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中國創意控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8368)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

CHARACTERISTICS OF THE GEM (THE "GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Creative China Holdings Limited (the "Company") collectively and individually accept full responsibility, include particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board of Directors of the Company (the "Board") is pleased to present the audited results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024, together with comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	5	151,143	184,796
Direct costs	_	(103,296)	(110,732)
Gross profit		47,847	74,064
Other income	6	391	40
Other gains and losses	7	202	(2,609)
Impairment loss under expected credit loss			
model, net of reversal		(403)	(2,580)
Selling and distribution costs		(2,313)	(3,438)
Administrative expenses		(19,803)	(20,904)
Finance costs	8	(1,011)	(811)
Profit before taxation	9	24,910	43,762
Taxation	10 _	(684)	(1,909)
Profit for the year		24,226	41,853
Other comprehensive income that may be reclassified subsequently to profit or loss: Exchange differences on translating foreign operations		338	123
Total comprehensive income for the year	_	24,564	41,976
Profit (loss) for the year attributable to:			
Owners of the Company		24,352	43,854
Non-controlling interests		(126)	(2,001)
	_	24,226	41,853

	Note	2024 RMB'000	2023 RMB'000
Total comprehensive income (expense)			
for the year attributable to:			
Owners of the Company		24,703	43,982
Non-controlling interests		(139)	(2,006)
		24,564	41,976
Earnings per share attributable to owners			
of the Company	12		
- Basic and Diluted (RMB cents)		4.28	10.82

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		135	278
Right-of-use assets		2,115	636
Intangible asset		_	4,144
Deposit for acquisition of property, plant and equipment		382	
Deferred tax assets		766	866
Deferred tax assets	_	700	800
Total non-current assets	_	3,398	5,924
Current assets			
Serial program rights		4,233	8,851
Trade and other receivables	13	391,262	322,941
Amounts due from non-controlling interests		126	126
Bank balances and cash	_	11,837	25,660
Total current assets	_	407,458	357,578
Total assets	_	410,856	363,502
Current liabilities			
Trade payables	14	411	4,006
Other payables and accruals		44,474	42,098
Contract liabilities		8,935	16,201
Tax payables		15,618	15,568
Lease liabilities		1,614	659
Amount due to a director		6,138	5,995
Amount due to a related company		10,099	_
Bank borrowings	_	16,000	17,710
Total current liabilities	_	103,289	102,237
Net current assets	_	304,169	255,341
Total assets less current liabilities	_	307,567	261,265

	Note	2024 RMB'000	2023 RMB'000
Non-current liabilities Lease liabilities	_	552	
Total liabilities	_	103,841	102,237
NET ASSETS	=	307,015	261,265
Capital and reserves			
Share capital	15	24,847	22,605
Reserves	_	282,815	239,168
Equity attributable to owners of the			
Company		307,662	261,773
Non-controlling interests	_	(647)	(508)
TOTAL EQUITY	_	307,015	261,265

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

				Reserves			Equity attributable		
	Share	Share	Other	Merger	Foreign exchange	Accumulated	to owners of the	Non- controlling	
	capital RMB'000	premium RMB'000	reserve RMB'000	reserve RMB'000	reserve RMB'000	losses RMB'000	Company RMB'000	interests RMB'000	Total RMB'000
Balance at 1 January 2023	15,505	200,299	3,784	9,300	894	(53,563)	176,219	1,498	177,717
Profit (loss) for the year Other comprehensive income (expense)	-	-	-	-	128	43,854	43,854 128	(2,001)	41,853
Total comprehensive income (expense) for the year					128	43,854	43,982	(2,006)	41,976
Issue of shares, net of issuing expenses (note 15(a))	7,100	34,472					41,572		41,572
Balance at 31 December 2023 and 1 January 2024	22,605	234,771	3,784	9,300	1,022	(9,709)	261,773	(508)	261,265
Profit (loss) for the year Other comprehensive income (expense)	-	-	-	-	351	24,352	24,352 351	(126)	24,226
Total comprehensive income (expense) for the year					351	24,352	24,703	(139)	24,564
Placing of shares, net of placing expenses (note 15(b))	2,242	18,944					21,186		21,186
Balance at 31 December 2024	24,847	253,715	3,784	9,300	1,373	14,643	307,662	(647)	307,015

