
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Creative China Holdings Limited (the “**Company**”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

The circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

 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)

**(I) CONNECTED TRANSACTIONS IN RELATION TO
PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATES;
AND
(II) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



雋匯國際金融有限公司
Jun Hui International Finance Limited

This circular together with a form of proxy will remain on the website of the Stock Exchange at <http://www.hkexnews.hk> on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at <http://www.ntmediabj.com>.

A notice convening the extraordinary general meeting (“EGM”) to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong on Wednesday, 20 December 2023, at 2:00 p.m. is set out on pages 62 to 64 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

This circular, 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 circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

30 November 2023

CHARACTERISTICS OF GEM

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 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.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

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| “associate” | has the meaning ascribed thereto in the GEM Listing Rules |
| “AYY 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 AYY Subscription Shares |
| “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 conditions precedent to the AYY Subscription Completion (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.) |

DEFINITIONS

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| “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) |
| “Concert Group” | Youth Success, Guang Rui Investments Limited, Goldbless International Limited, Alpha Master Global Limited, Qiao Tian Limited, Mr. Liang Longfei, Alpine Nova Limited and Mr. Tan Koon Aik |
| “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 |
| “Draft Foreign Investment Law” | the Foreign Investment Law of the People’s Republic of China (Draft for Comment) (《中華人民共和國外國投資法(草案徵求意見稿)》) circulated by the Ministry of Commerce of the PRC on 19 January 2015 |
| “EGM” | the extraordinary general meeting of the Company to be convened and held on Wednesday, 20 December 2023, at 2:00 p.m. at 24/F, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong, the notice of which is set out on pages 62 to 64 of this circular and any adjournment thereof |
| “Emphasis Media” | Beijing Emphasis Media Co., Ltd.* (北京無限印象傳媒有限公司), a company incorporated in the PRC with limited liability, which is deemed as and accounted for as a wholly-owned subsidiary of the Company by virtue of the Contractual Arrangements |
| “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 |

DEFINITIONS

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| “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 Mandates) |
| “Independent Financial Adviser” or “Jun Hui International” | Jun Hui International Finance Limited, a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreements and the transactions contemplated thereunder |
| “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 |
| “Latest Practicable Date” | 27 November 2023, being the latest practicable date prior to printing of this circular for the purpose of ascertaining certain information for inclusion in this circular |

DEFINITIONS

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| “Material Adverse Effect” | <p>(a) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong or the PRC of a national emergency or war or other calamity or crisis;</p> <p>(b) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong or the PRC, or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation; or</p> <p>(c) any change, event, occurrence, state of facts or effect, the consequence of which is to, or could reasonably be expected to materially and adversely affect the financial position, management, business or property, results of operations, legal or financing structure, business prospects or assets or liabilities of the Group,</p> <p>that would make the enforcement of contracts to purchase the 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</p> |
| “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, for the sole purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |

DEFINITIONS

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| “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 |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Specific Mandates” | collectively, the AYY Specific Mandate and the SWS Specific Mandate |
| “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 Dates” | 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 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 SWS Subscription Shares |
| “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 |

DEFINITIONS

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| “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 conditions precedent to the SWS Subscription Completion (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 Mandates) |
| “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” |
| “Youth Success” | Youth Success Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and one of the controlling shareholders of the Company |
| “%” | per cent |

For the purpose of this circular, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the exchange rate of RMB1.00 to HK\$1.09. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

* *For identification purposes only*

LETTER FROM THE BOARD

 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)

Executive Directors:

Mr. Philip Jian Yang (*Chairman*)
Mr. Wang Yong

Non-executive Directors:

Mr. Yang Shiyuan
Mr. Ge Xuyu

Independent Non-executive Directors:

Ms. Fu Yuehong
Mr. Yau Yan Yuen
Mr. Wang Xinghua

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of
business in the PRC:*

Room 1901, 19/F, Yulin Building
No. 5A Xiangjun Nanli
2nd Alley Chaoyang District
Beijing
the PRC

*Principal place of business
in Hong Kong:*

23/F, Yue Thai Commercial Building
128 Connaught Road Central
Sheung Wan
Hong Kong

30 November 2023

To the Shareholders

Dear Sir or Madam,

**(I) CONNECTED TRANSACTIONS IN RELATION TO
PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATES;
AND
(II) NOTICE OF EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the announcement of the Company dated 10 November 2023 in relation to the Subscription Agreements and the proposed issue of the Subscription Shares under the Specific Mandates.

The purpose of this circular is to provide you with (i) information relating to the Transactions (including the grant of the Specific Mandates); (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Transactions (including the grant of the Specific Mandates); (iii) the letter of advice from Jun Hui International to the Independent Board Committee and the Independent Shareholders in relation to the Transactions; (iv) other information as required under the GEM Listing Rules; and (v) the notice of the EGM.

1. SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATES

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 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.

LETTER FROM THE BOARD

- 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 Latest Practicable Date 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 Latest Practicable Date and the Subscription Completion Dates 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 in issue on the AYY Subscription Completion Date.
- 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.

LETTER FROM THE BOARD

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 regimes 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 Latest Practicable Date, none of the AYY Subscription Conditions Precedent had 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 inter-conditional with each other.

LETTER FROM THE BOARD

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, (i) Mr. Ang is an Independent Third Party and (ii) Mr. Ang is independent of Mr. Sia, the subscriber in the SWS Subscription.

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.

LETTER FROM THE BOARD

In light of the foregoing, the Directors 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.

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 Latest Practicable Date 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 Latest Practicable Date and the Subscription Completion Dates 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 in issue on the SWS Subscription Completion Date.

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.

LETTER FROM THE BOARD

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 regimes 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;

LETTER FROM THE BOARD

- (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 by prior written notice to the Company. As at the Latest Practicable Date, none of the SWS Subscription Conditions Precedent had 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 inter-conditional with each other.

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, (i) Mr. Sia is an Independent Third Party and (ii) Mr. Sia is independent of Mr. Ang, the subscriber in the AYY Subscription.

LETTER FROM THE BOARD

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 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 Latest Practicable Date; (ii) immediately after the AYY Subscription Completion and before the SWS Subscription Completion; (iii) immediately after the SWS Subscription Completion and before the AYY Subscription Completion; and (iv) 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 Latest Practicable Date and the Subscription Completion Dates except for the allotment and issue of the Subscription Shares.

LETTER FROM THE BOARD

| Name of Shareholders | As at the Latest Practicable Date | | Immediately after the AYY Subscription Completion and before the SWS Subscription Completion | | Immediately after the SWS Subscription Completion and before 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 | Number of Shares | Approximate percentage |
| | | | | | | | | |
| <i>Non-public Shareholders:</i> | | | | | | | | |
| Youth Success (Notes 1, 3, 4, 5, 6, 7 and 8) | 81,378,000 | 17.20% | 81,378,000 | 15.98% | 81,378,000 | 16.53% | 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 | 0.53% | 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 | 15.54% | 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 | 2.05% | 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 | 1.10% | 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 | 7.31% | 36,000,000 | 6.81% |
| Alpine Nova Limited ("Alpine Nova") (Note 4) | 30,362,150 | 6.42% | 30,362,150 | 5.96% | 30,362,150 | 6.17% | 30,362,150 | 5.75% |
| Mr. Tan Koon Aik (Note 5) | 44,671,963 | 9.44% | 44,671,963 | 8.77% | 44,671,963 | 9.07% | 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 | 3.90% | 19,188,679 | 3.63% |
| Sub-total | 287,002,113 | 60.65% | 322,992,679 | 63.43% | 306,190,792 | 62.18% | 342,181,358 | 64.76% |
| <i>Public Shareholders:</i> | | | | | | | | |
| Public Shareholders | 186,206,361 | 39.35% | 186,206,361 | 36.57% | 186,206,361 | 37.82% | 186,206,361 | 35.24% |
| Sub-total | 186,206,361 | 39.35% | 186,206,361 | 36.57% | 186,206,361 | 37.82% | 186,206,361 | 35.24% |
| Total | 473,208,474 | 100.00% | 509,199,040 | 100.00% | 492,397,153 | 100.00% | 528,387,719 | 100.00% |

Notes:

- As at the Latest Practicable Date, 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.

LETTER FROM THE BOARD

- Wang Yong and Goldbless 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 Goldbless in aggregate under the SFO.
2. As at the Latest Practicable Date, the entire issued share capital of Goldbless 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 Goldbless.
 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.
 8. By virtue of the First Voting Agreement, Second Voting Agreement, Third Voting Agreement and Fourth Voting Agreement, Youth Success shall be entitled to exercise control over the voting rights attaching to an aggregate of 284,407,713 Shares, representing approximately 60.10% of the issued share capital of the Company as at the Latest Practicable Date.
 9. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places. Percentages may not add up to 100% due to rounding.

LETTER FROM THE BOARD

Contractual Arrangements

Emphasis Media, Starry Knight Entertainment Co., Ltd.* (北京縱橫飛揚國際文化發展有限公司), Beijing Joy Star Production Co., Ltd.* (北京光影互動影視文化傳播有限公司), Beijing New Image Media Co. Ltd.* (北京對比色彩影視文化傳播有限公司) and Beijing Great Wise Media Co., Ltd.* (北京天瀚影視文化傳播有限公司) (collectively defined as the “**PRC Contractual Entities**”) are deemed to be the wholly-owned subsidiaries of the Company pursuant to the Contractual Arrangements.

