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天泓文創

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 RESPECT OF
THE AMENDED NEW STRATEGIC COOPERATIVE AGREEMENT**

**TERMINATION OF THE NEW STRATEGIC COOPERATIVE AGREEMENT AND
ENTERING INTO OF THE AMENDED NEW STRATEGIC COOPERATIVE AGREEMENT**

Reference is made to the announcement of the Company dated 28 December 2022 in respect of, among others, the New Strategic Cooperative Agreement entered into among Tianhong Real Estate, Guangzhou Tianhuihui and Guangzhou Icon Culture. Pursuant to the New Strategic Cooperative Agreement, Guangzhou Icon Culture shall provide the advertising services, including but not limited to, media advertising services, public relations, marketing campaigns and other services, to Tianhong Real Estate and Guangzhou Tianhuihui for the period from 1 January 2023 to 31 December 2025.

As at the date of this announcement, Tianhong Real Estate and Guangzhou Tianhuihui are subsidiaries of Guangzhou Tianhong, which is in turn wholly owned by Mr. Chow who is the chairman, an executive Director and a controlling shareholder of the Company. In view of the demand in advertising services from certain subsidiaries of Guangzhou Tianhong, on 28 June 2023, (i) Tianhong Real Estate, Guangzhou Tianhuihui and Guangzhou Icon Culture entered into the Termination Agreement for terminating the New Strategic Cooperative Agreement; and (ii) Guangzhou Tianhong and Guangzhou Icon Culture entered into the Amended New Strategic Cooperative Agreement in substitution of the New Strategic Cooperative Agreement for the purpose of extending the provision of advertising services to other subsidiaries of Guangzhou Tianhong (including Tianhong Real Estate and Guangzhou Tianhuihui).

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Tianhong Real Estate is wholly owned by Guangzhou Tianhong, which is in turn wholly owned by Mr. Chow. Guangzhou Tianhuihui is held by Tianhong Real Estate and KINGOLD Group as to 70% and 30%, respectively. KINGOLD Group is ultimately owned as to 100% by Hong Kong Kingson Investment Limited, a company wholly owned by the parents of Mr. Chow. 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. Accordingly, Tianhong Real Estate, Guangzhou Tianhuihui and Guangzhou Tianhong are connected persons of the Company under the GEM Listing Rules.

On 28 December 2022, the Company and KINGOLD Group entered into the New KINGOLD Group Advertising Services Framework Agreement in relation to the provision of certain advertising services by the Group to KINGOLD Group and its subsidiaries for the period commencing from 1 January 2023 to 31 December 2025. As the nature of services under the Amended New Strategic Cooperative Agreement and the New KINGOLD Group Advertising Services Framework Agreement are similar and the counterparties to the aforementioned agreements are connected or otherwise associated with one another, the transactions contemplated under the Amended New Strategic Cooperative Agreement and the New KINGOLD Group Advertising Services Framework Agreement shall be aggregated pursuant to Rule 20.79 of the GEM Listing Rules. As all the applicable percentage ratios (other than the profit ratio) (as defined under the GEM Listing Rules) in respect of the annual caps of the transactions contemplated under (i) the New KINGOLD Group Advertising Services Framework Agreement; and (ii) the Amended New Strategic Cooperative Agreement exceed 5% but all of them are less than 25% and the aggregated annual caps are less than HK\$10,000,000, the transactions contemplated under the Amended New Strategic Cooperative Agreement are subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

TERMINATION OF THE NEW STRATEGIC COOPERATIVE AGREEMENT AND ENTERING INTO OF THE AMENDED NEW STRATEGIC COOPERATIVE AGREEMENT

Reference is made to the announcement of the Company dated 28 December 2022 in respect of, among others, the New Strategic Cooperative Agreement entered into among Tianhong Real Estate, Guangzhou Tianhuihui and Guangzhou Icon Culture. Pursuant to the New Strategic Cooperative Agreement, Guangzhou Icon Culture shall provide the advertising services, including but not limited to, media advertising services, public relations, marketing campaigns and other services, to Tianhong Real Estate and Guangzhou Tianhuihui for the period from 1 January 2023 to 31 December 2025.

