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## **SHAW BROTHERS HOLDINGS LIMITED**

**邵氏兄弟控股有限公司**

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

**(Stock code: 00953)**

**(1) POTENTIAL EXTREME AND CONNECTED TRANSACTION  
IN RELATION TO AN  
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF  
CMC MOON HOLDINGS LIMITED;**

**(2) ISSUE OF CONSIDERATION SHARES PURSUANT TO  
SPECIFIC MANDATE;**

**AND**

**(3) APPLICATION FOR WHITEWASH WAIVER**

**Financial Adviser to the Company**

**Financial Adviser to CMC**



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

**Σ SOMERLEY CAPITAL LIMITED**

## THE ACQUISITION

The Board is pleased to announce that on 21 January 2026 (after trading hours), the Company and CMC (a substantial shareholder of the Company) entered into the SPA, pursuant to which (subject to the terms and conditions of the SPA) the Company has conditionally agreed to acquire, and CMC has conditionally agreed to sell (through HoldCo), the Sale Shares (representing the entire issued share capital of the Target).

The purchase price for the Sale Shares is RMB4,576.50 million (equivalent to approximately HK\$5,097.52 million, based on the exchange rate agreed by the Parties), which will be settled by the Company allotting and issuing the Consideration Shares (being an aggregate of 15,929,741,365 Shares, representing approximately 91.82% of the Enlarged Capital) to HoldCo and the other Designated Recipients at the Issue Price of HK\$0.320 per Share. The Consideration Shares will be allotted and issued pursuant to the Specific Mandate to be obtained from the Independent Shareholders at the EGM by an ordinary resolution. The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

The Target is a direct wholly-owned subsidiary of HoldCo as at the date of this announcement. It will be an investment holding company of the Target Business upon completion of the Restructuring. The Target Business comprises: (i) the business that develops, produces, invests in and distributes films, drama and non-drama contents in Chinese Mainland and overseas markets; and (ii) the cinemas business that operates over 50 cinemas in Chinese Mainland under the UME brand and operates a theatrical distribution circuit.

Upon Closing, the Target will become a wholly-owned subsidiary of the Company and the financial results, assets and liabilities of the Target Group will be consolidated into the financial statements of the Company.

## IMPLICATIONS UNDER THE LISTING RULES

### The Acquisition

As one or more of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. In addition, pursuant to Rule 14.06C of the Listing Rules and the Guidance Letter HKEX-GL104-19 issued by the Stock Exchange, where an acquisition or a series of acquisitions of assets (which individually or together with other transactions or arrangements) may, by reference to the factors under the principle based test have the effect of achieving a listing of the acquisition targets, but the issuer can demonstrate that it is not an attempt to circumvent the new listing requirements, the proposed acquisition (or series of acquisitions) may be classified as an “extreme transaction”.

To demonstrate that the Acquisition satisfies the relevant requirements under Rule 14.06C of the Listing Rules, the Company will submit the draft Circular with material information (including the draft accountant's report of the Target Business for the track record period, detailed description of the Target Business and its management, risk factors, legal compliance and any other information as requested by the Stock Exchange) to the Stock Exchange. Subject to the determination of the Listing Committee based on the information provided in the draft Circular and other materials and completion of the due diligence work on the Target Business conducted by CITIC Securities, the Acquisition may be allowed to be classified as an extreme transaction under Rule 14.06C of the Listing Rules and (in that case) the requirements for reverse takeovers in Chapter 14 of the Listing Rules do not apply.

As at the date of this announcement, the ultimate controlling shareholder of CMC is Mr. Li, who is the chairman, a Director and a substantial shareholder of the Company. Mr. Li is interested, through several corporations directly or indirectly controlled by him, in approximately 29.94% of the issued share capital of the Company. Accordingly, CMC is an associate of Mr. Li and hence a connected person of the Company under the Listing Rules. Therefore, the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Accordingly, the Acquisition is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules. CITIC Securities has been appointed as the financial adviser to the Company in connection with the Acquisition and to perform due diligence on the Target Group.

### **Contractual Arrangements**

As certain Registered Shareholders are substantial shareholders of the relevant Consolidated Affiliated Entities, they will be connected persons of the Company under the Listing Rules upon Closing. Therefore, the transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Contractual Arrangements, the Company will apply to the Stock Exchange for a waiver from strict compliance with: (i) the announcement, circular and Shareholders' approval requirements under Rules 14A.35 and 14A.36 of the Listing Rules; (ii) the requirement of setting an annual cap for the transactions under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term to three years or less under Rule 14A.52 of the Listing Rules.

In addition, the Company will apply to the Stock Exchange for a waiver from strict compliance with: (i) the announcement, circular and Shareholders' approval requirements under Rules 14A.35 and 14A.36 of the Listing Rules in respect of the transactions contemplated under any New Intergroup Agreement; (ii) the requirement of setting an annual cap under Rule 14A.53 of the Listing Rules for the fees payable by/to any member of the Enlarged Group to/by the Consolidated Affiliated Entities in any New Intergroup Agreement; and (iii) the requirement of limiting the term of any New Intergroup Agreement to three years or less under Rule 14A.52 of the Listing Rules.

### **IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER**

As at the date of this announcement, the CMC Concert Group is interested in 425,000,000 Shares, representing approximately 29.94% of the issued share capital of the Company. Upon Closing, the CMC Concert Group will be interested in 10,365,045,491 Shares, representing approximately 730.13% of the issued share capital of the Company as at the date of this announcement and approximately 59.74% of the Enlarged Capital.

Accordingly, pursuant to Rule 26.1 of the Takeovers Code, HoldCo will (upon Closing) be obliged to make a mandatory general offer to the Shareholders for all the issued Shares (other than those already owned or agreed to be acquired by the CMC Concert Group), unless the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders.

In this regard, an application will be made by HoldCo to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted by the Executive, will be subject to (among other things): (i) the Whitewash Waiver having been approved by at least 75% of the votes that are cast by the Independent Shareholders at the EGM; and (ii) the Acquisition having been approved by more than 50% of the votes that are cast by the Independent Shareholders at the EGM. The Executive may or may not grant the Whitewash Waiver.

**It is a non-waivable Condition of the Acquisition that the Whitewash Waiver be granted by the Executive and approved by the Independent Shareholders**, hence there will not be any offer by HoldCo (or any member of the CMC Concert Group) for the issued Shares as a result of the Acquisition. If the Whitewash Waiver is not granted by the Executive or if the Whitewash Waiver is not approved by the Independent Shareholders, the Acquisition will not proceed.

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

Pursuant to the Listing Rules and the Takeovers Code, the Independent Board Committee (comprising all the independent non-executive Directors) has been established to advise the Independent Shareholders in respect of: (i) the SPA and the transactions contemplated thereunder (including the Acquisition); (ii) the Specific Mandate; (iii) the Whitewash Waiver; and (iv) the Expected Continuing Connected Transactions that require independent Shareholders' approval under the Listing Rules (if any). Given that: (i) Mr. Li (a non-executive Director) is the ultimate controlling shareholder and a director of CMC, and (ii) Mr. Hui (a non-executive Director) is a director of CMC, each of them has not been included in the Independent Board Committee.

The Independent Financial Adviser has been appointed by the Company (with the approval of the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders in respect of: (i) the SPA and the transactions contemplated thereunder (including the Acquisition); (ii) the Specific Mandate; (iii) the Whitewash Waiver; and (iv) the Expected Continuing Connected Transactions that require independent Shareholders' approval under the Listing Rules (if any).

## **THE EGM**

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve, among other things: (i) the SPA and the transactions contemplated thereunder (including the Acquisition); (ii) the Specific Mandate; (iii) the Whitewash Waiver; (iv) any appointment of additional Directors who may be nominated by CMC; and (v) the Expected Continuing Connected Transactions that require independent Shareholders' approval under the Listing Rules (if any). The resolutions at the EGM will be voted on by the Independent Shareholders by way of poll.

As at the date of this announcement, Shine Investment (a company ultimately controlled by Mr. Li) is interested in approximately 29.94% of the issued share capital of the Company. As Shine Investment is an associate of Mr. Li and a member of the CMC Concert Group, it will therefore abstain from voting on the relevant resolutions at the EGM.

## **DESPATCH OF CIRCULAR**

The Circular is required to be despatched to the Shareholders: (i) within 15 business days from the date of the announcement according to Rule 14.60(7) of the Listing Rules; or (ii) no later than 21 days after the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is the earlier.

As more time is required for the preparation and finalisation of certain information to be included in the Circular and the completion of due diligence work conducted on the Target Business for the Circular, the Circular is currently expected to be despatched to the Shareholders on or before 31 March 2026. The Company will apply to the Stock Exchange and HoldCo will apply to the Executive for the waiver and/or consent to extend the deadline for the despatch of the Circular, and further announcements in that respect will be made by the Company as and when appropriate.

## **WARNING**

**Shareholders and potential investors should note that the Acquisition is subject to the satisfaction or (where applicable) waiver of a number of Conditions (including the approval of the Acquisition and the Whitewash Waiver by the Independent Shareholders, and the determination by the Listing Committee or the Stock Exchange on whether or not the Acquisition constitutes an extreme transaction under Rule 14.06C of the Listing Rules), which may or may not be fulfilled. As such, the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

**Shareholders and potential investors should refer to the Circular for further details of the SPA and the transactions contemplated thereunder (including the Acquisition), the Specific Mandate, the Whitewash Waiver and the other relevant information contained in the Circular.**

## **THE ACQUISITION**

The Board is pleased to announce that on 21 January 2026 (after trading hours), the Company and CMC (a substantial shareholder of the Company) entered into the SPA, pursuant to which (subject to the terms and conditions of the SPA) the Company has conditionally agreed to acquire, and CMC has conditionally agreed to sell (through HoldCo, a direct wholly-owned subsidiary of CMC), the Sale Shares (representing the entire issued share capital of the Target) for the Consideration Shares (being an aggregate of 15,929,741,365 Shares).

## **SALE AND PURCHASE AGREEMENT**

The principal terms of the SPA are set out below:

### **Date**

21 January 2026

### **Parties**

- (1) CMC, as the holding company of HoldCo (as the vendor); and
- (2) the Company, as the purchaser.

### **Subject Matter**

As at the date of this announcement, the Target Business is indirectly owned by CMC (which is the sole shareholder of HoldCo) through various subsidiaries, affiliates and VIE structures. CMC is in the process of reorganizing such interests and streamline the corporate structure of the Target Business pursuant to the Restructuring, such that the Target Business will be held through the Target.

Pursuant to the SPA, subject to the terms and conditions of the SPA, the Company has conditionally agreed to acquire, and CMC has conditionally agreed to procure HoldCo to sell, the Sale Shares (representing the entire issued share capital of the Target). For details of the Target Business, please see the section headed “Information of the Target – Nature of the Target Business” below.