Notes:

1. GENERAL INFORMATION

Creative China Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands. The address of its registered office is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. Its principal place of business in the People's Republic of China (the "PRC") is located at Room 1901, 19/F, Yulin Building, No. 5A Xiangjun Nanli 2nd Alley, Chaoyang District, Beijing, the PRC, and its principal place of business in Hong Kong is located at 23/F, Yue Thai Commercial Building, 128 Connaught Road Central, Sheung Wan, Hong Kong. Up to the date of approval of the consolidation financial statements, Youth Success Holdings Limited and Guang Rui Investments Limited are its immediate and ultimate parent respectively. Guang Rui Investments Limited is wholly and beneficially owned by Mr. Yang Shaoqian and his spouse, Ms. Mou Sufang.

The principal activity of the Company is investment holding while its subsidiaries are principally engaged in serial program/film production and film rights investment, concert and event organisation services, mobile application development and operation services and artist management. The Company and its subsidiaries are collectively referred as the "Group" hereafter.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related

amendments to Hong Kong Interpretation 5 (2020)

Amendments to HKAS 1 Non-current Liabilities with Covenants

Amendments to HKAS 7 and Supplier Finance Arrangements

HKFRS 7

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and Amendments to the Classification and Measurement of Financial

HKFRS 7 Instruments³

Amendments to HKFRS 9 and Contracts Referring Nature – Dependent Electricity³

HKFRS 7

Standards

Amendments to HKFRS 10 and Sale or Contribution of Assets between an Investor and its

HKAS 28 Associate or Joint Venture¹

Amendments to HKFRS Accounting Annual Improvements to HKFRS Accounting Standards –

Volume 11³

Amendments to HKAS 21 Lack of Exchangeability²

HKFRS 18 Presentation and Disclosure in Financial Statements⁴

Effective for annual periods beginning on or after a date to be determined.

- ² Effective for annual periods beginning on or after 1 January 2025.
- Effective for annual periods beginning on or after 1 January 2026.
- Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation to the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker ("CODM") that are used to make strategic decisions.

The Group has the following reportable segments which are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable and operating segments:

Serial Program/Film Production and Film Rights Investment

Serial Program/Film Production and Film Rights Investment segment provides film and television program original script creation, adaptation, production and licensing and related production services and film rights investment.

Concert and Event Organisation

Concert and Event Organisation segment provides organisation services, such as music concerts, prize presentation ceremony, automobile shows, university alumni and other performance events.

Mobile Application Development and Operation

Mobile Application Development and Operation segment provides electronic platforms for entertainment contents consumption and e-commerce, such as online store. This segment also provides live streaming e-commerce, online advertising services, mobile application development and related services.

Artist Management

Artist management segment provides management service for the customers for arrangement of different performance activities.

(a) Business segments

For the year ended 31 December 2024

	Serial Program/Film Production and Film Rights Investment RMB'000	Concert and Event Organisation RMB'000	Mobile Application Development and Operation RMB'000	Artist Management RMB'000	Total RMB'000
Revenue from contracts with customers	148,185	2,235	339	384	151,143
Represented by: Recognised over time					
- Provision of artist management					
services	-	-	-	384	384
Recognised at a point in time					
- Sale of script copyright and program	148,185	-	-	-	148,185
- Live streaming e-commerce	-	-	339	-	339
 Concert and events income 		2,235			2,235
Reportable revenue from external	140 105	2 225	220	294	151 142
customers	148,185	2,235	339	384	151,143
Reportable segment profit (loss)	43,300	(1,091)	(7,838)	(1,074)	33,297
Interest income	10	_	5	6	21
Interest expense	(633)	(10)	(1)	(10)	(654)
Depreciation of right-of-use assets	(839)	(169)	(133)	(265)	(1,406)
Depreciation of property, plant and	(4)		(4.0)		(400)
equipment	(2)	-	(120)	-	(122)
Amortisation of intangible asset	272 077	- - 414	(4,144)	- (025	(4,144)
Reportable segment assets Additions to non-current assets (note)	372,877 2,160	7,414 1,013	22,005 14	6,935	409,231 3,187
Reportable segment liabilities	(54,561)	(1,169)	(11,212)	(11,224)	(78,166)
Reportable segment natifices	(34,301)	(1,109)	(11,212)	(11,224)	(70,100)

