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**天泓文創**

Icon Culture Global Co., Ltd

**Icon Culture Global Company Limited**

**天泓文創國際集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8500)**

**PROPOSED RIGHTS ISSUE ON BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY ONE (1) EXISTING SHARE  
HELD ON THE RECORD DATE  
AND  
CHANGE IN BOARD LOT SIZE**

**Financial Adviser to the Company**

 **Innovax  
Capital**

**Innovax Capital Limited**

**Placing Agents**

**Cheong Lee**  
昌利證券

**Cheong Lee Securities Limited**

**Ruisen Port Securities Limited**

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

**BALLAS**

C A P I T A L

A subsidiary of Crosby

**Ballas Capital Limited**

## **PROPOSED RIGHTS ISSUE**

The Company proposes to raise gross proceeds of up to approximately HK\$54.0 million (assuming full subscription under the Rights Issue) by issuing up to 216,000,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) by way of Rights Issue at the Subscription Price of HK\$0.25 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shares at the close of business on the Record Date.

Assuming there will be no change in the number of Shares in issue on or before the Record Date and full subscription of Rights Issue, the net proceeds from the Rights Issue (after deducting the estimated expenses of approximately HK\$1.0 million) is expected to be approximately HK\$53.0 million. The Company intends to apply the net proceeds from the Rights Issue as to (i) approximately 37.50% (being approximately HK\$19.9 million) for the organisation and coordination of large-scale events for its clients in which the Group is required to make prepayments to its suppliers; (ii) approximately 31.25% (being approximately HK\$16.6 million) for the provision of comprehensive new media operation services for various new brand customers in the PRC which also involved prepayments for media costs; (iii) approximately 12.50% (being approximately HK\$6.6 million) for the development of cross-border livestreaming shopping business by establishing a platform for exporting high-quality domestic products to Europe, America and countries along the Belt and Road Initiative; (iv) approximately 12.50% (being approximately HK\$6.6 million) for the strategic cooperation or merger and acquisition; and (v) approximately 6.25% (being approximately HK\$3.3 million) for general working capital. In the event that the Rights Issue is undersubscribed and the Placing Shares are not fully placed, the net proceeds will be reduced and utilised on a pro rata basis as set out above. Subject to fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and will not be extended to the Excluded Shareholders. There will be no excess application arrangement in relation to the Rights Issue.

## **PLACING AGREEMENT**

According to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make the Compensatory Arrangements to dispose of the Placing Shares by offering these Shares to independent Placees for the benefit of the Shareholders to whom they are offered by way of the Rights Issue. Accordingly, on 29 May 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents to place the Placing Shares to independent Placees on a best effort basis.

## **CHANGE IN BOARD LOT SIZE**

The Board proposes the Change in Board Lot Size from 2,000 Shares to 10,000 Shares with effect from 9:00 a.m. on Wednesday, 7 August 2024.

## **GEM LISTING RULES IMPLICATIONS**

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50%, the Rights Issue is conditional upon the Independent Shareholders' approval at the EGM, and any controlling Shareholder(s) (as defined under the GEM Listing Rules) and their respective associates, or where there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

As at the date of this announcement, the Company has no controlling Shareholder. As at the date of this announcement, Mr. Chow Eric Tse To, being an executive Director and a substantial Shareholder, holds 45,000,000 Shares indirectly through his shareholding in Shining Icon (BVI) Limited. Accordingly, Mr. Chow Eric Tse To and Shining Icon (BVI) Limited shall abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM. As at the date of this announcement, save for Mr. Chow Eric Tse To and Shining Icon (BVI) Limited, none of the Directors or chief executives of the Company and their respective associate(s) had any interest in the Shares, thus no Shareholder (except as disclosed above) would abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM.

The Company has not conducted any rights issue, open offer or specific mandate placings within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of any rights issue, open offer and/or specific mandate placings within such 12-month period.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

## **THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Tam Hon Shan Celia, Mr. Tian Tao and Mr. Liu Lihan, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, taking into account the recommendations of the Independent Financial Adviser.

In this connection, the Company has appointed Ballas Capital Limited as an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

### **GENERAL**

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Rights Issue. For the purpose of determining the Shareholders' entitlements to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 18 June 2024 to Monday, 24 June 2024 (both days inclusive).

A circular containing, among other things, (i) further details of the Rights Issue and the Change in Board Lot Size; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Friday, 7 June 2024.

Subject to the fulfilment of the conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders on or before Monday, 8 July 2024. The Company will despatch the Prospectus (without the PAL(s)) to the Excluded Shareholders (if any) for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable.

## **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

Shareholders and potential investors of the Company should also note that the Rights Issue is subject to fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholder dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders or other persons contemplating any dealing in the Shares and/or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

## **PROPOSED RIGHTS ISSUE**

The Board proposed the Rights Issue, details of which are summarised below:

### **Issue statistics**

Basis of the Rights Issue:	One (1) Rights Share for every one (1) existing Share held by Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK\$0.25 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expense incurred in the Rights Issue):	Approximately HK\$0.245 per Rights Share
Number of existing Shares in issues as at the date of this announcement:	216,000,000 Shares
Number of Rights Shares:	Up to 216,000,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date and full subscription under the Rights Issue)

Aggregate nominal value of the Rights Shares:	Up to HK\$2,160,000 (assuming no change in the number of Shares in issue on or before the Record Date and full subscription under the Rights Issue)
Number of issued Shares immediately upon completion of the Rights Issue:	Up to 432,000,000 Shares (assuming no change in the number of Shares in issue on or before the Record Date and full subscription under the Rights Issue)
Maximum funds raised before expenses:	Up to approximately HK\$54,000,000

The Company has no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares as at the date of this announcement.