### **Purchase Price**

The purchase price for the Sale Shares is RMB4,576.50 million (equivalent to approximately HK\$5,097.52 million, based on the exchange rate agreed by the Parties), which will be settled by the Company allotting and issuing the Consideration Shares (being an aggregate of 15,929,741,365 Shares) to the Designated Recipients at the Issue Price of HK\$0.320 per Share.

The Consideration Shares represent: (i) approximately 1,122.12% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 91.82% of the Enlarged Capital. The Consideration Shares will be allotted and issued to: (a) Brilliant Spark, Gold Pioneer and Celosia (who are the CMC Shareholders and the members of the CMC Concert Group); (b) the Other CMC Shareholders; (c) HoldCo; and (d) ODW, pursuant to the Specific Mandate. The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with all the other Shares in issue as at the date of allotment and issue of the Consideration Shares.

## **Public Float**

In order to maintain the public float of the Company in accordance with the relevant requirements under the Listing Rules, it is intended that immediately upon Closing: (i) HoldCo will make a distribution in specie of a portion of the Consideration Shares to CMC; and (ii) CMC will concurrently make a distribution in specie of those Consideration Shares to the CMC Shareholders pro rata to their shareholding in CMC.

Upon Closing: (i) approximately 59.74% of the Enlarged Capital will be indirectly held by the CMC Concert Group; and (ii) approximately 34.52% of the Enlarged Capital will be held by the Other CMC Shareholders. Apart from two Other CMC Shareholders (in which one is wholly-owned by a director of a subsidiary of the Target Group, and another one acts as the employee share incentive plan trust platform with its protectors controlled by CMC), the remaining Other CMC Shareholders are recognised as members of “the public” pursuant to Rule 8.24 of the Listing Rules.

The exact allocation of the Consideration Shares between the Designated Recipients has not been agreed as at the date of this announcement and will be determined by the Parties (and subject to the approval of distribution in specie by the CMC Shareholders) before the publication of the Circular. Further details of the Designated Recipients, their respective shareholding in the Company and the exact allocation of the Consideration Shares will be set out in the Circular.

## **Basis of Consideration**

The purchase price for the Sale Shares was determined and agreed after arm’s length negotiations between the Parties and with reference to various factors, including: (i) the reasons for and benefits of the Acquisition as set out in the section headed “Reasons for and Benefits of the Acquisition” below; (ii) the prospects and market position of the Target Business; (iii) the financial performance of the Target Business; (iv) the audited net asset value of the Target Business of RMB8,557,838,000 as at 30 September 2025; and (v) pricing multiples derived from market comparables.

As the Company’s principal business and the Target Business are similar in nature, the Directors have sufficient experience and expertise in assessing the fair and reasonable pricing multiples for the Target Business.

Hence, for the pricing multiples derived from market comparables, the Directors have considered and applied the guideline public company method, and comparable companies have been selected based on various criteria, including: (a) comparable companies which are publicly listed, classified under relevant industries, and derive more than 50% of their revenues from the relevant business; (b) comparable companies which do not have distorted market capitalizations due to market factors (such as significant trading illiquidity or delisting risks), and do not have operational anomalies arising from going-concern issues caused by sustained losses; and (c) comparable companies which have EV/S ratios or P/B ratios available as at 30 September 2025, which is the date to which the latest audited accounts of the Target Business are made up. The comparable companies satisfying the above criteria are companies: (i) with substantial part of business operations conducted in the PRC (except that one of the comparable companies in the film segment conducts the substantial part of its business operations in the United States); (ii) listed on the Stock Exchange, the Shenzhen Stock Exchange, the Shanghai Stock Exchange or the New York Stock Exchange; and (ii) with market capitalization of no less than RMB600 million as at 30 September 2025.

In light of the different natures and characteristics of the operations of different entities of the Target Business: (a) P/B ratios are considered in assessing the value of CMC Pictures (as defined below) due to its project-based operations and asset-driven model, where project cycle mismatches may cause significant volatility in revenue and profit and earnings – or revenue-based multiples are less reliable as value indicators; while (b) EV/S ratios are considered in assessing the value of other entities of the Target Business, where their revenues provide a stable and comparable performance measure and/or their enterprise values allow for consistent comparison across varying capital structures.

To derive the reference value from pricing multiples, the Directors have also considered the potential effect for any lack of marketability with reference to an available industry study. Based on the Directors' assessment, the EV/S ratios of the comparable companies range from 7.1 to 22.3 (for drama segment), from 0.7 to 13.1 (for non-drama segment) and from 2.7 to 12.0 (for cinema segment), and the P/B ratios of the comparable companies range from 2.6 to 27.3 (for film segment).

On that basis, the Directors have adopted an appropriate multiple for each of the relevant segments of the Target Business in deriving a suitable reference value (which is expected to be no less than RMB4,600 million) when considering the perceived value of the Target Business to the Company along with the other consideration factors as mentioned above. The Directors understand that CMC has adopted a similar approach to derive at a suitable reference for the perceived value of the Target Business to CMC, and the Parties have used their respective perceived values of the Target Business as one of the factors in their arm's length negotiations to determine and agree on the purchase price for the Sale Shares.

For the purpose of providing additional information to the Independent Shareholders in their evaluation of the Acquisition, and as additional support for the Directors' assessment of the value of the Target Business, the Parties have engaged a qualified independent valuer to further conduct a detailed valuation on the Target Business and issue the Valuation Report.

**As at the date of this announcement, the valuation work for the Acquisition has not been completed. It is intended that the Valuation Report will be issued by the qualified independent valuer for inclusion in the Circular in accordance with applicable laws and regulations (including Rule 11 of the Takeovers Code).** When the Valuation Report has been finalised (and which is expected to be before the publication of the Circular), the Company intends to issue an announcement of the contents of the Valuation Report (subject to compliance with the relevant requirements of the Listing Rules and the Takeovers Code).

As an additional protection to the Company on the value of the Target Business, if the purchase price of RMB4,576.50 million for the Sale Shares exceeds the final appraised value of the Target Business in the Valuation Report, the Parties will negotiate in good faith for an appropriate reduction to the purchase price before the despatch of the Circular in order to reflect a fair and reasonable purchase price for the Sale Shares. For the avoidance of doubt, if the purchase price for the Sale Shares is lower than the final appraised value of the Target Business in the Valuation Report, the purchase price will not be adjusted upward. In case of any purchase price adjustment, further announcement(s) will be made by the Company in respect of the final purchase price.

## Issue Price

The Issue Price of HK\$0.320 per Consideration Share represents:

- (a) a discount of approximately 15.8% to the closing price of approximately HK\$0.380 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) a discount of approximately 14.7% to the closing price of approximately HK\$0.375 per Share as quoted on the Stock Exchange on the trading day immediately before the Last Trading Date;
- (c) a discount of approximately 9.6% to the average closing price of approximately HK\$0.354 per Share based on the daily closing prices as quoted on the Stock Exchange over the 5 trading day up to and including the Last Trading Date;
- (d) a discount of approximately 0.6% to the average closing price of approximately HK\$0.322 per Share based on the daily closing prices as quoted on the Stock Exchange over the 10 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 2.5% over the average closing price of approximately HK\$0.312 per Share based on the daily closing prices as quoted on the Stock Exchange over the 15 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 7.8% over the average closing price of approximately HK\$0.297 per Share based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including the Last Trading Date;
- (g) a discount of approximately 5.3% to the audited net asset value of HK\$0.338 per Share as at 31 December 2024; and
- (h) a discount of approximately 4.3% to the unaudited net asset value of HK\$0.334 per Share as at 30 June 2025.

The Issue Price was determined after arm's length negotiation between the Parties, taking into account various factors, including the historical share prices of the Company and the financial position of the Group.

## **Lock-up Undertakings**

Upon Closing, the CMC Concert Group will be indirectly interested in an aggregate of approximately 59.74% of the Enlarged Capital, and they will become a group of controlling shareholders of the Company.

CMC has undertaken to the Company that it will not, and will procure that each member of the CMC Concert Group will not, without the prior written consent of the Company:

- (a) in the period commencing on the date of the SPA and ending on the date which is six months from the Closing Date, (either directly or indirectly) dispose of or enter into any agreement to dispose of (or otherwise create any options, rights, interests or encumbrances in respect of) any of the Shares beneficially or legally owned by CMC as at Closing; and
- (b) in the period of six months commencing on the date on which the period referred to in paragraph (a) above expires, (either directly or indirectly) dispose of or enter into any agreement to dispose of (or otherwise create any options, rights, interests or encumbrances in respect of) any of the Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it or this group of controlling shareholders would cease to be a controlling shareholder of the Company.

CMC has also undertaken to the Company that, in the period commencing on the date of the SPA and ending on the date which is 12 months from the Closing Date, it will and will procure that each member of the CMC Concert Group will:

- (i) when it pledges or charges any securities of the Company beneficially owned by it in favour of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), immediately inform the Company of such pledge or charge together with the number of securities so pledged or charged; and
- (ii) when it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged securities will be disposed of, immediately inform the Company of such indications.

In addition, CMC is expected to obtain an undertaking from each Designated Recipient prior to Closing that, in the period commencing on the Closing Date and ending on the date which is six months from the Closing Date, it will not, without the prior written consent of the Company (either directly or indirectly) dispose of or enter into any agreement to dispose of (or otherwise create any options, rights, interests or encumbrances in respect of) any Consideration Shares.

Notwithstanding the lock-up undertakings above, CMC, each member of the CMC Concert Group and each of the Designated Recipients will not be prohibited from disposing of or entering into any agreement to dispose of (or otherwise creating any options, rights, interests or encumbrances in respect of) any securities of the Company: (1) as may be required by applicable laws or by any governmental authority; (2) (in the case of CMC or a member of the CMC Concert Group) to any affiliate of CMC or of the CMC Concert Group, or (in the case of a Designated Recipient) to any affiliate of such Designated Recipient; (3) as part of the acceptance of, or the provision of an irrevocable undertaking in relation to, a general offer for the Shares made in compliance with the Takeovers Code; (4) pursuant to a general offer by the Company to repurchase its own Shares in compliance with the Takeovers Code; or (5) subject to paragraphs (i) and (ii) above, as part of a mortgage, charge or pledge granted over such Shares (or from granting any mortgage, charge or pledge over any such Shares), by CMC to a third party as collateral for any financing or a sale, disposal or transfer of such Shares on enforcement of such security.