As at the date of this announcement, Tianhong Real Estate and Guangzhou Tianhuihui are subsidiaries of Guangzhou Tianhong, which is in turn wholly owned by Mr. Chow who is the chairman, an executive Director and a controlling shareholder of the Company. In view of the demand in advertising services from certain subsidiaries of Guangzhou Tianhong, on 28 June 2023, (i) Tianhong Real Estate, Guangzhou Tianhuihui and Guangzhou Icon Culture entered into the Termination Agreement for terminating the New Strategic Cooperative Agreement; and (ii) Guangzhou Tianhong and Guangzhou Icon Culture entered into the Amended New Strategic Cooperative Agreement in substitution of the New Strategic Cooperative Agreement for the purpose of extending the provision of advertising services to other subsidiaries of Guangzhou Tianhong (including Tianhong Real Estate and Guangzhou Tianhuihui).

Pursuant to the terms of the Termination Agreement, the parties agreed to terminate the New Strategic Cooperative Agreement with effect from 28 June 2023, and each party shall be released and discharged from its respective liabilities and obligations under the New Strategic Cooperative Agreement and no party shall have any claims against each other as a result of the termination.

Principal Terms of the Amended New Strategic Cooperative Agreement

The principal terms of the Amended New Strategic Cooperative Agreement are set out as follows:-

Date:	28 June 2023
Parties:	(i) Guangzhou Icon Culture, an indirect wholly-owned subsidiary of the Company; and (ii) Guangzhou Tianhong
Term:	From 28 June 2023 to 31 December 2025
Scope of service:	<p>Pursuant to the Amended New Strategic Cooperative Agreement, Guangzhou Icon Culture shall provide the advertising services, including but not limited to, media advertising services, public relations, marketing campaigns and other services, to Guangzhou Tianhong Group.</p> <p>Guangzhou Tianhong 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 Amended New Strategic Cooperative Agreement.</p>

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 by Guangzhou Tianhong Group in respect of the provision of the advertising services by the Group under the Amended New Strategic Cooperative Agreement will be negotiated on an arm's length basis between the Group and the Guangzhou Tianhong 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 years ended 31 December 2021 and 2022, the Group had provided advertising services to the Tianhong Real Estate Group in an aggregate contract sum of approximately RMB260,000 and RMB1.9 million, respectively. For the period from January 2023 to May 2023, the Group had provided advertising services to the Tianhong Real Estate Group under the New Strategic Cooperative Agreement in an aggregate contract sum of approximately RMB94,000.

The Company expects that the annual caps in respect of the provision of the advertising services by the Group under the Amended New Strategic Cooperative Agreement are as follows:

	Year ending 31 December		
	2023	2024	2025
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Expected annual caps	3,500 <i>(Note 1)</i>	3,500	3,500

Note:

- (1) The annual cap for the year ending 31 December 2023 includes the aggregate transaction amount in respect of the advertising services provided by the Group to the Tianhong Real Estate Group under the New Strategic Cooperative Agreement before the termination of the New Strategic Cooperative Agreement.

The proposed annual caps of service fees under the Amended New Strategic Cooperative Agreement are 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 by the Guangzhou Tianhong Group for the three years ending 31 December 2025; 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 Amended New Strategic Cooperative Agreement are fair and reasonable, and the transactions contemplated under the Amended New 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 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 Guangzhou Tianhong Group so as to ensure that the price of the advertising services provided by the Group to the Guangzhou Tianhong Group are 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 Amended New Strategic Cooperative Agreement on a monthly basis to ensure such transactions are conducted in accordance with the terms of the Amended New Strategic Cooperative Agreement and the transaction amounts do not exceed the respective annual caps;
- (iv) the Group's independent auditor will conduct an annual review on the continuing connected transactions of the Group under the Amended New 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 AMENDED NEW STRATEGIC COOPERATIVE AGREEMENT