The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 216,000,000 Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent: (i) 100% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

### **Non-underwritten basis**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, the Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placees under the Compensatory Arrangements. The Placing Shares which remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There is also no statutory requirement regarding minimum subscription level in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Shareholders who apply to take up all or part of their entitlements under the PALs may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 10.26(2) of the GEM Listing Rules; and/or (ii) does not result in the non-compliance of the Public Float Requirement on the part of the Company.

## **Undertaking**

As at the date of this announcement, the Company has not received any information or undertaking from any Shareholder of their intention as to whether such Shareholder will take up his/her entitlements under the Rights Issue (or otherwise).

## **Subscription Price**

The Subscription Price is HK\$0.25 per Rights Share, payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 36.71% to the closing price of HK\$0.395 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 37.19% to the average closing price of HK\$0.398 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 22.84% to the theoretical ex-rights price of HK\$0.324 per Share based on the closing price of HK\$0.395 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iv) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 18.59% of the theoretical diluted price of approximately HK\$0.324 per Share to the benchmarked price of approximately HK\$0.398 per Share (as defined under Rule 10.44A of the GEM Listing Rules), taking into account the higher of the closing price of HK\$0.395 per Share on the Last Trading Day and the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the Last Trading Day of HK\$0.398 per Share).

The Subscription Price was determined with reference to, among others, (i) the market price of the Shares under the prevailing market conditions; (ii) the financial position of the Group; and (iii) the reasons as discussed in the section headed “Reasons for and benefits of the Rights Issue and use of proceeds” in this announcement.

In determining the Subscription Price, which represents a discount of approximately 36.71% to the closing price per Share as quoted on the Stock Exchange on the Last Trading Day, the Directors have considered, among other things as mentioned above, market price of the Shares traded on the Stock Exchange in the past three months prior to and including the Last Trading Day (the “**Relevant Period**”), as a benchmark to reflect the prevailing market conditions and recent market sentiment. During the Relevant Period, the Shares were traded on the Stock Exchange with an average closing price of approximately HK\$0.559 per Share. The Subscription Price of HK\$0.25 per Rights Share represents a discount of approximately 55.28% to the average closing price of approximately HK\$0.559 per Share for the Relevant Period. In particular, the daily closing price of the Shares demonstrated a general downward trend from HK\$0.93 per Share on 1 March 2024, the highest closing price per Share during the Relevant Period, to HK\$0.395 per Share on the Last Trading Day with an average daily trading volume amounting to approximately 0.05% of the total issued Shares as at the Last Trading Day, indicating a lack of liquidity and demand for the Shares. Also, the Group recorded consecutive net loss of approximately RMB39.2 million and approximately RMB84.6 million for the years ended 31 December 2022 and 2023, respectively.

In view of the above, and having considered (i) all Qualifying Shareholders are provided with an equal opportunity to subscribe for their assured entitlements under the Rights Issue at a relatively low price as compared to the historical market price of the Shares and at a discount to the recent closing prices of the Shares; (ii) the discount of the Subscription Price will encourage the Qualifying Shareholders to participate in the Rights Issue and the future growth of the Group and (iii) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market, the Board (excluding the members of the Independent Board Committee whose opinion will be rendered after considering the advice from the Independent Financial Adviser) considers, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.



## **Basis of provisional allotment**

The basis of the provisional allotment shall be one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date. The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

## **Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder on the Record Date. In order to be registered as a member of the Company on the Record Date, Shareholders must lodge the relevant documents for transfer of Shares (with the relevant share certificates) with the Registrar at Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road North Point, Hong Kong by 4:30 p.m. on Thursday, 27 June 2024.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. For Shareholders whose Shares are held by a nominee (or held in CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar for registration no later than 4:30 p.m. on Thursday, 27 June 2024.

The last day of dealings in the Shares on a cum-rights basis is Tuesday, 25 June 2024. The Shares will be dealt with on an ex-rights basis from Wednesday, 26 June 2024. If a Qualifying Shareholder does not take up his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

## **Rights of Overseas Shareholders (if any)**

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue. Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If it is in the opinion of the Board that it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude such Overseas Shareholders from the Rights Issue, no Rights Share (whether in nil-paid or fully-paid form) will be offered to such Overseas Shareholders. The basis for excluding the Excluded Shareholders from the Rights Issue will be set out in the Prospectus. The Company will send the Prospectus to the Excluded Shareholders for their information only but will not send any PAL to them. The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Excluded Shareholders should exercise caution when dealing in the Shares.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders in their nil-paid form to be sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, will be paid pro-rata (rounded down to the nearest cent) to the relevant Excluded Shareholders in Hong Kong dollars. In view of the administrative costs, the Company will retain individual amounts of less than HK\$100 for its own benefit.

All ES Unsold Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, will be placed by the Placing Agents at the price at least equal to the Subscription Price under the Placing. For the nil-paid Rights Shares that are sold as described above but the buyers of such nil-paid Rights Shares do not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements. Any ES Unsold Rights Shares and Unsubscribed Rights Shares which are not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions, which may be declared, made or paid, the record date of which is after the date of allotment and issue of the Rights Shares in their fully-paid form.

## **Fractional entitlements to the Rights Shares**

On the basis of provisional allotment of one (1) Rights Share for every one (1) existing Share in issue and held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares shall be issued to the Shareholders.

