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天泓文创

Icon Culture Global Co.,Ltd

Icon Culture Global Company Limited

天泓文創國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8500)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO
THE STRATEGIC COOPERATIVE AGREEMENT**

THE STRATEGIC COOPERATIVE AGREEMENT

On 10 June 2022, Guangzhou Icon Culture, an indirect wholly-owned subsidiary of the Company, entered into the Strategic Cooperative Agreement with Tianhong Real Estate Group to govern the terms and conditions of the transactions between the Group and the Tianhong Real Estate Group in connection with the provision of the Advertising Services by the Group to the Tianhong Real Estate Group for the period from 1 January 2022 to 31 December 2022.

GEM LISTING RULES IMPLICATIONS

Mr. Chow is the chairman, an executive Director and a controlling shareholder of the Company indirectly holding approximately 48.75% of the issued share capital of the Company. As at the date of this announcement, Mr. Chow indirectly holds 100% equity interest in Tianhong Real Estate. Guangzhou Tianhuihui is held by Tianhong Real Estate and KINGOLD as to 70% and 30%, respectively. KINGOLD is ultimately owned as to 100% by Hong Kong Kingson Investment Limited, a company wholly owned by the parents of Mr. Chow. Accordingly, Tianhong Real Estate and Guangzhou Tianhuihui are connected persons of the Company under the GEM Listing Rules, and the transactions contemplated under the Strategic Cooperative Agreement constitute continuing connected transactions of the Company.

As one of the applicable percentage ratios (other than the profit ratio) (as defined under the GEM Listing Rules) in respect of the Annual Cap of the transactions contemplated under the Strategic Cooperative Agreement exceeds 5% but all of them are less than 25% and the Annual Cap is less than HK\$10,000,000, the transactions contemplated under the Strategic Cooperative Agreement are subject to the reporting, annual review and announcement requirements, but exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 10 June 2022, Guangzhou Icon Culture, an indirect wholly-owned subsidiary of the Company, entered into the Strategic Cooperative Agreement with the Tianhong Real Estate Group to govern the terms and conditions of the transactions between the Group and the Tianhong Real Estate Group in connection with the provision of the Advertising Services by the Group to the Tianhong Real Estate Group for the period from 1 January 2022 to 31 December 2022.

THE STRATEGIC COOPERATIVE AGREEMENT

The principal terms of the Strategic Cooperative Agreement are set out as follows:—

Date:	10 June 2022
Parties:	(i) Guangzhou Icon Culture, an indirect wholly-owned subsidiary of the Company; and (ii) Tianhong Real Estate Group
Term:	From 1 January 2022 to 31 December 2022
Scope of service:	Pursuant to the Strategic Cooperative Agreement, Guangzhou Icon Culture shall provide the Advertising Services to the Tianhong Real Estate Group. The Tianhong Real Estate Group may, from time to time, enter into separate individual agreement and quotation sheet with Guangzhou Icon Culture for the provision of specific services under the scope of the Advertising Services in accordance with the principal terms set out in the Strategic Cooperative Agreement.
Payment Terms:	Payment for the provision of the Advertising Services shall be settled by way of bank transfer or other means as agreed by the parties in accordance with the individual agreements and/or quotation sheets.

Pricing Policy:

The fees payable in respect of the provision of the Advertising Services by the Group under the Strategic Cooperative Agreement will be negotiated on an arm's length basis between the Group and the Tianhong Real Estate Group having regard to the scope and nature, locations, the estimated costs of advertising resources to be incurred by the Group for the provision of the Advertising Services, and/or other conditions of the Advertising Services to be provided and determined based on (a) the fees charged by the Group for providing the same or similar services to Independent Third Parties; or (b) the fees determined with reference to industry standards or market practices of the market of the same or similar services. The Group will take reference from the average prices at which same or similar advertising services are provided by the Group to at least two Independent Third Parties.

ANNUAL CAP AND THE BASIS OF ANNUAL CAP

For the year ended 31 December 2021 and for the period from January to May 2022, the Group had provided advertising services to the Tianhong Real Estate Group in an aggregate contract sum of approximately RMB260,000 and RMB460,000, respectively.

