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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
COOPERATION AGREEMENT
INVOLVING THE ISSUE OF CONSIDERATION SHARES
UNDER THE GENERAL MANDATE**

INTRODUCTION

Reference is made to the announcement of the Company dated 6 September 2021 (the “**Announcement**”) in relation to the Cooperation in relation to the Target Films. Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Board is pleased to announce that on 20 October 2021 (after trading hours of the Stock Exchange), the Company, CCH Film, the Cooperation Partners and the Guarantor entered into the Cooperation Agreement, pursuant to which (i) the Group and Cooperation Partners have conditionally agreed to carry out the Cooperation in the distribution of the Target Films in the PRC; and (ii) the Consideration in the sum of RMB30,000,000 (equivalent to approximately HK\$36,000,000) is payable by the Company to the Cooperation Partners, which will be settled by the allotment and issue of an aggregate of 36,000,000 Consideration Shares by the Company to the Cooperation Partners or their nominee(s) at the Issue Price according to the terms and conditions thereof.

The aggregate of 36,000,000 Consideration Shares represents (i) approximately 10.87% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.80% of the issued share capital of the Company as enlarged by the allotment and issue of all 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 of Allotment).

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 Cooperation is more than 5% but less than 25% and the Consideration will be satisfied by the allotment and issue of the Consideration Shares, the Cooperation 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 Cooperation and the Allotment are subject to the fulfillment (or waiver, if applicable) of certain Conditions Precedent under the Cooperation Agreement, and the Cooperation and the Allotment may or may not take place. 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 20 October 2021 (after trading hours of the Stock Exchange), the Company, CCH Film, the Cooperation Partners and the Guarantor, entered into the Cooperation Agreement, pursuant to which the Group and Cooperation Partners have conditionally agreed to carry out the Cooperation in distribution of the Target Films in the PRC (the “**Distribution**”).

THE COOPERATION AGREEMENT

Principal terms of the Cooperation Agreement are summarised as follows:

Date: 20 October 2021 (after trading hours of the Stock Exchange)

Parties: (a) Creative China Holdings Limited (中國創意控股有限公司);
(b) CCH Film Production Limited (中國創意影業有限公司);
(c) Truth Pictures (Hong Kong) Limited (真相影業(香港)有限公司);
(d) Yuanxin Pictures (Beijing) Limited* (源欣影業(北京)有限公司); and
(e) Mr. Liang Longfei (梁龍飛).

Subject matter

Pursuant to the Cooperation Agreement, the Parties propose to carry out the Distribution through cinemas, television stations and/or the New Media (as the case may be) on an income sharing basis, whereby the Group is entitled to the sharing at certain percentage of the Total Net Income of the Target Films within the Licensing Period, further details of which are set out in the paragraph headed “The Target Films” under this section. The Total Net Income of each Target Film shall be calculated as follows:

Total Net Income = Cinemas Net Income + Television Net Income + New Media Net Income

Where:

Cinemas Net Income = total box office receipts of the Target Films in the PRC – (less) monies payable to NFIDSF – (less) taxes and surcharges in the PRC – (less) profit sharing of the total Box Office Receipts shared by cinemas in the PRC – (less) importing expenses in the PRC – (less) profit sharing of the total Box Office Receipts shared by China Film – (less) distribution service fee in the PRC – (less) fees payable to China Film for its translation and digital production services;

Television Net Income represents 90% of the total income derived from the Distribution through the television media in the PRC;

New Media Net Income represents 90% of the total income derived from the Distribution through the New Media in the PRC.

Consideration

In consideration of the grant of the right of income sharing of all Target Films by the Cooperation Partners to the Group under the Cooperation (the “**Income Right**”), the Company shall allot and issue an aggregate of 36,000,000 Consideration Shares to the Cooperation Partners or their designated nominee(s) at the Issue Price proportionally according to the allocation of the Consideration Shares (the “**Allocation**”) as set out in the paragraph headed “The Target Films” under this section on the date of each Allotment.

The Consideration was arrived at after arm’s length negotiation among the Parties having taken into account: (i) the valuation with the fair value of the Income Right as at 31 August 2021 in the sum of RMB40,134,000 carried out by Valplus Consulting Limited, an independent and qualified valuer engaged by the Company; and (ii) other factors as set out in the section headed “Reasons for and benefits of the Cooperation” in this announcement.

The aggregate of 36,000,000 Consideration Shares represent (i) approximately 10.87% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.80% of the issued share capital of the Company as enlarged by the allotment and issue of all 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 of Allotment).

