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承兴国际控股有限公司

Camsing International Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2662)

DISCLOSEABLE TRANSACTION PROPOSED ACQUISITION OF POW! ENTERTAINMENT, INC.

THE MERGER AGREEMENT

It is proposed that POW! Entertainment, a US public company formed under the laws of Delaware and the shares of which are traded on the OTC Pink Market, be taken private by way of the Merger. Pursuant to the Merger Agreement dated 5 May 2017 among First Creative, Merger Sub and POW! Entertainment, (i) Merger Sub will be merged with and into POW! Entertainment as the surviving entity, (ii) POW Entertainment will be solely owned by First Creative; and (iii) First Creative will pay the Gross Consideration of USD\$11,500,000, which will be applied first to obligations of POW! Entertainment, including a reserve for potential liabilities, with the balance being paid to POW! Entertainment's stockholders.

LISTING RULES IMPLICATIONS

As Merger Sub is a direct wholly-owned subsidiary of First Creative, which is in turn an indirectly wholly-owned subsidiary of the Company, the entering into of the Merger Agreement shall also be a transaction of the Company under Chapter 14 of the Listing Rules as the definition of "listed issuer" under the Listing Rules shall include the listed issuer's subsidiaries.

The Merger constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules on the basis that the relevant percentage ratio(s) of the Company exceeds 5% but is below 25%.

AS COMPLETION IS SUBJECT TO THE FULFILMENT (OR IF APPLICABLE, WAIVER) OF THE CONDITIONS, THE MERGER MAY OR MAY NOT PROCEED. THE ISSUE OF THIS ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE MERGER WILL BE IMPLEMENTED OR COMPLETED. SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 5 May 2017 pending the publication of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 8 May 2017.

PROPOSED ACQUISITION

The shares in POW! Entertainment are traded on the OTC Pink market. In January 2017, POW! Entertainment filed a form with the United States Securities and Exchange Commission to terminate its registration under the United States Securities Exchange Act of 1934, with the result that POW! Entertainment is no longer a reporting company. Pursuant to the Merger Agreement, as a result of the Merger, the stock of POW! Entertainment will no longer be publicly traded and all of the stock of POW! Entertainment will be privately owned by First Creative. The Merger is proposed to proceed by way of a business combination transaction between Merger Sub, which is wholly-owned by First Creative and in turn indirectly wholly-owned by the Company, and POW! Entertainment in accordance with the terms and conditions of the Merger Agreement entered into among First Creative, Merger Sub and POW! Entertainment on 5 May 2017, pursuant to which Merger Sub will, subject to the Conditions, merge with and into POW! Entertainment with POW! Entertainment surviving the Merger and becoming a wholly-owned subsidiary of First Creative, and the Company will in turn indirectly hold the entire shareholding interests in POW! Entertainment.

The Merger Agreement

On 5 May 2017, First Creative, Merger Sub and POW! Entertainment entered into the Merger Agreement, pursuant to which, among other things, Merger Sub will be merged with and into POW! Entertainment, with POW! Entertainment being the surviving entity of the Merger and becoming a wholly-owned subsidiary of First Creative. Upon Completion, the shares in POW! Entertainment will cease to be traded on the OTC Pink Market.

The principal terms of the Merger Agreement are set out below:

- Date** : 5 May 2017
- Parties** : (i) First Creative, an indirect wholly-owned subsidiary of the Company
- (ii) Merger Sub, a wholly-owned subsidiary of First Creative
- (iii) POW! Entertainment, a US public company which shares are traded on the OTC Pink Market

Gross Consideration

: US\$11,500,000 payable by First Creative

The Gross Consideration was determined after arm's length negotiation among First Creative, Merger Sub and POW! Entertainment with reference to the review of the prospects of the business of POW! Entertainment by the Company, the intellectual property rights created by Mr. Stan Lee and assigned to POW! Entertainment, and the recognition of Mr. Stan Lee in the comic book industry

Conditions

: Completion is subject to satisfaction or waiver of the following conditions on or prior to the Completion Date:

- (a) the Merger having been approved by the holders of a majority of the issued and outstanding shares of the POW! Entertainment Common Stock for the adoption of the Merger Agreement; and
- (b) no judgment, ruling, order, writ, injunction or decree ("**Judgement**") of any federal, state, local or foreign governmental or regulatory authority (a "**Governmental Authority**") having been issued by a court of competent jurisdiction or by a Governmental Authority, nor any federal, state, local or foreign statute, law, ordinance, rule or regulation ("**Law**") or other legal restraint or prohibition of any Governmental Authority, shall be in effect that would make the Merger illegal or otherwise prevent the consummation thereof, provided that the party seeking to assert such condition shall have used those efforts required to resist, lift or resolve such Judgement, Law or other legal restraint or prohibition;
- (c) the representations and warranties of POW! Entertainment under the Merger Agreement remaining true and correct in all material respects as of the Completion Date and POW! Entertainment have performed and complied in all material respects with all covenants to be performed by it prior to the Completion Date, and First Creative have received the certificate of POW! Entertainment's chief executive officer;

