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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)

**CONNECTED TRANSACTIONS IN RELATION TO
PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

SUBSCRIPTION AGREEMENTS

The Board is pleased to announce that on 10 November 2023 (after trading hours of the Stock Exchange), (i) the Company and Mr. Ang entered into the AYY Subscription Agreement, pursuant to which Mr. Ang has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 35,990,566 AYY Subscription Shares at a subscription price of HK\$0.53 per AYY Subscription Share; and (ii) the Company and Mr. Sia entered into the SWS Subscription Agreement, pursuant to which Mr. Sia has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 19,188,679 SWS Subscription Shares at a subscription price of HK\$0.53 per SWS Subscription Share.

The AYY Subscription Shares and the SWS Subscription Shares represent approximately 7.61% and 4.06% of the existing issued share capital of the Company respectively as at the date of this announcement. Assuming there are no other changes in the share capital of the Company between the date of this announcement and the Subscription Completion Date, the AYY Subscription Shares and the SWS Subscription Shares represent approximately 6.81% and 3.63% of the issued share capital of the Company as enlarged by the allotment and issue of the AYY Subscription Shares and the SWS Subscription Shares, respectively.

The net proceeds of the AYY Subscription and SWS Subscription, having deducted the professional fees and other expenses in connection with the Subscriptions, are estimated to be approximately HK\$17,390,950 (equivalent to approximately RMB15,955,000) and HK\$9,262,820 (equivalent to approximately RMB8,498,000), respectively, representing a net issue price of approximately HK\$0.48 per AYY Subscription Share and HK\$0.48 per SWS Subscription Share, respectively. The Company intends to apply the net proceeds of the Subscriptions in the manner respectively set out in the paragraphs headed “Reasons for the AYY Subscription and Use of Proceeds” and “Reasons for the SWS Subscription and Use of Proceeds” of this announcement.

APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES AND THEIR RANKINGS

Applications will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. The Subscription Shares upon issue shall rank *pari passu* with all other Shares in issue on the Subscription Completion Date.

SPECIFIC MANDATE

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

GEM LISTING RULES IMPLICATIONS

Each of Mr. Ang and Mr. Sia is required to enter into a Voting Agreement with Youth Success, Mr. Yang and Ms. Mou on the AYY Subscription Completion Date under the AYY Subscription Agreement and on the SWS Subscription Completion Date under the SWS Subscription Agreement, respectively. By entering into the Voting Agreements, Youth Success shall be entitled to exercise voting rights attached to all the Shares held by the Subscribers. As Youth Success, Mr. Yang and Ms. Mou are the controlling shareholders of the Company and are therefore connected persons of the Company, the Transactions constitute connected transactions of the Company and are subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

Based on the following: (i) Mr. Philip Jian Yang, an executive Director and the chairman of the Company, is the son of Mr. Yang and Ms. Mou, and is therefore considered to have an interest in the Transactions; (ii) by virtue of the shareholders voting agreement entered into by, among others, Mr. Yang, Ms. Mou, Youth Success, Mr. Wang Yong and Goldbless, Mr. Wang Yong, an executive Director, is considered to have an interest in the Transactions; and (iii) as at the date of this announcement, Mr. Yang Shiyuan, a non-executive Director, beneficially owns approximately 1.48% of the issued share capital of Youth Success and is therefore considered to have an interest in the Transactions, each of Mr. Philip Jian Yang, Mr. Wang Yong and Mr. Yang Shiyuan had abstained from voting on the Board resolutions approving the Transactions. Save as disclosed above, none of the Directors had any interest in the Transactions and abstained from voting on the Board resolutions approving the Transactions.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Subscriptions. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Transactions (including the grant of the Specific Mandate). A circular containing, among others, (i) details of the Transactions (including the grant of the Specific Mandate), (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Transactions (including the grant of the Specific Mandate), (iii) a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transactions (including the grant of the Specific Mandate) and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 8 December 2023.

As completion of the Transactions are subject to the fulfillment or waiver (as the case may be) of certain conditions precedent under the Subscription Agreements, the Transactions may or may not proceed. Holders of securities of the Company and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

SUBSCRIPTION AGREEMENTS

The Board is pleased to announce that on 10 November 2023 (after trading hours of the Stock Exchange),

- (i) the Company and Mr. Ang entered into the AYY Subscription Agreement, pursuant to which Mr. Ang has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 35,990,566 AYY Subscription Shares at a subscription price of HK\$0.53 per AYY Subscription Share; and

- (ii) the Company and Mr. Sia entered into the SWS Subscription Agreement, pursuant to which Mr. Sia has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 19,188,679 SWS Subscription Shares at a subscription price of HK\$0.53 per SWS Subscription Share.