## **Conditions**

The obligations of each Party to effect the Acquisition at Closing will be subject to the fulfilment or (where applicable) waiver at or prior to Closing of the following Conditions:

- (a) the Independent Shareholders having approved the SPA and the transactions contemplated thereunder (including the Acquisition), the Specific Mandate and the Whitewash Waiver;
- (b) the Executive having granted the Whitewash Waiver in respect of the Acquisition (and such grant not being subsequently revoked or withdrawn) and any condition attached to the Whitewash Waiver having been satisfied;
- (c) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange (and such approval not being subsequently revoked or withdrawn);
- (d) no order (whether temporary, preliminary or permanent) of any governmental authority or law having been issued or made at or prior to Closing which has the effect of making unlawful or otherwise prohibiting or restricting in any material respect the Acquisition from taking place as contemplated under the SPA;
- (e) all consents required by applicable laws to be obtained from any governmental authority to consummate the Acquisition having been received, made or obtained;
- (f) the Independent Shareholders having approved, where required under the Listing Rules, the transactions contemplated under (and where applicable, the proposed annual caps for) each of the Expected Continuing Connected Transactions, in each case, in accordance with the Listing Rules; and
- (g) the Shareholders having approved any appointment of the additional Directors to be nominated by CMC.

The obligation of CMC to effect the Acquisition at Closing will be subject to the fulfilment or waiver by CMC in writing at or prior to Closing of the following additional Conditions:

- (h) each of the representations, warranties and undertakings given by the Company contained in the SPA being true and correct in all material respects, and not misleading in any material respect, on and as at Closing;
- (i) the Company having performed in all material respects all of its obligations under the SPA which are required to be performed by it at or prior to Closing;
- (j) counterparts to each of the transaction documents to be executed by the Company or its affiliates having been duly executed by the Company or its affiliates (as applicable) and delivered to CMC;
- (k) since the date of the SPA, no material adverse effect in respect of the Group has occurred; and
- (l) the current listing of the Shares on the Main Board of the Stock Exchange not having been withdrawn, such Shares continuing to be traded on the Stock Exchange at and prior to Closing (save for any suspension in trading: (i) not exceeding five (5) consecutive trading days (whether or not such suspension is required by the Company); or (ii) in connection with the announcement of the Acquisition).

The obligation of the Company to effect the Acquisition at Closing will be subject to the fulfilment or waiver by the Company in writing at or prior to Closing of the following additional Conditions:

- (m) the Company having completed its due diligence on the Target Business and the results having been satisfactory in the Company's reasonable opinion;
- (n) the Restructuring having been completed and the results having been satisfactory in the Company's reasonable opinion;
- (o) the Listing Committee or the Stock Exchange having determined that the Acquisition constitutes an extreme transaction under Rule 14.06C of the Listing Rules, and the requirements for reverse takeovers in Chapter 14 of the Listing Rules do not apply in respect of the Acquisition;
- (p) each of the representations, warranties and undertakings given by CMC contained in the SPA being true and correct in all material respects, and not misleading in any material respect, on and as at Closing;
- (q) CMC having performed in all material respects all of its obligations under the SPA which are required to be performed by it at or prior to Closing;
- (r) counterparts to each of the transaction documents to be executed by CMC or its affiliates having been duly executed by CMC or its affiliates (as applicable) and delivered to the Company; and

(s) since the date of the SPA, no material adverse effect in respect of the Target Group or the Target Business has occurred.

The Conditions set out in paragraphs (a) to (e) above are non-waivable. In respect of the Condition set out in paragraph (e) above, as at the date of this announcement, the Parties are not aware of any specific consents required by applicable laws to be obtained from any governmental authority to consummate the Acquisition. As at the date of this announcement, none of the Conditions have been fulfilled.

## **Closing**

Closing is scheduled to take place on the fifth Business Day after the date on which all the Conditions are satisfied or (where applicable) waived, or any other date as the Company and CMC may agree in writing.

## **Termination**

The SPA may be rescinded or terminated at any time prior to the Closing:

- (a) by mutual written agreement of the Company and CMC;
- (b) by the Company giving written notice of such termination to CMC if: (i) one or more of the Conditions (a) to (e) are not satisfied before the Long Stop Date (provided that the right to terminate the SPA will not be available to the Company if its failure to perform any of its obligations under the SPA required to be performed prior to or at Closing has been the principal cause of, or resulted in, the failure of Closing to occur); or (ii) any material closing obligation is not fully complied with by CMC; or
- (c) by CMC giving written notice of such termination to Company if: (i) one or more of the Conditions (a) to (e) are not satisfied before the Long Stop Date (provided that the right to terminate the SPA will not be available to CMC if its failure to perform any of its obligations under the SPA required to be performed prior to or at Closing has been the principal cause of, or resulted in, the failure of Closing to occur); or (ii) any material closing obligation is not fully complied with by the Company.

## **FINANCIAL IMPACT ON THE GROUP**

Upon Closing, the Target will become a wholly-owned subsidiary of the Company and the financial results, assets and liabilities of the Target Group will be consolidated into the financial statements of the Company.

## **SPECIFIC MANDATE**

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate to be obtained from the Independent Shareholders at the EGM by an ordinary resolution.

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

## EFFECT OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 1,419,610,000 Shares in issue. The Company adopted a share option scheme on 2 June 2022, pursuant to which options to subscribe for Shares may be granted to selected eligible participants.

As at the date of this announcement, the Company does not have any outstanding convertible bonds, options, warrants or other derivatives in issue which are convertible or exchangeable into Shares.

The table below illustrates the shareholding structure of the Company: (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Consideration Shares to the Designated Recipients at Closing, assuming: (a) there is no change in the issued share capital of the Company since the date of this announcement and up to Closing; and (b) all Consideration Shares are distributed to the Designated Recipients (but the final proportion of such distribution will be determined by the Parties before the publication of the Circular):

	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares at Closing <sup>(5)</sup>	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Shine Investment <sup>(1)</sup>	425,000,000	29.938	425,000,000	2.450
Other members of the CMC Concert Group <sup>(2)(3)(5)</sup>	–	–	9,940,045,491	57.293
<b>Sub-total of CMC Concert Group</b>	<b>425,000,000</b>	<b>29.938</b>	<b>10,365,045,491</b>	<b>59.743</b>
Other Designated Recipients <sup>(4)(5)</sup>	–	–	5,989,695,874	34.524
Other public Shareholders	994,610,000	70.062	994,610,000	5.733
<b>Total</b>	<b>1,419,610,000</b>	<b>100.000</b>	<b>17,349,351,365</b>	<b>100.000</b>

Notes:

(1) Shine Investment, Shine Holdings, CMC Shine Acquisition, CMC Shine Holdings, CMC, Gold Pioneer and Brilliant Spark are the substantial shareholders of the Company. Shine Investment is directly interested in such 425,000,000 Shares. Shine Investment is 85% controlled by Shine Holdings, which is wholly-owned by CMC Shine Acquisition. CMC Shine Acquisition is wholly-owned by CMC Shine Holdings, which is wholly-owned by CMC. CMC is a non-wholly-owned subsidiary of Gold Pioneer. Brilliant Spark holds the interest in CMC directly and also holds through its wholly-owned subsidiary, Gold Pioneer. Each of Shine Holdings, CMC Shine Acquisition, CMC Shine Holdings, CMC, Gold Pioneer and Brilliant Spark is deemed to be interested in such 425,000,000 Shares held by Shine Investment. Brilliant Spark is wholly-owned and controlled by Mr. Li. Mr. Li is interested in such 425,000,000 Shares through the above corporations directly or indirectly controlled by him.

- (2) *HoldCo is a direct wholly-owned subsidiary of CMC, which is a corporation indirectly controlled by Mr. Li. ODW is a company in which an affiliate of CMC is indirectly interested in 30% of Celosia acts as the employee share incentive plan trust platform of CMC with its protectors controlled by CMC. The shareholdings of HoldCo, ODW and Celosia are included in the aggregate shareholding of the CMC Concert Group. For further details of the shareholding relationship between the other members of the CMC Concert Group, please see note (1) above. Other than Shine Investment, none of the members of the CMC Concert Group directly holds any Shares as at the date of this announcement.*
- (3) *CICC is the financial adviser to CMC in connection with the Acquisition. Accordingly, CICC and relevant members of the CICC group which hold Shares on an own account or discretionarily managed basis are presumed to be acting in concert with CMC in relation to the Company in respect of shareholdings of the CICC group in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares held by members of the CICC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code). Exempt principal traders and exempt fund managers which are connected for the sole reason that they control, are controlled by or are under the same control as CICC are not presumed to be acting in concert with CMC. Details of holdings, borrowings or lendings of, and dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company held by or entered into by members of the CICC group (except in respect of Shares held by exempt principal traders or exempt fund managers or Shares held on behalf of non-discretionary investment clients of the CICC group), if any, will be obtained as soon as possible after the date of this announcement in accordance with Note 1 to Rule 3.5 of the Takeovers Code (and if such holdings, borrowings, lendings and/or dealings are significant, a further announcement in that respect will be made by the Company).*
- (4) *As explained in the section headed “Information of the Designated Recipients” in this announcement, the other Designated Recipients are not members of the CMC Concert Group and are not connected persons of the Company. None of those other Designated Recipients will hold 10% or more of the Enlarged Capital.*
- (5) *As the exact allocation of the Consideration Shares between the Designated Recipients will be determined by the Parties before the publication of the Circular, a full breakdown of the shareholding of each member of the CMC Concert Group and each Designated Recipient will be set out in the Circular when such allocation has been finalised.*

## **RESTRUCTURING**

In preparation of the Acquisition, certain offshore and onshore restructuring steps have been and will be taken to reorganize the interests in the Target Group and streamline the corporate structure of the Target Business, which is indirectly owned by CMC through various subsidiaries, affiliates and VIE structures as at the date of this announcement. The principal restructuring steps are summarized as follows:

### **Offshore Restructuring**

As part of the offshore Restructuring, CMC has set up a wholly-owned subsidiary, HoldCo, which then set up a wholly-owned subsidiary, the Target. CMC (or its relevant subsidiary, as the case may be) then sells or transfers its interests in the main operating entity and/or holding company of the relevant segment of the Target Business outside of Chinese Mainland to the Target, such that the Target will become the direct shareholder of such main operating entities and/or holding companies upon completion of the Restructuring.

On 21 January 2026, CMC and ODW entered into the ODW Agreement, pursuant to which ODW will sell, and CMC will procure the Target to acquire, the entire issued share capital of Pearl Studio, such that Pearl Studio will become a wholly-owned subsidiary of the Target at Closing. The consideration for the sale and purchase of Pearl Studio will be settled by the allotment and issuance of a portion of the Consideration Shares by the Company to ODW (which will be a Designated Recipient) at Closing.

## **Onshore Restructuring**

As part of the onshore Restructuring, the Target has set up a wholly-owned subsidiary, CMC Moon Group (HK) Limited, which then set up a wholly-owned subsidiary, Huaren Wenhua WFOE.