The PRC Contractual Entities hold certain licences and permits required for the operation of abovementioned principal business (including The Permit to Produce and Distribute Radio or Television Programs and operate as a performance brokerage enterprise with the relevant licence). According to the Guidance Catalogue of Industries for Foreign Investment (2015 Version), radio and television program production and operating companies falls within the prohibited foreign-invested industry, and the production of television programs (limited to Chinese-foreign contractual joint ventures) and performance brokerage fall within the restricted foreign-invested industry. The principal activities of the Group are provision of program production and event organisation services in the PRC, the sectors where foreign investment is subject to significant restrictions under PRC laws and regulations. Accordingly, the Group cannot directly acquire any equity interest in the PRC Contractual Entities, which hold certain licences and permits required for the operation of the principal business of the Group.

In order to achieve the Group’s business purposes and be in line with common practice in industries in the PRC subject to foreign investment restrictions, on 18 May 2015, New Talent Media Company Limited* (北京聚視文化傳媒有限公司) (“**New Talent Media**”), an indirect wholly-owned subsidiary of the Company, entered into the Contractual Arrangements narrowly tailored to provide New Talent Media with control over the PRC Contractual Entities and grant New Talent Media the right to acquire the equity interests of the PRC Contractual Entities when and to the extent permitted by the PRC laws and regulations. By adopting the Contractual Arrangements, the Group has been able to exercise and maintain control over the operations of the PRC Contractual Entities, obtain their entire economic benefits and prevent leakage of the assets and values of the PRC Contractual Entities to their shareholders in the PRC. In addition, as a result of the Contractual Arrangements, financial position and results of operations of the PRC Contractual Entities have been consolidated into the financial position and results of operations of the Group under HKFRSs.

For details of the Contractual Arrangements, please refer to the section headed “Contractual Arrangements” in the Company’s prospectus dated 12 November 2015 (the “**Prospectus**”) and pages 90 to 103 of the Company’s annual report for the year ended 31 December 2022.

LETTER FROM THE BOARD

First Voting Agreement

At the time of preparing the Company's listing application in 2015, the Company's PRC legal advisers at that time advised that, with respect to the then existing VIE structures (including in restricted and prohibited business), the relevant opinions of the governmental authorities inclined to allow foreign-invested enterprise controlled by PRC investors to continue to retain the VIE structure under the Draft Foreign Investment Law.

In order to maintain and enhance the control over the Company for the purpose of satisfying the Draft Foreign Investment Law, Mr. Yang, Ms. Mou, Youth Success, Mr. Li Lin, Alpha Master, Ms. Yang Qi, Qiao Tian, Mr. Wang Yong and Goldbles entered into the First Voting Agreement on 8 November 2015, pursuant to which, among other things,

- (i) each of Mr. Li Lin and Ms. Yang Qi irrevocably agrees to, through their respective holding company, namely Alpha Master and Qiao Tian, delegate to Youth Success and authorise Youth Success to exercise the voting rights attached to all of the Shares indirectly held by him/her;
- (ii) Mr. Wang Yong irrevocably agrees to, through Goldbles, delegate to Youth Success and authorise Youth Success to exercise the voting rights attached to all of the Shares indirectly held by him;
- (iii) each of Mr. Li Lin, Ms. Yang Qi and Mr. Wang Yong could not, through their respective holding company, namely Alpha Master, Qiao Tian and Goldbles, in any way transfer, charge, mortgage, encumber or create any interest over or in relation to the Shares he/she indirectly holds unless (a) prior written consent has been granted by Mr. Yang and Ms. Mou and (b) the Company will remain to be controlled by PRC investor(s) as defined under the Draft Foreign Investment Law thereafter; and
- (iv) the First Voting Agreement could only be terminated by Mr. Yang and Ms. Mou unilaterally and in their sole discretion.

As a result of entering into the arrangements under the First Voting Agreement, Mr. Li Lin, Ms. Yang Qi and Mr. Wang Yong do not hold any voting rights in Shares of the Company. As Mr. Li Lin, Ms. Yang Qi and Mr. Wang Yong have no control of the Company, none of them is a controlling shareholder of the Company.

By virtue of the First Voting Agreement, Youth Success controlled over 50% of the voting rights attached to the issued Shares of the Company upon the listing and could be regarded under the Draft Foreign Investment Law as having the control of the Company with not less than 50% voting rights, and hence capable of exerting decisive impact on the management decisions of the PRC Contractual Entities through the Contractual Arrangements, based on which, the Company's PRC legal advisers at that time advised that the arrangements under the First Voting Agreement would significantly reduce the uncertainty when carrying out the "control" test under the Draft Foreign Investment Law

LETTER FROM THE BOARD

and Mr. Yang and Ms. Mou would likely to be deemed as “ultimate control persons” as defined under the Draft Foreign Investment Law.

For details of the First Voting Agreement, please refer to the section headed “Contractual Arrangements” in the Prospectus.

Second Voting Agreement

On 20 October 2021, (i) the Company, (ii) CCH Film Production Limited, (iii) the cooperation partners, namely Truth Pictures (Hong Kong) Limited and Yuanxin Pictures (Beijing) Limited* (源欣影業北京有限公司) and (iv) Mr. Liang as guarantor entered into a cooperation agreement, pursuant to which (a) the Group and the cooperation partners agreed to carry out the cooperation in the distribution of six foreign imported films in the PRC; and (b) the consideration in the sum of RMB30,000,000 was settled by the Company by the allotment and issue of an aggregate of 36,000,000 consideration shares of the Company to the cooperation partners or their nominee(s) at the issue price of HK\$1 per consideration share.

In order to maintain Youth Success’s control of over 50% of the voting rights attached to the issued Shares of the Company for compliance with the Control Undertakings, on 11 November 2021, the Second Voting Agreement was entered into by and among Mr. Yang, Ms. Mou, Youth Success and Mr. Liang, pursuant to which Youth Success shall be entitled to exercise voting rights attached to all of the Shares held by Mr. Liang (either indirectly through his respective holding company(ies) or directly held by himself) immediately upon the said allotment, and since then Youth Success has been deemed to be interested in the Shares held by Mr. Liang (either indirectly through his respective holding company(ies) or directly held by himself) by virtue of the SFO.

Third Voting Agreement

On 22 May 2023, the Company and Alpine Nova Limited (“**Alpine Nova**”, which is wholly-owned by Mr. Wang Xu (王旭), an Independent Third Party) entered into a share subscription agreement, pursuant to which Alpine Nova agreed to subscribe for, and the Company agreed to allot and issue 30,362,150 new Shares at a subscription price of HK\$0.214 per Share.

In order to maintain Youth Success’s control of over 50% of the voting rights attached to the issued Shares of the Company for compliance with the Control Undertakings, on 22 May 2023, the Third Voting Agreement was entered into among Mr. Yang, Ms. Mou, Youth Success, Alpine Nova and Mr. Wang Xu, pursuant to which, among other things, Youth Success was irrevocably entrusted with and authorised to exercise the voting rights attached to all of the Shares held by Alpine Nova and Mr. Wang Xu (either indirectly through their holding company(ies) or directly held by themselves). As such, Youth Success is deemed to be interested in the Shares directly or indirectly held by Alpine Nova and Mr. Wang Xu by virtue of the SFO.

LETTER FROM THE BOARD

The Fourth Voting Agreement

On 19 June 2023, the Company and Mr. Tan Koon Aik, an Independent Third Party, entered into a share subscription agreement, pursuant to which Mr. Tan Koon Aik agreed to subscribe for, and the Company agreed to allot and issue 44,671,963 new Shares at a subscription price of HK\$0.214 per Share.

In order to maintain Youth Success's control of over 50% of the voting rights attached to the issued Shares of the Company for compliance with the Control Undertakings, a shareholders voting agreement was entered into among Mr. Yang, Ms. Mou, Youth Success and Mr. Tan Koon Aik on 18 September 2023, pursuant to which, among other things, Youth Success was irrevocably entrusted with and authorised to exercise the voting rights attached to all of the Shares held by Mr. Tan Koon Aik (either indirectly through his holding company(ies) or directly held by himself). As such, Youth Success is deemed to be interested in the Shares directly or indirectly held by Mr. Tan Koon Aik by virtue of the SFO.

The Board's view on the shareholders voting agreements and Control Undertakings

The Control Undertakings, the Company's undertaking with the Stock Exchange to enforce the Control Undertakings and the First Voting Agreement have remained effective and validly in force since the listing of the Company in 2015. The Company views it necessary to ensure ongoing compliance with the relevant undertakings.

The Control Undertakings and First Voting Agreement can only be terminated by Mr. Yang and Ms. Mou unilaterally and in their sole discretion. As at the Latest Practicable Date, the Company had not been informed of any intention of Mr. Yang and Ms. Mou to terminate the Control Undertakings and First Voting Agreement.

The Control Undertakings and existing shareholders voting agreements can consolidate the controlling shareholders' interest and maintain their control in the Company. The Company believes that a stable controlling shareholding structure demonstrates to the public a long-term commitment of the controlling Shareholders to the Company and its success. In the event that the Control Undertakings and existing shareholders voting agreements are terminated, the Company will no longer have any controlling shareholder, which could have adverse impact on the trading price of the Shares of the Company and undermine the investors' confidence in the Company.

