shares without the prior written consent of the Purchaser; and
- (ii) within thirty-six (36) months from the Completion Date, the Vendor and its controlling shareholders shall not directly or indirectly, carry on, participate in or engage in, or provide any form of assistance to any person to conduct any business which, directly or indirectly, competes or may compete with the business presently carried out through the Target Asset.

Upon Completion, all rights and obligations of the parties under the Operation Agreement shall cease and terminate with immediate effect.

Following the Completion, the Vendor shall assist the Purchaser in the registration of software copyright and trademark or any other Intellectual Property Rights (if applicable) in relation to the Target Asset.

## **INFORMATION OF THE VENDOR AND THE TARGET ASSET**

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the business of internet and related services, software and information technology services and development of e-commerce technologies. As at the date of this announcement, the Vendor is owned as to 50% by Mr. Li Liang (李亮) and 50% by Ms. Xiao Lin (肖林) respectively, both of whom are individual investors, and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor, Mr. Li Liang and Ms. Xiao Lin are all Independent Third Parties.

The Group has been authorized to act as an exclusive agent for the operation and marketing of the Mobile APP in Greater China since 2019. Pursuant to the Operation Agreement, the Purchaser (as the licensee) is responsible for the operation and marketing of the Mobile APP and the Vendor (as the licensor) is responsible for providing technical support to the Purchaser, including but not limited to setting up the hardware and software infrastructures for the Mobile APP and making necessary modifications to the Mobile APP, and the Vendor and the Purchaser are entitled to 30% and 70% of the gross income derived from the Mobile APP respectively. However, the Vendor has agreed to forfeit the entitled sharing for the period between 1 January 2020 and up to 31 May 2021 the unaudited amount of which is expected to be approximately RMB5,612,000.

The Mobile APP is a mobile application for fanbase building in provision of interactions between artists and fans by sending push notifications, sharing exclusive news, varieties of fans loyalty activities as well as serving as an e-commerce integration platform in purchasing loyalty gifts and merchandise and online bookings for fans-related activities, music concerts and various campaigns, it also provides analytics function to the artiste management on fans responses.

The Mobile APP provides official fans page and connects with fans to provide them with the artistes' shows schedule (e.g. live performance, commercial activities, filming and fans-related activities and campaigns). It also provides chatrooms to the fans, sometimes in real-time conversations with the artistes, official information background of the artistes, awards, posting of artistes' photography, supplies of online fans poll and web linkage to the past entertainment performances of the artistes, including television programs, films, music and others.

Additionally, in order to encourage the philosophy of healthy living and strength the joy of use, the Mobile APP may generate an AR animation idol to encourage the healthy dining, reading, sleeping, jogging and singing which allows the users to enjoy the immersive AR environment by performing the prescribed postures.

The Mobile APP also encourages the users to join as members of fans club so as to enjoy members' privilege to access into the pictures of the artistes' daily lives, receiving personal messages from the artistes and watching videos or live streaming of the artistes, which may bring fans and artistes even closer to each other.

The Mobile APP is accessible by downloading from the Apple Store in the PRC and overseas. The Mobile APP is not exclusively to the contracted artistes of the Group and it also encourages and welcomes other artistes to cooperate and join the Mobile APP on a profit-sharing basis with the Group.

## **INFORMATION OF THE PURCHASER, THE COMPANY AND THE GROUP**

The Purchaser is a company incorporated in the PRC with limited liability and principally engaged in the provision of mobile live broadcasting, e-commerce services and program production in the PRC. As at the date of this announcement, the Company indirectly owns 80% equity interest in the Purchaser, and to the best knowledge, information and belief of the Directors after making reasonable enquiries, the remaining 20% equity owners of the Purchaser are all Independent Third Parties.

The Company is an exempted company with limited liability incorporated in the Cayman Islands, the shares of which are listed on GEM. The Group is principally engaged in the businesses of: (i) program production, film and television program pre-production, distribution and related services; (ii) concert and event organization; (iii) mobile live broadcasting and e-commerce; and (iv) artist management.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The mobile live broadcast and e-commerce business, being one of the core businesses of the Group, encompasses internet program development, promotion, e-commerce, entertainment content production, publicity and related services. Over the years, the Group has established an experienced team and has an extensive business collaboration resources within the mobile live broadcast and e-commerce sector.