To streamline the business held by Suzhou Zhihou (which is a wholly-owned subsidiary of Huaren Technology and a consolidated affiliated entity of CMC as at the date of this announcement), all excluded business held by Suzhou Zhihou is transferred to a wholly-owned subsidiary of Huaren Technology, which is ultimately controlled by Mr. Li. The cinema segment and film segment of the Target Business are then transferred from 華人文化有限責任公司(Huaren Wenhua Co., Ltd.)\* (which is ultimately controlled by Mr. Li through 蘇州華人文化投資中心(有限合夥) (Suzhou CMC Investment Management Centre (Limited Partnership))\*, which is an affiliate of CMC and a PRC limited partnership, where: (i) Mr. Li controls a 99% interest in 蘇州華人文化投資管理有限公司(Suzhou CMC Investment Management Co., Ltd.)\*, the general partner of that partnership; and (ii) the respective PRC affiliates of the CMC Shareholders hold their limited partner interests in substantially the same proportion as the CMC Shareholders hold their respective interests in CMC) and its wholly-owned subsidiaries to Suzhou Zhihou (for business that are subject to any foreign ownership restriction) and Huaren Wenhua WFOE (for non-restricted business), or their respective subsidiaries (as the case may be). Huaren Technology has further set up Daylight SPV to hold its interests in Daylight Entertainment (as defined below).

Huaren Wenhua WFOE and Huaren Technology will subsequently enter into VIE contractual arrangements with, among others, Suzhou Zhihou and Daylight SPV, through which Huaren Wenhua WFOE will be allowed to, among other things: (i) receive all the economic benefits of Suzhou Zhihou (other than the excluded business) and Daylight SPV; and (ii) exercise effective control over Suzhou Zhihou and Daylight SPV. As a result, the Target will control the onshore Target Business upon completion of the Restructuring.

## **EXPECTED CONTINUING CONNECTED TRANSACTIONS**

Upon Closing, certain transactions between the Target Group and the connected persons of the Company will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The agreements and arrangements in relation to those continuing connected transactions include:

### **Contractual Arrangements**

The operations of certain Consolidated Affiliated Entities are subject to foreign investment restrictions under the current PRC laws and regulations. In order to comply with such laws and regulations and to maintain effective control over the operations of these consolidated affiliated entities, by entering into VIE contractual arrangements as part of the Restructuring, the Target Group will be allowed to: (i) receive all the economic benefits of the domestic incorporated operating companies from these consolidated affiliated entities; (ii) exercise effective control over these consolidated affiliated entities; and (iii) hold an exclusive option to purchase all or part of the equity interests and assets of these Consolidated Affiliated Entities when and to the extent permitted by PRC laws.

Each series of VIE contractual arrangements basically involve an exclusive technical consulting and services agreement, an option agreement, proxy agreements and equity pledge agreements between the Target Group and the Registered Shareholders. As the substantial shareholders of the relevant Consolidated Affiliated Entities, certain Registered Shareholders will be connected persons of the Company upon Closing.

Further details of the Expected Continuing Connected Transactions will be set out in the Circular.

## **INFORMATION OF THE GROUP**

The Group is principally engaged in investments in films, drama and non-drama, and artiste and event management. The Company acts as an investment holding company.

## **INFORMATION OF CMC AND CMC CONCERT GROUP**

### **CMC**

CMC is a company incorporated in the Cayman Islands with limited liability, and HoldCo is a direct wholly-owned subsidiary of CMC. As at the date of this announcement, HoldCo is the sole shareholder of the Target.

CMC has a reputation as a leading group in the PRC in media and entertainment, and its investment and operations cover fields across various sectors (including film, drama series, games, lifestyle and consumption, news and information, live entertainment, sports and other services sectors). As at the date of this announcement, CMC is indirectly interested in approximately 29.94% of the issued share capital of the Company.

As at the date of this announcement, the ultimate controlling shareholder of CMC is Mr. Li, who is the chairman, a Director and a substantial shareholder of the Company. Mr. Li is interested, through several corporations directly or indirectly controlled by him (including CMC), in approximately 29.94% of the issued share capital of the Company. Accordingly, each of CMC and HoldCo is an associate of Mr. Li and hence a connected person of the Company under the Listing Rules.

### **CMC Concert Group**

The CMC Concert Group consists of CMC and the parties acting (or presumed to be acting) in concert with it, including: (a) Mr. Li, Brilliant Spark, Gold Pioneer, Celosia, CMC Shine Holdings, CMC Shine Acquisition, Shine Holdings and Shine Investment; (b) HoldCo; and (c) ODW.

- Mr. Li is the founding chairman and chief executive officer of CMC. He is also the founding partner of CMC Capital Partners (a private equity investment firm with a focus on technology, consumer and media sectors), a non-executive director of TVB and the chairman of the Company. Mr. Li is also the controller of CMC. The constitutional documents of CMC contain certain reserved matters that would require approval from some of the Other CMC Shareholders, but none of these reserved matters would adversely affect the control of Mr. Li over CMC, as Mr. Li directly and indirectly holds 82.1% of the voting rights in CMC.

- Brilliant Spark and Gold Pioneer are investment holding companies. As at the date of this announcement, Brilliant Spark holds 0.45% of the voting rights and 1.90% of the economic interest in CMC. Brilliant Spark is wholly-owned and controlled by Mr. Li. As at the date of this announcement, Gold Pioneer holds 81.65% of the voting rights and 17.04% of the economic interest in CMC. Gold Pioneer is wholly-owned by Brilliant Spark.
- Shine Holdings, which is wholly-owned by CMC Shine Acquisition, holds 85% of the voting rights and 60% of the economic interest in Shine Investment. TVB, which is listed on the Main Board of the Stock Exchange (stock code: 00511), holds 15% of the voting rights and 40% of the economic interest in Shine Investment. CMC Shine Acquisition is wholly-owned by CMC Shine Holdings, which is wholly-owned by CMC. CMC is majority-controlled by Mr. Li and is a non-wholly-owned subsidiary of Gold Pioneer. CMC is also minority owned by Brilliant Spark. Gold Pioneer is wholly-owned by Brilliant Spark, which is wholly-owned and controlled by Mr. Li. Shine Investment is an investment holding company established for the purpose of holding the Shares for CMC.
- HoldCo is a direct wholly-owned subsidiary of CMC.
- Celosia acts as the employee share incentive plan trust platform of CMC with its protectors controlled by CMC.
- ODW is the sole shareholder of Pearl Studio, and 蘇州華人文化投資中心(有限合夥) (Suzhou CMC Investment Management Centre (Limited Partnership))\*, which is an affiliate of CMC and a PRC limited partnership, where: (i) Mr. Li controls a 99% interest in 蘇州華人文化投資管理有限公司(Suzhou CMC Investment Management Co., Ltd.)\*, the general partner of that partnership; and (ii) the respective PRC affiliates of the CMC Shareholders hold their limited partner interests in substantially the same proportion as the CMC Shareholders hold their respective interests in CMC, holds an indirect interest of 30% in ODW. Shareholders holding the remaining 70% interest in ODW are independent third parties and are not connected with the Company or CMC or Mr. Li. Pearl Studio invests in and produces animation films. It releases its productions in cinemas in the PRC or around the world and distributes them to domestic or overseas video platforms (such as iQiyi, Tencent Video and Netflix). Pursuant to the terms of the ODW Agreement, ODW will sell, and CMC will procure the Target to acquire, the entire issued share capital of Pearl Studio, such that Pearl Studio will become a wholly-owned subsidiary of the Target at Closing. The consideration for the sale and purchase of Pearl Studio will be settled by the allotment and issuance of a portion of the Consideration Shares by the Company to ODW (which will be a Designated Recipient) at Closing.

## INFORMATION OF THE DESIGNATED RECIPIENTS

In addition to HoldCo, ODW, Brilliant Spark, Gold Pioneer and Celosia, each of whom is a member of the CMC Concert Group, it is expected that the following Other CMC Shareholders will be the Designated Recipients which will also receive a portion of the Consideration Shares upon Closing:

- Alibaba Investment Limited, a subsidiary of Alibaba Group Holding Limited, which is a Chinese internet and technology conglomerate listed on the New York Stock Exchange (symbol: BABA) and the Stock Exchange (stock code: 9988)).
- Yew Podocarpus Investment Limited, a subsidiary of Tencent Holdings Limited, which is a Chinese internet and technology conglomerate listed on the Stock Exchange (stock code: 700).
- He Wen International, a subsidiary of Suzhou He Wen Investment Partners Enterprise (Limited Partnership) (蘇州禾文投資合夥企業(有限合夥)), which is a Chinese investment institution affiliated with Oriza Holdings.
- Certain Other CMC Shareholders who individually and in aggregate hold a minority voting and economic position in CMC, details of whom will be disclosed in the Circular.

Such Other CMC Shareholders are not acting in concert with CMC and therefore are not members of the CMC Concert Group, as there is no agreement or understanding between CMC and the Other CMC Shareholders to consolidate control of the Company through the Acquisition and the Other CMC Shareholders will only receive a portion of the Consideration Shares solely for the purpose of maintaining the Company's public float upon Closing.

## INFORMATION OF THE TARGET GROUP

The Target is a company incorporated in the Cayman Islands with limited liability, and it is a direct wholly-owned subsidiary of HoldCo as at the date of this announcement. The Target will be the investment holding company for the Target Business upon completion of the Restructuring.

The Target was established by HoldCo and hence there is no original acquisition cost. As at the date of this announcement, the authorized share capital of the Target is US\$50,000 divided into 50,000 shares, of which one share is in issue.

### Nature of the Target Business

The Target Business comprises: (i) the business that develops, produces, invests in and distributes films, drama and non-drama contents in Chinese Mainland and overseas markets; and (ii) the cinemas business that operates over 50 cinemas in Chinese Mainland under the UME brand and operates a theatrical distribution circuit.