1. The AYY Subscription Agreement

Principal terms of the AYY Subscription Agreement are summarised as follows:

Date: 10 November 2023 (after trading hours of the Stock Exchange)

Parties: The Company as the issuer; and
Mr. Ang as the subscriber, an Independent Third Party.

Subscription shares: A total of 35,990,566 Shares, representing approximately 7.61% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.81% 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 Subscription Completion Date except the Subscriptions). The aggregate nominal value of the AYY Subscription Shares is HK\$1,799,528.3. The AYY Subscription Shares upon issue shall rank pari passu with all other Shares.

Total subscription price: RMB17,500,000 (equivalent to HK\$19,075,000)

Payment: The total subscription price shall be paid by Mr. Ang on or before the AYY Subscription Completion Date in accordance with the Company's instructions.

Subscription price: HK\$0.53 per AYY Subscription Share (the "AYY Subscription Price"), representing:

- (1) a discount of approximately 10.17% to the closing price of HK\$0.59 per Share as quoted on the Stock Exchange on the date of the AYY Subscription Agreement;

- (2) a discount of approximately 7.99% to the average closing price of approximately HK\$0.576 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 AYY Subscription Agreement; and
- (3) a discount of approximately 9.09% to the average closing price of approximately HK\$0.583 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 AYY Subscription Agreement.

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

AYY Subscription Conditions Precedent

The AYY Subscription Completion is conditional upon the following conditions precedent (the "**AYY Subscription Conditions Precedent**") being fulfilled or waived by Mr. Ang in writing (as the case may be):

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

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

In the event that any of the AYY Subscription Conditions Precedent are not fulfilled or waived on or before 31 January 2024 or such later date as the parties to the AYY Subscription Agreement may agree in writing, the AYY Subscription Agreement and everything contained thereof shall terminate and be null and void and of no further effect and neither of the parties thereto shall have any liability to any other party, save for any antecedent breach(es) of any obligation under the AYY Subscription Agreement.

AYY Subscription Completion

Subject to the fulfilment or waiver (as the case may be) of all the AYY Subscription Conditions Precedent and Mr. Ang's full settlement of the total subscription price, the AYY Subscription Completion shall take place on the AYY Subscription Completion Date.

The AYY Subscription Completion and the SWS Subscription Completion are not interdependent.

Information of the Parties

Mr. Ang

Mr. Ang is an individual investor who is a Malaysian resident. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Ang 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 the 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 AYY Subscription and Use of Proceeds

The aggregate gross proceeds of the AYY Subscription will be RMB17,500,000 (equivalent to HK\$19,075,000) and the aggregate net proceeds of the AYY Subscription, having deducted the professional fees and other expenses in connection with the AYY Subscription, is estimated to be approximately RMB15,955,000 (equivalent to approximately HK\$17,390,950), representing a net issue price of approximately HK\$0.48 per AYY Subscription Share. The Company intends to apply the net proceeds of the AYY Subscription in the following manner:

- (i) 70.00% of the net proceeds, or approximately RMB11,168,500 (equivalent to approximately HK\$12,173,665), for the production of serial programs and films and related services, and film rights investment; and
- (ii) 30.00% of the net proceeds, or approximately RMB4,786,500 (equivalent to approximately HK\$5,217,285), will be used for the general working capital of the Group.

The Directors considered that the AYY Subscription represents an opportunity to raise additional capital for the production of serial programs and films, provision of related services and film rights investment. It will maintain the Group's working capital and business operation, enlarge the shareholders and capital base of the Company and strengthen the financial position of the Group.

In light of the foregoing, the Directors (excluding: (i) the independent non-executive Directors whose opinions will be provided after taking into consideration the advice from the independent financial adviser; and (ii) Mr. Philip Jian Yang, Mr. Wang Yong and Mr. Yang Shiyuan who have abstained from voting on the Transactions) are of the view that the terms and conditions (including the total subscription price) of the AYY Subscription Agreement are on normal commercial terms, which are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

2. The SWS Subscription Agreement

Principal terms of the SWS Subscription Agreement are summarised as follows:

- Date:** 10 November 2023 (after trading hours of the Stock Exchange)
- Parties:** The Company as the issuer; and
Mr. Sia as the subscriber, an Independent Third Party.