	Serial Program/Film Production and Film Rights Investment RMB'000	Concert and Event Organisation RMB'000	Mobile Application Development and Operation RMB'000	Artist Management RMB'000	Total RMB'000
Revenue from contracts with customers	170,911	8,652	3,510	1,723	184,796
Represented by: Recognised over time - Provision of artist management services	_	_	_	1,723	1,723
				,, -	,
Recognised at a point in time - Sale of script copyright and program - Sale of film distribution and income	62,148	-	-	-	62,148
rights	101,216	_	_	_	101,216
 Production or service income 	7,547	-	_	-	7,547
– Live streaming e-commerce	-	- 0.650	3,510	_	3,510
 Concert and events income 		8,652			8,652
Reportable segment revenue from external					
customers	170,911	8,652	3,510	1,723	184,796
Reportable segment profit (loss)	68,000	(2,677)	(8,291)	(705)	56,327
Interest income	17	_	8	12	37
Interest expense	(679)	(10)	(29)	(10)	(728)
Depreciation of right-of-use assets	(911)	(168)	(531)	(248)	(1,858)
Depreciation of property, plant and equipment	(3)	_	(259)	_	(262)
Amortisation of intangible asset	_	-	(1,686)	_	(1,686)
Reportable segment assets	311,062	13,291	27,698	9,662	361,713
Additions to non-current assets (note)	(51.242)	(0.410)	425	(15.051)	425
Reportable segment liabilities	(51,342)	(8,419)	(11,883)	(15,951)	(87,595)

Note: Non-current assets include property, plant and equipment and right-of-use assets.

(b) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	2024 RMB'000	2023 RMB'000
	Time out	MMB 000
Revenue	454.440	104 506
Reportable segment revenue from external customers	151,143	184,796
	2024	2023
	RMB'000	RMB'000
Profit before taxation		
Reportable segment profit	33,297	56,327
Unallocated other gains or losses:		
Net exchange gain (loss)	295	(116)
Unallocated other income:		
 Interest income 	_	3
Unallocated finance costs:		
 Interest expense 	_	(83)
Unallocated corporate expenses:		
 Auditor's remuneration 	(648)	(674)
 Directors' emoluments 	(2,210)	(2,179)
 Legal and professional fee 	(1,966)	(6,193)
- Salaries and other benefits for key management and		
administration staff	(2,048)	(1,203)
 General operating expenses 	(1,810)	(370)
- Impairment loss under expected credit loss model on		
amount due from a non-controlling interest		(1,750)
Consolidated profit before taxation	24,910	43,762

Segment profit (loss) represents the profit earned by or loss from each segment without allocation of corporate expenses and unallocated net exchange gain (loss), interest income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

	2024 RMB'000	2023 RMB'000
Assets		
Reportable segment assets	409,231	361,713
Unallocated corporate assets:		
 Property, plant and equipment 	11	31
 Bank balances and cash 	954	1,288
– Others	660	470
Consolidated total assets	410,856	363,502
	2024	2023
	RMB'000	RMB'000
Liabilities		
Reportable segment liabilities	78,166	87,595
Unallocated corporate liabilities:		
 Accruals and other payables 	9,438	8,647
 Amount due to a director 	6,138	5,995
- Amount due to a related company	10,099	
Consolidated total liabilities	103,841	102,237

(c) Geographic information

The following table provides a geographical analysis of the Group's revenue from external customers:

	2024	2023
	RMB'000	RMB'000
Hong Kong		
 Sale of film distribution and income rights 	-	39,198
PRC		
 Sale of script copyright and program 	148,185	62,148
 Sale of film distribution and income rights 	_	62,018
 Production or service income 	_	7,547
 Provision of artist management services 	384	1,723
 Live streaming e-commerce 	339	3,510
Other countries in Southeast Asia		
 Concert and event income 	2,235	8,652
	151,143	184,796

Note: Geographical region of customers is based on the location at which the goods and services are provided.