Based on the above, the Board believes that the existing arrangements in respect of the shareholders voting agreements and Control Undertakings are in the best interest of the Company and Shareholders as a whole.

LETTER FROM THE BOARD

2. 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 Dates.

3. 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 Latest Practicable Date.

| 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 Latest Practicable Date |
|----------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 19 June 2023 | Issue an aggregate of 25,187,383 new Shares to Mr. Tan Yew Jing under a general mandate (<i>Note 1</i>) | 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. |

LETTER FROM THE BOARD

| 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 Latest Practicable Date |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 19 June 2023 | Issue an aggregate of 44,671,963 new Shares to Mr. Tan Koon Aik under a specific mandate (<i>Note 2</i>) 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) As disclosed in the Company's announcement dated 10 November 2023, the transaction was terminated on 10 November 2023 | 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. | Not applicable Not applicable |

LETTER FROM THE BOARD

Notes:

1. The general mandate was granted to the Directors at the annual general meeting of the Company held on 25 May 2023.
2. The specific mandate was granted to the Directors at the extraordinary general meeting of the Company held on 11 August 2023.
3. The specific mandate was granted to the Directors at the extraordinary general meeting of the Company held on 18 July 2023.
4. 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 had not conducted any other Fundraisings during the twelve months immediately preceding the Latest Practicable Date.

4. SPECIFIC MANDATES

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

5. 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 Share 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 First Voting Agreement to which Mr. Wang Yong is a party, Mr. Wang Yong, an executive Director, is considered to have an interest in the Transactions; and (iii) as at the Latest Practicable Date, 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.

LETTER FROM THE BOARD

6. EGM

A notice convening the EGM to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong on Wednesday, 20 December 2023, at 2:00 p.m. is set out on pages 62 to 64 of this circular. At the EGM, ordinary resolutions will be proposed to the Shareholders to consider and, if thought fit, approve the Transactions (including the grant of the Specific Mandates).

Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same by 2:00 p.m. (Hong Kong time) on Monday, 18 December 2023 or not later than 48 hours before the time appointed for any adjourned meeting of the EGM to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked. A form of proxy for use at the EGM is enclosed with this circular.

At the EGM, any Shareholder with a material interest in the Transactions (including the grant of the Specific Mandates) as set out in the ordinary resolutions is required to abstain from voting on the relevant resolutions at the EGM.

The Concert Group, being interested in the Transactions, shall abstain from voting on the resolutions of the Company approving the Transactions (including the grant of the Specific Mandates). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the Transactions (including the grant of the Specific Mandates) and shall be required to abstain from voting at the EGM in respect of the resolutions to approve the Transactions (including the grant of the Specific Mandates). As at the Latest Practicable Date, the Concert Group was interested in an aggregate of 287,002,113 Shares, representing approximately 60.65% of the issued share capital of the Company.

7. INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Ms. Fu Yuehong, Mr. Yau Yan Yuen and Mr. Wang Xinghua, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders as to the fairness and the reasonableness of the terms of the Transactions and as to how to vote at the EGM. Jun Hui International has been appointed as Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreements and the transactions contemplated thereunder. The text of the letter from the Independent Board Committee is set out on pages 28 to 29 of this circular while the text of the letter from Jun Hui International containing its advice is set out on pages 30 to 52 of this circular.

LETTER FROM THE BOARD

8. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 15 December 2023 to Wednesday, 20 December 2023, both dates inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 14 December 2023.

9. RECOMMENDATION

You are advised to read carefully the letter from the Independent Board Committee of this circular. The Independent Board Committee, having taken into account the advice and recommendation of the Independent Financial Adviser, consider that the terms of the Transactions (including the grant of the Specific Mandates) are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. While the Transactions (including the grant of the Specific Mandates) are not conducted in the ordinary and usual course of business of the Group, they are in the interests of the Company and the Shareholders as a whole, and accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve, among others, the Transactions (including the grant of the Specific Mandates).

The Board (including members of the Independent Board Committee) considers that the terms of the Transactions (including the grant of the Specific Mandates) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

10. ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

WARNING OF THE RISKS OF DEALING IN THE SHARES

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.

Yours faithfully,
By order of the Board
Creative China Holdings Limited
Philip Jian Yang
Chairman and Executive Director

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Transactions prepared for the purpose of incorporation in this circular.

 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)

30 November 2023

To the Independent Shareholders,

Dear Sir or Madam,

**(I) CONNECTED TRANSACTIONS IN RELATION TO
PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATES;
AND
(II) NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular dated 30 November 2023 (the “**Circular**”) of the Company of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context requires otherwise.

We have been appointed by the Board as members to form the Independent Board Committee and to advise the Independent Shareholders as to whether, in our opinion, the Transactions (including the grant of the Specific Mandates) are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Jun Hui International has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in these respects. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 30 to 52 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 7 to 27 of the Circular and the additional information set out in the appendix to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Having considered the terms and conditions of the Transactions (including the grant of the Specific Mandates) and the principal factors and reasons considered by, and the advice and recommendation of the Independent Financial Adviser, we concur with its views and consider that the terms of the Transactions (including the grant of the Specific Mandates) are on normal commercial terms although it is not conducted in the ordinary and usual course of business of the Company, and that the Transactions (including the grant of the Specific Mandates) are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the EGM to approve the Transactions (including the grant of the Specific Mandates).

Yours faithfully,

For and on behalf of the Independent Board Committee of
Creative China Holdings Limited
Mr. Yau Yan Yuen, Ms. Fu Yuehong and Mr. Wang Xinghua
Independent Non-executive Directors

LETTER FROM JUN HUI INTERNATIONAL

The following is the text of the letter of advice from Jun Hui International Finance Limited, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreements and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.



Jun Hui International Finance Limited
Unit 1406, Office Plus
93–103 Wing Lok Street
Sheung Wan, Hong Kong

30 November 2023

*To: the Independent Board Committee and the Independent Shareholders of
Creative China Holdings Limited*

Dear Sir or Madam,

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

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreements and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 30 November 2023 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 10 November 2023 in relation to the Subscriptions. 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.

Referring to the Letter from the Board, 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

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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 entering into of transactions under the Subscription Agreements and the transactions contemplated thereunder constitute connected transactions of the Company and are subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

As stated in the Letter from the Board, the Concert Group, being interested in the Subscription Agreements and the transactions contemplated thereunder, shall abstain from voting on the resolutions of the Company approving the said transactions (including the grant of the Specific Mandates). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the said transactions (including the grant of the Specific Mandates) and shall be required to abstain from voting at the EGM in respect of the resolutions to approve the said transactions (including the grant of the Specific Mandates). As at the Latest Practicable Date, the Concert Group was interested in an aggregate of 287,002,113 Shares, representing approximately 60.65% of the issued share capital of the Company.

The Independent Board Committee comprising all independent non-executive Directors, namely Ms. Fu Yuehong, Mr. Yau Yan Yuen and Mr. Wang Xinghua, has been formed to advise the Independent Shareholders as to (i) the fairness and reasonableness of the terms of the Subscription Agreements and the transactions contemplated thereunder; and (ii) how to vote at the EGM, after taking into account the factors and reasons considered by the Independent Financial Adviser and its conclusion and advice.

In this connection, we, Jun Hui International, have been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreements and the transactions contemplated thereunder. We do not, by this letter, warrant the merits of the Subscription Agreements and the transactions contemplated thereunder, other than to form an opinion, for the purpose of the GEM Listing Rules. Within the two years prior to the Latest Practicable Date, we were engaged as an independent financial adviser to the then independent board committee and independent shareholders of the Company with respect to (i) connected transactions in relation to (I) subscription of new shares under specific mandate; and (II) issue of convertible bonds under specific mandate, details of which are set out in the circular of the Company dated 27 June 2023; and (ii) connected transactions in relation to (I) subscription of new shares under specific mandate; and (II) issue of convertible bonds under specific mandate, details of which are set out in the circular of the Company dated 24 July 2023. Other than that, we did not have any relationships with, or have any interests in the Company, the Subscribers or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us for the aforesaid appointments and this appointment, no arrangement exists whereby we will receive any fees or benefits from any party abovementioned. Accordingly, we consider that we are independent pursuant to Rule 17.96 of the GEM Listing Rules and are eligible to give independent advice in respect of the Subscription Agreements and the transactions contemplated thereunder.

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BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the information, opinions and representations contained or referred to in the Circular (or otherwise provided to us by the Directors and the management of the Group (the “**Management**”)), and have assumed that all information, opinions and representations contained or referred to in the Circular (or otherwise provided to us by the Directors and the Management) were true, accurate and complete in all respects at the time when they were made and up to the date of this letter. We have also assumed that all statements of belief, opinions and intention made by the Directors in the Circular (or otherwise provided to us by the Directors and the Management) are reasonably made after due and careful enquiry. We have no reason to doubt that any relevant information has been withheld or omitted, nor are we aware of any fact or circumstance which would render the information, opinions and representations provided or made to us untrue, inaccurate or misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained or referred to in the Circular (or otherwise provided to us by the Directors and the Management) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions and representations expressed in the Circular (or otherwise provided to us by the Directors and the Management) have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We consider that we have received sufficient information to enable us to reach an informed view, and have performed all the necessary steps as required under Rule 17.92 of the GEM Listing Rules to justify our reliance on the information, opinions and representations provided or made to us so as to form a reasonable basis for our opinion and recommendation, which include, among other things:

- (a) reviewed the announcement of the Company in relation to the Subscriptions, the Letter from the Board, the annual reports of the Company for the years ended 31 December 2021 and 2022 (“**Annual Report 2021**” and “**Annual Report 2022**” respectively) and its third quarterly report for the nine months ended 30 September 2023 (“**Third Quarterly Report 2023**”);
- (b) reviewed the information and documents in relation to the Subscription Agreements;
- (c) conducted comparable researches to analyse the major terms of the Subscription Agreements; and
- (d) discussed with the Directors and the Management regarding, among other things, the business and financial conditions of the Group, the reasons for entering into the Subscription Agreements, and the basis of the major terms of the Subscription Agreements.