- Subscription shares:** A total of 19,188,679 Shares, representing approximately 4.06% of the existing issued share capital of the Company as at the date of this announcement and approximately 3.63% 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 Subscription Completion Date except the Subscriptions). The aggregate nominal value of the SWS Subscription Shares is HK\$959,433.95. The SWS Subscription Shares upon issue shall rank pari passu with all other Shares.
- Total subscription price:** RMB9,330,275 (equivalent to HK\$10,170,000)
- Payment:** The total subscription price shall be paid by Mr. Sia on or before the SWS Subscription Completion Date in accordance with the Company's instructions.
- Subscription price:** HK\$0.53 per SWS Subscription Share (the "SWS Subscription Price"), representing:
- (1) a discount of approximately 10.17% to the closing price of HK\$0.59 per Share as quoted on the Stock Exchange on the date of the SWS Subscription Agreement;
 - (2) a discount of approximately 7.99% to the average closing price of approximately HK\$0.576 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 SWS Subscription Agreement; and
 - (3) a discount of approximately 9.09% to the average closing price of approximately HK\$0.583 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 SWS Subscription Agreement.

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

SWS Subscription Conditions Precedent

The SWS Subscription Completion is conditional upon the following conditions precedent (the "**SWS Subscription Conditions Precedent**") being fulfilled or waived by Mr. Sia in writing (as the case may be):

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

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

In the event that any of the SWS Subscription Conditions Precedent are not fulfilled or waived on or before 31 January 2024 or such later date as the parties to the SWS Subscription Agreement may agree in writing, the SWS Subscription Agreement and everything contained thereof shall terminate and be null and void and of no further effect and neither of the parties thereto shall have any liability to any other party, save for any antecedent breach(es) of any obligation under the SWS Subscription Agreement.

SWS Subscription Completion

Subject to the fulfilment or waiver (as the case may be) of all the SWS Subscription Conditions Precedent and Mr. Sia's full settlement of the total subscription price, the SWS Subscription Completion shall take place on the SWS Subscription Completion Date.

The SWS Subscription Completion and the AYY Subscription Completion are not interdependent.

Information of Mr. Sia

Mr. Sia is an individual investor who is a Singaporean resident. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Sia is an Independent Third Party.

Reasons for the SWS Subscription and Use of Proceeds

The aggregate gross proceeds of the SWS Subscription will be RMB9,330,275 (equivalent to HK\$10,170,000) and the aggregate net proceeds of the SWS Subscription, having deducted the professional fees and other expenses in connection with the SWS Subscription, are estimated to be approximately RMB8,498,000 (equivalent to approximately HK\$9,262,820), representing a net issue price of approximately HK\$0.48 per SWS Subscription Share. The Company intends to apply the net proceeds of the SWS Subscription in the following manner:

- (i) 70.00% of the net proceeds, or approximately RMB5,948,600 (equivalent to approximately HK\$6,483,974), for the production of serial programs and films and related services, and film rights investment; and
- (ii) 30.00% of the net proceeds, or approximately RMB2,549,400 (equivalent to approximately HK\$2,778,846), will be used for the general working capital of the Group.

The Directors considered that the SWS Subscription represents an opportunity to raise additional capital for the production of serial programs and films, provision of related services and film rights investment. It will maintain the Group's working capital and business operation, enlarge the shareholders and capital base of the Company and strengthen the financial position of the Group.

In light of the foregoing, the Directors (excluding: (i) the independent non-executive Directors whose opinions will be provided after taking into consideration the advice from the independent financial adviser; and (ii) Mr. Philip Jian Yang, Mr. Wang Yong and Mr. Yang Shiyuan who have abstained from voting on the Transactions) are of the view that the terms and conditions (including the total subscription price) of the SWS Subscription Agreement are on normal commercial terms, which are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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; (ii) immediately after the AYY Subscription Completion; and (iii) immediately after the AYY Subscription Completion and the SWS Subscription Completion, assuming there will be no change in the total number of issued Shares between the date of this announcement and the Subscription Completion Date except for the allotment and issue of the Subscription Shares.

