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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)**

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

### **INTRODUCTION**

The Board is pleased to announce that on 22 May 2023 (after trading hours of the Stock Exchange), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 30,362,150 Subscription Shares at a subscription price of HK\$0.214 per Subscription Share.

The Subscription Shares represent approximately 8.14% of the existing issued share capital of the Company as at the date of this announcement and approximately 7.53% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there are no other changes in the share capital of the Company between the date of this announcement and the Completion Date). The Subscription Shares will be issued under the General Mandate and will rank *pari passu* in all respects among themselves and with the existing Shares.

The aggregate net proceeds of the Subscription are estimated to be approximately HK\$5,681,640 (equivalent to RMB5,028,000) (having deducted the professional fees and other expenses in connection with the Subscription), representing a net issue price of approximately HK\$0.187 per Subscription Share. The Company intends to apply the net proceeds of the Subscription in the manner set out in the paragraph headed “Reasons for the Subscription and use of proceeds” of this announcement.

Application will be made to the Stock Exchange for listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

**Completion is subject to the fulfillment or waiver (as the case may be) of the Conditions Precedent. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

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## **THE SUBSCRIPTION AGREEMENT**

Principal terms of the Subscription Agreement are summarised as follows:

- Date:** 22 May 2023 (after trading hours of the Stock Exchange)
- Parties:** Creative China Holdings Limited (中國創意控股有限公司) as the issuer; and  
ALPINE NOVA LIMITED (高星有限公司) as the subscriber, an Independent Third Party.
- Subscription Shares:** A total of 30,362,150 Shares, representing approximately 8.14% of the existing issued share capital of the Company as at the date of this announcement and approximately 7.53% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there are no other changes in the share capital of the Company between the date of this announcement and the Completion Date). The aggregate nominal value of the 30,362,150 Subscription Shares is HK\$1,518,107.50.
- Total Subscription Price:** RMB5,750,000 (equivalent to HK\$6,497,500)

**Payment:**

The Subscriber agrees to pay a deposit of RMB5,750,000 (the “**Deposit**”) to the subsidiary of the Group in the PRC designated by the Company (the “**PRC Subsidiary**”) by way of bank transfer to the bank account of the PRC Subsidiary within three (3) Business Days following the date of the Subscription Agreement, so as to guarantee the Subscriber’s obligation to pay to the Company an amount of HK\$6,497,500 as the settlement of the Total Subscription Price on or before 31 July 2024 (the “**Settlement**”). Subject to the compliance of the PRC law, the Company shall have the right to apply the full amount of the Deposit towards the payment of Total Subscription Price on or before 31 July 2024, by serving a prior written notice of not less than three (3) Business Days to the Subscriber, in which event the Subscriber is deemed having duly made the Settlement and discharged of its payment obligation thereunder.

Subject to the full payment of the Deposit and satisfaction (or waiver, as the case may be) of the Conditions Precedent, the Company shall, on the Completion Date, allot and issue the Subscription Shares to the Subscriber (or its nominee(s)) and shall deliver the share certificates in respect of the Subscription Shares (the “**Share Certificates**”) to the escrow agent appointed by the Company (the “**Escrow Agent**”). The Share Certificates shall be under the escrow of the Escrow Agent and shall be released to the Subscriber upon completion of the Settlement.

**Subscription Price:**

HK\$0.214 per Subscription Share, representing:

- (1) a discount of approximately 10.83% to the closing price of HK\$0.2400 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (2) a discount of approximately 7.36% to the average closing price of approximately HK\$0.2310 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days of the Shares immediately prior to the date of the Subscription Agreement; and
- (3) a discount of approximately 2.55% to the average closing price of approximately HK\$0.2196 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days of the Shares immediately prior to the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent trading price and trading volume of the Shares. The Directors consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Conditions Precedent**

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

- (1) the Stock Exchange having approved the listing of and dealing in the Subscription Shares, and such approval shall not be threatened with any revocation, withdrawal or cancellation at any time prior to Completion;
- (2) all necessary consents, confirmations, permits, approvals 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 before Completion;
- (3) the warranties made by the Company under the Subscription Agreement having remained true and accurate and not misleading in all material respects as at Completion; and
- (4) no Material Adverse Effect having been occurred.