The Annual Cap for the year ending 31 December 2022 will be RMB8 million for the provision of the Advertising Services by the Group.

The Annual Cap is determined by the parties with reference to the following assumptions:

- (i) historical transaction amounts for the Advertising Services provided by the Group to the Tianhong Real Estate Group;
- (ii) expected demand for the Advertising Services by the Tianhong Real Estate Group for the year ending 31 December 2022; and
- (iii) the expected growth of the costs involved in the advertising business of the Group.

INTERNAL CONTROL MEASURES

In order to ensure the pricing mechanism and terms of the Strategic Cooperative Agreement are fair and reasonable, and the transactions contemplated under the Strategic Cooperative Agreement are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Shareholders as a whole, the Group has adopted the following internal control measures:

- (i) the Group will obtain and compare service fee references from the market for the provision of comparable advertising services;

- (ii) the Group's legal, operation and finance departments will review and compare the average prices at which same or similar advertising services are provided by the Group to at least two Independent Third Parties with the prices offered to the Tianhong Real Estate Group so as to ensure that the price of the Advertising Services provided by the Group to the Tianhong Real Estate Group is not lower than that provided to Independent Third Parties by the Group;
- (iii) the finance department shall be responsible for monitoring the transactions under the Strategic Cooperative Agreement on a monthly basis to ensure such transactions are conducted in accordance with the terms of the Strategic Cooperative Agreement and the transaction amounts do not exceed the Annual Cap;
- (iv) the Group's independent auditor will conduct an annual review on the continuing connected transactions of the Group under the Strategic Cooperative Agreement pursuant to the GEM Listing Rules; and
- (v) the independent non-executive Directors will conduct an annual review on the continuing connected transactions and determine whether such transaction is entered into (1) in the ordinary and usual course of business of the Group; (2) on normal or better commercial terms; and (3) according to the relevant agreement in terms that are fair and reasonable and in the interests of the Shareholders as a whole.

REASONS FOR AND BENEFITS OF ENTERING INTO THE STRATEGIC COOPERATIVE AGREEMENT

The transactions contemplated under the Strategic Cooperative Agreement are part of or related to the principal business activities of the Company and are expected to either increase the revenue of the Company, and/or provide the Company with overall business synergy, which is beneficial to the Company for improving its business volume in the market and expanding its business.

The Directors (excluding Mr. Chow who abstained from voting on the relevant board resolution but including the independent non-executive Directors) consider that the Strategic Cooperative Agreement and the transactions contemplated thereunder (including the Annual Cap) are on normal commercial terms and in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Chow has abstained from voting on the relevant board resolution approving the Strategic Cooperative Agreement. Save as mentioned above, none of the Directors has any material interest in the Strategic Cooperative Agreement and therefore no other Director is required to abstain from voting on such resolution.

GEM LISTING RULES IMPLICATIONS

Mr. Chow is the chairman, an executive Director and a controlling shareholder of the Company indirectly holding approximately 48.75% of the issued share capital of the Company. As at the date of this announcement, Mr. Chow indirectly holds 100% equity interest in Tianhong Real Estate. Guangzhou Tianhuihui is held by Tianhong Real Estate and KINGOLD as to 70% and 30%, respectively. KINGOLD is ultimately owned as to 100% by Hong Kong Kingson Investment Limited, a company wholly owned by the parents of Mr. Chow. Accordingly, Tianhong Real Estate and Guangzhou Tianhuihui are connected persons of the Company under the GEM Listing Rules, and the transactions contemplated under the Strategic Cooperative Agreement constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As one of the applicable percentage ratios (other than the profit ratio) (as defined under the GEM Listing Rules) in respect of the Annual Cap of the transactions contemplated under the Strategic Cooperative Agreement exceeds 5% but all of them are less than 25% and the Annual Cap is less than HK\$10,000,000, the transactions contemplated under the Strategic Cooperative Agreement are subject to the reporting, annual review and announcement requirements, but exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

INFORMATION ON THE PARTIES

The Company

The Group is an integrated multimedia advertising and marketing solution service provider based in Guangzhou, the PRC and offers advertising and marketing solutions covering (i) traditional offline media including both out-of-home and indoor advertising platforms; (ii) online media; and (iii) public relations, marketing campaigns and other services to customers comprising domestic and international brand owners, state-owned entities in the PRC, advertising agencies and government authorities.