In view of the economic growth and growing population of young groups in the PRC which form the key driving forces for entertainment spending in the PRC, the Board is optimistic in the entertainment business and especially the potential growth in fans economy in the PRC. The Group has been continuing to work on the development of mobile application and expansion planning of online fans and artistes in order to generate more revenue to the Group. The Board believes that the Acquisition represents a good opportunity for the Group to have full ownership, management and operating rights to freely edit and develop the Mobile APP to unlock its full potential. The Acquisition will enable the Group to promote and enrich its exposure and enhance its reputation and market shares in artiste management and entertainment industry in the PRC.

The Board (including the independent non-executive Directors) is of the view that terms and conditions (including the Consideration) of the Agreement are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors have any material interest in the Agreement and the transaction contemplated thereunder and none of them abstained from voting on the relevant Board resolutions.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion assuming there will be no change in the total number of issued Shares between the date of this announcement and the Completion:

Name of shareholders	As at the date of this announcement		Immediately upon Completion	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Youth Success Holdings Limited (“ <b>Youth Success</b> ”) (Note 1)	406,890,000	25.73%	406,890,000	24.56%
Guang Rui Investments Limited (“ <b>Guang Rui</b> ”) (Note 1)	12,972,000	0.82%	12,972,000	0.78%
Goldbless International Limited (“ <b>Goldbless</b> ”) (Notes 1 and 2)	382,500,000	24.18%	382,500,000	23.09%
Mr. Wu Jian	158,064,516	9.99%	158,064,516	9.54%
Alpha Master Global Limited (“ <b>Alpha Master</b> ”) (Note 1)	50,388,000	3.19%	50,388,000	3.04%
Qiao Tian Limited (“ <b>Qian Tian</b> ”) (Note 1)	27,090,000	1.71%	27,090,000	1.64%
The Vendor	–	–	75,000,000	4.53%
Other public shareholders	543,673,043	34.38%	543,673,043	32.82%
<b>Total</b>	<b>1,581,577,559</b>	<b>100%</b>	<b>1,656,577,559</b>	<b>100%</b>

### Notes:

- As at the date of this announcement, Youth Success and Guang Rui owns 406,890,000 Shares and 12,972,000 Shares respectively, representing 25.73% and 0.82% of the issued share capital of the Company. The issued share capital of Youth Success is legally and beneficially owned as to 83.54% by Guang Rui. Under the SFO, Guang Rui is deemed to be interested in all the Shares registered in the name of Youth Success. The entire issued share capital of Guang Rui is legally and beneficially owned as to 60% by Mr. Yang Shaoqian (“**Mr. Yang**”) and 40% by Ms. Mu Sufang (“**Ms. Mu**”). Ms. Mu is the spouse of Mr. Yang, therefore under the SFO she is deemed to be interested in all the Shares in which Mr. Yang is deemed to be interested, and vice versa. By virtue of the shareholders voting agreement entered into by Mr. Yang, Ms. Mu, Youth Success, Mr. Li Lin, Alpha Master, Ms. Yang Qi, Qiao Tian, Mr. Wang Yong and Goldbless, Youth Success is deemed to be interested in the Shares held by Alpha Master, Qiao Tian and Goldbless in aggregate by virtue of the SFO.
- The entire issued share capital of Goldbless is owned by Mr. Wang Yong, the non-executive Director. Under the SFO, Mr. Wang Yong is deemed to be interested in all the Shares registered in the name of Goldbless.



## GENERAL MANDATE

The Consideration Shares will be issued under the General Mandate. Under the General Mandate, the Directors are allowed to allot and issue up to 20% of the total number of the issued Shares on the date of passing such resolution on 29 May 2020 (i.e. up to 316,315,511 Shares). Up to the date of this announcement, no Share has been allotted or issued pursuant to the General Mandate. Accordingly, the allotment and issue of the Consideration Shares are not subject to any further approval of the Shareholders.

## APPLICATION FOR LISTING OF THE CONSIDERATION SHARES

Application will be made to the GEM Listing Committee for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares to be allotted and issued shall rank *pari passu* among themselves and with all Shares in issue on the Completion Date.

