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a metaverse company

A Metaverse Company

— 元 宇 宙 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1616)

**SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
DISPOSAL OF SUBSIDIARIES**

Reference is made to the announcement of the Company dated 22 December 2023 (the “**Announcement**”) in relation to the disposal of equity interest in the Target Companies. Unless otherwise specified in this announcement, capitalised terms used therein shall have the same meaning as defined in the Announcement.

The Board would like to provide further information in relation to the Disposal.

THE FACTORS CONSIDERED WHEN DETERMINING THE CONSIDERATION

As stated in the Announcement, the Group keeps adjusting its investment strategy and production structure to adapt to the changing landscape of the film and television industry. In this regard, the Group attempted to dispose the Target Companies following a review of the Target Companies’ financial performance and operations. After an extensive three months search, only one potential buyer, which is the Purchaser in the Disposal, was identified in the market. The Group is able to locate the Purchaser because the Group have had a longstanding collaboration with the Purchaser on various film and television projects for over ten years. After engaging in comprehensive negotiations between the Vendor and the Purchaser, the Disposal Agreement was entered into for the Purchaser to acquire the Target Companies in a single transaction for a consideration of RMB3,600,000.

Taking into account the Valuation Report, the financial performance and operations of the Target Companies’ and the unaudited net asset value of the Target Companies as at 30 November 2023, the Board believes that the consideration of RMB3,600,000 is reasonable. This consideration is adequate to offset the outstanding debt of RMB3,145,326.15 owed by the Vendor to the Target Companies, as well as to settle the fees of the professional parties involved in the Disposal. As a result, the Group is not obligated to provide any additional funds for the Disposal.

Therefore, the Board decided to proceed with the disposal of the Target Companies and believes that the Disposal is in the interests of the Company and the Shareholders as a whole.

By order of the Board
A Metaverse Company
LIU Dong
Chairman

Beijing, the PRC, 3 January 2024

As at the date of this announcement, the Board comprises seven Directors, namely Mr. LIU Dong, Mr. LIU Zongjun, Ms. YANG Qinyan and Mr. HE Han as executive Directors; and Mr. LAM Kai Yeung, Ms. LIU Chen Hong and Mr. KWOK Pak Shing as independent non-executive Directors.