## **Compensatory Arrangements**

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rule to dispose of the Placing Shares by offering the Placing Shares to independent Placers for benefit of the Shareholders to whom they are offered by way of the Rights Issue. There will be no excess application arrangement in relation to the Rights Issue. The Company has appointed the Placing Agents to place the Placing Shares after the Latest Time for Acceptance of the Rights Shares to independent Placers on a best effort basis. The Placing Agents will, on a best effort basis, procure, by not later than 6:00 p.m., on Thursday, 1 August 2024, acquirers for all (or as many as possible) of those Placing Shares. Any premium over the Subscription Price and the expenses of procuring such acquirers (including commission and other related expenses/fees) that is realised will be paid to the No Action Shareholders and Excluded Shareholders on a pro-rata basis. All Placing Shares which are not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Placing Shares) to the No Action Shareholders and the Excluded Shareholders (but rounded down to the nearest cent) as set out below:

- (i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (iii) below);
- (ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holders of those nil-paid rights in CCASS (unless that they are covered by (iii) below);
- (iii) if the Rights Issue is extended to the Overseas Shareholders and where entitlements to the Rights Shares were not taken up by such Overseas Shareholders, to those Overseas Shareholders.

It is proposed that Net Gain of HK\$100 or more to the individual No Action Shareholder mentioned in (i) to (iii) above will be paid to them in Hong Kong Dollars only and the Company will retain individual amount of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised and, accordingly, the No Action Shareholders and the Excluded Shareholders may or may not receive any Net Gain.

## THE PLACING AGREEMENT

On 29 May 2024 (after trading hours), the Company and the Placing Agents entered into the Placing Agreement, pursuant to which the Placing Agents have conditionally agreed as agents of the Company (either by themselves or through their sub-placing agents) to procure independent Placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. Details of the Placing Arrangement are as follows:

Date:	29 May 2024 (after trading hours)
Parties:	(i) the Company, as issuer; and  (ii) the Placing Agents
Placing Agents:	Cheong Lee Securities Limited and Ruisen Port Securities Limited. To the best of the Company's knowledge, information and belief, the Placing Agents and their ultimate beneficial owners are Independent Third Parties.
Fees and expenses:	0.5% of the amount which is equal to the placing price multiplied by the Placing Shares that are successfully placed by the Placing Agents pursuant to the terms of the Placing Agreement and reimbursed for the expenses in relation to the Placing, which the Placing Agents are authorised to deduct from the payment to be made by the Placing Agents to the Company at completion.
Placing price of the Placing Shares:	The placing price of the Placing Shares shall be at least equal to the Subscription Price. The final price is dependent on the demand and market conditions of the Placing Shares during the process of placement.
Placees:	The individuals, corporate, institutional investors or other investors procured by the Placing Agents and/or its sub-placing agents to subscribe for the Placing Shares.
Ranking of the Placing Shares:	The Placing Shares (when placed, allotted, issued and fully paid) shall rank <i>pari passu</i> in all respects among themselves and with the Shares then in issue.

Termination:

The Placing shall end on Friday, 2 August 2024 or any other date by mutual written agreement between the Placing Agents and the Company.

The engagement of the Placing Agents may be terminated by the Placing Agents in case of force majeure resulting in the Company and the Placing Agents being unable to fulfill their respective duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agents' knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agents, may make them inadvisable to continue the engagement, the Placing Agents shall have the right to terminate the engagement by written notice to the Company with immediate effect.

Conditions precedent:

The obligations of the Placing Agents and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agents in writing, if applicable):

- (i) the passing by the Shareholders (including the Independent Shareholders) at the EGM of the necessary resolutions to approve the Rights Issue;
- (ii) the GEM Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares (including the Placing Shares);
- (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
- (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Placing Agents may, in their absolute discretion, waive the fulfillment of all or any or any part of the above conditions (other than those set out in paragraphs (i) and (ii) above) by notice in writing to the Company.

Completion: Placing completion shall take place on Tuesday, 6 August 2024 or such other date as the Company and the Placing Agents may agree in writing.

The Placing Agents shall ensure that the Placing Shares are placed (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owners shall be Independent Third Parties; (ii) such that no Placee shall become a substantial Shareholder immediately following the Placing; (iii) such that the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (iv) such that the Placing will not result in the Company incapable of complying with the Public Float Requirement under the GEM Listing Rules immediately following the Placing.

The Company will continue to comply with the Public Float Requirement under Rule 11.23(7) of the GEM Listing Rules and the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing. The engagement between the Company and the Placing Agents for the placing of the Placing Shares was determined after arm's length negotiations between the Placing Agents and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the market conditions. The Board considers the terms of the Placing for the Placing Shares (including the commission payable) are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Placing Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Board considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority shareholders.

### **Application for listing**

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid and fully-paid Rights Shares shall have the same board lot size as the Shares, i.e. 10,000 Shares in one board lot, being the new board lot size after the Change in Board Lot Size takes effect. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

## **Eligibility for admission into CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

## **Stamp duty and other applicable fees**

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

## **Taxation**

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposal of, or dealing in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Excluded Shareholders as regards to their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It should be noted that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealing in or exercising any right in relation to the Shares or the Rights Shares.

## **Share certificates and refund cheques for the Rights Issue**

Subject to fulfilment of the conditions of the Rights Issue, (i) share certificates for all fully-paid Rights Shares and (ii) refund cheques (if the Rights Issue does not proceed) are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Tuesday, 6 August 2024.