## IMPLICATION UNDER THE GEM LISTING RULES

As the highest applicable percentage ratio (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Acquisition is more than 5% but less than 25% and the part of the Consideration will be satisfied by the allotment and issue of the Consideration Shares, the Acquisition constitutes a discloseable transaction and share transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

**Shareholders and potential investors of the Company should note that the completion of the Acquisition is subject to the fulfillment (or waiver, if applicable) of certain Conditions Precedent under the Agreement, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“Acquisition”	the acquisition of the Target Asset by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement
“Agreement”	the agreement entered into by and among the Vendor, the Purchaser and the Company in relation to the sale and purchase of the Target Asset dated 27 May 2021
“Apple Store”	the Apple App Store, a digital distribution platform to download digital software and applications

“AR”	augmented reality, an interactive experience of a real-world environment that resides in the real world and enhanced by computer-generated perceptual information
“Board”	the board of Directors
“Company”	Creative China Holdings Limited (中國創意控股有限公司), a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on GEM (stock code: 8368)
“Completion”	completion of the Agreement in accordance with the terms and condition of the Agreement
“Completion Date”	date of the Completion
“Conditions Precedent”	the conditions precedent to the Completion as set out in the paragraph headed “Conditions Precedent” under the section headed “The Agreement” in this announcement
“Consideration”	the sum of RMB14,000,000 payable by the Purchaser to the Vendor for the Acquisition
“Consideration Share(s)”	a total of 75,000,000 new Shares (subject to adjustment) to be allotted and issued by the Company at the Issue Price to the Vendor as part of the Consideration pursuant to the terms and conditions of the Agreement
“Deposit”	a refundable earnest deposit in an amount of RMB4,000,000 paid by the Purchaser to the Vendor under the Operation Agreement
“Directors”	directors of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Committee”	the listing committee of the GEM, has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with not more than 316,315,511 new Shares (prior to the next annual general meeting of the Company) at the annual general meeting of the Company on 29 May 2020

“Greater China”	mainland China, Hong Kong, the Macau Special Administrative Region and Taiwan
“Group”	the Company, its subsidiaries and contractual entities
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	a party(ies) who is/are not connected person(s) (as defined in the GEM Listing Rules) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and of connected persons (as defined in the GEM Listing Rules) of the Company
“Intellectual Property Rights”	all copyrights, patents, trademarks, designs (whether registered or not), and all legally protected trade secrets, know-how, materials or other confidential information and any other similar rights protected in any country, which are attached to or in relation to the Mobile APP
“Issue Price”	HK\$0.16 per Consideration Share, subject to adjustment
“Long Stop Date”	31 July 2021 or such later date as the Parties may agree in writing
“Mobile APP”	mobile application named “Aiwoo” developed and owned by the Vendor
“Operation Agreement”	the operation license agreement(s) entered into by and between the Vendor (as the licensor) and the Purchaser (as the licensee) in relation to the Mobile APP
“Parties”	the parties to the Agreement, and “Party” means any one of them
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Beijing Yiju Creative Technology Limited* (北京易聚創意科技有限公司), a company established under the laws of the PRC and an indirect non-wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC

“SFO”	the Securities and Futures Ordinance
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“Target Asset”	all assets pertinent to Mobile APP including, among others, its business, ownership, operating rights and Intellectual Property Rights
“Vendor”	Idol Entertainment Limited (愛豆娛樂有限公司), a company incorporated in the British Virgin Islands with limited liability, an Independent Third Party
“%”	per cent.

By order of the Board  
**Creative China Holdings Limited**  
**Philip Jian Yang**  
*Chairman and Executive Director*

Hong Kong, 27 May 2021

\* *All of the English titles or names of the PRC entities, as well as certain items contained in this announcement have been included for identification purpose only. If there is any inconsistency, the Chinese titles or names shall prevail.*

*For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.00 to HK\$1.20. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.*

*As at the date of this announcement, the Board comprises Mr. Philip Jian Yang and Ms. Yang Jianping as executive Directors; Mr. Yang Shiyuan, Mr. Ge Xuyu and Mr. Wang Yong as non-executive Directors; and Ms. Fu Yuehong, Mr. Yau Yan Yuen and Mr. Tan Song Kwang as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 announcement misleading.*

*This announcement will remain on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the Company’s website at [www.ntmediabj.com](http://www.ntmediabj.com).*