The transactions contemplated under the Amended New 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 resolution but including the independent non-executive Directors) consider that the Termination Agreement, the Amended New Strategic Cooperative Agreement and the transactions contemplated thereunder (including the annual caps of the transaction amount under the Amended New Strategic Cooperative Agreement) 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 passing the relevant resolution approving the Termination Agreement and the Amended New Strategic Cooperative Agreement. Save as mentioned above, none of the Directors has any material interest in the Termination Agreement and the Amended New Strategic Cooperative Agreement and therefore no other Director is required to abstain from voting on such resolution.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Tianhong Real Estate is wholly owned by Guangzhou Tianhong, which is in turn wholly owned by Mr. Chow. Guangzhou Tianhuihui is held by Tianhong Real Estate and KINGOLD Group as to 70% and 30%, respectively. KINGOLD Group is ultimately owned as to 100% by Hong Kong Kingson Investment Limited, a company wholly owned by the parents of Mr. Chow. 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. Accordingly, Tianhong Real Estate, Guangzhou Tianhuihui and Guangzhou Tianhong are connected persons of the Company under the GEM Listing Rules.

On 28 December 2022, the Company and KINGOLD Group entered into the New KINGOLD Group Advertising Services Framework Agreement in relation to the provision of certain advertising services by the Group to KINGOLD Group and its subsidiaries for the period commencing from 1 January 2023 to 31 December 2025. As the nature of services under the Amended New Strategic Cooperative Agreement and the New KINGOLD Group Advertising Services Framework Agreement are similar and the counterparties to the aforementioned agreements are connected or otherwise associated with one another, the transactions contemplated under the Amended New Strategic Cooperative Agreement and the New KINGOLD Group Advertising Services Framework Agreement shall be aggregated pursuant to Rule 20.79 of the GEM Listing Rules. As all the applicable percentage ratios (other than the profit ratio) (as defined under the GEM Listing Rules) in respect of the annual caps of the transactions contemplated under (i) the New KINGOLD Group Advertising Services Framework Agreement; and (ii) the Amended New Strategic Cooperative Agreement exceed 5% but all of them are less than 25% and the aggregated annual caps are less than HK\$10,000,000, the transactions contemplated under the Amended New Strategic Cooperative Agreement are subject to the reporting, annual review and announcement requirements, but exempt from the 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.

Guangzhou Tianhong, Tianhong Real Estate Group and KINGOLD Group

Guangzhou Tianhong is a company established under the laws of the PRC with limited liability and wholly owned by Mr. Chow, 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. Guangzhou Tianhong is principally engaged in the business of real estate development, advertising media, interior design, automobile trade and other fields.

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

KINGOLD Group 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 Group is also a connected person of the Company. KINGOLD Group 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:

“Amended New Strategic Cooperative Agreement”	the strategic cooperative agreement dated 28 June 2023 entered into between Guangzhou Tianhong and Guangzhou Icon Culture in relation to the provision of advertising services by Guangzhou Icon Culture to Guangzhou Tianhong Group
“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 Tianhong”	Guangzhou Tianhong Group Co., Ltd.* (廣州天泓集團有限公司), a company established under the laws of the PRC with limited liability and is wholly owned by Mr. Chow, and together with its subsidiaries, the “Guangzhou Tianhong Group”
“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 Group
“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 Group”	KINGOLD Group Co., Ltd.* (僑鑫集團有限公司), a limited liability company established under the laws of the PRC and a majority-controlled company (within the meaning of the GEM Listing Rules) indirectly held by Mr. Chau Chak Wing (周澤榮), father 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
“New KINGOLD Group Advertising Services Framework Agreement”	the advertising services framework agreement dated 28 December 2022 entered into between the Company and KINGOLD Group in relation to the provision of certain advertising services by the Group to KINGOLD Group and its subsidiaries for the period commencing from 1 January 2023 to 31 December 2025
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“New Strategic Cooperative Agreement”	the strategic cooperative agreement dated 28 December 2022 entered into among Tianhong Real Estate, Guangzhou Tianhuihui and Guangzhou Icon Culture in relation to the provision of advertising services by Guangzhou Icon Culture to Tianhong Real Estate Group for the period commencing from 1 January 2023 to 31 December 2025
“Termination Agreement”	the termination agreement dated 28 June 2023 entered into among Tianhong Real Estate, Guangzhou Tianhuihui and Guangzhou Icon Culture in relation to the termination of the New Strategic Cooperative Agreement
“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, 28 June 2023

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.*