Other than Conditions Precedent referred to in paragraph (1) above which cannot be waived, the Subscriber may at any time before Completion waive any of other Conditions Precedent above by prior written notice to the Company. As at the date of this announcement, none of the Conditions Precedent have been fulfilled or waived.

In the event that any of the Conditions Precedent above are not fulfilled or waived on or before the Long Stop Date, the Subscription Agreement and everything contained thereof shall terminate and be null and void and of no further effect and neither of the Parties shall have any liability to any other Party, save for any antecedent breach(es) of any obligation under the Subscription Agreement. Upon termination of the Subscription Agreement, the Company shall immediately procure the PRC Subsidiary to return the full amount of the Deposit to the Subscriber within three (3) Business Days following such termination.

### **Completion**

Subject to the Subscriber's full payment of the Deposit and the fulfilment or waiver (as the case may be) of all the Conditions Precedent, the Completion shall take place on the Completion Date.

## **INFORMATION OF THE PARTIES**

### **The Subscriber**

The Subscriber is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, the Subscriber is wholly-owned by Mr. Wang Xu (王旭先生) (“**Mr. Wang**”), an individual investor who is a PRC resident. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Subscriber and Mr. Wang is an Independent Third Party.

## **THE COMPANY 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 (i) serial program/film production and related services and film rights investment; (ii) concert and event organisation and related services; (iii) mobile application development and operation and related services; and (iv) artist management.

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The aggregate gross proceeds of the Subscription will be HK\$6,497,500 and the aggregate net proceeds of the Subscription, having deducted the professional fees and other expenses in connection with the Subscription, are estimated to be approximately HK\$5,681,640 (equivalent to RMB5,028,000), representing a net issue price of approximately HK\$0.187 per Subscription Share. The Company intends to apply the net proceeds of the Subscription in the following manner:

- (i) approximately 70.17% of the net proceeds, or approximately HK\$3,986,640 (equivalent to RMB3,528,000) to mobile application development and operation and related services; and
- (ii) approximately 29.83% of the net proceeds, or approximately HK\$1,695,000 (equivalent to RMB1,500,000), will be used for the general working capital of the Group.

The Board considered that the Subscription represents an opportunity to raise additional capital for the development of mobile application development and operation and related services, maintaining the Group’s working capital and business operation and will also enlarge the shareholders and capital base of the Company and strengthen the financial position of the Group.

In light of the foregoing, the Board (including the independent non-executive Directors) is of the view that terms and conditions (including the Total Subscription Price) of the Subscription 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 Subscription 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
Non-public shareholders:				
Youth Success Holdings Limited ("Youth Success") (Notes 1 and 3)	81,378,000	21.82%	81,378,000	20.18%
Guang Rui Investments Limited ("Guang Rui") (Note 1)	2,594,400	0.70%	2,594,400	0.64%
Goldbless International Limited ("Goldbless") (Notes 1 and 2)	76,500,000	20.51%	76,500,000	18.97%
Alpha Master Global Limited ("Alpha Master") (Note 1)	10,077,600	2.70%	10,077,600	2.50%
Qiao Tian Limited ("Qiao Tian") (Note 1)	5,418,000	1.45%	5,418,000	1.34%
Mr. Liang Longfei ("Mr. Liang") (Note 3)	36,000,000	9.65%	36,000,000	8.93%
The Subscriber (or its nominee(s)) (Note 4)	–	–	30,362,150	7.53%
Sub-total	<u>211,968,000</u>	<u>56.83%</u>	<u>242,330,150</u>	<u>60.08%</u>
Public Shareholders:				
Other public Shareholders	<u>161,018,978</u>	<u>43.17%</u>	<u>161,018,978</u>	<u>39.92%</u>
Sub-total	<u>161,018,978</u>	<u>43.17%</u>	<u>161,018,978</u>	<u>39.92%</u>
<b>Total</b>	<u><u>372,986,978</u></u>	<u><u>100%</u></u>	<u><u>403,349,128</u></u>	<u><u>100%</u></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 21.82% and 0.70% 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. Mou Sufang (“**Ms. Mou**”). Ms. Mou 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. Mou, 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.