The Issue Price of HK\$1 represents:

- i. a premium of 100% to the closing price of HK\$0.50 per Share as quoted on the Stock Exchange on the date of the Cooperation Agreement;
- ii. a premium of approximately 85.19% to the average closing price of HK\$0.54 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Cooperation Agreement; and
- iii. a premium of approximately 92.31% to the average closing price of HK\$0.52 per Share as quoted on the Stock Exchange for the ten consecutive trading days of the Shares immediately prior to the date of the Cooperation 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 Cooperation Agreement to the Completion of Allotment, the number of the Consideration Shares and the Issue Price may be adjusted proportionally so that the Shareholding Ratio shall remain unchanged.

The Target Films

The Target Films are six foreign imported films, which Truth Pictures has been granted the exclusive right and license (with the right to sublicense) to distribute in the PRC through cinemas, television stations and/or the New Media. The details of the Target Films are set out as follows:

Nationality of each Target Film	Licensing Period	Group's sharing percentage of the Total Net Income of each Target Film	Expected time of release of each Target Film	Distribution channel granted for each Target Film	Consideration for the Cooperation on each Target Film and the Allocation
Taiwan	Ten years from 28 February 2021	82%	Fourth quarter of 2021	Cinemas, television stations and the New Media	RMB16,000,000, 19,200,000 Consideration Shares
United Kingdom	25 November 2020 – 6 January 2028	100%	Fourth quarter of 2021	Cinemas, television stations and the New Media	RMB7,200,000, 8,640,000 Consideration Shares
Argentina	15 December 2020 – 15 December 2022	100%	Fourth quarter of 2021	Cinemas	RMB1,890,000, 2,268,000 Consideration Shares
Germany	Seven years from 1 February 2021	100%	Fourth quarter of 2021	Cinemas, television stations and the New Media	RMB1,420,000, 1,704,000 Consideration Shares
Thai	Ten years from 7 April 2021	100%	Fourth quarter of 2021	Cinemas, television stations and the New Media (excluding airline and ships)	RMB2,490,000, 2,988,000 Consideration Shares
Japan	1 August 2021 – 31 July 2031	100%	Fourth quarter of 2021	Cinemas, television stations and the New Media (excluding airline and ships)	RMB1,000,000, 1,200,000 Consideration Shares
				Total	RMB30,000,000, 36,000,000 Consideration Shares

Pursuant to the Cooperation Agreement, in the event that the accumulative amount of the income received by the Group in relation to the Target Films reaches RMB35 million, the Group's sharing percentage of the Total Net Income of each Target Film as mentioned above shall no longer be applicable and the calculation of the Group's Entitled Income shall be adjusted as follows:

- (1) in the event that the amount of the Total Net Income in aggregate (the "**Aggregate Net Income**") does not exceed RMB60 million,

$$\text{Group's Entitled Income} = \text{RMB35 million} + (\text{Aggregate Net Income} - \text{RMB35 million}) \times 50\%$$

- (2) in the event that the amount of the Aggregate Net Income exceeds RMB60 million,

$$\text{Group's Entitled Income} = \text{RMB35 million} + (\text{RMB60 million} - \text{RMB35 million}) \times 50\% + (\text{Aggregate Net Income} - \text{RMB60 million}) \times 25\%$$

Conditions Precedent

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

- (1) all necessary consents, confirmations, permits, approvals (including approval of the Cooperation 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 Company (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 each Allotment;
- (2) 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 each Allotment;
- (3) the business of the Cooperation Partners having continued without any interruption, and not being threatened with any cessation, termination or suspension at any time prior to each Allotment;
- (4) all the representations, warranties and undertakings of or by the Cooperation Partners remaining true and accurate in all respects at all times up to each Allotment;
- (5) the Company having completed due diligence exercise on the each Target Film and reasonably being satisfied with the results thereof;

- (6) the PRC legal advisors having issued a legal opinion to the satisfactory of the Company confirming that (i) the execution of the Cooperation Agreement and transaction contemplated thereunder are in compliance with the applicable laws in the PRC; (ii) each Target Film has obtained or is in the process of obtaining the Licenses for Public Screening of Films (電影公映許可證) in the PRC and there is no legal impediment to obtain such licenses; and (iii) save as aforesaid, the Cooperation Partners have obtained all licenses, permits, consents and authorization requisite for the Distribution of each Target Film;
- (7) all permits, approvals, consents and licences requisite (if any) for the Distribution of each Target Film remaining valid and effective; and
- (8) no events having been occurred that would result in any material adverse effect on the Cooperation Partners and each Target Film.