## **Conditions of the Rights Issue**

The Rights Issue is conditional upon:

- (i) the passing by the Shareholders (including the Independent Shareholders) at the EGM of the resolution to approve the Rights Issue by no later than the Prospectus Posting Date;
- (ii) the GEM Listing Committee granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (iii) the delivery to the Stock Exchange and the filing and registration with the Companies Registry in Hong Kong respectively one duly certified copy of each of the Prospectus and the PAL duly signed by two Directors (or by their agents duly authorized in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) in compliance with the Companies (WUMP) Ordinance and the GEM Listing Rules by no later than the Prospectus Posting Date;
- (iv) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholders for information purpose only by the Prospectus Posting Date; and
- (v) the Placing Agreement not being terminated.

The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above. None of the above conditions can be waived. The completion date of the Rights Issue is expected to be Friday, 2 August 2024. As the Rights Issue is subject to the above conditions, it may or may not proceed.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 28 June 2024 to Friday, 5 July 2024, both days inclusive, for determining to the Rights Issue. No transfer of Shares will be registered during the above book closure period.



## REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is an integrated multimedia advertising and marketing service provider based in Guangzhou, principally engaged in the provision of advertising and marketing solutions to brand customers. Services the Company provides include (i) traditional offline media, including out-of-home and indoor media platforms; (ii) online media, including web portals, e-commerce platforms and social seeding platforms; and (iii) integrated multimedia platforms, including creative design, public relations, campaigns and other services.

As disclosed in the annual report for the year ended 31 December 2023 (the “**2023 Annual Report**”), the Group’s revenue amounted to approximately RMB25.4 million for the year ended 31 December 2023, representing a decrease of 63.1% compared to approximately RMB69.0 million in 2022. The Group also recorded a loss of approximately RMB84.6 million in 2023 and as at 31 December 2023, the Group’s net current liabilities and total deficit amounted to approximately RMB14.3 million and RMB14.3 million, respectively. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group’s ability to continue as a going concern. As at 31 December 2023, the Group had cash and cash equivalents of merely RMB13.7 million. To ensure sufficiency of working capital requirements in the future, the Group has (i) a renewed banking facilities of RMB4.5 million which RMB3.0 million has been drawn down as at the date of this announcement; (ii) net proceeds of approximately HK\$17.3 million (equivalent to approximately RMB15.8 million) from the placing of 36,000,000 shares completed in March 2024 (the “**2024 Placing**”) which barely covered the net current liabilities and total deficit as at 31 December 2023; and (iii) the financial support provided by a substantial shareholder. Further, in line with industry norm, the Group’s operation is generally required to make prepayment to suppliers in order for the Group to negotiate and secure more favourable terms on pricing and resources. Additionally, to maintain sustainable and positive customer relationships, the Group has to proactively extend credit terms. Under the competitive environment, failing to offer better credit terms could result in clients seeking services from competitors offering better terms and potentially leading to the termination of their collaboration with the Group. As such, there are often time lags between making payments to our suppliers and receiving payments from our customers, which results in cash flow mismatch. Therefore, in order for the Group to undertake more sizeable projects, capture business opportunities and reduce the reliance on the substantial shareholder for financial support, it is essential for the Group to further improve its liquidity, financial position and, ultimately, profitability through the Rights Issue.

As at 30 April 2024, the Group’s unaudited cash and cash equivalents amounted to approximately RMB18.6 million. After the completion of Rights Issue, assuming a net proceeds of HK\$53.0 million (equivalent to approximately RMB48.2 million) will be raised, the cash level of the Group will increase to approximately RMB66.8 million.

In the coming 12 months, the estimate of the working capital requirement of the Group is set out below:

	<b>Approximate</b> <i>RMB'000</i>
Prepayments	1,000
Settlement of trade payables according to the contract terms	33,000
Salaries and commission	8,700
Rent, rates and management fee	1,400
Utilities expenses	360
General office and other expenses	2,200
Settlement of trade receivables	<u>(30,000)</u>
	<u><u>16,660</u></u>

As illustrated above, the Group has estimated a shortfall of working capital of approximately RMB16.7 million which will be largely funded by the proceeds from 2024 Placing and renewed banking facility. Accordingly, the Group needs additional funding to capture potential business opportunities as explained below.

Besides the Rights Issue, the Directors have considered other fundraising methods available to the Group, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares or open offer. In respect of debt financing, the Group has approached not less than three commercial banks in the PRC since December 2023. However, due to (i) the latest business performance and financial position of the Group, particularly the consecutive loss-making performance of the Group recorded since 2022 and (ii) no material fixed assets held by the Group, the Group was only able to obtain banking facilities from one bank and was rejected by the others. Even the Group was able to renew banking facilities of RMB4.5 million, the due diligence and negotiation process took around two months and the terms offered were less favourable. The loan is repayable in one year with an interest rate of 5% per annum and is secured by a pledge over the accounts receivable of the Group and guaranteed by one of the Directors. Also, the relatively small amount offered by a commercial bank is insufficient to meet the working capital requirement of the Group, including staff costs, trade payable and other operating expenses. Furthermore, the Group has to meet revenue requirement so that the loan can be fully drawn down. Therefore, the Directors are of the view that debt financing is time-consuming and not beneficial to the Company. In respect of equity financing, the Directors are of the view that placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate and it is relatively smaller in scale as compared to fund raising through a rights issue. In addition, the Company conducted placing of new Shares under general mandate on 31 January 2024 and such placing was completed on 15 March 2024, hence, the Company has utilised the

entire general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 12 May 2023 to allot and issue new Shares. As for open offer, although it is similar to a rights issue in offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market unlike a rights issue, which would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

On the other hand, the Rights Issue is an offer to existing Shareholders to participate in the enlargement of the capital base of the Company and enables the Shareholders to maintain their proportionate interests in the Company and continue to participate in development of the Company in the future should they wish to do so. However, those Shareholders who do not participate in the Rights Issue to which they are entitled should note that their shareholding interest in the Company will be diluted.