The table below summarises the Target Business:

Name of main operating entity/holding company	Description of business	CMC's interest in the Target Business <sup>(1)</sup>
<b>Film, drama and non-drama</b>		
東陽正午陽光影視有限公司(Daylight Entertainment Co., Ltd.)* (“ <b>Daylight Entertainment</b> ”)	Daylight Entertainment invests in and produces drama series, and distributes them to mainstream video platforms (such as iQiyi, Tencent Video, Youku and Mango TV) and mainstream satellite TV stations (such as CCTV, Dragon TV, Hunan TV, Zhejiang TV, Jiangsu TV and Beijing TV). The main source of its revenue is drama series distribution. Its operations are primarily in Chinese Mainland.	50.05%
Tongle Pictures Limited 同樂影視有限公司 (“ <b>Tongle Pictures</b> ”)	Tongle Pictures is a Hong Kong operating entity which handles the distribution of Daylight Entertainment’s productions outside of Chinese Mainland.	51%
上海華人影業有限公司(Shanghai CMC Pictures Co., Ltd.)* (“ <b>Shanghai CMC Pictures</b> ”)	<p>Shanghai CMC Pictures invests in and produces films. It releases its productions in cinemas in the PRC or around the world and distributes them to domestic or overseas video platforms (such as iQiyi, Tencent Video and Netflix). The main sources of its revenue include theatrical distribution and distribution to video platforms.</p> <p>The equity investments of Shanghai CMC Pictures include:</p> <ul style="list-style-type: none"> <li>• 上海今塗影業有限公司(Shanghai Jintu Pictures Co., Ltd.)* (“<b>Jintu Pictures</b>”): Shanghai CMC Pictures is interested in 60% of Jintu Pictures, which invests in and produces animation films. It releases its productions in cinemas in the PRC and distributes them to video platforms (such as Bilibili). Its operations are in Chinese Mainland;</li> </ul>	100%

Name of main operating entity/holding company	Description of business	CMC's interest in the Target Business <sup>(1)</sup>
	<ul style="list-style-type: none"> <li>陝西華人朗泰影視投資合夥企業(有限合夥) (Shaanxi Huaren Langtai Film Investment Partnership (Limited Partnership))* (“<b>Shaanxi Huaren Langtai</b>”): Shanghai CMC Pictures is interested in 35.75% of Shaanxi Huaren Langtai, which is a fund which Shanghai CMC Pictures acts as co-general partner and limited partner. The fund makes investments in films and minority equity investments in film production studios; and</li> <li>華人劇薈(上海)文化傳媒有限公司(CMC Studios (Shanghai) Culture Media Co., Ltd.)* (“<b>CMC Studios</b>”): Shanghai CMC Pictures is interested in 100% of CMC Studios, which invests in and produces drama series, and distributes them to mainstream video platforms (such as iQiyi and Youku) and mainstream satellite TV stations (such as Dragon TV).</li> </ul>	
CMC Pictures Group Limited 華人影業集團有限公司 (“ <b>CMC Pictures</b> ”)	CMC Pictures is an offshore entity which distributes Chinese-language films to overseas cinemas in North America, Australia, Europe and other regions through its subsidiaries. The main source of its revenue is overseas theatrical distribution.	100%
Gravity Pictures Limited (“ <b>Gravity Pictures</b> ”)	Gravity Pictures is an offshore entity which invests in projects that CMC Pictures invests and/or produces through its subsidiaries.	89.18%
CMC Flagship Limited (“ <b>Flagship Entertainment</b> ”)	Flagship Entertainment is an offshore operating entity which engages in film investments and productions. Flagship Entertainment also holds 10.20% of the equity in Gravity Pictures.	90%
Pearl Studio	Pearl Studio invests in and produces animation films. It releases its productions in cinemas in the PRC or around the world and distributes them to domestic or overseas video platforms (such as iQiyi, Tencent Video and Netflix). Pearl Studio is managed by Shanghai CMC Pictures. The operations are in Chinese Mainland.	100% <sup>(2)</sup>

Name of main operating entity/holding company	Description of business	CMC's interest in the Target Business <sup>(1)</sup>
深圳日月星光傳媒有限公司(Shenzhen Shine Entertainment Media Co., Ltd.)* (“ <b>Shine Entertainment</b> ”)	Shine Entertainment invests in and produces variety shows. It mainly distributes to mainstream video platforms (such as iQiyi, Tencent Video and Youku) and short video platforms (such as Douyin). Shine Entertainment primarily receives production fees from those platforms. Its operations are in Chinese Mainland.	100%
<b>Cinemas</b>		
上海思遠影視文化傳播有限公司(Shanghai Siyuan Movie and TV Cultural Transmission Co., Ltd.)* (“ <b>Shanghai Siyuan</b> ”)	Shanghai Siyuan operates more than 50 UME cinemas in Chinese Mainland, generating revenue mainly from film box office sales, food and beverage sales, and film exhibition-related advertising. Its operations are in Chinese Mainland.	100%
上海華人文化電影院線有限公司(Shanghai CMC Cinemas Co., Ltd.)* (“ <b>CMC Cinemas</b> ”)	CMC Cinemas, as a licensed theatrical distribution circuit in Chinese Mainland, holds the right to distribute films to cinemas. The movie distribution companies are required under the relevant laws and regulations to collaborate with circuits (such as CMC Cinemas) to secure screen time and coordinate the release of movies to cinemas in Chinese Mainland.	100%

*Notes:*

- (1) As at the date of this announcement, CMC indirectly holds the stated interests in the above main operating entities and holding companies through various subsidiaries, affiliates and VIE structures.
- (2) As at the date of this announcement, an affiliate of CMC is indirectly interested in 30% of ODW, which is the sole shareholder of Pearl Studio. For further details about ODW, please see the section headed “Information of CMC and CMC Concert Group – CMC Concert Group” in this announcement. Pursuant to the terms of the ODW Agreement, Pearl Studio will become a 100% subsidiary of the Target at Closing.

Further details of the Target Business will be set out in the Circular.

## Financial Information of the Target Business

The table below sets out certain key combined audited financial information of the Target Business for the financial years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025, which is prepared in accordance with Hong Kong Financial Reporting Standards.

	Year ended 31 December			Nine months ended
	2022	2023	2024	30 September
	(RMB '000) (Audited)	(RMB '000) (Audited)	(RMB '000) (Audited)	(RMB '000) (Audited)
Revenue	2,317,173	2,261,801	2,295,040	1,225,043
EBITDA	826,770	622,248	715,178	394,841
Net profit before tax	441,638	275,458	381,252	174,292
Net profit after tax	290,776	202,326	280,173	143,678
Non-HKFRS adjusted net profit after tax	336,428	247,978	325,825	177,917
Net assets	8,617,378	8,373,952	8,528,753	8,557,838

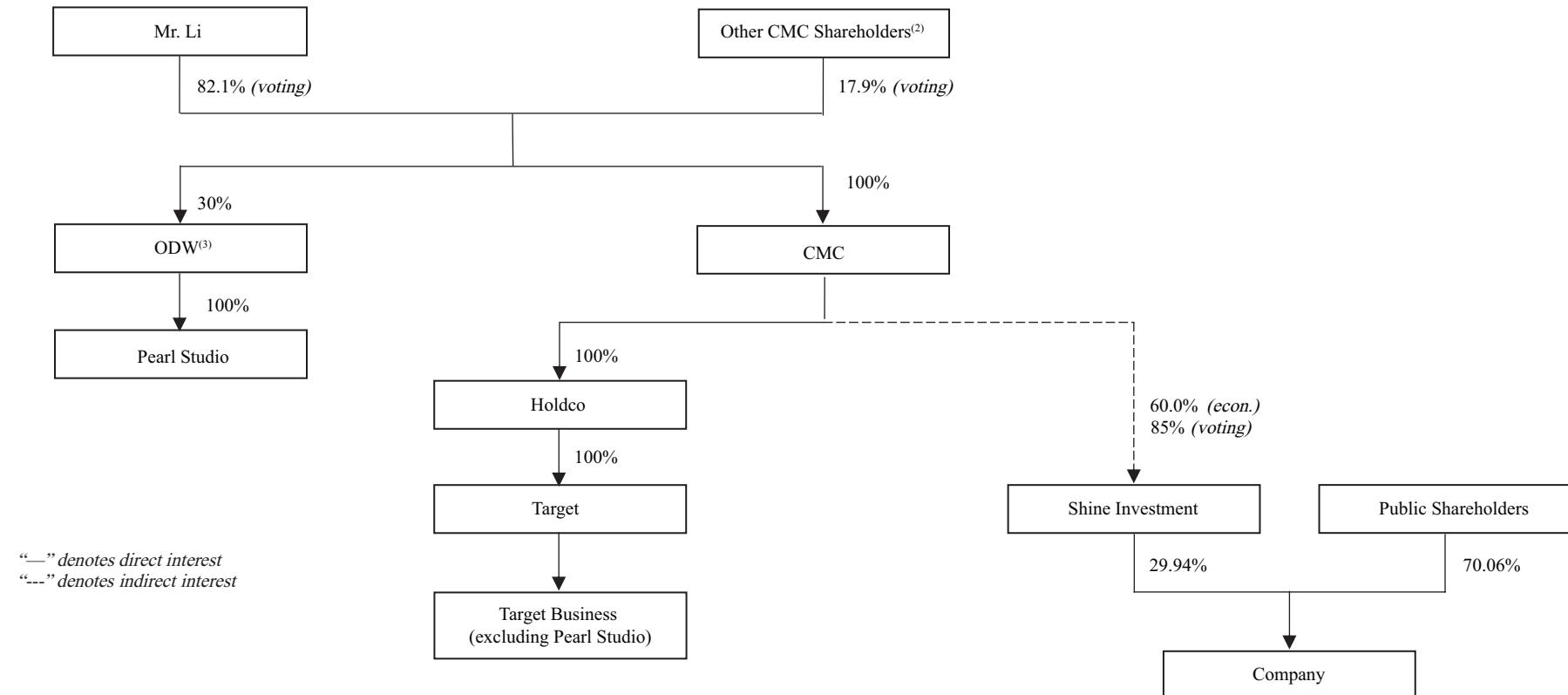
The revenue and profits of the Target Business are mainly derived from the broadcast of drama series, the release of films and the screening of films in cinemas by the Target Business. Similar to some other companies in the industry, the production and broadcast of dramas and the release of films are affected by production cycles, broadcast schedules and broadcast slots, which are subject to fluctuations from time to time. In particular, the broadcast of drama series depends on the scheduling arrangements of streaming platforms and television stations, while the release of films is usually subject to the film market conditions and competition. Accordingly, the revenue and profits of different segments of the Target Business often experience non-seasonal fluctuations from time to time due to their business nature.

The revenue of the Target Business for the years ended 31 December 2022, 2023 and 2024 remained stable. During those three years, 172, 37 and 174 drama episodes were broadcasted, respectively. Although only 37 drama episodes were broadcasted during the year ended 31 December 2023, two high-budget films were released (including a worldwide tent-pole release of *THE MEG II*) to effectively offset the revenue shortfall resulting from fewer drama episodes broadcasted in the same year.

During the nine months ended 30 September 2025, only 58 drama episodes were broadcasted and one medium-budget film was released, resulting in less revenue and profits compared to the corresponding periods in the years ended 31 December 2022, 2023 and 2024. During the fourth quarter in 2025, 16 drama episodes and one film, in which the Target Business acted as lead investor and executive producer, were released. However, as at the date of this announcement, the Target Business has completed the shooting of a substantial number of dramas, which will be broadcasted later depending on the schedules of streaming platforms and television stations. In addition, the Target Business has also produced or invested in several films, which will be released later depending on the appropriate release windows.