(d) Information about major customers

For the year ended 31 December 2024, revenues from four customers (2023: five customers) with whom transactions have exceeded 10% of the Group's revenue for the year. Details were as follows:

	2024 RMB'000	2023 RMB'000
Customer I: - Serial Program/Film Production and Film Distribution and Income Rights	71,000	28,880
Customer II: - Serial Program/Film Production and Film Distribution and Income Rights	27,855	N/A*
Customer III: - Serial Program/Film Production and Film Distribution and Income Rights	19,708	24,651
Customer IV: - Serial Program/Film Production and Film Distribution and Income Rights	17,877	29,000
Customer V: - Serial Program/Film Production and Film Distribution and Income Rights	-	39,198
Customer VI: - Serial Program/Film Production and Film Distribution and Income Rights	N/A*	33,019
<u>-</u>	136,440	154,748

^{*} The corresponding revenue for the customer did not contribute over 10% of the total revenue of the Group during the year.

5. REVENUE

Revenue of the Group represents revenue generated from (i) serial program/film production 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 and related services. The amounts of each significant category of revenue recognised during the year are as follows:

	2024	2023
	RMB'000	RMB'000
Sale of script copyright and program	148,185	62,148
Sale of film distribution and income rights	_	101,216
Production or service income	_	7,547
Concert and events income	2,235	8,652
Livestreaming e-commerce	339	3,510
Provision of artist management services	384	1,723
	151,143	184,796

All of the Group's sales contracts have an original expected duration of one year or less. As permitted under HKFRS 15 *Revenue from Contracts with Customers*, the transaction price allocated to the remaining performance obligation for these contracts is not disclosed.

6. OTHER INCOME

	2024	2023
	RMB'000	RMB'000
Interest income from bank deposits	22	40
Government subsidy (note)	149	_
Sundry income		
	391	40

Note: During the year ended 31 December 2024, the Group recognised government grants amounting to approximately RMB149,000 (2023: nil) which was related to loan subsidy for small and medium-sized enterprises provided by the government in the PRC.

7. OTHER GAINS AND LOSSES

	2024 RMB'000	2023 RMB'000
Net exchange gain (loss)	250	(2,678)
Gain on early termination of lease contracts	_	69
Written-off of property, plant and equipment	(48)	
	202	(2,609)

8. FINANCE COSTS

		2024 RMB'000	2023 RMB'000
	Interest on bank borrowings	561	624
	Interest on amount due to a related company	348	75
	Interest on lease liabilities	102	112
		1,011	811
9.	PROFIT BEFORE TAXATION		
		2024	2023
		RMB'000	RMB'000
	Profit before taxation is arrived at after charging:		
	Staff costs (including directors' emolument)	9,063	9,114
	Auditor's remuneration	648	674
	Depreciation of property, plant and equipment	127	271
	Depreciation of right-of-use assets	1,702	2,026
	Amortisation of intangible asset	4,144	1,686
10.	TAXATION		
		2024	2023
		RMB'000	RMB'000
	Current tax – Hong Kong		
	 provision for the year 	9	2,005
	 overprovision in prior years 	_	(222)
	Current tax – the PRC		
	– provision for the year	575	127
	 overprovision in prior years 	_	(17)
	Deferred taxation	100	16
	Income tax expenses	684	1,909

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

As stipulated in Cai Shui [2011] No. [112], Cai Shui [2021] No. [27] and Cai Shui [2021] No. [42], enterprises newly established in Khorgas special economic areas and engaged in the encouraged industries as defined under the 《新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄》(Catalogue of Key Encouraged Developing Industries for Enterprise Income Tax Benefits in Difficult Areas of Xinjiang (for identification purpose only)) could enjoy EIT exemption for five years starting from its first operation income-generating year during the period from 2011 to 2020, from 2021 to 2030 and from 2021 to 2030 respectively. Horgos Zongheng Infinite Cultural Media Co. Ltd. and Horgos Feichi Cultural Media Co. Ltd., subsidiaries of the Group are eligible for entitlement of EIT exemption from 1 January 2020 to 31 December 2024 and from 1 January 2024 to 31 December 2028, respectively.

11. DIVIDEND

No dividend had been paid or declared by the Company during the year (2023: nil).

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2024 RMB'000	2023 RMB'000
Profit for the purposes of basic earnings per share	24,352	43,854
	2024 '000	2023 '000
Weighted average number of ordinary shares	568,593	405,344

Note: No diluted earnings per share is presented as there were no potential ordinary shares in issue for both years.