The Company may waive any of the Conditions Precedent referred to in sub-paragraphs (3) to (8) above at any time by prior written notice to the Cooperation Partners. Save as aforesaid, none of the other Conditions Precedent above is capable of being waived.

All Conditions Precedent in relation to at least one Target Film shall be fulfilled or waived at or before 5:00 p.m. Hong Kong time on the Long Stop Date, failing which all rights and obligations of the Parties under the Cooperation 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

The Completion shall take place within ten (10) working days from the fulfillment or waiver (as the case may be) of all Conditions Precedent in relation to one or more of the Target Film(s), or such other date as the Parties may mutually agree in writing. The Allotment shall be made upon Completion in relation to such Target Film(s). Any part of the Allotment not being made upon Completion will be made subsequently upon the fulfillment or waiver (as the case may be) of the Conditions Precedent in respect of the relevant Target Film(s). Pursuant to the Allotment, the Company shall allot and issue the Consideration Shares to the Cooperation Partners or their designated nominee(s) at the Issue Price proportionally according to the Allocation.

Income Guarantee

Pursuant to the Cooperation Agreement, the actual amount of the Group's Entitled Income as of 31 December 2022 shall not be less than RMB35 million (the "**Guaranteed Income**"), failing which the Cooperation Partners shall compensate the Group for the amount equivalent to the shortfall, being the difference between the Guaranteed Income and the actual amount of the Group's Entitled Income as of 31 December 2022, in cash (the "**Compensation**"). Upon receipt of the full amount of the Compensation by the Group, the Income Guarantee shall be deemed to have satisfied. The Parties shall determine and confirm the Compensation amount (if any) no later than 31 December 2022 and the Guaranteed Income (including any Compensation amount) payable by the Cooperation Partners to the Group shall be fully settled by 31 January 2023.

Undertakings by the Cooperation Partners

Pursuant to the Cooperation Agreement, the Cooperation Partners irrevocably undertakes, among others, that:

- (1) during the period from the date of the Completion to the date when the Income Guarantee is satisfied, the Cooperation Partners shall not sell, or otherwise transfer or dispose of, either directly or indirectly, any Consideration Shares without the prior written consent of the Company;
- (2) the Cooperation Partners 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 Target Films prior to the release of each Target Film;
- (3) each Target Film shall be released through cinemas, television stations and/or the New Media (as the case may be) on or before 31 December 2022 (or such later date as agreed by the Company in writing).

Pursuant to the Cooperation Agreement, by Completion, the Guarantor shall enter into (i) a deed of share charge in relation to the entire issued shares of Truth Pictures beneficially owned by the Guarantor; and (ii) a share charge in relation to 90% equity interest in Yuanxin owned by the Guarantor, respectively, to guarantee the performance of the obligations and liabilities of the Cooperation Partners under the Cooperation Agreement.

Management of the Distribution

Pursuant to the Cooperation Agreement, the Parties shall establish a management committee (the “**Management Committee**”) comprising four (4) members, among which two (2) shall be nominated by the Cooperation Partners and two (2) shall be nominated by the Group. The Management Committee shall be responsible for the overall management, promotion and marketing of the Target Films in the Distribution, including all major decision making in relation thereto. All decisions made by the Management Committee must be approved by simple majority. A manager will be appointed by the Management Committee to take charge of the daily management of the Distribution under the supervision of the Management Committee.

INFORMATION OF THE PARTIES

The Cooperation Partners and the Guarantor

Truth Pictures is a limited liability company established in Hong Kong and principally engaged in distribution, development and production of films and television programs in the PRC, Hong Kong and Taiwan with extensive resources. As at the date of this announcement, Truth Pictures is wholly-owned by the Guarantor.

Yuanxin is a company established in the PRC with limited liability and principally engaged in distribution, development and production of films and television programs in the PRC. As at the date of this announcement, Yuanxin is owned as to 90% by the Guarantor and 10% by Mr. Sun Mingyuan (孫明遠).

The Guarantor (i.e. Mr. Liang) is the founder of the Cooperation Partners and possesses over 20 years’ experience within the film industry, and he was the China co-producer of “Transformers: Age of Extinction (變形金剛4：絕跡重生)”, “Mission: Impossible – Rogue Nation (碟中諜5：神秘國度)”, “Terminator: Genisys (終結者：創世紀)”, “The SpongeBob Movie: Sponge Out of Water (海綿寶寶)” and “Peter Rabbit (比得兔)”.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Cooperation Partners, the Guarantor and Mr. Sun Mingyuan (孫明遠) is Independent Third Party.