- (d) the audited financial statements of POW! Entertainment for the year ended 31 December 2016 not reflecting a material adverse change in the consolidated financial position of the POW! Entertainment Group or the results of its operations or cash flows from that shown on the unaudited financial statements of POW! Entertainment for the year ended 31 December 2016 and not contain any qualified, adverse or disclaimer opinion other than with respect to POW! Entertainment's ability to continue as a going concern;
- (e) the POW! Entertainment Group shall have received a general release from Silver Creek Pictures, Inc. related to the overhead/"housekeeping"/funding agreements between POW! Entertainment and Silver Creek Pictures, Inc.;
- (f) First Creative's due diligence into the affairs of the POW! Entertainment Group not (i) disclosing any material adverse information not previously disclosed; or (ii) disclosing any restriction or limitation that will prevent the performance by Mr. Stan Lee and Mr. Gill Champion of their respective existing employment agreements and the Employment Agreements;
- (g) Mr. Stan Lee and Mr. Gill Champion having executed the Employment Agreements and neither of them shall be in violation of any of the provisions of his Employment Agreement, Voting Agreement, Equity Agreement or existing employment agreement;
- (h) Mr. Stan Lee and Mr. Gill Champion having entered into an option and indemnification agreement pursuant to which they each receive an option to purchase a 7.5% equity interest in POW! Entertainment following the Merger, which, when exercised, will provide Mr. Stan Lee and Mr. Gill Champion with a total of 15% equity interest in POW! Entertainment, with First Creative holding the remaining 85%.

- (i) no event, condition, change, occurrence or development has occurred that, individually or in aggregate, has had or would reasonable be expected to have a material adverse effect on the business, operations, assets, liabilities, conditions or results of the POW! Entertainment Group, the ability of POW! Entertainment to perform its obligations under the Merger Agreement or to consummate the Merger, or any contractual restriction which affect the ability of Mr. Stan Lee or Mr. Gill Champion to perform their obligations under their Employment Agreements or existing employment agreements with the POW! Entertainment Group;
- (j) the Surviving Corporation having no obligations under any outstanding options, warrants or rights to purchase an aggregate of 350,000 shares in POW! Entertainment Common Stock; and
- (k) the representations and warranties of First Creative under the Merger Agreement remaining true and correct in all material respects as of the Completion Date and First Creative and Merger Sub having performed and complied in all material respects with all covenants to be performed by it prior to the Completion Date.

First Creative may waive any of the Conditions (c) to (i) above whereas POW! Entertainment may waive Condition (j) above.

Completion and termination : If all the Conditions are satisfied or otherwise waived (as the case may be) on or before the Outside Date, Completion shall take place on the Completion Date.

If any of the Conditions are not satisfied or otherwise waived (as the case may be) on or before the Outside Date, the parties shall not be obliged to proceed to Completion, and the Merger Agreement shall become null and void and no party shall have any claim against other parties except in respect of claims arising out of any deliberate material breach of the Merger Agreement.

Effects of Merger

- : (a) Upon Completion, all issued and outstanding shares of POW! Entertainment Common Stock and all the issued and outstanding options, warrants and other rights to acquire the same immediately prior to the Effective Time will be cancelled and converted into the right to receive the Merger Consideration. The Merger Consideration will be distributed to the holders of such POW! Entertainment Common Stock, options, warrants and rights by the transfer agent for the POW Entertainment Common Stock.
- (b) Upon Completion, Merger Sub will merge with and into POW! Entertainment with POW! Entertainment surviving the Merger and becoming a wholly-owned subsidiary of First Creative.

Effective Time

- : As soon as practicable after Completion, First Creative, Merger Sub and POW! Entertainment shall file with the Secretary of State of the State of Delaware a certificate of merger with respect to the Merger and all other filings or recordings required under the Delaware law to effect the Merger. The Merger shall be consummated and effective at 11:59 p.m. (Pacific time) on the date the certificate of merger is filed and shall not be later than the Business Day following the Completion Date.

The Voting Agreement

To induce First Creative, Merger Sub and POW! Entertainment to enter into the Merger Agreement and conduct the Merger, Mr. Stan Lee and Mr. Gill Champion and two trusts (being stockholders of POW! Entertainment) have entered into the Voting Agreement with First Creative and Merger Sub on 5 May 2017, pursuant to which they agreed to, among others, vote their shares in POW! Entertainment in favour of the approval of the Merger Agreement.