13. TRADE AND OTHER RECEIVABLES

	2024 <i>RMB'000</i>	2023 RMB'000
Trade receivables, gross Less: impairment allowance	167,462 (5,009)	161,738 (4,552)
Trade receivables, net	162,453	157,186
Prepayments and deposits (note i, ii & iii) Other receivables	226,099 2,710	162,361 3,394
	391,262	322,941

Notes:

At the end of the reporting period, the balances of prepayments and deposits are mainly represented by the following:

- (i) The balance included prepayment to event organisers of approximately RMB6,775,000 (2023: RMB12,893,000) for the purpose of concert to be held in the coming years.
- (ii) The balance included prepaid service fees of approximately RMB27,310,000 (2023: RMB26,879,000) in relation to program production and live streaming services.
- (iii) The balance included prepayment for pre-production of script copyright and acquisition of film distribution and income rights amounting to approximately RMB184,036,000 (2023: RMB121,665,000).

The Group has performed assessment on whether impairment indicator exists for the prepayments and deposits by considering the plans and status of utilisation of the prepayments. Based on the management's assessment, no impairment indicator has been identified for the prepayments and deposits.

The aging analysis of trade receivables (net of impairment allowance), based on invoice dates, as of the end of year, is as follows:

	2024	2023
	RMB'000	RMB'000
Within 30 days	_	56,986
31 to 90 days	130,392	80,382
91 to 180 days	_	3,216
181 to 365 days	_	_
Over 1 year	32,061	16,602
	162,453	157,186

The normal credit period granted to trade debtors is generally within one year.

14. TRADE PAYABLES

The aging analysis of trade payables, based on invoice dates, as of the end of year, is as follows:

	2024 RMB'000	2023 RMB'000
91 to 365 days Over 365 days	411	2,000 2,006
	411	4,006

15. SHARE CAPITAL

Authorised and issued share capital

		2024			2023	
	Number	HK\$'000	Equivalent to <i>RMB'000</i>	Number	HK\$'000	Equivalent to RMB'000
Authorised Ordinary shares of HK\$0.05 each	1,600,000,000	80,000	67,024	1,600,000,000	80,000	67,024
Issued and fully paid Ordinary shares At beginning of year Issue of shares (note (a)) Placing of shares	528,387,719	26,419	22,605	372,986,978 155,400,741	18,650 7,769	15,505 7,100
(note (b))	49,410,000	2,471	2,242			
At end of year	577,797,719	28,890	24,847	528,387,719	26,419	22,605

Notes:

(a) On 22 May 2023, the Company entered into a share subscription agreement with an independent third party for subscription of 30,362,150 shares of the Company at the subscription price of HK\$0.214 per share. The share subscription was completed on 28 August 2023. The net proceed from the share subscription amounted to approximately RMB5,013,000, net of the transaction costs of issuing the shares.

On 19 June 2023, the Company entered into a share subscription agreement with an independent third party for subscription of 44,671,963 shares of the Company at the subscription price of HK\$0.214 per share. The share subscription was completed on 18 September 2023. The net proceed from the share subscription amounted to approximately RMB7,887,000, net of the transaction costs of issuing the shares.

On 19 June 2023, the Company entered into a share subscription agreement with an independent third party for subscription of 25,187,383 shares of the Company at the subscription price of HK\$0.214 per share. The share subscription was completed on 28 August 2023. The net proceeds from the share subscription amounted to approximately RMB4,457,000, net of the transaction costs of issuing the shares.

On 10 November 2023, the Company entered into a share subscription agreement with an independent third party for subscription of 35,990,566 shares of the Company at the subscription price of HK\$0.53 per share. The share subscription was completed on 27 December 2023. The net proceed from the share subscriptions amounted to approximately RMB15,856,000, net of the transaction costs of issuing the shares.

On 10 November 2023, the Company entered into a share subscription agreement with an independent third party for subscription of 19,188,679 shares of the Company at the subscription price of HK\$0.53 per share. The share subscription was completed on 27 December 2023. The net proceed from the share subscriptions amounted to approximately RMB8,359,000, net of the transaction costs of issuing the shares.

(b) On 19 February 2024, the Company entered into a placing agreement for a placing of 49,410,000 shares to not less than six places at the placing price of HK\$0.50 per placing shares. The share placing was completed on 8 March 2024. The net proceed from the share placing amounted to approximately RMB21,186,000, net of transaction costs of issuing the shares.

16. EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement (the "Announcement") dated 15 January 2025. Unless the context otherwise required, terms defined herein shall have the same meanings as those defined in the Announcement. On 15 January 2025, the Group and Relevant Shareholders entered into a series of termination agreements, consisting of the Exclusive Technology Consultation and Service Agreements (獨家技術諮詢和服務協議), the Equity Interest Pledge Agreements (股權質押合同), the Exclusive Option Agreements (獨家購買權合同), the Powers of Attorney (授權委託書), the Business Operating Agreements (業務經營協議) to terminate the Contractual Arrangements with effect from 15 January 2025.

All the former Contractual Entities have become indirect subsidiaries of the Company, their businesses will continue to be operated by the Company, and their financial results will continue to be consolidated into the Group's consolidated financial statements.

As at the date of the announcement, all the Contractual Entities have completed deregistration of their permits in relation to (i) the program production business due to cessation of such restricted businesses after 2018; and (ii) the operation of electronic platforms for entertainment contents consumption and e-commerce in the PRC due to cessation of such restricted businesses after 2024.

Details of termination of the contractual arrangements have been disclosed in the Announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Unless otherwise specified, the figures stated in the following review are extracted from the audited financial figures of the continuing operations of the Group:

Revenue

For the year ended 31 December 2024 ("Year 2024"), the Group recorded revenue of approximately RMB151.1 million, representing a decrease of approximately 18.2% over approximately RMB184.8 million for the year ended 31 December 2023 ("Year 2023"). The decrease was due to challenging industry environment and complex market competition.

Gross profit

For Year 2024, the Group recorded gross profit of RMB47.8 million, representing a decrease of approximately 35.5% over RMB74.1 million recorded in Year 2023. The decrease in gross profit was mainly attributable to decrease of gross profit from the segment of serial program/film production and film rights investment.

Other income

Other income of the Group increased from approximately RMB0.04 million in Year 2023 to approximately RMB0.4 million in Year 2024, mainly due to the government subsidy and loan interest subsidies.

Expenses

For Year 2024, selling and distribution costs amounted to approximately RMB2.3 million, as comparing to approximately RMB3.4 million (decreased by approximately 32.4%) from Year 2023, mainly due to lower of staff cost. For Year 2024, administrative expenses amounted to approximately RMB19.8 million, representing a decrease of approximately 5.26%, as comparing to approximately RMB20.9 million in 2023. The decrease mainly due to decrease of legal and professional fee in Year 2024.

Income tax expenses

The Group's income tax expenses amounted to approximately RMB0.6 million for Year 2024, and approximately RMB1.9 million for Year 2023. Income tax expenses for Year 2024 were due to profits arising from the sale of several script copyrights. The provision of profit tax made for Hong Kong profits tax and PRC enterprise income tax in Year 2024 were RMB9,000 and RMB0.6 million respectively. PRC enterprise income tax for subsidiaries incorporated in the PRC is calculated at 25% on assessable profits during the year.

As stipulated in Cai Shui [2011] No. [112], Cai Shui [2021] No. [27] and Cai Shui [2021] No. [42], enterprises newly established in Khorgas special economic areas and engaged in the encouraged industries as defined under the 《新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄》(Catalogue of Key Encouraged Developing Industries for Enterprise Income Tax Benefits in Difficult Areas of Xinjiang (for identification purpose only)) could enjoy EIT exemption for five years starting from its first operation income-generating year during the period from 2011 to 2020, from 2021 to 2030 and from 2021 to 2030 respectively. Horgos Zongheng Infinite Cultural Media Co. Ltd. and Horgos Feichi Cultural Media Co. Ltd., subsidiaries of the Group are eligible for entitlement of EIT exemption from 1 January 2020 to 31 December 2024 and from 1 January 2024 to 31 December 2028, respectively.

Hong Kong profit tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profit and 16.5% on the estimated assessable profit above HK\$2 million during the year. The income tax expenses recognised in the relevant periods are in accordance with the relevant laws and regulations.