## STRUCTURE OF THE GROUP AND THE TARGET GROUP

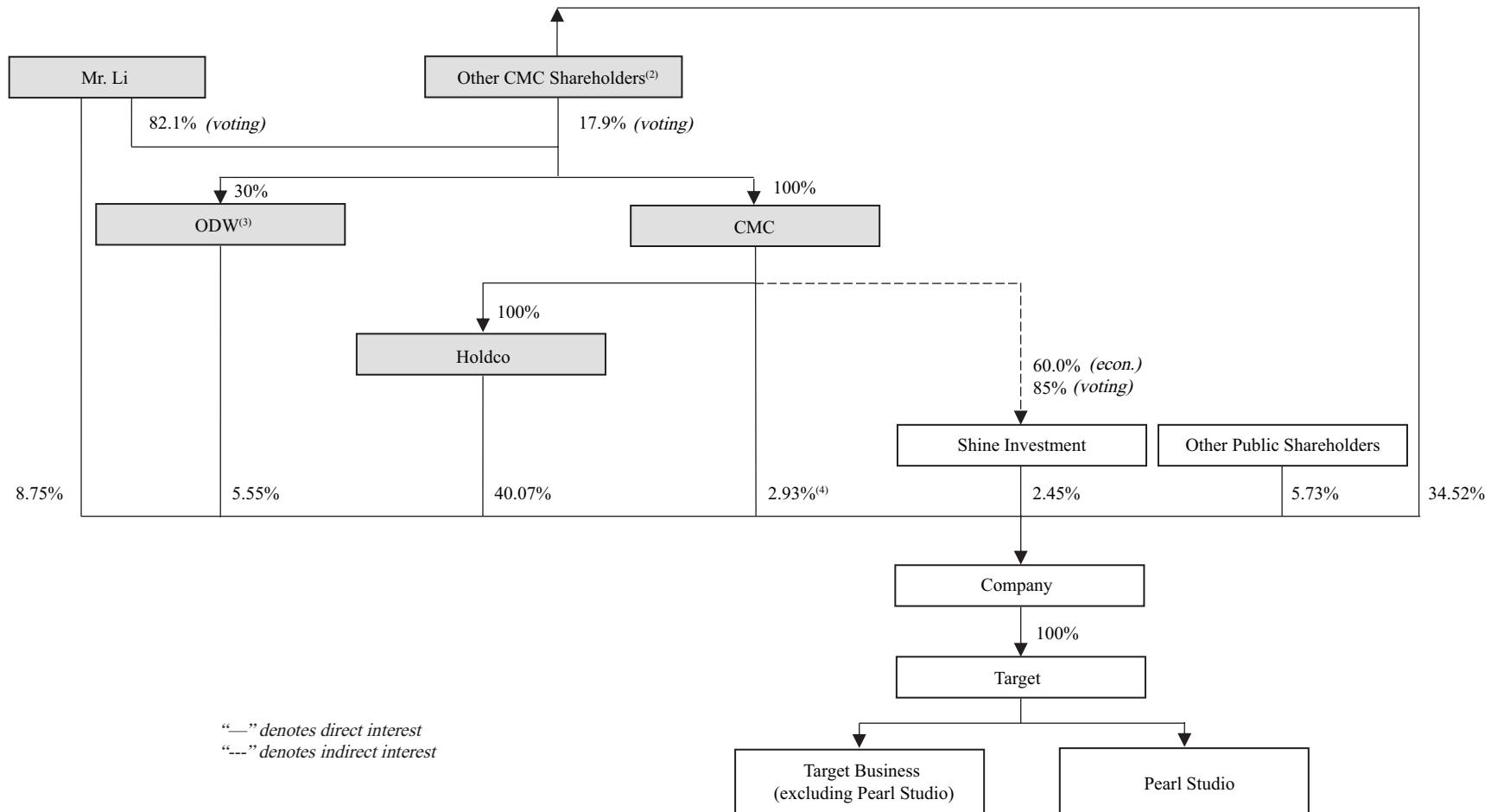
### The shareholding structure of CMC and the Company Immediately Before Completion of the Acquisition<sup>(1)</sup>



#### Notes:

- (1) Intermediate holding entities are not shown in this structure chart.
- (2) None of the Other CMC Shareholders controls more than 5.2% of the voting rights in CMC. The CMC Shareholders have economic rights which are not proportional to their voting rights in CMC.
- (3) The 30% indirect interest in ODW is held through a PRC limited partnership, where: (i) Mr. Li controls a 99% interest in 蘇州華人文化投資管理有限公司 (Suzhou CMC Investment Management Co., Ltd.)\*, the general partner of that partnership; and (ii) the respective PRC affiliates of the CMC Shareholders hold their limited partner interests in substantially the same proportion as the CMC Shareholders hold their respective interests in CMC. Shareholders holding the remaining 70% interest in ODW are independent third parties, and are not connected with the Company or CMC or Mr. Li. For further details about ODW, please see the section headed “Information of CMC and CMC Concert Group – CMC Concert Group” in this announcement.
- (4) Unless otherwise specified, a percentage in this structure chart represents both the voting rights and the economic interest in an entity.

## The shareholding structure of CMC and the Company Immediately After Completion of the Acquisition<sup>(1)</sup>



### Notes:

- (1) Intermediate holding entities are not shown in this structure chart.
- (2) None of the Other CMC Shareholders controls more than 5.2% of the voting rights in CMC. The CMC Shareholders have economic rights which are not proportional to their voting rights in CMC.
- (3) The 30% indirect interest in ODW is held through a PRC limited partnership, where: (i) Mr. Li controls a 99% interest in 蘇州華人文化投資管理有限公司 (Suzhou CMC Investment Management Co., Ltd.)\*, the general partner of that partnership; and (ii) the respective PRC affiliates of the CMC Shareholders hold their limited partner interests in substantially the same proportion as the CMC Shareholders hold their respective interests in CMC. Shareholders holding the remaining 70% interest in ODW are independent third parties, and are not connected with the Company or CMC or Mr. Li. For further details about ODW, please see the section headed “Information of CMC and CMC Concert Group – CMC Concert Group” in this announcement.
- (4) This represents the Shares held by Celosia, which acts as the employee share incentive plan trust platform with its protectors controlled by CMC.
- (5) Unless otherwise specified, a percentage in this structure chart represents both the voting rights and the economic interest in an entity.
- (6) The entities/individual in grey boxes are the Designated Recipients or their ultimate controllers (as the case may be).

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in investments in films, drama and non-drama, and artiste and event management. It is the Group's aspiration to tap the great potential of the markets of the Greater Bay Area and the Chinese communities all over the world as it aspires to be one of the leading content producers and curators in Asia Pacific. The Acquisition presents the Company a compelling opportunity to achieve genuine and accretive expansion of its business aligned with its publicly announced strategies, which are disclosed in the 2024 annual report and the 2025 interim report of the Company.

Upon completion of the Restructuring, the Target will be principally engaged in the Target Business, which comprises: (i) the business that develops, produces, invests in and distributes films, drama and non-drama contents in Chinese Mainland and overseas markets; and (ii) the cinemas business that operates over 50 cinemas in Chinese Mainland under the UME brand and operates a theatrical distribution circuit. The Target Business encompasses a comprehensive portfolio of content creation and distribution capabilities, with some of China's prominent studios across the films, drama and non-drama sectors which have successfully produced and distributed a portfolio of content over the years, as well as an extensive distribution network spanning Chinese Mainland and overseas market.

By acquiring the Target Business that possesses a number of talents, strong production capabilities, diversified content portfolio and a rich reserve of intellectual properties, the Acquisition is expected to help to significantly strengthen and expand the Group's existing content capabilities and audience base, leading to a more sustainable growth over an extended horizon. It would also enable the Group to forge a more resilient content business model by evolving from a single brand studio with limited genre focus to a network of multiple studios, and possessing a larger and more diversified content portfolio spanning various genres and enhanced production capabilities.

The significant production expansion brought by the Acquisition is also expected to create meaningful synergies for the Group's artiste and event management business, opening up a broader array of performance opportunities for its talented roster in the Chinese Mainland market. In addition, as the Acquisition involves an acquisition of the cinema business, it offers an opportunity for the Group's film business to expand vertically, and provides the Group with access to a global movie distribution and marketing network that distributes Chinese language films to various countries and cities across the world.

In light of the above, the Directors consider that the Acquisition presents a good expansion opportunity for the Group and complements the Group's strategies and business development.

As: (i) Mr. Li is the ultimate controlling shareholder and a director of CMC; and (ii) Mr. Hui is a director of CMC, each of Mr. Li and Mr. Hui has abstained from voting on the Board resolutions to approve, among other things, the SPA and the transactions contemplated thereunder (including the Acquisition).

The Directors (excluding: (i) Mr. Li and Mr. Hui who have abstained from voting as set out above; and (ii) the members of the Independent Board Committee who will express their opinion after considering the advice of the Independent Financial Adviser) consider that the terms of the SPA and the transactions contemplated thereunder (including the Acquisition) are fair and reasonable, and the SPA and the transactions contemplated thereunder (including the Acquisition) are and will be conducted on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## IMPLICATIONS UNDER THE LISTING RULES

### The Acquisition

As one or more of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. In addition, pursuant to Rule 14.06C of the Listing Rules and the Guidance Letter HKEX-GL104-19 issued by the Stock Exchange, where an acquisition or a series of acquisitions of assets (which individually or together with other transactions or arrangements) may, by reference to the factors under the principle based test have the effect of achieving a listing of the acquisition targets, but the issuer can demonstrate that it is not an attempt to circumvent the new listing requirements, the proposed acquisition (or series of acquisitions) may be classified as an “extreme transaction”.

To demonstrate that the Acquisition satisfies the relevant requirements under Rule 14.06C of the Listing Rules, the Company will submit the draft Circular with material information (including the draft accountant’s report of the Target Business for the track record period, detailed description of the Target Business and its management, risk factors, legal compliance and any other information as requested by the Stock Exchange) to the Stock Exchange. Subject to the determination of the Listing Committee based on the information provided in the draft Circular and other materials and completion of the due diligence work on the Target Business conducted by CITIC Securities, the Acquisition may be allowed to be classified as an extreme transaction under Rule 14.06C of the Listing Rules and (in that case) the requirements for reverse takeovers in Chapter 14 of the Listing Rules do not apply.

As at the date of this announcement, the ultimate controlling shareholder of CMC is Mr. Li, who is the chairman, a Director and a substantial shareholder of the Company. Mr. Li is interested, through several corporations directly or indirectly controlled by him, in approximately 29.94% of the issued share capital of the Company. Accordingly, CMC is an associate of Mr. Li and hence a connected person of the Company under the Listing Rules. Therefore, the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Accordingly, the Acquisition is subject to the reporting, announcement, circular and Shareholders’ approval requirements under the Listing Rules. CITIC Securities has been appointed as the financial adviser to the Company in connection with the Acquisition and to perform due diligence on the Target Group.