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We have not, however, for the purpose of this exercise, conducted any independent detailed verification or audit into the businesses, affairs, development plans or future prospects of the Group. Our opinion was necessarily based on the legal, financial, economic, market and other conditions in effect, and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreements and the transactions contemplated thereunder, we have considered the following principal factors and reasons:

I. Background and financial information of the Group

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. The following table summarises the results of operation and financial positions of the Group for the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2023:

| | For the year ended | | For the nine months | |
|--------------------------------------------------------------------------|---------------------------|----------------|----------------------------|----------------|
| | 31 December | | ended 30 September | |
| | 2021 | 2022 | 2022 | 2023 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | (audited) | (audited) | (unaudited) | (unaudited) |
| Revenue | 59,307 | 152,688 | 94,432 | 118,740 |
| Among which, segment revenue of: | | | | |
| – Serial program/film production and film distribution and income rights | 40,410 | 143,947 | 92,445 | 106,253 |
| Profit for the year/period | 23,496 | 48,997 | 51,701 | 12,494 |

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| | As at 31 December | |
|---------------------------|-------------------|-----------|
| | 2021 | 2022 |
| | RMB'000 | RMB'000 |
| | (audited) | (audited) |
| Bank balances and cash | 6,126 | 24,044 |
| Total current assets | 236,297 | 329,567 |
| Total current liabilities | 148,977 | 161,564 |
| Net current assets | 87,320 | 168,003 |
| Net assets | 95,508 | 177,717 |

Source: Annual Report 2021, Annual Report 2022 and Third Quarterly Report 2023 published by the Company on the website of the Stock Exchange

(i) Financial results for the year ended 31 December 2022 compared with the year ended 31 December 2021

For the year ended 31 December 2022, the Group recorded revenue of approximately RMB152.7 million, representing a year-on-year increase of approximately 157.5%. As disclosed in Annual Report 2022, the increase in revenue was mainly due to sales of script copyrights (including serial programs, movies and variety show), licensing of broadcasting rights of serial programs and film rights investment. During the same year, the Group's revenue generated from serial program/film production and film distribution and income rights was approximately RMB143.9 million, comparing to that of approximately RMB40.4 million for the year ended 31 December 2021. Such increase in segment revenue was mainly due to several sales of script copyrights, licensing of broadcasting rights of serial programs and film rights investment. For the year ended 31 December 2022, the Group's net profit amounted to approximately RMB49.0 million, comparing to that of approximately RMB23.5 million for the year ended 31 December 2021.

The Group's total current assets (comprising mainly trade and other receivables, bank balances and cash and serial program rights) increased from approximately RMB236.3 million as at 31 December 2021 to approximately RMB329.6 million as at 31 December 2022. Its total current liabilities were approximately RMB161.6 million as at 31 December 2022 (comprising mainly other payables and accruals, amounts due to shareholders and bank borrowings), as compared to that of approximately RMB149.0 million as at 31 December 2021. As at 31 December 2022, the Group had net assets of approximately RMB177.7 million, among which, its bank balances and cash were approximately RMB24.0 million as at the same date.

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(ii) Financial results for the nine months ended 30 September 2023 compared with the nine months ended 30 September 2022

For the nine months ended 30 September 2022 and 2023, the Group recorded revenue of approximately RMB94.4 million and RMB118.7 million, respectively. As disclosed in Third Quarterly Report 2023, such increase in revenue was mainly due to sales of several script copyrights during the period. During the nine months ended 30 September 2022 and 2023, the Group's revenue generated from serial program/film production and film distribution and income rights was approximately RMB92.4 million and RMB106.3 million, respectively. For the nine months ended 30 September 2023, the Group's net profit amounted to approximately RMB12.5 million.

II. Historical price and trading performance of the Shares

(i) Share prices

The chart below shows the daily closing prices of the Shares as quoted on the Stock Exchange from 11 November 2022 to 10 November 2023 (the “**Review Period**”):



Source: the website of the Stock Exchange

During the Review Period, the closing prices of the Shares were between a low of HK\$0.178 per Share on 9 May 2023 and a high of HK\$1.550 per Share on 12 July 2023, with an average closing price of approximately HK\$0.460 per Share.

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(ii) Trading volumes

Set out below is the average daily trading volume of the Shares per relevant month/period, and the respective percentage of the average daily trading volume of the Shares to the total number of issued Shares as at the end of relevant month/period, in the Review Period:

| Year/Month | Total trading volume of the Shares | Number of trading days | Average daily trading volume of the Shares | Percentage of average daily trading volume of total issued Shares as at the end of relevant month/period |
|-------------------------------------|------------------------------------------|---------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| 2022 | | | | |
| November (from 11 November 2022) | 48,000 | 14 | 3,429 | 0.001% |
| December | 153,800 | 20 | 7,690 | 0.002% |
| 2023 | | | | |
| January | 230,600 | 18 | 12,811 | 0.003% |
| February | 733,000 | 20 | 36,650 | 0.010% |
| March | 915,000 | 23 | 39,783 | 0.011% |
| April | 431,000 | 17 | 25,353 | 0.007% |
| May | 613,200 | 21 | 29,200 | 0.008% |
| June | 6,710,800 | 21 | 319,562 | 0.086% |
| July | 14,313,839 | 20 | 715,692 | 0.192% |
| August | 1,817,671 | 23 | 79,029 | 0.018% |
| September | 620,400 | 19 | 32,653 | 0.007% |
| October | 999,820 | 20 | 49,991 | 0.011% |
| November (to 10 November 2023) | 30,000 | 8 | 3,750 | 0.001% |
| Maximum | 14,313,839 | 23 | 715,692 | 0.192% |
| Minimum | 30,000 | 8 | 3,429 | 0.001% |
| Mean | 2,124,395 | 19 | 104,276 | 0.027% |

Source: the website of the Stock Exchange

It is noted that the average daily trading volume of the Shares per relevant month/period accounted for only a small portion of the total number of issued Shares as at the end of the relevant month/period, which ranges from approximately 0.001% to 0.192% during the Review Period.

III. The Subscription Agreements

(i) *The AYY Subscription Agreement*

1. Information of Mr. Ang

As stated in the Letter from the Board, Mr. Ang is an individual investor who is a Malaysian resident. As confirmed by the Directors, (i) Mr. Ang is an Independent Third Party and (ii) Mr. Ang is independent of Mr. Sia, the subscriber in the SWS Subscription.

2. Reasons for entering into the AYY Subscription Agreement

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. As set out in the Letter from the Board, the Company intends to apply the net proceeds of the AYY Subscription of approximately RMB15,955,000 (equivalent to approximately HK\$17,390,950) in the following manner: (i) approximately 70.00% of the net proceeds to the production of serial programs and films and related services, and film rights investment; and (ii) approximately 30.00% of the net proceeds will be used for the general working capital of the Group. The Board 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.

As illustrated in the section headed "Background and financial information of the Group" above in this letter, for the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2023, the Group's revenue derived from serial program/film production and film distribution and income rights amounted to approximately RMB40.4 million, RMB143.9 million and RMB106.3 million, accounting for approximately 68.1%, 94.3% and 89.5% of the Group's revenue, respectively. As advised by the Directors, serial program/film production and film distribution and income rights have been the major revenue stream of the Group and they are optimistic about the prospects of the segment in view of the outlook of the film industry in the PRC. We note from the statistics released by the China Film Administration (國家電影局) that the box office revenue in the PRC reached approximately RMB30.1 billion in 2022, as compared to approximately RMB20.4 billion in 2020, with a compound annual growth rate of approximately 21.5%. It is further disclosed in Third Quarterly Report 2023 that the Group will continue to pursue adaptation, creation and pre-production planning of films and television programs, as well as the

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distribution and licensing of broadcasting rights of serial programs, online dramas and movies. We consider that the proposed use of proceeds from the AYY Subscription is in line with the principal business and strategy of the Group.

As further advised by the Directors, the additional fund raised under the AYY Subscription could further support the Group in the serial program/film production and film distribution and income rights. We are furnished by the Company with two agreements entered into by the Group with independent vendors in September 2023 in relation to the acquisition of copyrights of films in the PRC (the “**Copyrights Transfer Agreements**”) by the Group, which demonstrate the funding needs of the Group. We agree with the Directors that the fund raised under the AYY Subscription could serve for its business need.