Name of Shareholders	As at the date of this announcement		Immediately after the AYY Subscription Completion		Immediately after the AYY Subscription Completion and the SWS Subscription Completion	
	number of Shares	approximate percentage	number of Shares	approximate percentage	number of Shares	approximate percentage
<i>Non-public Shareholders:</i>						
Youth Success Holdings Limited (“Youth Success”) (Notes 1, 3, 4, 5, 6 and 7)	81,378,000	17.20%	81,378,000	15.98%	81,378,000	15.40%
Guang Rui Investments Limited (“Guang Rui”) (Note 1)	2,594,400	0.55%	2,594,400	0.51%	2,594,400	0.49%
Goldbless International Limited (“Goldbless”) (Notes 1 and 2)	76,500,000	16.17%	76,500,000	15.02%	76,500,000	14.48%
Alpha Master Global Limited (“Alpha Master”) (Note 1)	10,077,600	2.13%	10,077,600	1.98%	10,077,600	1.91%
Qiao Tian Limited (“Qiao Tian”) (Note 1)	5,418,000	1.14%	5,418,000	1.06%	5,418,000	1.03%
Mr. Liang Longfei (“Mr. Liang”) (Note 3)	36,000,000	7.61%	36,000,000	7.07%	36,000,000	6.81%
Alpine Nova Limited (“Alpine Nova”) (Note 4)	30,362,150	6.41%	30,362,150	5.92%	30,362,150	5.75%
Mr. Tan Koon Aik (Note 5)	44,671,963	9.44%	44,671,963	8.77%	44,671,963	8.45%
Mr. Ang (Note 6)	–	–	35,990,566	7.07%	35,990,566	6.81%
Mr. Sia (Note 7)	–	–	–	–	19,188,679	3.63%
Sub-total	287,002,113	60.65%	322,992,679	63.43%	342,181,358	64.76%
<i>Public Shareholders:</i>						
Public Shareholders	186,206,361	39.35%	186,206,361	36.57%	186,206,361	35.24%
Sub-total	186,206,361	39.35%	186,206,361	36.57%	186,206,361	35.24%
Total	473,208,474	100.00%	509,199,040	100.00%	528,387,719	100.00%

Notes:

1. As at the date of this announcement, Youth Success and Guang Rui own 81,378,000 Shares and 2,594,400 Shares respectively, representing approximately 17.20% and 0.55% 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 was legally and beneficially owned as to 60% by Mr. Yang and 40% by 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 Goldbles on 8 November 2015 (the “**First Voting Agreement**”), Youth Success is deemed to be interested in the Shares held by Alpha Master, Qiao Tian and Goldbles in aggregate under the SFO.
2. As at the date of this announcement, the entire issued share capital of Goldbles is owned by Mr. Wang Yong, an executive Director. Under the SFO, Mr. Wang Yong is deemed to be interested in all the Shares registered in the name of Goldbles.
3. By virtue of the shareholders voting agreement entered into by and among Mr. Yang, Ms. Mou, Youth Success and Mr. Liang on 11 November 2021 (the “**Second Voting Agreement**”), Mr. Liang irrevocably agreed 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 all the Shares held by Mr. Liang in aggregate under the SFO.
4. The entire issued share capital of Alpine Nova is owned by Mr. Wang Xu (王旭). For the purpose of ensuring compliance with the undertakings dated 8 November 2015 (the “**Control Undertakings**”) executed by Mr. Yang and Ms. Mou in favour of the Company, pursuant to which Mr. Yang and Ms. Mou shall remain holding/controlling not less than 50% voting rights in the issued share capital of the Company or otherwise maintain control during the subsistence of the Contractual Arrangements as set out in the section headed “Contractual Arrangements” of the Company’s prospectus dated 12 November 2015, Mr. Yang, Ms. Mou, Youth Success, Alpine Nova and Mr. Wang Xu entered into a shareholders voting agreement on 22 May 2023 (the “**Third Voting Agreement**”). By virtue of the Third Voting Agreement, Youth Success shall be entitled to exercise voting rights attached to all the Shares held by Alpine Nova, and Youth Success is deemed to be interested in all the Shares held by Alpine Nova under the SFO.
5. For the purpose of ensuring compliance with the Control Undertakings, Mr. Yang, Ms. Mou, Youth Success and Mr. Tan Koon Aik entered into a shareholders voting agreement on 18 September 2023 (the “**Fourth Voting Agreement**”). By virtue of the Fourth Voting Agreement, Youth Success shall be entitled to exercise voting rights attached to all the Shares held by Mr. Tan Koon Aik, and Youth Success is deemed to be interested in all the Shares held by Mr. Tan Koon Aik under the SFO.
6. Pursuant to the AYY Subscription Agreement, Mr. Ang shall, on the AYY Subscription Completion Date, execute and deliver to the Company a Voting Agreement, for the purpose of further strengthening the control of Mr. Yang and Ms. Mou in the issued share capital of the Company under the Control Undertakings. By virtue of the Voting Agreement, Youth Success shall be entitled to exercise voting rights attached to all the Shares held by Mr. Ang (or his nominee(s)) (either indirectly held through his controlled entities or directly held by himself). As such, Youth Success is deemed to be interested in all the Shares directly or indirectly held by Mr. Ang under the SFO.
7. Pursuant to the SWS Subscription Agreement, Mr. Sia shall, on the SWS Subscription Completion Date, execute and deliver to the Company a Voting Agreement, for the purpose of further strengthening the control of Mr. Yang and Ms. Mou in the issued share capital of the Company under the Control Undertakings. By virtue of the Voting Agreement, Youth Success shall be entitled to exercise voting rights attached to all the Shares held by Mr. Sia (or his nominee(s)) (either indirectly through his controlled entities or directly held by himself). As such, Youth Success is deemed to be interested in all the Shares directly or indirectly held by Mr. Sia under the SFO.

APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES AND THEIR RANKINGS

Applications will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. The Subscription Shares upon issue shall rank *pari passu* with all other Shares in issue on the Subscription Completion Date.

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

The following are details of the equity fund-raising activities of the Company (the “**Fundraisings**”) conducted in the past twelve months immediately preceding the date of this announcement.

Date of announcement	Fund-raising activity	Net proceeds expected to be raised	Intended use of the net proceeds	Actual use of proceeds as at the date of this announcement
19 June 2023	Issue an aggregate of 25,187,383 new Shares to Mr. Tan Yew Jing	HK\$5,036,942 (equivalent to RMB4,457,471)	(i) approximately 70.00% of the net proceeds, or approximately HK\$3,525,859 (equivalent to RMB3,120,230) to mobile application development and operation and related services; and	(i) approximately HK\$728,029 (equivalent to RMB644,273) has been utilised to finance mobile application development and operation and related services; and
	Completion took place on 28 August 2023		(ii) approximately 30.00% of the net proceeds, or approximately HK\$1,511,083 (equivalent to RMB1,337,241), will be used for the general working capital of the Group.	(ii) approximately HK\$1,511,083 (equivalent to RMB1,337,241) has been utilised for the general working capital of the Group.

Date of announcement	Fund-raising activity	Net proceeds expected to be raised	Intended use of the net proceeds	Actual use of proceeds as at the date of this announcement
19 June 2023	Issue an aggregate of 44,671,963 new Shares to Mr. Tan Koon Aik Completion took place on 18 September 2023	HK\$8,911,790 (equivalent to RMB7,886,540)	(i) approximately 70.54% of the net proceeds, or approximately HK\$6,286,367 (equivalent to RMB5,563,157), to mobile application development and operation and related services; and (ii) approximately 29.46% of the net proceeds, or approximately HK\$2,625,423 (equivalent to RMB2,323,383), will be used for the general working capital of the Group.	(i) approximately HK\$297,367 (equivalent to RMB263,157) has been utilised to finance mobile application development and operation and related services; and (ii) approximately HK\$2,625,423 (equivalent to RMB2,323,383) has been utilised for the general working capital of the Group.
19 June 2023	Issue the convertible bonds in the principal amount of RMB9,000,000 to Mr. Nian Binbin (念彬彬)	HK\$9,502,170 (equivalent to RMB8,409,000)	(i) approximately 70.51% of the net proceeds, or approximately HK\$6,699,770 (equivalent to approximately RMB5,929,000), will be used for mobile application development and operation; and (ii) approximately 29.49% of the net proceeds, or approximately HK\$2,802,400 (equivalent to approximately RMB2,480,000), will be used for the general working capital of the Group.	N/A N/A
	As disclosed in the Company's announcement dated 10 November 2023, the transaction was terminated on 10 November 2023			