Profit attributable to owners of the Company for the year

The Group's profit attributable to owners of the Company amounted to approximately RMB24.4 million, while for Year 2023 the Group's profit attributable to owners of the Company was approximately RMB43.9 million. The decrease in profit attributable to owners of the Company was mainly due to the decrease of segments revenue amid the unfavorable economic environment, challenging industry environment and complex market competition.

Financial resources, liquidity and capital structure

For Year 2024, the Group continued to finance its working capital through cash flows generated from operating activities, loans and shareholders' equity. As at 31 December 2024, the Group had net current assets of approximately RMB304.2 million (as at 31 December 2023: approximately RMB255.3 million) including cash and cash equivalents of approximately RMB11.8 million (as at 31 December 2023: approximately RMB25.7 million). The increase in net current assets was mainly due to the increase in trade receivables and prepayment. The current ratio, calculated as the ratio of current assets to current liabilities, was approximately 3.94 times as at 31 December 2024 (as at 31 December 2023: approximately 3.5 times). The capital of the Group comprises solely of ordinary shares. Total equity attributable to owners of the Company amounted to approximately RMB307.7 million as at 31 December 2024 (as at 31 December 2023: approximately RMB261.8 million). The gearing ratio for Year 2024 was 6.5%, increased from Year 2023 being negative (for details, please refer to note 36 to the consolidated financial statements being published in the annual report of the Company for the year ended 31 December 2024).

BUSINESS REVIEW AND PROSPECTS

The Group is principally engaged in the businesses of (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.

Serial program/film production and related services and film rights investment

The Group's revenue from serial program/film production and related services and film rights investment amounted to approximately RMB148.2 million for Year 2024 and approximately RMB170.9 million for the corresponding period last year. The decrease was mainly due to no production service income being generated.

The Group actively collaborates with film and television production companies in the PRC engaging in the creation of film and television intellectual property, in order to obtain more potential resources and reserves of television programs, online dramas and movies. The Group continues to leverage its own production experience and related resources to expand the program production segment to original script creation, adaptation, pre-production, licensing, and related services, in order to create more self-developed film and serial program script copyrights.

Concert and event organisation

Revenue from the event organisation segment decreased from Year 2023 of approximately RMB8.7 million to approximately RMB2.2 million for Year 2024. The decrease was mainly due to less concerts being organised.

In early January 2025, the Group officially launched the immersive science fiction experience centre of "Three-Body Beyond Gravity Four Dimensional Space", an adaptation of the science fiction IP "Three-Body". The Group is exploring business opportunities to launch more experience centers outside mainland such as Hong Kong and/or Macau.

Mobile application development and operation

Revenue from the mobile application development and operation segment amounted to approximately RMB0.3 million for Year 2024, representing a decrease of approximately 91.4% as comparing to approximately RMB3.5 million being recorded for Year 2023. Revenue are mainly from livestreaming e-commerce. The decrease in revenue was mainly due to incapability to arrange live broadcasts under the working schedule and time arrangements of the ex-cooperating artists during the period.

During the year, the Group's live streaming e-commerce business continues to launch live broadcasts on Douyin, including in-depth cooperation with merchant under broadcast studio. The Group will continue to innovate new live streaming e-commerce delivery models that are more competitive and larger in quantity, including in-depth cooperation with well-known celebrities and artists, actively train broadcast anchors, expand cooperation with brands and merchants for brand on-demand and introduce virtual human anchors.

Artist management

Revenue amounted to approximately RMB0.4 million for the year ended 31 December 2024 and approximately RMB1.7 million for the corresponding period last year, representing a decrease of approximately 76.5%. The decrease was mainly due to relevant contract of the period was recognised in a net of cost basis.

In the future, the Group intends to replenish and develop a more comprehensive entertainment and athlete stars team to bring greater value to the Group.

Despite various external challenges facing the Group's businesses, the Group is confident that under the leadership of our experienced management and the strong teams formed by the seasoned staff, the Group will be able to overcome any and all challenges. With various business opportunities that the Group is currently exploring, the Group believes that our business will continue to improve.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had a total of 35 employees (2023: 29). The increase was mainly due to increase of staff in the concert and event organisation businesses. The Group remunerates its employees based on their performance, experience and the prevailing market situation. Their remuneration packages are normally renewed on an annual basis, based on performance appraisals and other relevant factors. The Group may pay discretionary bonuses to its employees based on individual performance.