The AYY Subscription could improve the Group’s liquidity. As referred to the section headed “Financial effects of the AYY Subscription Agreement” below in this letter, upon AYY Subscription Completion, it is expected that both the net assets and bank balances and cash of the Group will increase by approximately RMB16.0 million, being the estimated aggregate net proceeds of the AYY Subscription.

In addition, we are given to understand from the Directors that they considered raising funds by way of allotment and issue of the AYY Subscription Shares shall enable the Company to obtain funds at a lower cost, as compared to other alternative fund raising methods since (i) bank borrowings may involve higher time cost due to lengthy due diligence and negotiations with commercial banks; and (ii) rights issue or open offer will involve additional costs such as underwriting fees as compared to the equity financing by way of allotment and issue of new Shares. We agree with the Directors that the allotment and issue of new Shares shall be an appropriate mean of raising additional capital for the Company in view of the lower cost involved.

Having considered the aforesaid reasons, including (i) the proposed use of proceeds from the AYY Subscription is in line with the principal business and strategy of the Group; (ii) the fund raised under the AYY Subscription could be utilised to support the Group’s serial program/film production and film distribution and income rights; (iii) the AYY Subscription could improve the Group’s liquidity; (iv) the AYY Subscription could enlarge the shareholders and capital base of the Company as considered by the Directors; and (v) the allotment and issue of new Shares is considered as an appropriate mean of raising additional capital for the Company in view of the lower cost involved, we agree with the Directors that the entering into of the AYY Subscription Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

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3. *Principal terms of the AYY Subscription Agreement*

As set out in the Letter from the Board, the 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 Latest Practicable Date 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 Latest Practicable Date and the Subscription Completion Dates 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 <i>pari passu</i> with all other Shares in issue on the AYY Subscription Completion Date. |
| 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. |

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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.

As advised by the Directors, 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.

For further details and terms of the AYY Subscription Agreement, please refer to the Letter from the Board.

4. Financial effects of the AYY Subscription Agreement

Based on our discussion with and the representation from the Directors, we understand from the Directors that they have taken into account the following factors when they considered the potential impact of the AYY Subscription Agreement on the financial positions of the Group.

According to Annual Report 2022, the net assets and bank balances and cash of the Group amounted to approximately RMB177.7 million and RMB24.0 million as at 31 December 2022, respectively. Upon AYY Subscription

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Completion, it is expected that both the net assets and bank balances and cash of the Group will increase by the same amount of approximately RMB16.0 million, being the estimated aggregate net proceeds of the AYY Subscription. The AYY Subscription is expected to have a positive impact on the Group's financial positions.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial positions of the Group will be upon AYY Subscription Completion.

(ii) *The SWS Subscription Agreement*

1. *Information of Mr. Sia*

As stated in the Letter from the Board, Mr. Sia is an individual investor who is a Singaporean resident. As confirmed by the Directors, (i) Mr. Sia is an Independent Third Party and (ii) Mr. Sia is independent of Mr. Ang, the subscriber in the AYY Subscription.

2. *Reasons for entering into the SWS Subscription Agreement*

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. As set out in the Letter from the Board, the Company intends to apply the net proceeds of the SWS Subscription of approximately RMB8,498,000 (equivalent to HK\$9,262,820) in the following manner: (i) approximately 70.00% of the net proceeds to the production of serial programs and films and related services, and film rights investment; and (ii) approximately 30.00% of the net proceeds will be used for the general working capital of the Group. The Board 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.

As previously illustrated in this letter, the Group's revenue from serial program/film production and film distribution and income rights accounted for approximately 68.1%, 94.3% and 89.5% of the Group's revenue for the years ended 31 December 2021 and 2022 and the nine months ended 30 September 2023, respectively, which have been the major revenue stream of the Group. The Directors are optimistic about the prospects of the segment, and the Group will continue to pursue adaptation, creation and pre-production planning of films and television programs, as well as the distribution and licensing of broadcasting

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rights of serial programs, online dramas and movies. We therefore consider that the proposed use of proceeds from the SWS Subscription is in line with the principal business and strategy of the Group.

As further advised by the Directors, the additional fund raised under the SWS Subscription could further support the Group in the serial program/film production and film distribution and income rights. As mentioned above, we are furnished by the Company with the Copyrights Transfer Agreements, which demonstrate the funding needs of the Group. We agree with the Directors that the fund raised under the SWS Subscription could serve for its business need.

The SWS Subscription could improve the Group's liquidity. As referred to the section headed "Financial effects of the SWS Subscription Agreement" below in this letter, upon SWS Subscription Completion, it is expected that both the net assets and bank balances and cash of the Group will increase by approximately RMB8.5 million, being the estimated aggregate net proceeds of the SWS Subscription.

In addition, we are given to understand from the Directors that they considered raising funds by way of allotment and issue of the SWS Subscription Shares shall enable the Company to obtain funds at a lower cost, as compared to other alternative fund raising methods since (i) bank borrowings may involve higher time cost due to lengthy due diligence and negotiations with commercial banks; and (ii) rights issue or open offer will involve additional costs such as underwriting fees as compared to the equity financing by way of allotment and issue of new Shares. We agree with the Directors that the allotment and issue of new Shares shall be an appropriate mean of raising additional capital for the Company in view of the lower cost involved.

Having considered the aforesaid reasons, including (i) the proposed use of proceeds from the SWS Subscription is in line with the principal business and strategy of the Group; (ii) the fund raised under the SWS Subscription could be utilised to support the Group's serial program/film production and film distribution and income rights; (iii) the SWS Subscription could improve the Group's liquidity; (iv) the SWS Subscription could enlarge the shareholders and capital base of the Company as considered by the Directors; and (v) the allotment and issue of new Shares is considered as an appropriate mean of raising additional capital for the Company in view of the lower cost involved, we agree with the Directors that the entering into of the SWS Subscription Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

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3. Principal terms of the SWS Subscription Agreement

As set out in the Letter from the Board, the 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 Latest Practicable Date 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 Latest Practicable Date and the Subscription Completion Dates 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 in issue on the SWS Subscription Completion Date.
- 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.

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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.

As advised by the Directors, 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.

For further details and terms of the SWS Subscription Agreement, please refer to the Letter from the Board.

4. Financial effects of the SWS Subscription Agreement

Based on our discussion with and the representation from the Directors, we understand from the Directors that they have taken into account the following factors when they considered the potential impact of the SWS Subscription Agreement on the financial positions of the Group.

According to Annual Report 2022, the net assets and bank balances and cash of the Group amounted to approximately RMB177.7 million and RMB24.0 million as at 31 December 2022, respectively. Upon SWS Subscription

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Completion, it is expected that both the net assets and bank balances and cash of the Group will increase by the same amount of approximately RMB8.5 million, being the estimated aggregate net proceeds of the SWS Subscription. The SWS Subscription is expected to have a positive impact on the Group's financial positions.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial positions of the Group will be upon SWS Subscription Completion.

(iii) Our analysis on the terms of the Subscription Agreements

(a) Share prices

In order to assess the fairness and reasonableness of the AYY Subscription Price and the SWS Subscription Price, we reviewed the daily closing price of the Shares as quoted on the Stock Exchange for the Review Period. We consider that the Review Period which covers a full year prior to and including the date of the Subscription Agreements represents a reasonable and sufficient period to provide a general overview of the recent price performance of the Shares.

As illustrated in the chart under the section headed "Historical price and trading performance of the Shares – Share prices" above in this letter, the closing prices of the Shares were between a low of HK\$0.178 per Share on 9 May 2023 and a high of HK\$1.550 per Share on 12 July 2023, with an average closing price of approximately HK\$0.460 per Share during the Review Period. We note that the AYY Subscription Price and the SWS Subscription Price (collectively, the "**Subscription Price**") of HK\$0.530 per Subscription Share is within the range of the daily closing prices of the Shares during the Review Period. The Subscription Price is also at a level higher than the average closing price of the Shares during the Review Period, which is fair to the Company.

(b) Trading volumes

As illustrated in the table under the section headed "Historical price and trading performance of the Shares – Trading volumes" above in this letter, it is noted that the average daily trading volume of the Shares per relevant month/period accounted for only a small portion of the total number of issued Shares as at the end of the relevant month/period, which ranges from approximately 0.001% to 0.192% during the Review Period. Given the relatively low liquidity of the Shares as illustrated above, it is considered justifiable to set the Subscription Price at a discount to the prevailing market price of the Shares as a discounted issue price shall be more attractive to investor(s).