The Company, CCH Film and the Group

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 organisation, (iii) mobile live broadcasting and e-commerce, and (iv) artist management.

CCH Film, a wholly-owned subsidiary of the Company, is a limited liability company established in Hong Kong and principally engaged in pre-production, distribution, development and production of films and television programs.

REASONS FOR AND BENEFITS OF THE COOPERATION

The Group is experienced in marketing promotional planning of domestic and foreign imported films by providing marketing event organization services including the premiere ceremony for the films, producing high-quality television programs on the reality casting variety show of films, programs introducing upcoming films with film trailers, interviews of the cast and behind-the-scene video in the PRC. In recent years, the Group has expanded its program production business to distribution of licensing rights of serial programs and invest in pre-production of films and serial programs. As disclosed in the annual report of the Company for the year ended 31 December 2020, the Group would first focus on the three major businesses in the film and television industry chain, namely project planning and script creation, production and publishing to generate more value to the Group.

Having taken into account the expertise, experience and well-established business networks of the Cooperation Partners and the Guarantor within the industry, in particular their founding team's in-depth cooperation with Sony Pictures, Paramount Pictures, DreamWorks Animation, Warner Bros. Movies, Maoyan entertainment (貓眼影業), Alibaba Pictures (阿里影業), Tencent Pictures (騰訊影業), Iqiyi Pictures (愛奇藝影業), China Film and Huaxia Film Distribution (華夏電影) as well as its landmark projects including, among others, "Transformers: Age of Extinction (變形金剛4：絕跡重生)", "Mission: Impossible – Rogue Nation (碟中諜5：神秘國度)", "Spectre (007：幽靈黨)", "Terminator: Genisys (終結者：創世紀)", "Angry Birds (憤怒的小鳥)", "XXX: Return of Xander Cage (極限特工3：終極回歸)", "Baby Driver (極盜車神)", "Peter Rabbit (比得兔)", "The Current War (電力之戰)" and "Dance with Me (與我跳舞)", the Board believes that leveraging on the existing capabilities of the Group and the combination of the strengths of the Group, the Cooperation Partners and the Guarantor together, the Cooperation would enable the Group to expand its arm into the film industry, diversify its production and operation promotion business, scale up its market share and reinforce its position in the film industry, and broaden its income stream, thereby enhancing the Shareholders' return and maximizing the Shareholders' interests in the long term.

The Board (including the independent non-executive Directors) is of the view that terms and conditions (including the Consideration) of the Cooperation 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 Cooperation 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 after the Completion of Allotment assuming there will be no change in the total number of issued Shares between the date of this announcement and the Completion of Allotment:

Name of shareholders	As at the date of this announcement		Immediately after the Completion of Allotment	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Youth Success Holdings Limited ("Youth Success") (Note 1)	81,378,000	24.56%	81,378,000	22.15%
Guang Rui Investments Limited ("Guang Rui") (Note 1)	2,594,400	0.78%	2,594,400	0.71%
Goldbless International Limited ("Goldbless") (Notes 1 and 2)	76,500,000	23.09%	76,500,000	20.83%
Alpha Master Global Limited ("Alpha Master") (Note 1)	10,077,600	3.04%	10,077,600	2.74%
Qiao Tian Limited ("Qiao Tian") (Note 1)	5,418,000	1.64%	5,418,000	1.48%
The Cooperation Partners or their nominee(s) (Note 3)	–	–	36,000,000	9.80%
Other public Shareholders	155,347,511	46.89%	155,347,511	42.29%
Total	<u>331,315,511</u>	<u>100%</u>	<u>367,315,511</u>	<u>100%</u>

Notes:

- As at the date of this announcement, Youth Success and Guang Rui owns 81,378,000 Shares and 2,594,400 Shares respectively, representing 24.56% and 0.78% 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.
- As at the date of this announcement, 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.
- By virtue of the shareholders voting agreement to be entered into by and among Mr. Yang, Ms. Mu, Youth Success and the Guarantor by Completion, Youth Success shall be entitled to exercise voting rights attached to all of the Shares held by the Guarantor (either indirectly through his respective holding company(ies) (the "Holdco") or directly held by himself) immediately upon Allotment, and Youth Success is deemed to be interested in the Shares held by the Holdco or the Guarantor by virtue of the SFO.