The Directors (excluding the members of the Independent Board Committee whose opinion will be rendered after considering the advice from the Independent Financial Adviser) consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the Rights Issue to be fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are able to sell the nil-paid rights in the market; (ii) the proposed Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares; and (iii) Rights Issue will allow the Group to strengthen its financial position and liquidity to support its business operation and development, without incurring additional debt financing cost.

Assuming full subscription under the Rights Issue, the expected gross proceeds of the Rights Issue will be up to approximately HK\$54.0 million (subject to the adjustment to the number of Rights Shares to be allotted and issued to them so as not to trigger an obligation to make a general offer under the Takeovers Code or result in the Company failing to comply with the Public Float Requirement (as the case may be)) and the relevant expenses would be approximately HK\$1.0 million (excluding the placing commission which is subject to the final number of Placing Shares). Accordingly, the net proceeds of Rights Issue will be up to approximately HK\$53.0 million.

The Company intends to apply the net proceeds from the Rights Issue in the follow manner:

- (i) approximately 37.50% (being approximately HK\$19.9 million) will be utilised by 31 December 2024 for the organisation and coordination of large and medium-scale events, exhibitions and forums for its potential clients in the business segment of PR, marketing campaigns and other services in which the Group is required to make prepayments to its suppliers.

- (ii) approximately 31.25% (being approximately HK\$16.6 million) will be utilised by 31 August 2025 for the provision of comprehensive new media operation services in the business segment of online media advertising services for various brand customers in the PRC which also involved prepayments for media costs, influencers and other operation costs. Together with (i) above, an aggregate of approximately 68.75% designated for funding new advertising and marketing projects, reflects a strategic decision aimed at driving the Group's expansion and seizing business opportunities. This allocation is grounded in the Group's imperative need for liquidity to support its growth objectives effectively;
- (iii) approximately 12.50% (being approximately HK\$6.6 million) will be utilised by 31 August 2025 for the development of cross-border livestreaming shopping business in the business segment of online media advertising services by establishing a platform for exporting high-quality domestic products to Europe, America and countries along the Belt and Road Initiative. This strategic initiative recognises the potential for market expansion and revenue diversification through the sale of high-quality domestic products, particularly amid worsening inflationary pressures in Europe and America and the growth of trade between the Belt and Road countries and China. The Group has been collaborating extensively with influencers in the new media space, many of whom are involved in livestreaming shopping businesses. Building upon these existing relationships, networks and the livestreaming business experience accumulated since 2021, the Group aims to capitalise on the growing trend of livestreaming commerce to expand its reach and revenue potential across borders.
- (iv) approximately 12.50% (being approximately HK\$6.6 million) will be utilised by 31 August 2025 for the strategic cooperation or merger and acquisition. The Group plans to seek merger and acquisition opportunities with companies operating in industries related to or complementing its online media advertising services, including developers and copyright owners of marketing platforms, companies possessing technologies beneficial to its customers' advertising and marketing strategies, and specialised and experienced new media operation companies. When evaluating potential targets, the Group prioritises those with a minimum of three years' operating history to ensure stability and experience, while also assessing financial performance (requiring no losses), the sustainability and stability of customer bases, and compatibility with the Group's existing advertising services. This allocation underscores the Group's flexibility and readiness to capitalise on emerging opportunities and synergies in the market. The decision on strategic cooperation or merger and acquisition will be contingent upon the performance of existing projects and the success of new business ventures. As at the date of this announcement, no target companies have been identified and the Company has not entered into any arrangement, agreement, undertaking and negotiation (whether formal or informal; express or implied) for the acquisition of the business(es) and/or disposal of its existing business(es); and

- (v) approximately 6.25% (being approximately HK\$3.3 million) will be utilised by 31 August 2025 for general working capital. Such small portion is because the net proceeds from the 2024 Placing and the banking facility of RMB4.5 million will largely be used for general working capital.

The Group has been engaging in organising and coordination of different types of marketing events for its clients since its establishment and has also been providing new media operation services for brand customers since 2020 and operating cross-border and livestreaming shopping business since 2021. The Group's decision to allocate a significant portion of the proceeds to online media advertising services and PR, marketing campaigns, and other services, rather than traditional offline media advertising services, is aligned with its business development plan as outlined since the annual report for the year ended 31 December 2022 (the "**2022 Annual Report**"). Specifically, the report states, "In the face of the impact of the industry, such as the tilting of customers' marketing budgets towards performance-based advertising and the adverse impact of traditional media advertising and marketing services, the Group has firmly transited and continued to step into the Internet and other new form of marketing services business."

Below set forth further rationale behind this allocation of proceeds among the business segments:

1. **Genuine Demand for Online Advertising and Marketing Events Organisation:** There is an increasing demand from the Group's customers for various new media in the realm of online media advertising services; and marketing events organisations categorised under the PR, marketing campaigns and other services. The Group has secured numerous framework agreements with brand customers directly for different online media advertising services and marketing events organisation. Engaging in various forms of new media marketing often requires prepayments, for example, inviting industry influencers to express their views on new media platforms according to customer needs to support product promotion and sales; and selecting online advertising spots for customers on new media platforms, etc. Having sufficient financial resources enables the Group to leverage its existing framework agreements and maximise the conversion of these potential opportunities into actual revenue. This approach not only meets the current demands of the Group's customers but also positions the Group to capitalise on future growth opportunities in the digital advertising space.
2. **Market Projections:** According to the projections of the Miaozen Academy of Marketing Science, mobile Internet advertising continues to be the main trend of marketing, with 70% of advertisers planning to increase their expenditures on mobile Internet advertising, which includes advertising on social media, video advertising, and live-streaming advertising. These projections underscore the importance of focusing the Group's resources on these high-growth areas to maximise return on investment and align with industry trends.