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(c) *Comparable analysis*

To further assess the fairness and reasonableness of the Subscription Price, we have reviewed comparable transactions involving subscription of new shares by independent third party(ies) or connected person(s) under specific mandate, announced by companies listed on the Stock Exchange (other than the Company) in the past 12 months immediately preceding the date of the Subscription Agreements but excluding issues of shares as part of consideration in acquisition or under loan or debt capitalisation or share award or restricted stock unit scheme (the “**Comparable Transactions**”). We have, to our best effort and so far as we are aware, identified 23 Comparable Transactions which we consider to be exhaustive. We consider the following list of the Comparable Transactions is fair, representative and comparable to the Subscription Agreements, taking into account that (i) they involve the same type of transaction as the entering into of the Subscription Agreements, i.e. the subscription of new shares under specific mandate by listed companies on the Stock Exchange, which could facilitate meaningful comparison purpose. The selection of the Comparable Transactions without considering the connected relationship of the subscriber(s) with the listed companies could instead provide a more balanced and comprehensive reference as terms given to connected person(s) shall be no more favourable than terms given to independent third party(ies) under the general regulatory framework; (ii) the 12-month period immediately prior to the date of the Subscription Agreements represents a reasonable and meaningful time period to capture the recent market practice for the said transaction; and (iii) a list of 23 Comparable Transactions identified in accordance with the aforesaid selection criteria shall be adequate to provide a general reference for comparison purpose. Independent Shareholders should note that the businesses, operations and prospects of the Group may not be the same as, or vary from, those of the listed companies conducting the Comparable Transactions, and the Comparable Transactions set out below are for the purpose of providing a general insight on the terms in respect of the subscription of new shares under specific mandate during the said 12 months’ period. Details of the Comparable Transactions are set out below:

| Date of announcement | Name of company | Stock code | Connected transaction (Yes/No) | Premium/ (discount) of subscription price over/(to) closing price per share on the last trading day prior to or on the date of subscription agreement | Premium/ (discount) of subscription price over/(to) average closing price per share for the last five trading days prior to or including the date of subscription agreement | Premium/ (discount) of subscription price over/(to) average closing price per share for the last ten trading days prior to or including the date of subscription agreement |
|----------------------|----------------------------|------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7-Nov-23 | InvesTech Holdings Limited | 1087.HK | No | (9.5)% | (9.5)% | (134.9)% |

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| Date of announcement | Name of company | Stock code | Connected transaction (Yes/No) | Premium/ (discount) of subscription price over/(to) closing price per share on the last trading day prior to or on the date of subscription agreement | Premium/ (discount) of subscription price over/(to) average closing price per share for the last five trading days prior to or including the date of subscription agreement | Premium/ (discount) of subscription price over/(to) average closing price per share for the last ten trading days prior to or including the date of subscription agreement |
|----------------------|---------------------------------------------------|------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1-Nov-23 | Fullshare Holdings Limited | 607.HK | No | 7.7% | (5.4)% | (7.3)% |
| 20-Oct-23 | Virtual Mind Holding Company Limited | 1520.HK | Yes | 8.7% | 6.4% | 5.5% |
| 19-Oct-23 | Digital Domain Holdings Limited | 547.HK | No | 5.6% | 0% | (4.3)% |
| 10-Oct-23 | NVC International Holdings Limited | 2222.HK | Yes | 0% | 2.2% | 0.2% |
| 1-Sep-23 | Beijing Digital Telecom Co., Ltd. | 6188.HK | No | (55.6)% | (55.6)% | (55.6)% |
| 27-Aug-23 | Shandong Fengxiang Co., Ltd. | 9977.HK | No | (0.5)% | 0.6% | 0.8% |
| 14-Aug-23 | China Evergrande New Energy Vehicle Group Limited | 708.HK | No | (63.0)% | (59.4)% | (62.3)% |
| 30-Jul-23 | CT Vision S.L. (International) Holdings Limited | 994.HK | Yes | (11.1)% | (10.3)% | (11.3)% |
| 26-Jul-23 | Applied Development Holdings Limited | 519.HK | Yes | (17.1)% | (19.2)% | (19.8)% |
| 10-Jul-23 | Summi (Group) Holdings Limited | 756.HK | Yes | (9.5)% | (9.5)% | (9.7)% |
| 9-Jul-23 | NVC International Holdings Limited | 2222.HK | Yes | 16.9% | 23.9% | 22.1% |

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| Date of announcement | Name of company | Stock code | Connected transaction (Yes/No) | Premium/ (discount) of subscription price over/(to) closing price per share on the last trading day prior to or on the date of subscription agreement | Premium/ (discount) of subscription price over/(to) average closing price per share for the last five trading days prior to or including the date of subscription agreement | Premium/ (discount) of subscription price over/(to) average closing price per share for the last ten trading days prior to or including the date of subscription agreement |
|----------------------|---------------------------------------------------|------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4-Jul-23 | China Ruyi Holdings Limited | 136.HK | Yes (Note) | (17.5)% | (16.7)% | (15.8)% |
| 16-Jun-23 | Bank of Jiujiang Co., Ltd. | 6190.HK | No | 0% | 2.6% | 2.6% |
| 12-Jun-23 | VPower Group International Holdings Limited | 1608.HK | No | 2.4% | 5.0% | 7.7% |
| 9-Jun-23 | China Silver Technology Holdings Limited | 515.HK | No | (4.8)% | (5.7)% | (7.0)% |
| 28-Apr-23 | Energy International Investments Holdings Limited | 353.HK | Yes | (5.5)% | (8.4)% | (7.6)% |
| 26-Apr-23 | New Huo Technology Holdings Limited | 1611.HK | Yes (Note) | (9.6)% | (11.8)% | (14.8)% |
| 20-Apr-23 | Glory Sun Financial Group Limited | 1282.HK | No | 65.3% | 67.5% | 63.6% |
| 19-Mar-23 | Suoxinda Holdings Limited | 3680.HK | No | (5.0)% | (6.9)% | (7.8)% |
| 19-Jan-23 | New Concepts Holdings Limited | 2221.HK | No | (13.6)% | (11.0)% | (12.4)% |
| 12-Dec-22 | In Technical Productions Holdings Limited | 8446.HK | Yes | (16.9)% | (13.9)% | (7.2)% |

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| Date of announcement | Name of company | Stock code | Connected transaction (Yes/No) | Premium/ (discount) of subscription price over/(to) closing price per share on the last trading day prior to or on the date of subscription agreement | Premium/ (discount) of subscription price over/(to) average closing price per share for the last five trading days prior to or including the date of subscription agreement | Premium/ (discount) of subscription price over/(to) average closing price per share for the last ten trading days prior to or including the date of subscription agreement |
|----------------------|-------------------------------------------------|------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7-Dec-22 | Cornerstone Technologies Holdings Limited | 8391.HK | Yes | (55.8)% | (34.3)% | (27.6)% |
| | | | Maximum | 65.3% | 67.5% | 63.6% |
| | | | Minimum | (63.0)% | (59.4)% | (62.3)% |
| | | | Average | (10.6)% | (8.5)% | (8.5)% |
| 10 November 2023 | The Company | 8368.HK | Yes | (10.2)% | (8.0)% | (9.1)% |

Source: the website of the Stock Exchange

Note: The company announced on the same date that it entered into relevant subscription agreements with both its connected person(s) and independent third party(ies) at the same subscription price. For illustrative purpose under this table, “Yes” is stated.

As illustrated in the table above, the subscription price per share issued under the Comparable Transactions ranged from (i) a discount of approximately 63.0% to a premium of approximately 65.3% over their respective closing price per share on the last trading day prior to or on the date of subscription agreement, with an average discount of approximately 10.6%; (ii) a discount of approximately 59.4% to a premium of approximately 67.5% over their respective average closing price per share for the last five trading days prior to or including the date of subscription agreement, with an average discount of approximately 8.5%; and (iii) a discount of approximately 62.3% to a premium of approximately 63.6% over their respective average closing price per share for the last ten trading days prior to or including the date of subscription agreement, with an average discount of approximately 8.5%.

We note that the discounts of the Subscription Price to the closing Share price on the date of the Subscription Agreements, the average for the last five trading days immediately prior to the date of the Subscription Agreements and the average for the last ten trading days immediately prior to the date of the Subscription Agreements, which were approximately 10.2%, 8.0% and 9.1%

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respectively, are within the respective range of the Comparable Transactions and are close to the averages of the Comparable Transactions as described above. We therefore consider that the Subscription Price is fair and reasonable.

Having considered that (i) the Subscription Price is within the range of the daily closing prices of the Shares and is higher than the average closing price of the Shares during the Review Period, which is fair to the Company; (ii) the Shares had a relatively low liquidity during the Review Period and it is considered justifiable setting the Subscription Price at a discount to the prevailing market price of the Shares; (iii) the discounts of the Subscription Price are within the ranges of subscription prices of the Comparable Transactions and are close to the averages of the Comparable Transactions as illustrated above; (iv) the Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the recent trading price and trading volume of the Shares as advised by the Directors; and (v) the reasons for entering into of the Subscription Agreements as mentioned previously in this letter, we are of the view that the terms of the Subscription Agreements are fair and reasonable, and the entering into of the Subscription Agreements and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

IV. Potential dilution of the shareholding of the Company

As illustrated in the Letter from the Board, the shareholding of the existing public Shareholders as at the Latest Practicable Date was approximately 39.35%.

(i) Under the AYY Subscription Agreement

As referred to the Letter from the Board, the AYY Subscription Shares represent approximately 7.61% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 7.07% of the issued share capital of the Company as enlarged by the allotment and issue of the AYY Subscription Shares (assuming there are no other changes in the share capital of the Company between the Latest Practicable Date and the AYY Subscription Completion Date). On such basis, the shareholding of existing public Shareholders will be diluted from approximately 39.35% to approximately 36.57% upon AYY Subscription Completion.

Taking into account (i) the reasons for entering into of the AYY Subscription Agreement as previously mentioned in this letter; (ii) the terms of the AYY Subscription Agreement are considered to be fair and reasonable and the entering into of the AYY Subscription Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole; (iii) the AYY Subscription is expected to have a positive impact on the Group's financial positions;

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and (iv) the dilution effect to the existing public Shareholders is relatively mild (i.e. around 2.78 percentage points), we consider that the dilution to the existing public Shareholders as a result of the AYY Subscription to be acceptable.