GENERAL MANDATE

The Consideration Shares will be allotted and 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 10 June 2021. Up to the date of this announcement, the Company has allotted and issued 15,000,000 Shares under the General Mandate, and the remaining balance of the General Mandate is 48,263,102 Shares. Accordingly, the General Mandate is sufficient for the allotment and issue of the Consideration Shares, and 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.

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 Cooperation is more than 5% but less than 25% and the Consideration will be satisfied by the allotment and issue of the Consideration Shares, the Cooperation 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 Cooperation and the Allotment are subject to the fulfillment (or waiver, if applicable) of certain Conditions Precedent under the Cooperation Agreement, and the Cooperation and the Allotment may or may not take place. 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:

“Allotment”	the allotment and issue of the Consideration Shares by the Company to the Cooperation Partners or their nominee(s) according to the Allocation pursuant to the terms and conditions of the Cooperation Agreement
“associates”	has the meaning ascribed to it under the GEM Listing Rules

“Box Office Receipts”	the box office receipts generated by cinemas in the PRC through projection of the Target Films
“CCH Film”	CCH Film Production Limited (中國創意影業有限公司), a limited liability company established in Hong Kong and a wholly-owned subsidiary of the Company
“China Film”	China Film Group Corporation, including its subsidiaries and associates
“Completion”	completion of the Cooperation Agreement in accordance with the terms and conditions of the Cooperation Agreement
“Completion of Allotment”	the completion of the Allotment of all Consideration Shares
“Conditions Precedent”	the conditions precedent to the Allotment as set out in the paragraph headed “Conditions Precedent” under the section headed “The Cooperation Agreement” in this announcement
“Consideration”	the total consideration in the sum of RMB30,000,000 (equivalent to approximately HK\$36,000,000), to be settled by way of allotment and issue of the Consideration Shares by the Company, for the Cooperation
“Consideration Share(s)”	a total of 36,000,000 new Shares (subject to adjustment) to be allotted and issued by the Company at the Issue Price to the Cooperation Partners or their nominee(s) pursuant to the terms and conditions of the Cooperation Agreement
“Cooperation”	the cooperation between the Group and the Cooperation Partners in relation to the Distribution pursuant to the terms and conditions of the Cooperation Agreement
“Cooperation Agreement”	the cooperation agreement entered into by and among the Company, CCH Film, the Cooperation Partners and the Guarantor in relation to the Cooperation dated 20 October 2021
“Cooperation Partners”	Truth Pictures and Yuanxin
“GEM Listing Committee”	the listing committee of the GEM, has the meaning ascribed to it under the GEM Listing Rules

“General Mandate”	the general mandate granted to the Directors to allot and issue up to 20% of the total number of the issued Shares on the date of passing such resolutions on 10 June 2021
“Group’s Entitled Income”	the aggregate amount of the income sharing for the Target Films that the Group is entitled to under the Cooperation
“Guarantor”	Mr. Liang Longfei (梁龍飛), an Independent Third Party
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Income Guarantee”	the income guarantee arrangement as set out in the paragraph headed “Income Guarantee” under the section headed “The Cooperation Agreement” in this announcement
“Issue Price”	HK\$1 per Consideration Share
“Licensing Period”	the respective licensing period for each Target Film as set out in the paragraph headed “The Target Films” under the section headed “The Cooperation Agreement” in this announcement
“Long Stop Date”	31 December 2021 or such later date as the Parties may agree in writing
“New Media”	forms of the media whose broadcasting right is not applied in cinemas and television stations, including but not limited to, content distributed through VOD (Video-On-Demand), AVOD (Advertiser Supported Video-On-Demand), FVOD (Free Video-On-Demand), PPV (Pay-Per-View, residential and non-residential), Home Video (such as VCD/DVD, HD DVD and Blue-ray Disc) and internet or any other terminals (such as ships and hotels)
“NFIDSF”	National Film Industry Development Special Fund
“Parties”	the parties to the Cooperation Agreement, and “Party” means any one of them
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance
“Share(s)”	ordinary share(s) of HK\$0.05 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
“Total Net Income”	the total net income derived from the Distribution for each Target Film
“Yuanxin”	Yuanxin Pictures (Beijing) Limited* (源欣影業(北京)有限公司), a company established in the PRC with limited liability and an Independent Third Party
“%”	per cent.

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

Hong Kong, 20 October 2021

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 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.

* for identification only