Agreements with Mr. Stan Lee and Mr. Gill Champion

To induce Mr. Stan Lee and Mr. Gill Champion to continue providing services to the Surviving Corporation after Completion, each of Mr. Stan Lee and Mr. Gill Champion will, prior to the Completion Date, enter into an employment agreement and an equity and indemnity agreement (each in form and substance acceptable to First Creative) with POW! Entertainment.

Pursuant to the Equity Agreement, POW! Entertainment shall grant each of the Mr. Stan Lee and Mr. Gill Champion or their designees a three-year Option to purchase 75,000 shares of common stock of POW! Entertainment, representing a 7.5% equity interest in POW! Entertainment as employees or consultants on terms and conditions agreed to by the parties, with the result that, if the Option is exercised, they will own a 15% interest in POW! Entertainment with First Creative holding the remaining 85%. The Option may be exercised by at any time during the three-year period commencing at the Effective Time as long as Mr. Stan Lee or Mr. Gill Champion, as the case may be, is either employed or engaged as a consultant by POW! Entertainment or any affiliate of POW! Entertainment.

REASONS FOR AND BENEFIT OF THE MERGER

The Group is principally engaged in the pan-entertainment business, including but not limited to (i) development, management and licensing of intellectual properties; (ii) sale and promotion of intellectual properties derivative products; (iii) organisation and operation of sports and entertainment events; and (iv) operation of tourism projects.

Mr. Stan Lee, the founder of POW! Entertainment, was previously the president and chairman of Marvel Comics and has a proven track record of success in the creation and development of intellectual properties. The Group believes his creativity and experience will also be valuable assets for the Group.

The Directors are of the view that the Merger would (i) produce significant synergy by combining POW! Entertainment's intellectual property, including intellectual property developed by Mr. Stan Lee, who created many iconic figures for Marvel Inc, and the Company's strong China onshore licensing and intellectual properties distribution capability; (ii) use the Company's capabilities to improve and promote the Group's business of developing, managing and licensing of intellectual properties, particularly in Asia; (iii) expand the geographical coverage of the Group's operations into the US; and (iv) expand the intellectual property portfolio of the Group significantly by including all intellectual properties held by POW! Entertainment and as such enhance the earning base of the Group; (iv) further develop comic publishing and movie sector in China market by leveraging the Pow's intellectual properties created by Mr. Stan Lee and any additional intellectual property that may be generated subsequent to the completion of the Merger. As the terms of the Merger Agreement have been agreed upon arm's length negotiations between the parties thereto, the Directors (including the independent non-executive Directors) are of the view that the terms of the Merger Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY, FIRST CREATIVE, MERGER SUB AND POW! ENTERTAINMENT

The Company

The Company is an exempted company incorporated in the Cayman Islands with limited liability and listed on the Stock Exchange. The principal business activity of the Company is conducting pan-entertainment business, including but not limited to (i) development, management and licensing of intellectual properties; (ii) sale and promotion of intellectual properties derivative products; (iii) organisation and operation of sports and entertainment events; and (iv) operation of tourism projects. The Group is also engaged in the electronics manufacturing business.

First Creative

First Creative is an investment holding company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.

Merger Sub

Merger Sub is an investment holding corporation formed under the laws of Delaware for the sole purpose entering into the Merger Agreement and is a wholly-owned subsidiary of First Creative.

POW! Entertainment

POW! Entertainment is a US public company formed under the laws of Delaware and the shares of which are traded on the OTC Pink Market as at the date of this announcement. It is no longer a reporting company in the United States and it is not subject to the reporting and other requirements of the Securities Exchange Act of 1934. As a result, there is no current publicly available information concerning POW! Entertainment. It is a multimedia production and licensing company that creates and licenses animated and live-action fantasy and superhero entertainment content and merchandise, leveraging the creative output and brand image of Mr. Stan Lee. POW! Entertainment develops Mr. Stan Lee originally created projects for traditional entertainment media such as feature length films in both live action and animation, DVD, live entertainment, television programming, merchandising and new media such as on-line digital content and video games. It is primarily engaged in the business of (i) creating project concepts; (ii) identifying selected partners willing to participate in, and/or finance, the development of POW! Entertainment's projects; (iii) identifying talented and suitable writers to write scripts for POW! Entertainment's projects; and (iv) negotiating agreements for the production of such projects.