FOREIGN EXCHANGE RISKS

Regular sales and purchases of the Group are mainly conducted in RMB. The Group will review and monitor the risk relating to foreign exchanges.

CAPITAL EXPENDITURE

The Group paid approximately RMB32,000 for the addition of property, plant and equipment during Year 2024 (Year 2023: approximately RMB24,000).

COMMITMENTS

As at 31 December 2024, the Group had capital commitments of RMB41.8 million (Year 2023: RMB47.0 million).

CONTINGENT LIABILITIES

Referring to the announcement of the discloseable transaction in relation to the provision of financial assistance as of 14 November 2023, where an indirect wholly-owned subsidiary of the Company being entered into a corporate guarantee ("Corporate Guarantee"), the Group has retained the entitlement to the income from the project amounted to approximately RMB15.0 million has been held by the Group and included in "other payables" line item (being no change comparing to Year 2023). The amount of other payables would be able to mitigate any risk associated with the provision of the Corporate Guarantee by the Group. Based on the information currently available up to the date of this announcement, the other payables held by the Group is sufficient to cover any claims due to the litigation. In the opinion of the directors of the Company, the fair value of the Corporate Guarantee is considered insignificant.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There were no significant investments, material acquisitions or disposals held as at 31 December 2024 and as at 31 December 2023, except for the reorganisation under the continuing connected transaction under the termination of the contractual arrangement (please refer to announcement as of 15 January 2025).

CORPORATE GOVERNANCE

The Board strives to uphold the principles of corporate governance set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 to the GEM Listing Rules, and adopted various measures to enhance the internal control systems, the Directors' continuous professional development and other areas of practice of the Company.

For the year ended 31 December 2024, the Company has complied with the code provisions set out in the CG Code except the following deviations (Code Provisions C.2.1 and D.2.5):

Chairman and Chief Executive Officer

Mr. Philip Jian Yang is the Chairman of the Board and the Chief Executive Officer of the Company and is responsible for the overall operations, management, business development and strategy planning of the Group.

The Chairman also takes the lead to ensure that the Board works effectively and acts in the best interest of the Company by encouraging the directors to make active contribution in Board's affairs and promoting a culture of openness and debate.

The Board is of the view that although Mr. Yang is both Chairman and the Chief Executive Officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting operation of the Company. The Board will regularly review the need to appoint different individuals to perform the roles of chairman and chief executive officer separately.

Internal Audit Function

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. It was decided that the Board would be directly responsible for internal control of the Group and for reviewing its effectiveness, the situation will be reviewed from time to time.

The Company has engaged an experienced internal control consulting firm to perform an independent internal control review for the review year. The review encompasses key governance and business processes, which the Board deems sufficient to meet the current needs of the Group.

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

The Company did not have any treasury shares (as defined under the GEM Listing Rules) as at 31 December 2024 and as at the date of this announcement.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial control, internal control and risk management systems of the Group, and provide advice and comments on the Group's financial reporting matters to the Board.

As at the date of this announcement, the audit committee comprises three independent non-executive directors, namely Mr. Yau Yan Yuen, Ms. Fu Yuehong and Mr. Wang Xinghua.

The audit committee of the Board has reviewed the audited annual results of the Company for the year ended 31 December 2024 and has provided advice and comments thereon.

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 December 2024.

SCOPE OF WORK OF CL PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, CL Partners CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year. The work performed by CL Partners CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by CL Partners CPA Limited on this preliminary announcement.

ANNUAL GENERAL MEETING (THE "AGM")

The 2025 AGM of the Company will be held on 13 June 2025 (Friday), the AGM notice will be published in due course and dispatched to the shareholders of the Company, upon request.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 9 June 2025 (Monday) to 13 June 2025 (Friday), both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrars in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong for registration no later than 4:30 p.m. on 6 June 2025 (Friday).

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company's website at www.creativechinahk.com. The annual report of the Company for the year ended 31 December 2024 will be available on the respective websites of the Stock Exchange and the Company in due course and will be dispatched to the shareholders of the Company upon request.

By order of the Board

Creative China Holdings Limited

Philip Jian Yang

Chairman and Executive Director

Hong Kong, 28 March 2025

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 will remain on the Stock Exchange website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least seven days from the date of its publication and will be published on the website of the Company at www.creativechinahk.com.