Date of announcement	Fund-raising activity	Net proceeds expected to be raised	Intended use of the net proceeds	Actual use of proceeds as at the date of this announcement
22 May 2023	Issue an aggregate of 30,362,150 new Shares to Alpine Nova Limited Completion took place on 28 August 2023	HK\$5,664,487 (equivalent to RMB5,012,820)	(i) approximately 70.17% of the net proceeds, or approximately HK\$3,974,604 (equivalent to RMB3,517,349), to mobile application development and operation and related services; and (ii) approximately 29.83% of the net proceeds, or approximately HK\$1,689,883 (equivalent to RMB1,495,471), will be used for the general working capital of the Group.	(i) approximately HK\$3,974,604 (equivalent to RMB3,517,349) has been utilised to finance mobile application development and operation and related services; and (ii) approximately HK\$1,689,883 (equivalent to RMB1,495,471) has been utilised for the general working capital of the Group.
22 May 2023	Issue the convertible bonds in the principal amount of RMB17,500,000 to Ms. Li Wen (李雯) As disclosed in the Company's announcement dated 10 November 2023, the transaction was terminated on 10 November 2023	HK\$17,630,260 (equivalent to RMB15,602,000)	(i) approximately 38.45% of the net proceeds, or approximately HK\$6,780,000 (equivalent to approximately RMB6,000,000), will be used for serial program/film production and related services and film rights investment; (ii) approximately 31.55% of the net proceeds, or approximately HK\$5,561,860 (equivalent to approximately RMB4,922,000), will be used for mobile application development and operation; and (iii) approximately 30.00% of the net proceeds, or approximately HK\$5,288,400 (equivalent to approximately RMB4,680,000), will be used for the general working capital of the Group.	N/A N/A N/A

Note: Conversion of RMB into HK\$ in the above table is calculated at the exchange rate of RMB1.00 to HK\$1.13.

Save as disclosed above, the Company has not conducted any other Fundraisings during the twelve months immediately preceding the date of this announcement.

SPECIFIC MANDATE

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

GEM LISTING RULES IMPLICATIONS

Each of Mr. Ang and Mr. Sia is required to enter into a Voting Agreement with Youth Success, Mr. Yang and Ms. Mou on the AYY Subscription Completion Date under the AYY Subscription Agreement and on the SWS Subscription Completion Date under the SWS Subscription Agreement, respectively. By entering into the Voting Agreements, Youth Success shall be entitled to exercise voting rights attached to all the Shares held by the Subscribers. As Youth Success, Mr. Yang and Ms. Mou are the controlling shareholders of the Company and are therefore connected persons of the Company, the Transactions constitute connected transactions of the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Based on the following: (i) Mr. Philip Jian Yang, an executive Director and the chairman of the Company, is the son of Mr. Yang and Ms. Mou, and is therefore considered to have an interest in the Transactions; (ii) by virtue of the shareholders voting agreement entered into by, among others, Mr. Yang, Ms. Mou, Youth Success, Mr. Wang Yong and Goldbles, Mr. Wang Yong, an executive Director, is considered to have an interest in the Transactions; and (iii) as at the date of this announcement, Mr. Yang Shiyuan, a non-executive Director, beneficially owns approximately 1.48% of the issued share capital of Youth Success and is therefore considered to have an interest in the Transactions, each of Mr. Philip Jian Yang, Mr. Wang Yong and Mr. Yang Shiyuan had abstained from voting on the Board resolutions approving the Transactions. Save as disclosed above, none of the Directors had any interest in the Transactions and abstained from voting on the Board resolutions approving the Transactions.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Subscriptions. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Transactions (including the grant of the Specific Mandate). A circular containing, among others, (i) details of the Transactions (including the grant of the Specific Mandate), (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Transactions (including the grant of the Specific Mandate), (iii) a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transactions (including the grant of the Specific Mandate) and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 8 December 2023.