(ii) Under the SWS Subscription Agreement

As referred to the Letter from the Board, the SWS Subscription Shares represent approximately 4.06% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 3.90% of the issued share capital of the Company as enlarged by the allotment and issue of the SWS Subscription Shares (assuming there are no other changes in the share capital of the Company between the Latest Practicable Date and the SWS Subscription Completion Date). On such basis, the shareholding of existing public Shareholders will be diluted from approximately 39.35% to approximately 37.82% upon SWS Subscription Completion.

Taking into account (i) the reasons for entering into of the SWS Subscription Agreement as previously mentioned in this letter; (ii) the terms of the SWS Subscription Agreement are considered to be fair and reasonable and the entering into of the SWS Subscription Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole; (iii) the SWS Subscription is expected to have a positive impact on the Group's financial positions; and (iv) the dilution effect to the existing public Shareholders is relatively mild (i.e. around 1.53 percentage points), we consider that the dilution to the existing public Shareholders as a result of the SWS Subscription to be acceptable.

(iii) Aggregate dilution effect

As referred to the Letter from the Board, the Subscription Shares (being the aggregate of the AYY Subscription Shares and the SWS Subscription Shares) represent approximately 11.66% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 10.44% 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 Latest Practicable Date and the Subscription Completion Dates). On such basis, the shareholding of existing public Shareholders will be diluted from approximately 39.35% to approximately 35.24% upon Subscription Completion.

It is noted that the aggregate dilution effect to the existing public Shareholders arisen from the Subscription Agreements would be around 4.11 percentage points. In balance of consideration that (i) the reasons for entering into of the Subscription Agreements which could generally benefit the Group from the business and financial perspectives as previously discussed in this letter (under sub-sections (2) and (4) relating to each the AYY Subscription Agreement and the SWS Subscription Agreement), and the entering into of which are in the interests of the Company and the Shareholders as a whole; (ii) the terms of each the AYY Subscription Agreement and the SWS Subscription Agreement are fair and reasonable, which are also arrived

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at after arm's length negotiations between relevant parties as confirmed by the Directors, we are of the view that the aggregate dilution effect to the existing public Shareholders is acceptable.

OPINION AND RECOMMENDATION

Having considered the abovementioned principal factors and reasons, although the entering into of the Subscription Agreements is not in the ordinary and usual course of business of the Group, we are of the view that the terms of the Subscription Agreements are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the Subscription Agreements is in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the entering into of the Subscription Agreements and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

Jun Hui International Finance Limited

Tina Tian

Managing Director

Karol Hui

Executive Director

Note: Ms. Tina Tian and Ms. Karol Hui are licensed persons registered with the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and have over 15 years and 12 years of experience in corporate finance industry respectively.

1. RESPONSIBILITY STATEMENT

This circular, 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 regarding the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company or any associated corporation

As at the Latest Practicable Date, the interests and/or short positions of the Directors and chief executives of the Group in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, are as follows:

(i) Long positions in the Shares

| Name of Shareholder | Capacity and nature of interest | Number of Shares | Approximate percentage of the Company's issued share capital |
|----------------------------|-------------------------------------------|-------------------------|---------------------------------------------------------------------|
| Goldbless | Beneficial owner (Note) | 76,500,000 | 16.17% |
| Mr. Wang Yong | Interest of controlled corporation (Note) | 76,500,000 | 16.17% |

Note: The entire issued share capital of Goldbless is owned by Mr. Wang Yong. Under the SFO, Mr. Wang Yong is deemed to be interested in all the Shares registered in the name of Goldbless.

(ii) Long positions in ordinary shares of US\$1.00 each in Youth Success

| Name of Director | Number of Shares | Percentage of shareholding |
|----------------------------------------|-------------------------|-----------------------------------|
| Mr. Philip Jian Yang (<i>Note 1</i>) | 1,273 | 12.73% |
| Mr. Yang Shiyuan (<i>Note 2</i>) | 148 | 1.48% |

Notes:

1. Mr. Philip Jian Yang holds the shares of Youth Success through Ever Ring Holdings Limited which is wholly-owned by him.
2. Mr. Yang Shiyuan holds the shares of Youth Success through State Trade Global Limited which is wholly-owned by him.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Substantial shareholders' and other persons' interests and short positions in the shares and underlying shares of the Company

As at Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO, and so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and the amount of each of such person's interests in such securities, together with particulars of any options in respect of such capital:

Long positions in the Shares

| Name of Shareholder | Capacity and nature of interest | Number of Shares | Approximate percentage of the Company's issued share capital |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------------------------------------|
| Youth Success | Beneficial owner; deemed interest under shareholders voting agreement (<i>Notes 1, 7</i>) | 284,407,713 | 60.10% |
| Guang Rui | Beneficial owner; interest in controlled corporation; deemed interest under shareholders voting agreement (<i>Note 1</i>) | 287,002,113 | 60.65% |
| Mr. Yang | Interest in controlled corporation (<i>Note 1</i>); interest of spouse (<i>Note 2</i>); deemed interest under shareholders voting agreement (<i>Note 1</i>) | 287,002,113 | 60.65% |
| Ms. Mou | Interest in controlled corporation (<i>Note 1</i>); interest of spouse (<i>Note 2</i>); deemed interest under shareholders voting agreement (<i>Note 1</i>) | 287,002,113 | 60.65% |
| Mr. Tan Koon Aik | Beneficial owner (<i>Note 3</i>) | 44,671,963 | 9.44% |

| Name of Shareholder | Capacity and nature of interest | Number of Shares | Approximate percentage of the Company's issued share capital |
|---------------------|----------------------------------------------------------------|------------------|--------------------------------------------------------------|
| Mr. Liang | Beneficial owner (<i>Note 4</i>) | 36,000,000 | 7.61% |
| Mr. Wu Jian | Beneficial owner | 31,612,903 | 6.68% |
| Mr. Wang Xu | Interest in controlled corporation (<i>Notes 5 and 6</i>) | 30,362,150 | 6.41% |
| Alpine Nova | Beneficial owner (<i>Notes 5 and 6</i>) | 30,362,150 | 6.41% |
| Mr. Tan Yew Jing | Beneficial owner | 31,612,903 | 5.32% |

Notes:

- Youth Success and Guang Rui owns 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 is legally and beneficially owned as to 60% by Mr. Yang and 40% by Ms. Mou. By virtue of the First Voting Agreement entered into by Mr. Yang, Ms. Mou, Youth Success, Mr. Li Lin, Alpha Master, Ms. Yang Qi, Qiao Tian, Mr. Wang Yong and Goldbless, Youth Success is deemed to be interested in the Shares held by Alpha Master, Qiao Tian and Goldbless in aggregate by virtue of the SFO.
- Ms. Mou is the spouse of Mr. Yang and she is therefore deemed to be interested in all the Shares in which Mr. Yang is deemed to be interested, and vice versa, by virtue of the SFO.
- Mr. Tan Koon Aik owns 44,671,963 Shares. By virtue of the Fourth Voting Agreement entered into by and among Mr. Yang, Ms. Mou, Youth Success and Mr. Tan Koon Aik on 18 September 2023, Youth Success is deemed to be interested in the Shares held by Mr. Tan Koon Aik by virtue of the SFO.
- Mr. Liang owns 36,000,000 Shares. By virtue of the Second Voting Agreement entered into by and among Mr. Yang, Ms. Mou, Youth Success and Mr. Liang on 11 November 2021, Youth Success is deemed to be interested in the Shares held by Mr. Liang by virtue of the SFO.
- Alpine Nova owns 30,362,150 Shares. The entire issued share capital of Alpine Nova is owned by Mr. Wang Xu (王旭). Subject to the effect of the Third Voting Agreement, Mr. Wang Xu (王旭) is deemed to be interested in all the Shares registered in the name of Alpine Nova under the SFO.
- By virtue of the Third Voting Agreement entered into by and among Mr. Yang, Ms. Mou, Youth Success, Alpine Nova and Mr. Wang Xu on 22 May 2023, Youth Success is deemed to be interested in the Shares held by Alpine Nova by virtue of the SFO.

7. By virtue of the First Voting Agreement, Second Voting Agreement, Third Voting Agreement and Fourth Voting Agreement, Youth Success shall be entitled to exercise control over the voting rights attaching to an aggregate of 284,407,713 Shares, representing approximately 60.10% of the issued share capital of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified of any other person (other than the Directors and chief executives of the Company) who had an interest or short position in the shares and/or underlying shares of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or pursuant to section 336 of the SFO, which would have to be recorded in the register referred to therein.

3. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates which competes or is likely to compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

4. DIRECTORS' SERVICE CONTRACTS

Mr. Philip Jian Yang, an executive Director, has entered into the service contract with the Company for an initial fixed term of three (3) years commencing from 18 November 2015 renewable automatically until terminated by not less than three (3) months' prior written notice served by either party on the other expiring at the end of the initial term or any time thereafter.

Mr. Wang Yong, an executive Director, has entered into the service contract with the Company for an initial fixed term of three (3) years commencing from 18 September 2023 renewable automatically until terminated by not less than three (3) months' prior written notice served by either party on the other expiring at the end of the initial term or any time thereafter.