### Contractual Arrangements

As certain Registered Shareholders are substantial shareholders of the relevant Consolidated Affiliated Entities, they will be connected persons of the Company under the Listing Rules upon Closing. Therefore, the transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Contractual Arrangements and the transactions contemplated thereunder are fundamental to the Target Group's legal structure and business, and such transactions will be entered into in the ordinary and usual course of business of the Enlarged Group, will be on normal commercial terms and will be fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any New Intergroup Agreements technically constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules, given that the Enlarged Group will be placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it will be unduly burdensome and impracticable, and will add unnecessary administrative costs to the Company, if such transactions are subject to strict compliance with the requirements under Chapter 14A of the Listing Rules, which include (among other things): (i) the announcement, circular and Shareholders' approval requirements under Rules 14A.35 and 14A.36 of the Listing Rules; (ii) the requirement of setting an annual cap for the transactions under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term to three years or less under Rule 14A.52 of the Listing Rules.

In respect of the Contractual Arrangements, the Company will apply to the Stock Exchange for a waiver from strict compliance with: (i) the announcement, circular and Shareholders' approval requirements under Rules 14A.35 and 14A.36 of the Listing Rules; (ii) the requirement of setting an annual cap for the transactions under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term to three years or less under Rule 14A.52 of the Listing Rules.

In addition, the Company will apply to the Stock Exchange for a waiver from strict compliance with: (i) the announcement, circular and Shareholders' approval requirements under Rules 14A.35 and 14A.36 of the Listing Rules in respect of the transactions contemplated under any New Intergroup Agreement; (ii) the requirement of setting an annual cap under Rule 14A.53 of the Listing Rules for the fees payable by/to any member of the Enlarged Group to/by the Consolidated Affiliated Entities in any New Intergroup Agreement; and (iii) the requirement of limiting the term of any New Intergroup Agreement to three years or less under Rule 14A.52 of the Listing Rules.

Further details and conditions of the waiver application will be set out in the Circular.

## **IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER**

As at the date of this announcement, the CMC Concert Group is interested in 425,000,000 Shares, representing approximately 29.94% of the issued share capital of the Company. Upon Closing, the CMC Concert Group will be interested in 10,365,045,491 Shares, representing approximately 730.13% of the issued share capital of the Company as at the date of this announcement and approximately 59.74% of the Enlarged Capital.

Accordingly, pursuant to Rule 26.1 of the Takeovers Code, HoldCo will (upon Closing) be obliged to make a mandatory general offer to the Shareholders for all the issued Shares (other than those already owned or agreed to be acquired by the CMC Concert Group), unless the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders.

In this regard, an application will be made by HoldCo to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted by the Executive, will be subject to (among other things): (i) the Whitewash Waiver having been approved by at least 75% of the votes that are cast by the Independent Shareholders at the EGM; and (ii) the Acquisition having been approved by more than 50% of the votes that are cast by the Independent Shareholders at the EGM. The Executive may or may not grant the Whitewash Waiver.

**It is a non-waivable Condition of the Acquisition that the Whitewash Waiver be granted by the Executive and approved by the Independent Shareholders**, hence there will not be any offer by HoldCo (or any member of the CMC Concert Group) for the issued Shares as a result of the Acquisition. If the Whitewash Waiver is not granted by the Executive or if the Whitewash Waiver is not approved by the Independent Shareholders, the Acquisition will not proceed.

As at the date of this announcement, the Company does not believe that the Acquisition gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Circular. The Company notes that the Executive may not grant the Whitewash Waiver if the Acquisition does not comply with other applicable rules and regulations (including the Listing Rules).

As at the date of this announcement:

- (a) save as disclosed in the sections headed “Effect of the Acquisition on the Shareholding Structure of the Company” and “Structure of the Group and the Target Group” above, none of the members of the CMC Concert Group holds, owns, controls or directs any Shares, convertible securities, warrants or options, or has entered into any derivatives, in respect of the securities in the Company;
- (b) none of the members of the CMC Concert Group has received any irrevocable commitment to vote in favor of or against the Acquisition and the Whitewash Waiver;
- (c) other than the SPA and the ODW Agreement, none of the members of the CMC Concert Group has any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of HoldCo or the Company which might be material to the Acquisition and the Whitewash Waiver;
- (d) other than the SPA, there is no agreement or arrangement to which HoldCo is a party which relates to the circumstances in which it may or may not invoke or seek to invoke any conditions to the Acquisition and the Whitewash Waiver;
- (e) none of the members of the CMC Concert Group has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (f) there is no consideration or benefit in whatever form paid or to be paid by any member of the CMC Concert Group to the Company (or any party acting in concert with it) in connection with the Acquisition and the Whitewash Waiver;

- (g) save for the Consideration Shares to be allotted and issued by the Company pursuant to the SPA and the ODW Agreement, there is no other consideration or benefit in whatever form paid or to be paid by the Company (and parties acting in concert with it) to any member of the CMC Concert Group in connection with the Acquisition; and
- (h) there is no understanding, arrangement, agreement or special deal (as defined in Note Rule 25 of the Takeovers Code) between: (i) any Shareholder; and (ii)(1) and any member of the CMC Concert Group; or (2) the Company, its subsidiaries or associated companies.

As at the date of this announcement, save for the Consideration Shares to be allotted and issued to the Designated Recipients pursuant to the SPA, none of the members of the CMC Concert Group has acquired or disposed of (or entered into any agreement or arrangement to acquire or dispose of) any voting rights of the Company, or has dealt for value in any Shares, convertible securities, warrants, options or derivatives in respect of the securities in the Company, within the six months period prior to and including the date of this announcement. Other than pursuant to the SPA, none of the members of the CMC Concert Group will acquire or dispose of any voting rights of the Company after the date of this announcement until Closing and the end of the relevant lock-up period.

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

Pursuant to the Listing Rules and the Takeovers Code, the Independent Board Committee comprising Mr. Pang Hong, Mr. Poon Kwok Hing Albert, Miss. Szeto Wai Ling Virginia and Mr. Ge Jun (being the independent non-executive Directors) has been established to advise the Independent Shareholders in respect of: (i) the SPA and the transactions contemplated thereunder (including the Acquisition); (ii) the Specific Mandate; (iii) the Whitewash Waiver; and (iv) the Expected Continuing Connected Transactions that require independent Shareholders' approval under the Listing Rules (if any). Given that: (i) Mr. Li (a non-executive Director) is the ultimate controlling shareholder and a director of CMC, and (ii) Mr. Hui (a non-executive Director) is a director of CMC, each of them has not been included in the Independent Board Committee.

Somerley Capital Limited, the Independent Financial Adviser, has been appointed by the Company (with the approval of the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders in respect of: (i) the SPA and the transactions contemplated thereunder (including the Acquisition); (ii) the Specific Mandate; (iii) the Whitewash Waiver; and (iv) the Expected Continuing Connected Transactions that require independent Shareholders' approval under the Listing Rules (if any).

## **THE EGM**

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve, among other things: (i) the SPA and the transactions contemplated thereunder (including the Acquisition); (ii) the Specific Mandate; (iii) the Whitewash Waiver; (iv) any appointment of additional Directors who may be nominated by CMC; and (v) the Expected Continuing Connected Transactions that require independent Shareholders' approval under the Listing Rules (if any). The resolutions at the EGM will be voted on by the Independent Shareholders by way of poll.

As at the date of this announcement, Shine Investment (a company ultimately controlled by Mr. Li) is directly interested in approximately 29.94% of the issued share capital of the Company. As Shine Investment is an associate of Mr. Li and a member of the CMC Concert Group, it will therefore abstain from voting on the resolutions at the EGM.

## **DESPATCH OF CIRCULAR**

The Company will despatch the Circular containing, among other things: (i) further details of the SPA and the transactions contemplated thereunder (including the Acquisition), the Specific Mandate and the Whitewash Waiver; (ii) financial information of the Group; (iii) business and financial information of the Target Group; (iv) the Unaudited Pro Forma Financial Information assuming Closing takes place; (v) the names and biographies of any persons to be nominated by CMC to act as Directors; (vi) further details of the Expected Continuing Connected Transactions; (vii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the SPA and the transactions contemplated thereunder (including the Acquisition), the Specific Mandate, the Whitewash Waiver and the Expected Continuing Connected Transactions that require independent Shareholders' approval under the Listing Rules (if any); (viii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the SPA and the transactions contemplated thereunder (including the Acquisition), the Specific Mandate, the Whitewash Waiver and the Expected Continuing Connected Transactions that require independent Shareholders' approval under the Listing Rules (if any); (ix) the notice of the EGM; and (x) other information as required under the Listing Rules and the Takeovers Code.

The Circular is required to be despatched to the Shareholders: (i) within 15 business days from the date of the announcement according to Rule 14.60(7) of the Listing Rules; or (ii) no later than 21 days after the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is the earlier.

As more time is required for the preparation and finalisation of certain information to be included in the Circular and the completion of due diligence work conducted on the Target Business for the Circular, the Circular is currently expected to be despatched to the Shareholders on or before 31 March 2026. The Company will apply to the Stock Exchange and HoldCo will apply to the Executive for the waiver and/or consent to extend the deadline for the despatch of the Circular, and further announcements in that respect will be made by the Company as and when appropriate.

## **WARNING**

**Shareholders and potential investors should note that the Acquisition is subject to the satisfaction or (where applicable) waiver of a number of Conditions (including the approval of the Acquisition and the Whitewash Waiver by the Independent Shareholders, and the determination by the Listing Committee or the Stock Exchange on whether or not the Acquisition constitutes an extreme transaction under Rule 14.06C of the Listing Rules), which may or may not be fulfilled. As such, the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

**Shareholders and potential investors should refer to the Circular for further details of the SPA and the transactions contemplated thereunder (including the Acquisition), the Specific Mandate, the Whitewash Waiver and the other relevant information contained in the Circular.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions will have the following respective meanings:

“Acquisition”	the acquisition of the Sale Shares by the Company as contemplated under the SPA
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Brilliant Spark”	Brilliant Spark Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is indirectly wholly-owned and controlled by Mr. Li, and it is a substantial shareholder of the Company
“Business Day”	any day except a Saturday, Sunday or other day on which commercial banks in Hong Kong or PRC are authorized or required by applicable laws to close
“Celosia”	Celosia Global Limited, a company incorporated in the British Virgin Islands with limited liability which acts as the employee share incentive plan trust platform with its protectors controlled by CMC
“CICC”	China International Capital Corporation Hong Kong Securities Limited, being the financial adviser to CMC in connection with the Acquisition, which is a licensed corporation under the SFO, licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Circular”	the circular to be despatched to the Shareholders to provide additional information regarding, among other things, the SPA and the transactions contemplated thereunder (including the Acquisition), the Specific Mandate, the Whitewash Waiver and the Expected Continuing Connected Transactions
“CITIC Securities”	CITIC Securities (Hong Kong) Limited, being the financial adviser to the Company in connection with the Acquisition, which is a licensed corporation under the SFO, licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Closing”	completion of the Acquisition, which is subject to the satisfaction or (where applicable) waiver of the Conditions