2. 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.
3. By virtue of the shareholders voting agreement entered into by and among Mr. Yang, Ms. Mou, Youth Success and Mr. Liang, Mr. Liang irrevocably agrees to delegate and authorize Youth Success to exercise voting rights attached to all of the Shares held by him, and Youth Success is deemed to be interested in the Shares held by Mr. Liang in aggregate by virtue of the SFO.
4. Pursuant to the Subscription Agreement, the Subscriber shall, on the Completion Date, execute and deliver to the Company a shareholders voting agreement, whereby Youth Success shall be entitled to exercise voting rights attached to all of the Shares held by the Subscriber (or its nominee(s)) (either indirectly through its respective holding company(ies) (the “**Holdco**”) or directly held by itself). As such, Youth Success is deemed to be interested in the Shares held by the Holdco or the Subscriber (or its nominee(s)) by virtue of the SFO.

## **GENERAL MANDATE**

Pursuant to the General Mandate granted by the Shareholders at the annual general meeting of the Company held on 27 May 2022, the Directors may exercise all powers of the Company to allot, issue and otherwise deal with Shares not exceeding 67,397,395 Shares, representing 20% of the number of the issued Shares of the Company as at the date of the annual general meeting. As at the date of this announcement, the General Mandate has yet been utilized. As such, the Subscription Agreement and the transaction contemplated thereunder including the issue and allotment of the Subscription Shares under the General Mandate are not subject to Shareholders’ approval.

## **APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES AND RANKING**

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

## **EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS**

The Company has not conducted any other equity fund-raising activities during the twelve months immediately preceding the date of this announcement.

**Completion is subject to the fulfillment or waiver (as the case may be) of the Conditions Precedent. As the Subscription may or may not proceed, Shareholders and potential investors are 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:

“associate”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“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, the shares of which are listed on the GEM (Stock Code: 8368)
“Completion”	completion of the Subscription in accordance with the terms and condition of the Subscription Agreement
“Completion Date”	means a date falling within five (5) Business Days after fulfilment or wavier (as the case may be) of the Conditions Precedent (or such other date as the Company and the Subscriber may agree in writing before Completion) and the date on which Completion takes place
“Conditions Precedent”	the conditions precedent to the Completion as set out in the paragraph headed “Conditions Precedent” under the section headed “The Subscription Agreement” in this announcement
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the GEM, as amended from time to time
“General Mandate”	the general mandate granted to the Directors to allot and issue up to 20% of the total number of the issued shares of the Company on the date of passing such resolutions on 27 May 2022



“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the GEM Listing Rules) any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Long Stop Date”	31 July 2023 or such later date as the Parties may agree in writing
“Material Adverse Effect”	<p>(a) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong or the PRC of a national emergency or war or other calamity or crisis;</p> <p>(b) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong or the PRC, or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation; or</p> <p>(c) any change, event, occurrence, state of facts or effect, the consequence of which is to, or could reasonably be expected to materially and adversely affect the financial position, management, business or property, results of operations, legal or financing structure, business prospects or assets or liabilities of the Group,</p> <p>that would make the enforcement of contracts to purchase the Subscription Shares impracticable, or would materially prejudice trading of the Subscription Shares in the secondary market</p>
“Parties”	the parties to the Subscription Agreement, and “Party” means any one of them
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“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
“Subscriber”	ALPINE NOVA LIMITED (高星有限公司), an Independent Third Party
“Subscription”	the subscription by the Subscriber for the Subscription Shares on the terms and subject to the conditions set out in the Subscription Agreement
“Subscription Agreement”	the share subscription agreement entered into by and between the Company and the Subscriber in relation to the Subscription dated 22 May 2023
“Subscription Price”	HK\$0.214 per Subscription Share
“Subscription Shares”	30,362,150 Shares to be allotted and issued by the Company at Completion pursuant to terms and condition of the Subscription Agreement, and each a “Subscription Share”
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Total Subscription Price”	RMB5,750,000 (equivalent to HK\$6,497,500)
“%”	per cent.

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

Hong Kong, 22 May 2023

*For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the exchange rate of RMB1.00 to HK\$1.13.*

*As at the date of this announcement, the Board comprises Mr. Philip Jian Yang as executive Director; 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).*