3. **Strategic Adjustment in Traditional OOH Media Advertising:** While the Group continues to solidify its presence in traditional Out-of-Home (OOH) media advertising, as stated in the 2022 Annual Report and 2023 Annual Report, there have been changes in the Group's revenue model. Previously, the Group paid upfront fees to obtain exclusive rights to use certain outdoor advertising resources and spaces before identifying the client's needs. Subsequently, the Group searched for clients to utilise these resources to generate income, with the expectation that the generated revenue would cover its upfront costs. Due to the adverse impact of the COVID-19 pandemic on traditional advertising resources, the Group decided to reduce the upfront investment in traditional advertising resources and instead invest when specific orders or budgetary requirements from clients are obtained. Despite this strategic shift, traditional OOH media advertising remains a principal segment for the Group. The Group has also entered into framework agreements with brand owners for traditional OOH media advertising; however, the Group does not require pre-investment or prepayment beforehand. Therefore, no proceeds were allocated to this segment.

While traditional advertising remains one of the cornerstones of the Group's business, it is strategically investing in online advertising and new media platforms to meet evolving client needs and stay competitive in the industry. This decision reflects the industry trend favoring performance-based advertising methods. By broadening the Group's service offerings in these areas, the Group aims to drive sustainable growth while maintaining its traditional advertising strengths.

The Company has an imminent funding need to conduct the Rights Issue, given its business development plan and intended use of proceeds. The nature of the Group's business requires sufficient financial resources to effectively serve its clients and generate revenue from the established framework agreements. Due to the existing customer demand, there is an urgent need for additional funding to meet these demands and capitalise on the opportunities presented.

As demonstrated above, the proceeds from 2024 Placing, the renewed banking facility of RMB4.5 million and cash generated from operations will be mainly used for general working capital and the proceeds from the Rights Issue will be used to drive business expansion. Therefore, the Group will have sufficient working capital for the next 12 months after the completion of the Rights Issue.

By expanding existing business and capturing business opportunities, the Group seeks to position itself for sustained growth and value creation. These allocations reflect a balanced approach that balances immediate business needs with long-term strategic objectives, thereby enhancing shareholder value and securing the Group's competitive position in the market. Based on the above, the Directors are of the view that the allocation above is fair and reasonable and in the interest of the Company and its shareholders as a whole.

Given that the Rights Issue will be on a non-underwritten basis, in the event that the Rights Issue is undersubscribed and the Placing Shares are not fully placed, the net proceeds will be reduced and utilised on a pro rata basis as set out above. Nevertheless, in the event that there is any shortfall in net proceeds from the Rights Issue, the Company will further evaluate the available options and consider to finance the shortfall by other means of financing, including but not limited to debt financing or equity fund raising such as placing of new shares, as and when appropriate. However, considering the challenges previously faced by the Group in obtaining financing, if the Group exhausts other means of financing, adverse consequences such as being forced to abandon existing business opportunities and reducing cooperation with clients with whom cooperation agreements have been established may occur.

## SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue, assuming full subscription under the Rights Issue; and (iii) immediately after completion of the Rights Issue, assuming nil acceptance by the Qualifying Shareholders and all the Placing Shares have been placed by the Placing Agents:

Shareholders	Immediately after completion of Rights Issue					
	As at the date of this announcement		Assuming full subscription under the Rights Issue		Assuming nil acceptance by the Qualifying Shareholders and all the Placing Shares have been placed by the Placing Agents	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Shining Icon (BVI) Limited (Note 1)	45,000,000	20.83	90,000,000	20.83	45,000,000	10.42
Capital Realm Financial Holdings Group Limited (Note 2)	42,750,000	19.79	85,500,000	19.79	42,750,000	9.90
Focus Wonder Limited (Note 3)	33,750,000	15.63	67,500,000	15.63	33,750,000	7.81
China Hui Shang Enterpriser Association International Group Limited (Note 4)	20,000,000	9.26	40,000,000	9.26	20,000,000	4.63
Master Connection Limited (Note 5)	13,500,000	6.25	27,000,000	6.25	13,500,000	3.13
Placee(s) (Note 6)	—	—	—	—	216,000,000	50.00
Other public Shareholders	61,000,000	28.24	122,000,000	28.24	61,000,000	14.11
<b>Total</b>	<b>216,000,000</b>	<b>100.00</b>	<b>432,000,000</b>	<b>100.00</b>	<b>432,000,000</b>	<b>100.00</b>

### Notes:

- Shining Icon (BVI) Limited is wholly owned by Mr. Chow Eric Tse To.
- Capital Realm Financial Holdings Group Limited is listed on the Stock Exchange (stock code: 204).
- Focus Wonder Limited is wholly-owned by Ms. Cai Xiaoshan, a former executive Director of the Company.