“Closing Date”	the date of Closing
“CMC”	CMC Inc., a company incorporated in the Cayman Islands with limited liability which is indirectly controlled by Mr. Li, and it is a substantial shareholder of the Company
“CMC Concert Group”	CMC and the parties acting (or presumed to be acting) in concert with it, including: (a) Mr. Li, Brilliant Spark, Gold Pioneer, Celosia, CMC Shine Holdings, CMC Shine Acquisition, Shine Holdings and Shine Investment; (b) HoldCo; and (c) ODW
“CMC Shareholders”	the shareholders of CMC, further details of which will be contained in the Circular
“CMC Shine Acquisition”	CMC Shine Acquisition Limited, a company incorporated in the Cayman Islands with limited liability which is indirectly controlled by Mr. Li, and it is a substantial shareholder of the Company
“CMC Shine Holdings”	CMC Shine Holdings Limited, a company incorporated in the Cayman Islands with limited liability which is indirectly controlled by Mr. Li, and it is a substantial shareholder of the Company
“Company”	Shaw Brothers Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 00953)
“Conditions”	the conditions precedent to Closing, as described in the section headed “Sale and Purchase Agreement – Conditions” in this announcement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration Shares”	15,929,741,365 new Shares to be allotted and issued by the Company to the Designated Recipients in settlement of the Sale Shares
“Consolidated Affiliated Entities”	the entities to be controlled by the Target Group through the Contractual Arrangements
“Contractual Arrangements”	the VIE contractual arrangements between the Target Group and the Registered Shareholders as part of the Restructuring, as described in the section headed “Expected Continuing Connected Transactions – Contractual Arrangements” in this announcement

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Daylight SPV”	上海華人文化陽光影視有限公司(Shanghai Huaren Wenhua Sunlight Film & Television Co., Ltd.)*, a company established in the PRC with limited liability set up by Huaren Technology
“Designated Recipients”	HoldCo, the CMC Shareholders and ODW, further details of which will be contained in the Circular
“Directors”	the directors of the Company
“EBITDA”	earnings before interest, taxes, depreciation and amortization
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider, and if thought fit, approve, among other things, the SPA and the transactions contemplated thereunder (including the Acquisition), the Specific Mandate, the Whitewash Waiver and the Expected Continuing Connected Transactions that require independent Shareholders’ approval under the Listing Rules (if any)
“Enlarged Capital”	the issued share capital of the Company (as enlarged by the issue of the Consideration Shares at Closing)
“Enlarged Group”	the enlarged Group immediately after Closing
“EV/S ratio”	enterprise value-to-sales ratio, being a valuation multiple that measures the value of a company relative to its total revenue
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his/her delegates
“Expected Continuing Connected Transactions”	the expected continuing connected transactions between the Target Group and the connected persons of the Company, including the Contractual Arrangements
“GAAP”	Generally Accepted Accounting Principles
“Gold Pioneer”	Gold Pioneer Worldwide Limited, a company incorporated in the British Virgin Islands with limited liability which is indirectly controlled by Mr. Li, and it is a substantial shareholder of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“HoldCo”	CMC Moon Group Limited, a company incorporated in the Cayman Islands with limited liability which is a direct wholly-owned subsidiary of CMC, and it is the vendor of the Acquisition
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaren Technology”	上海華人文化科技有限公司(Shanghai Huaren Wenhua Technology Co., Ltd.)*, a company established in the PRC with limited liability which is ultimately controlled by Mr. Li
“Huaren Wenhua WFOE”	上海華人文化傳媒有限公司(Shanghai Huaren Wenhua Media Co., Ltd.)*, a company established in the PRC with limited liability which is an indirect wholly-owned subsidiary of the Target
“Independent Board Committee”	the independent board committee of the Board comprising Mr. Pang Hong, Mr. Poon Kwok Hing Albert, Miss. Szeto Wai Ling Virginia and Mr. Ge Jun (being the independent non-executive Directors), being the independent board committee established pursuant to the Listing Rules and the Takeovers Code to advise the Independent Shareholders in respect of: (i) the SPA and the transactions contemplated thereunder (including the Acquisition); (ii) the Specific Mandate; (iii) the Whitewash Waiver; and (iv) the Expected Continuing Connected Transactions that require independent Shareholders’ approval under the Listing Rules (if any)
“Independent Financial Adviser”	Somerley Capital Limited, being the independent financial advisers appointed by the Company (with the approval of the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders in respect of: (i) the SPA and the transactions contemplated thereunder (including the Acquisition); (ii) the Specific Mandate; (iii) the Whitewash Waiver; and (iv) the Expected Continuing Connected Transactions that require independent Shareholders’ approval under the Listing Rules (if any)
“Independent Shareholders”	the Shareholders, other than: (i) the members of the CMC Concert Group; and (ii) the Shareholders who are interested in or involved in the Acquisition and/or the Whitewash Waiver
“Issue Price”	HK\$0.320 per Share, being the issue price of each Consideration Share
“Last Trading Date”	20 January 2026, being the last full trading day for the Shares prior to the date of this announcement
“Listing Committee”	the Listing Committee of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	31 December 2026 (or such other date as the Parties may agree in writing)
“Mr. Hui”	Mr. Hui To Thomas, a Director and a director of CMC
“Mr. Li”	Mr. Li Ruigang, the chairman, a Director and a substantial shareholder of the Company, and the ultimate controlling shareholder and a director of CMC
“New Intergroup Agreements”	any new transactions, contracts or agreements, or renewal of existing transactions, contracts or agreements to be entered into, among other things, by any of the Consolidated Affiliated Entities and any member of the Enlarged Group
“ODW”	ODW CPE Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the sole shareholder of Pearl Studio and a company in which an affiliate of CMC is indirectly interested in 30% of as at the date of this announcement
“ODW Agreement”	the sale and purchase agreement dated 21 January 2026 and entered into between CMC and ODW (pursuant to which CMC will procure the Target to acquire, and ODW will sell, the entire issued share capital in Pearl Studio)
“Other CMC Shareholders”	the CMC Shareholders (other than Brilliant Spark, Gold Pioneer and Celosia, which are members of the CMC Concert Group), which include Alibaba Investment Limited (a subsidiary of Alibaba Group Holding Limited, which is listed on the New York Stock Exchange (symbol: BABA) and the Stock Exchange (stock code: 9988)), Yew Podocarpus Investment Limited (a subsidiary of Tencent Holdings Limited, which is listed on the Stock Exchange (stock code: 700)) and He Wen International (a subsidiary of Suzhou He Wen Investment Partners Enterprise (Limited Partnership))
“Parties”	the Company and CMC, being the parties to the SPA
“P/B ratio”	price-to-book value ratio, being a valuation multiple that measures the value of a company relative to its book value
“Pearl Studio”	Pearl Studio Holding Limited, a company incorporated in the Cayman Islands with limited liability, which is a direct wholly-owned subsidiary of ODW as at the date of this announcement
“Pearl Studio Group”	Pearl Studio, its subsidiaries and its consolidated affiliated entities

“PRC”	the People’s Republic of China
“Registered Shareholders”	the registered shareholders of the Consolidated Affiliated Entities
“Restructuring”	the restructuring of the Target Business in preparation of the Acquisition, as described in the section headed “Restructuring” in this announcement and further details of which will be contained in the Circular
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the shares of the Target to be sold by HoldCo to the Company under the Acquisition, representing the entire issued share capital of the Target
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“Shareholder”	a holder of Shares
“Shine Holdings”	Shine Holdings Cayman Limited, a company incorporated in the Cayman Islands with limited liability which is indirectly controlled by Mr. Li, and it is a substantial shareholder of the Company holding 29.94% of the issued share capital of the Company as at the date of this announcement
“Shine Investment”	Shine Investment Limited, a company incorporated in the Cayman Islands with limited liability which is indirectly controlled by Mr. Li, and it is a substantial shareholder of the Company
“SPA”	the sale and purchase agreement dated 21 January 2026 and entered into between the Company and HoldCo in relation to the Acquisition
“Specific Mandate”	the specific mandate to be granted to the Directors by the Independent Shareholders at the EGM to allot and issue the Consideration Shares to HoldCo
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Suzhou Zhihou”	蘇州志厚投資管理有限公司 (Suzhou Zhihou Investment Management Co., Ltd.)*, a company established in the PRC with limited liability which is a wholly-owned subsidiary of Huaren Technology and a consolidated affiliated entity of CMC as at the date of this announcement

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target”	CMC Moon Holdings Limited, a company incorporated in the Cayman Islands with limited liability, which is a direct wholly-owned subsidiary of HoldCo as at the date of this announcement and will become the investment holding company for the Target Business upon completion of the Restructuring
“Target Business”	the business operated by the Target Group, as described in the section headed “Information of the Target Group – Nature of the Target Business” in this announcement
“Target Group”	the Target, its subsidiaries and its Consolidated Affiliated Entities (including, for this purpose, the Pearl Studio Group)
“TVB”	Television Broadcasts Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 00511)
“UME”	the brand name for cinemas in Chinese Mainland operated by 上海思遠影視文化傳播有限公司(Shanghai Siyuan Movie and TV Cultural Transmission Co., Ltd.)*
“Unaudited Pro Forma Financial Information”	the unaudited pro forma financial information of the Enlarged Group to be reported on by the reporting accountants of the Company and to be included in the Circular
“US\$”	United States dollars, the lawful currency of the United States of America
“Valuation Report”	the valuation report in respect of the Target Business to be issued by a qualified independent valuer
“VIE”	variable interest entity
“Whitewash Waiver”	the whitewash waiver as may be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code from the obligations of HoldCo to make a mandatory general offer to the Shareholders for all the issued Shares (other than those already owned or agreed to be acquired by the CMC Concert Group) as a result of the consummation of the Acquisition
“%”	per cent

Notes:

- *The translated English names of Chinese entities included in this announcement (which have been marked with an asterisk \*) and for which no official English translation exists are unofficial translations for identification purposes only. In the event of such inconsistency, the Chinese name prevails.*
- *Unless otherwise specified, amounts denominated in RMB have been converted, for the purpose of illustration only, into Hong Kong dollars in this announcement at the exchange rate of RMB1.00:HK\$1.1138 (being the central parity rate announced by The People's Bank of China on 21 January 2026). No representation is made that any amounts in RMB were, could have been or could be converted into Hong Kong dollars at such rate (or any other exchange rate) on such date (or any other date) or at all.*

By Order of the Board  
**Shaw Brothers Holdings Limited**  
**Li Ruigang**  
*Chairman*

Hong Kong, 21 January 2026

As at the date of this announcement, the Board comprises:

**Chairman and Non-executive Director**

Mr. Li Ruigang

**Executive Directors**

Miss Lok Yee Ling Virginia

Mr. Gu Jiong

**Non-executive Director**

Mr. Hui To Thomas, *JP*

**Independent Non-executive Directors**

Mr. Pang Hong

Mr. Poon Kwok Hing Albert

Miss Szeto Wai Ling Virginia

Mr. Ge Jun

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, 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.*