As completion of the Transactions are subject to the fulfillment or waiver (as the case may be) of certain conditions precedent under the Subscription Agreements, the Transactions may or may not proceed. Holders of securities of the Company and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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
“AYY Subscription”	the subscription by Mr. Ang for the AYY Subscription Shares on the terms and subject to the conditions set out in the AYY Subscription Agreement
“AYY Subscription Agreement”	the share subscription agreement entered into by and between the Company and Mr. Ang in relation to the AYY Subscription dated 10 November 2023
“AYY Subscription Completion”	the completion of the AYY Subscription in accordance with the terms and conditions of the AYY Subscription Agreement
“AYY Subscription Completion Date”	a date which is within five (5) Business Days after fulfillment or waiver (as the case may be) of the AYY Subscription Conditions Precedent (or such other date as the Company and Mr. Ang may agree in writing before the AYY Subscription Completion) and the date on which the AYY Subscription Completion takes place

“AYY Subscription Shares”	the 35,990,566 new Shares to be issued by the Company and subscribed by Mr. Ang pursuant to the terms and conditions of the AYY Subscription Agreement, and each an “AYY Subscription Share”
“Board”	the board of Directors
“Business Day”	a day on which banks are generally open for business in Hong Kong (other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.)
“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)
“Contractual Arrangements”	a series of the Group’s contractual arrangements to allow New Talent Media Company Limited* (北京聚視文化傳媒有限公司) to exercise effective control over the Group’s PRC subsidiaries and enjoy the economic benefits generated by these entities
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Transactions (including the grant of the Specific Mandate)
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“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 Board Committee”	an independent committee of the Board, comprising all three independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of, among other things, the Transactions (including the grant of the Specific Mandate)
“Independent Shareholder(s)”	Shareholder(s) other than those who have a material interest in the Subscriptions or any other person who is required by the GEM Listing Rules to abstain from voting on the resolutions approving the Subscriptions, the allotment and issue of the Subscription Shares and other transactions contemplated under the Subscription Agreements
“Independent Third Party”	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
“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>

that would make the enforcement of contracts to purchase the AYY Subscription Shares or the SWS Subscription Shares (as the case may be) impracticable, or would materially prejudice trading of the AYY Subscription Shares or the SWS Subscription Shares (as the case may be) in the secondary market

“Mr. Ang”	Mr. Ang Yu Yuan Shawn
“Mr. Sia”	Mr. Sia Wei Soon
“Mr. Yang”	Mr. Yang Shaoqian (楊紹謙), one of the controlling shareholders of the Company
“Ms. Mou”	Ms. Mou Sufang (牟素芳), Mr. Yang’s spouse and one of the controlling shareholders of the Company
“PRC”	the People’s Republic of China which, and for the sole purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM to grant the authority to the Directors for the allotment and issuance of the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, Mr. Ang and Mr. Sia
“Subscription Agreements”	collectively, the AYY Subscription Agreement and the SWS Subscription Agreement

“Subscription Completion Date”	collectively, the AYY Subscription Completion Date and the SWS Subscription Completion Date
“Subscription Shares”	collectively, the AYY Subscription Shares and the SWS Subscription Shares
“Subscriptions”	collectively, the AYY Subscription and the SWS Subscription
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“SWS Subscription”	the subscription by Mr. Sia for the SWS Subscription Shares on the terms and subject to the conditions set out in the SWS Subscription Agreement
“SWS Subscription Agreement”	the share subscription agreement entered into by and between the Company and Mr. Sia in relation to the SWS Subscription dated 10 November 2023
“SWS Subscription Completion”	the completion of the SWS Subscription in accordance with the terms and conditions of the SWS Subscription Agreement
“SWS Subscription Completion Date”	a date which is within five (5) Business Days after fulfillment or waiver (as the case may be) of the SWS Subscription Conditions Precedent (or such other date as the Company and Mr. Sia may agree in writing before the SWS Subscription Completion) and the date on which the SWS Subscription Completion takes place
“SWS Subscription Shares”	the 19,188,679 new Shares to be issued by the Company and subscribed by Mr. Sia pursuant to the terms and conditions of the SWS Subscription Agreement, and each a “SWS Subscription Share”
“Transactions”	collectively, the Subscription Agreements and the transactions contemplated thereunder (including the Voting Agreements and the grant of the Specific Mandate)

“Voting Agreements”

means:

- (i) the shareholders voting agreement to be entered into by and between Youth Success, Mr. Yang, Ms. Mou and Mr. Ang under the AYY Subscription Agreement; and
- (ii) the shareholders voting agreement to be entered into by and between Youth Success, Mr. Yang, Ms. Mou and Mr. Sia under the SWS Subscription Agreement;

and each a “Voting Agreement”

“%”

per cent

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

Hong Kong, 10 November 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\$1.09.

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