All non-executive Directors were not appointed for a specific term but their respective terms of office are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of the association of the Company. The rotation clause sets up a mechanism to ensure that all Directors shall retire at least once every three (3) years and be eligible for re-election.

Each of our independent non-executive Directors has entered into a letter of appointment with the Company. Each letter of appointment is for an initial term commencing on the date of the respective letter of appointment and shall continue thereafter subject to a maximum of three (3) years unless terminated by either party giving at least one (1) month's prior written notice.

As at the Latest Practicable Date, save as disclosed above, none of the Directors had any existing or proposed service contracts or letter of appointment with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. INTERESTS IN CONTRACT OR ARRANGEMENTS

Save for disclosed in this circular and below, as at the Latest Practicable Date, none of the Directors was materially interested in contract or arrangement subsisting which is significant in relation to the business of the Group, nor has any Director had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2022, the date to which the latest published audited consolidated financial statements of the Group were made up.

On 15 March 2022, a tenancy agreement (the “**Tenancy Agreement**”) was entered into between Mr. Philip Jian Yang and Emphasis Media for the lease period commencing from 16 March 2022 to 15 March 2024. The right-of-use asset was recognised at approximately RMB1,983,000, representing the present value of the lease payments payable by Emphasis Media under the terms of the Tenancy Agreement.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and there was no litigation, arbitration or claim of material importance pending or threatened against any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, the date to which the latest published audited accounts of the Company have been made up.

8. EXPERT AND CONSENT

The following is the qualification of the expert or professional adviser who has given opinion or advice contained in this circular:

| Name | Qualification |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Jun Hui International Finance Limited | a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity under the SFO |

As at the Latest Practicable Date, Jun Hui International:

- (a) did not have any shareholding directly or indirectly in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (b) did not have any direct or indirect interest in any assets which had been, since 31 December 2022, the date of the latest published audited accounts of the Group, acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group; and
- (c) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its statements, letter, report and opinion (as the case maybe) as set out in this circular and references to its name in the form and context in which they are included.

9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Company) have been entered into by members of the Group within two (2) years immediately preceding up to and including the Latest Practicable Date which are or may be material:

- (a) the equity transfer agreement dated 1 December 2021 entered into among Beijing Chuangju Shi Dai Cultural Communication Limited* (北京創聚時代文化傳播有限公司) and Emphasis Media for the sale and purchase of 10% equity interests of Beijing Yiju Creative Technology Limited* (北京易聚創意科技有限公司) at the consideration of RMB2,112,900;
- (b) the share subscription agreement dated 22 May 2023 entered into by and between the Company as issuer and Alpine Nova Limited as subscriber, pursuant to which Alpine Nova Limited agreed to subscribe for, and the Company agreed to allot and issue, a total of 30,362,150 Shares at the total subscription price of RMB5,750,000;
- (c) the convertible bonds subscription agreement dated 22 May 2023 entered into by and between the Company as issuer and Ms. Li Wen (李雯) as subscriber, pursuant to which Ms. Li Wen (李雯) agreed to subscribe for, and the Company agreed to issue the convertible bonds due 2025 in the aggregate principal amount of RMB17,500,000;
- (d) the deed of termination dated 10 November 2023 and executed by the Company and Ms. Li Wen (李雯) in relation to the termination of the convertible bonds subscription agreement dated 22 May 2023 as referred to in paragraph (c) above;

- (e) the share subscription agreement dated 19 June 2023 entered into by and between the Company as issuer and Mr. Tan Yew Jing as subscriber, pursuant to which Mr. Tan Yew Jing agreed to subscribe for, and the Company agreed to allot and issue, a total of 25,187,383 Shares at the total subscription price of RMB4,770,000;
- (f) the share subscription agreement dated 19 June 2023 entered into by and between the Company as issuer and Mr. Tan Koon Aik as subscriber, pursuant to which Mr. Tan Koon Aik agreed to subscribe for, and the Company agreed to allot and issue, a total of 44,671,963 Shares at the total subscription price of RMB8,460,000;
- (g) the convertible bonds subscription agreement dated 19 June 2023 entered into by and between the Company as issuer and Mr. Nian Binbin (念彬彬) as subscriber, pursuant to which Mr. Nian Binbin (念彬彬) agreed to subscribe for, and the Company agreed to issue the convertible bonds due 2025 in the aggregate principal amount of RMB9,000,000;
- (h) the deed of termination dated 10 November 2023 and executed by the Company and Mr. Nian Binbin (念彬彬) in relation to the termination of the convertible bonds subscription agreement dated 19 June 2023 as referred to in paragraph (g) above;
- (i) the AYY Subscription Agreement; and
- (j) the SWS Subscription Agreement.

10. GENERAL

- (a) The company secretary of the Company is Ms. Cheung Hoi Fun, who is an associate member of each of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.
- (b) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (c) The principal place of business of the Company in Hong Kong is on 23/F, Yue Thai Commercial Building, 128 Connaught Road Central, Sheung Wan, Hong Kong.
- (d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.
- (e) The English texts of this circular shall prevail over the Chinese texts.

11. DOCUMENTS ON DISPLAY

Electronic copies of the following documents are published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.ntmediabj.com>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the AYY Subscription Agreement;
- (b) the SWS Subscription Agreement;
- (c) the letter from the Board;
- (d) the letter from the Independent Board Committee;
- (e) the letter from Jun Hui International;
- (f) the written consent of the expert as referred to in the section headed “Expert and Consent” of this Appendix; and
- (g) this circular.

* *For identification purposes only*

NOTICE OF EGM

 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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“EGM”) of Creative China Holdings Limited (the “**Company**”) will be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong on Wednesday, 20 December 2023, at 2:00 p.m. for the following purpose. Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 30 November 2023 (the “**Circular**”).

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

1. “**THAT:**

- (a) the share subscription agreement dated 10 November 2023 (the “**AYY Subscription Agreement**”) entered into between the Company and Mr. Ang Yu Yuan Shawn (“**Mr. Ang**”) (a copy of the AYY Subscription Agreement has been produced to the meeting and marked “A” and initialed by the chairman of the EGM for identification purpose) in relation to the allotment and issue of a total of 35,990,566 new Shares (the “**AYY Subscription Shares**”) to Mr. Ang at the subscription price of HK\$0.53 per Share and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) conditional upon the Stock Exchange having approved the listing of and dealing in the AYY Subscription Shares, the Directors be and are hereby granted the specific mandate to allot and issue the AYY Subscription Shares in accordance with the terms of the AYY Subscription Agreement, provided that the specific mandate shall be in addition to, and shall not prejudice nor revoke any existing or such other general or specific mandates which may from time to time be granted to the Directors prior to the passing of this resolution; and

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- (c) any one of the Directors be and is hereby authorised to take any action and execute such other documents as he/she considers necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the AYY Subscription Agreement and the transactions contemplated thereunder, including, without limitation, the allotment and issue of the AYY Subscription Shares under the specific mandate.”

2. **“THAT:**

- (a) the share subscription agreement dated 10 November 2023 (the **“SWS Subscription Agreement”**) entered into between the Company and Mr. Sia Wei Soon (**“Mr. Sia”**) (a copy of the SWS Subscription Agreement has been produced to the meeting and marked “B” and initialed by the chairman of the EGM for identification purpose) in relation to the allotment and issue of a total of 19,188,679 new Shares (the **“SWS Subscription Shares”**) to Mr. Sia at the subscription price of HK\$0.53 per Share and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) conditional upon the Stock Exchange having approved the listing of and dealing in the SWS Subscription Shares, the Directors be and are hereby granted the specific mandate to allot and issue the SWS Subscription Shares in accordance with the terms of the SWS Subscription Agreement, provided that the specific mandate shall be in addition to, and shall not prejudice nor revoke any existing or such other general or specific mandates which may from time to time be granted to the Directors prior to the passing of this resolution; and
- (c) any one of the Directors be and is hereby authorised to take any action and execute such other documents as he/she considers necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the SWS Subscription Agreement and the transactions contemplated thereunder, including, without limitation, the allotment and issue of the SWS Subscription Shares under the specific mandate.”

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

Hong Kong, 30 November 2023

Notes:

- (1) Any member entitled to attend and vote at the EGM is entitled to appoint one or more proxies (if such member is the holder of two or more shares) to attend and to vote instead of them. A proxy need not be a member of the Company.

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- (2) Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (3) A form of proxy for use at the EGM is enclosed.
- (4) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong not less than 48 hours before the time appointed for holding the EGM or adjourned meeting. Completion and return of the form of proxy will not preclude members from attending and voting in person at the EGM or any adjourned meeting.
- (5) The register of members of the Company will be closed from Friday, 15 December 2023 to Wednesday, 20 December 2023, both dates inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 14 December 2023.
- (6) According to Rule 17.47(4) of the GEM Listing Rules, the voting at the EGM will be taken by poll.
- (7) If there is Typhoon Signal No. 8 or above, a "black" rainstorm warning and/or extreme conditions caused by a super typhoon in force in Hong Kong at any time after 11:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will publish an announcement on the websites of the Company at <http://www.ntmediabj.com> and the Stock Exchange at <http://www.hkexnews.hk> to notify Shareholders of the date, time and venue of the rescheduled meeting.
- (8) No corporate gifts or refreshments will be provided at the EGM.

As at the date of this notice, 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.