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CULTURECOM HOLDINGS LIMITED

文化傳信集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00343)

VOLUNTARY LIQUIDATION OF TWO NON-WHOLLY OWNED SUBSIDIARIES

This announcement is made by Culturecom Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.25(1)(c) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 15 June 2023, (i) the shareholders of Eqmen Technology Limited* (北京易奇門科技有限公司) (“**Eqmen**”), an indirect non-wholly owned subsidiary of the Company, have passed resolution to set up liquidation group to liquidate Eqmen in accordance with the applicable laws and regulations in the People’s Republic of China (the “**PRC**”); and (ii) the shareholders of Beijing Star Engine Information Technology Co., Ltd.* (北京星河引擎信息科技有限公司) (“**Beijing Star Engine**”), an indirect non-wholly owned subsidiary of the Company, have passed resolution to set up liquidation group to liquidate Beijing Star Engine in accordance with the applicable laws and regulations in the PRC.

Information of Eqmen

Eqmen is a company established in the PRC with limited liability and principally engaged in provision of digital marketing and communication, intellectual property (“**IP**”) digitalisation and agency of IP services in the PRC. As at the date of this announcement, Eqmen is owned as to 55% by Culturecom (Hong Kong) Limited (an indirect wholly-owned subsidiary). As at the date of this announcement, Eqmen does not have any subsidiaries or associated companies. Based on the unaudited financial information of Eqmen for the year ended 31 December 2022, Eqmen recorded no revenue and recorded gain of approximately RMB0.01 million for the year ended 31 December 2022 mainly due to the interest income generated from a loan provided to a fellow subsidiary, and had total assets of approximately RMB27.8 million, total liabilities of approximately RMB0.1 million and net assets of approximately RMB27.7 million as at 31 December 2022.

As the total assets of Eqmen represents more than 5% of the total assets of the Group, Eqmen is considered as a major subsidiary of the Company for the purpose of Rule 13.25(2) of the Listing Rules.

Information of Beijing Star Engine

Beijing Star Engine is a company established in the PRC with limited liability and principally engaged in provision of digital marketing and communication, IP digitalisation and agency of IP services in the PRC. As at the date of this announcement, Beijing Star Engine is owned as to 80.1% by Beijing Skyvior Technology Co. Ltd* (北京乾智傳視科技有限公司) (which is an indirect 55% owned subsidiary of the Company). Based on the audited financial information of Beijing Star Engine for the year ended 31 December 2022, Beijing Star Engine recorded revenue of approximately RMB3.8 million and loss of approximately RMB3.8 million for the year ended 31 December 2022, and had total assets of approximately RMB18.0 million, total liabilities of approximately RMB6.1 million and net assets of approximately RMB11.9 million as at 31 December 2022.

As the total assets and revenue of Beijing Star Engine represent more than 5% of the total assets and revenue of the Group respectively, Beijing Star Engine is considered as a major subsidiary of the Company for the purpose of Rule 13.25(2) of the Listing Rules.

Reasons for the voluntary winding up of Eqmen and Beijing Star Engine

The Company is an investment holding company and its subsidiaries (together with the Company, the “**Group**”) are principally engaged in the publishing and IP licensing, retailing and wholesales and digital marketing.

Having considered that the unsatisfactory performance of Eqmen and Beijing Star Engine in recent years, with no reasonable means or prospect of making any material improvement on their respective financial performance or operations in the foreseeable future, the Company is of the view that it is unlikely for them to be able to generate sufficient revenue to cover their respective operating expenses or their respective other liabilities. In the circumstances, the Board considers the voluntary liquidation of Eqmen and Beijing Star Engine is appropriate to reduce its losses and reallocate the resources and management effort to the Group’s other existing businesses, as well as to explore further business opportunities should any arise. As such, the Board considers that the voluntary liquidation of Eqmen and Beijing Star Engine is in the interest of the Company and its shareholders as a whole.

After completion of the voluntary liquidation, Eqmen and Beijing Star Engine will cease to be subsidiaries of the Company and their financial position and results will be deconsolidated from that of the Company. The Board does not expect that the voluntary liquidation of Eqmen and Beijing Star Engine will have any material adverse impact on the financial results and position of the Group.

The Company will keep its shareholders and potential investors informed of any significant development and further announcement will be made by the Company as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Culturecom Holdings Limited
Kwan Kin Chung
Managing Director

Hong Kong, 15 June 2023

As of the date of this announcement, the Board comprises Mr. Kwan Kin Chung and Mr. Yuen Kin as executive Directors; Mr. Wong Kon Man Jason (Chairman) and Dr. Liu Ka Ying Rebecca (Vice Chairman) as non-executive Directors; and Mr. Wong Kwan Kit, Mr. Fan Chun Wah Andrew and Mr. Mung Yat Lik as independent non-executive Directors.

* *for identification purpose only*