Tianhong Real Estate Group

Tianhong Real Estate and Guangzhou Tianhuihui are companies established under the laws of the PRC with limited liability. Tianhong Real Estate is indirectly wholly-owned by Mr. Chow. Guangzhou Tianhuihui is held by Tianhong Real Estate and KINGOLD as to 70% and 30%, respectively. Guangzhou Tianhuihui and Tianhong Real Estate principally engage in the business of real estate development and operation.

KINGOLD is ultimately owned as to 100% by Hong Kong Kingson Investment Limited, an investment holding company held by Mr. Chau Chak Wing and Ms. Chau So Chun as to 90% and 10%, respectively, who are the parents of Mr. Chow. Therefore, KINGOLD is also a connected person of the Company. KINGOLD is principally engaged in the business of real estate development and hotel management and operation.

DEFINITIONS

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

“Advertising Services”	the advertising services to be provided by Guangzhou Icon Culture to Tianhong Real Estate Group, including but not limited to, media advertising services, public relations, marketing campaigns and other services
“Annual Cap”	the maximum aggregate annual transaction amounts in respect of the provision of the Advertising Services under the Strategic Cooperative Agreement for the period commencing from 1 January 2022 to 31 December 2022
“Board”	board of Directors
“Company”	Icon Culture Global Company Limited (天泓文創國際集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM of the Stock Exchange
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended by the Stock Exchange from time to time
“Group”	the Company and its subsidiaries
“Guangzhou Icon Culture”	Guangzhou Icon Culture Media Investment Co., Ltd.* (廣州天泓文化傳媒投資有限公司), a company established under the laws of the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Guangzhou Tianhuihui”	Guangzhou Tianhuihui Real Estate Co., Ltd.* (廣州天暉匯置業有限公司), a company established under the laws of the PRC with limited liability and is owned as to 70% by Tianhong Real Estate and 30% by KINGOLD
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any third party(ies) which, together with their respective beneficial owner(s) (if any) and to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons in accordance with the GEM Listing Rules

“KINGOLD”	KINGOLD Co., Ltd.* (僑鑫集團有限公司), a limited liability company established under the laws of the PRC ultimately owned as to 100% by Hong Kong Kingson Investment Limited, a company held by Mr. Chau Chak Wing and Ms. Chau So Chun as to 90% and 10%, respectively, who are the parents of Mr. Chow
“Mr. Chow”	Mr. Chow Eric Tse To (周子濤), the chairman, an executive Director and a controlling shareholder (as defined under the GEM Listing Rules) of the Company
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holder(s) of the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperative Agreement”	the strategic cooperative agreement dated 10 June 2022 entered into among Tianhong Real Estate, Guangzhou Tianhuihui and Guangzhou Icon Culture in relation to the provision of the Advertising Service for the period commencing from 1 January 2022 to 31 December 2022
“Tianhong Real Estate”	Guangzhou Tianhong Real Estate Development Co., Ltd.* (廣州天泓房地產開發有限公司), a company established under the laws of the PRC with limited liability which is indirectly wholly-owned by Mr. Chow
“Tianhong Real Estate Group”	Tianhong Real Estate and Guangzhou Tianhuihui

For and on behalf of
Icon Culture Global Company Limited
Chow Eric Tse To
Chairman and Executive Director

Hong Kong, 10 June 2022

As at the date of this announcement, the executive Directors are Mr. Chow Eric Tse To (Chairman), Ms. Cai Xiaoshan, Mr. Lau Tung Hei Derek, Ms. Liang Wei (Chief Executive Officer and Compliance Officer) and Mr. Liu Biao; and the independent non-executive Directors are Mr. Lee Siu Hang Foster, Ms. Tam Hon Shan Celia and Mr. Tian Tao.

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 “Latest Listed Company Information” page of the GEM website at www.hkexnews.hk for at least 7 days from the date of its publication. This announcement will also be published and will remain on the website of the Company at www.iconspace.com.

** The English translation of the Chinese names of the entities referred to in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such entities.*