4. China Hui Shang Enterpriser Association International Group Limited is one of the shareholders of Capital Realm Financial Holdings Group Limited which holds 6.47% of issued shares of Capital Realm Financial Holdings Group Limited, and is wholly owned by Zhang Qiaoyun.
5. Master Connection Limited is wholly-owned by Mr. Lau Tung Hei Derek, a former executive Director of the Company.
6. As the Placing Agents shall ensure that none of the individual Placees will become a substantial Shareholder immediately after completion of the Placing, the Placing Shares will form part of the public float of the Company. The Company would ensure that it has sufficient public float under GEM Rule 11.23(7) upon completion of the Rights Issue.
7. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

## **FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has conducted the following equity fund raising activities in the past twelve months immediately prior to the date of this announcement:

<b>Date of announcement</b>	<b>Completion date</b>	<b>Fund raising</b>	<b>Net proceeds raised</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
31 January 2024	15 March 2024	Placing of 36,000,000 new shares at the placing price of HK\$0.488 per placing share under general mandate	Approximately HK\$17.27 million	For general working capital of the Group	Approximately RMB1.0 million has been utilised as at the date of this announcement.  The remaining unutilised proceeds will be utilised according to the intentions. It is expected to be fully utilised by March 2025.

Save as disclosed above, the Company did not conduct any equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

## **CHANGE IN BOARD LOT SIZE**

As set out in the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, it is requested that the value of each board lot shall be no less than HK\$2,000. In order to increase the value of each board lot of the Shares, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes that the board lot size of



the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 10,000 Shares with effect from 9:00 a.m. on Wednesday, 7 August 2024. The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the Change in Board Lot Size is in the interests of the Company and its Shareholders as a whole.

Based on the closing price of HK\$0.395 per Share on the Last Trading Day as quoted on the Stock Exchange, the market value of each existing board lot of the Shares is HK\$790 and the theoretical market value of each proposed new board lot of the Shares (assuming the Change in Board Lot Size had already been effective) is HK\$3,950.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, a designated broker will be appointed to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Wednesday, 7 August 2024 to 4:00 p.m. on Tuesday, 27 August 2024 (both days inclusive). Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility. Further details in respect of the odd lots arrangement will be set out in the circular of the Company in relation to the Rights Issue.

## **EXPECTED TIMETABLE**

The expected timetable for the Rights Issue, the Change in Board Lot Size is set out below. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

<b>Event</b>	<b>Time and Date (Hong Kong time)</b>
Publication of this announcement	Wednesday, 29 May 2024
Expected despatch date of the circular, proxy form and the notice of the EGM	Friday, 7 June 2024
Latest time for lodging transfer of the Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Monday, 17 June 2024
Closure of register of members for determination of the right to attend and vote at the EGM (both days inclusive)	Tuesday, 18 June 2024 to Monday, 24 June 2024
Latest time for lodging proxy forms for the EGM	10:00 a.m. on Saturday, 22 June 2024

<b>Event</b>	<b>Time and Date (Hong Kong time)</b>
Record date for attendance and voting at the EGM	Monday, 24 June 2024
Expected time and date of the EGM	10:00 a.m. on Monday, 24 June 2024
Announcement of the poll results of the EGM	Monday, 24 June 2024
Register of members re-opens	Tuesday, 25 June 2024
Last day of dealings in the Shares on a cum-rights basis of the Rights Issue	Tuesday, 25 June 2024
First day of dealings in the Shares on an ex-rights basis of the Rights Issue	Wednesday, 26 June 2024
Latest time for the Shareholders to lodge transfer of the Shares to qualify for the Rights Issue	4:30 p.m. on Thursday, 27 June 2024
Closure of register of members for the Rights Issue (both days inclusive)	Friday, 28 June 2024 to Friday, 5 July 2024
Record Date for the Rights Issue	Friday, 5 July 2024
Register of members of the Company re-opens	Monday, 8 July 2024
Despatch of Prospectus Documents (in the case of the Excluded Shareholders, the Prospectus only)	Monday, 8 July 2024
First day of dealings in nil-paid Rights Shares in the board lot size of 10,000 Rights Shares	Wednesday, 10 July 2024
Latest time for splitting of the PALs	4:30 p.m. on Friday, 12 July 2024
Last day of dealings in nil-paid Rights Shares in the board lot size of 10,000 Rights Shares	Wednesday, 17 July 2024
Latest Time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Monday, 22 July 2024
Announcement of the number of the Placing Shares subject to the Compensatory Arrangements	Thursday, 25 July 2024

<b>Event</b>	<b>Time and Date (Hong Kong time)</b>
Commencement of placing of the Placing Shares by the Placing Agents	Friday, 26 July 2024
Latest time of placing of the Placing Shares by the Placing Agents	6:00 p.m. on Thursday, 1 August 2024
Last day for the Rights Issue and placing of the Placing Shares to become unconditional	Friday, 2 August 2024
Announcement of results of the Rights Issue (including results of the placing of the Placing Shares and the amount of the Net Gain per Placing Share under the Compensatory Arrangements)	Monday, 5 August 2024
Refund cheques, if any, to be despatched (if the Rights Issue does not proceed)	Tuesday, 6 August 2024
Share certificates for fully-paid Rights Shares to be despatched	Tuesday, 6 August 2024
Expected commencement of dealings in the fully-paid Rights Shares	9:00 a.m. on Wednesday, 7 August 2024
Effective date of the new board lot size (in the board lot size of 10,000 Shares)	9:00 a.m. on Wednesday, 7 August 2024
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Wednesday, 7 August 2024
Payment of the Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	Tuesday, 20 August 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	4:00 p.m. on Tuesday, 27 August 2024

## **EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The Latest Time for Acceptance will not take place at the time indicated above if there is a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by super typhoons announced by the Government of Hong Kong or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 22 July 2024. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 22 July 2024. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Monday, 22 July 2024, the dates mentioned in this section may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

## **GEM LISTING RULES IMPLICATIONS**

### **Rights Issue**

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50%, the Rights Issue is conditional upon the Independent Shareholders’ approval at the EGM, and any controlling Shareholder(s) (as defined under the GEM Listing Rules) and their respective associates, or where there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

As at the date of this announcement, the Company has no controlling Shareholder. As at the date of this announcement, Mr. Chow Eric Tse To, being an executive Director and a substantial Shareholder, holds 45,000,000 Shares indirectly through his shareholding in Shining Icon (BVI) Limited. Accordingly, Mr. Chow Eric Tse To and Shining Icon (BVI) Limited shall abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM. As at the date of this announcement, save for Mr. Chow Eric Tse To and Shining Icon (BVI) Limited, none of the Directors or chief executives of the Company and their respective associate(s) had any interest in the Shares, thus no Shareholder (except as

disclosed above) would abstain from voting in favour of the proposed resolution approving the Rights Issue at the EGM.

The Company has not conducted any rights issue, open offer or specific mandate placings within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of any rights issue, open offer and/or specific mandate placings within such 12-month period.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

## **THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Tam Hon Shan Celia, Mr. Tian Tao and Mr. Liu Lihan, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, taking into account the recommendations of the Independent Financial Adviser.

In this connection, the Company has appointed Ballas Capital Limited as an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

## **GENERAL**

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Rights Issue. For the purpose of determining the Shareholders' entitlements to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 18 June 2024 to Monday, 24 June 2024 (both days inclusive).

A circular containing, among other things, (i) further details of the Rights Issue and the Change in Board Lot Size; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Friday, 7 June 2024.

Subject to the fulfilment of the conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue,

to the Qualifying Shareholders on or before Monday, 8 July 2024. The Company will despatch the Prospectus (without the PAL(s)) to the Excluded Shareholders (if any) for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable.

## **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**Shareholders and potential investors of the Company should note that the Rights Issue is subject to fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholder dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders or other persons contemplating any dealing in the Shares and/or Rights Shares in their nil-paid form are recommended to consult their professional advisers.**

**The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings when used herein:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business

“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Shares to 10,000 Shares
“Cheong Lee Securities Limited”	Cheong Lee Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 5 (advising on future contracts) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the placing agent appointed by the Company to place the Placing Shares under the Compensatory Arrangements
“Compensatory Arrangements”	placing of the Placing Shares by the Placing Agents
“Company”	Icon Culture Global Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (Stock Code: 8500)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Rights Issue
“ES Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form that have not been sold by the Company
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders in respect of the Rights Issue
“Independent Financial Adviser”	Ballas Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the transactions contemplated thereunder
“Independent Shareholder(s)”	any Shareholder(s) who is (are) not required to abstain from voting on the resolution relating to the Rights Issue at the EGM under the GEM Listing Rules
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons and not connected with any of them or their respective associates
“Last Trading Day”	Wednesday, 29 May 2024, last trading day for the Shares on the Stock Exchange immediately before the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Monday, 22 July 2024, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Net Gain”	any premiums paid by the Placees over the Subscription Price for the Placing Shares placed by the Placing Agent



“Nil Paid Rights”	rights to subscribe for Rights Shares before the Subscription Price is paid
“No Action Shareholders”	Qualifying Shareholders or their renounees who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or such persons who are holders of Nil Paid Rights at the time such Nil Paid Rights lapse
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placees”	individuals, corporate, institutional investors or other investors, procured by the Placing Agents and/or its sub-placing agents to subscribe for the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares
“Placing Agents”	Cheong Lee Securities Limited and Ruisen Port Securities Limited
“Placing Agreement”	the placing agreement dated 29 May 2024 entered into between the Company and the Placing Agents in relation to the placing of the Placing Shares
“Placing Shares”	the Unsubscribed Rights Shares and the ES Unsold Rights Shares
“PRC”	the People’s Republic of China, which for the purpose of this announcement only excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued to the Shareholders containing details of the Rights Issues
“Prospectus Documents”	the Prospectus and the PAL(s)

“Prospectus Posting Date”	Monday, 8 July 2024 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Public Float Requirement”	the public float requirement under Rule 11.23 of the GEM Listing Rules
“Qualifying Shareholder(s)”	Shareholders, other than Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Friday, 5 July 2024 or such other date as may be determined by the Company, being the date by reference to which the Shareholders’ entitlements to participate in the Rights Issue will be determined
“Registrar”	Boardroom Share Registrars (HK) Limited, the Company’s Hong Kong branch share registrar and transfer office, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of one (1) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Share(s)”	up to 216,000,000 new Shares (assuming no change in the number of issued Shares on or before the Record Date) to be allotted and issued pursuant to the Rights Issue
“Ruisen Port Securities Limited”	Ruisen Port Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the placing agent appointed by the Company to place the Placing Shares under the Compensatory Arrangements
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.25 per Rights Share under the Rights Issue
“substantial shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent.

By order of the Board  
**Icon Culture Global Company Limited**  
**Chow Eric Tse To**  
*Chairman and Executive Director*

Hong Kong, 29 May 2024

*As at the date of this announcement, the executive Directors are Mr. Chow Eric Tse To (Chairman), Ms. Liang Wei (Chief Executive Officer and Compliance Officer), Mr. Liu Biao and Mr. Yao Tong; and the independent non-executive Directors are Ms. Tam Hon Shan Celia, Mr. Tian Tao and Mr. Liu Lihan.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the GEM website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its publication. This announcement will also be published and will remain on the website of the Company at [www.iconspace.com](http://www.iconspace.com).*