To the best of the knowledge, information and belief of the Directors, POW! Entertainment is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

The following is the consolidated financial information of POW! Entertainment as extracted from its audited financial statements for the years ended 31 December 2014 and 2015 respectively:

	For the year ended 31 December 2014 US\$ (audited)	For the year ended 31 December 2015 US\$ (audited)
Revenue	2,395,243	2,214,642
Net loss (before taxation)	83,763	174,518
Net loss (after taxation)	94,713	187,367
Net assets	(4,785,624)	(4,989,465)

LISTING RULES IMPLICATIONS

As Merger Sub is a wholly-owned subsidiary of First Creative, which is in turn an indirect wholly-owned subsidiary of the Company, the entering into of the Merger Agreement shall also be a transaction of the Company under Chapter 14 of the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Merger constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules on the basis that the relevant percentage ratio(s) of the Company exceeds 5% but is below 25%.

GENERAL

As Completion is subject to the fulfilment (or if applicable, waiver) of the Conditions, the Merger may or may not proceed. The issue of this announcement does not in any way imply that the Merger will be implemented or completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 5 May 2017 pending the publication of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 8 May 2017.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	any day (not being a Saturday, a Sunday and a public holiday) on which licensed banks in US are generally open for business throughout their normal business hours
“Completion”	completion of the Merger
“Completion Date”	a Business Day within the two Business Days after the day on which the last of the Conditions is satisfied or waived or such other date as the parties to the Merger Agreement may agree in writing, which in any event shall not be later than the Outside Date
“Condition(s)”	condition(s) precedent to Completion, as more particularly set out in the part headed “The Merger Agreement – Conditions” of this announcement

“Director(s)”	director(s) of the Company
“Employment Agreement(s)”	the employment agreement(s) to be entered into by POW! Entertainment with each of the Key Persons before the Completion Date
“Equity Agreement(s)”	the equity and indemnification agreement entered into among POW! Entertainment, First Creative, Mr. Stan Lee and Mr. Gill Champion on 5 May 2017 in relation to, among other things, the granting of Options to each of Mr. Stan Lee and Mr. Gill Champion
“First Creative”	First Creative International Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Gross Consideration”	the consideration in the amount of US\$11,500,000 payable by Merger Sub under the Merger Agreement, as more particularly set out in the part headed “The Merger Agreement – Gross Consideration” of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Key Persons”	Mr. Stan Lee and Mr. Gill Champion
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Merger”	the merger of Merger Sub with and into POW! Entertainment with POW! Entertainment being the surviving entity and a wholly-owned subsidiary of First Creative
“Merger Agreement”	the agreement and plan of merger dated 5 May 2017 entered into among First Creative, Merger Sub and POW! Entertainment in relation to the Merger
“Merger Consideration”	an amount equal to the Gross Consideration subtracting a sum equal to the total liabilities of POW! Entertainment, potential liability to stockholders exercising their right of appraisal under Delaware law, and a reserve for undisclosed liabilities as at the Completion Date

“Merger Sub”	Camsing Entertainment International, Inc., a corporation formed under the laws of Delaware and is a wholly-owned subsidiary of First Creative
“Mr. Gill Champion”	Mr. Gill Champion, the president, director and chief executive officer of POW! Entertainment
“Mr. Stan Lee”	Mr. Stan Lee, the founder, chairman, director and chief creative officer of POW! Entertainment
“Option(s)”	the three-year option(s) granted pursuant to the Equity Agreement to each of the Key Persons to purchase 75,000 shares of common stock of the Surviving Corporation for a total purchase price of US\$100
“OTC Pink Market”	The OTC Pink Market in the US
“Outside Date”	30 June 2017
“POW! Entertainment”	POW! Entertainment, Inc., a US public company formed under the laws of Delaware and the shares of which are traded on the OTC Pink Market as at the date of this announcement, and the Surviving Corporation after the Merger
“POW! Entertainment Board”	the board of directors of POW! Entertainment
“POW! Entertainment Common Stock”	shares in common stock of POW! Entertainment
“POW! Entertainment Group”	POW! Entertainment and its subsidiaries
“Shareholders”	the holder(s) of Shares
“Share(s)”	issued ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Surviving Corporation”	POW! Entertainment, which will continue as the surviving corporation as a result of the Merger
“US”	United States of America
“US\$”	United States dollars, the lawful currency of the US

“Voting Agreement”

the voting agreement dated 5 May 2017 and entered into among Mr. Stan Lee, Mr. Gill Champion and two trusts (being stockholders of POW! Entertainment), First Creative and Merger Sub, pursuant to which Mr. Stan Lee, Mr. Gill Champion and two trusts agreed to, among other things, vote their shares in POW! Entertainment in favour of the approval of the Merger Agreement

“%”

per cent

By order of the Board of
Camsing International Holding Limited
Lo Ching
Chairman and Executive Director

Hong Kong, 5 May 2017

As at the date of this announcement, the Board comprises Ms. Lo Ching and Ms. Liu Hui as the executive directors and Mr. Lei Jun, Mr. Ross Yu Limjoco and Mr. Zheng Yilei as independent non-executive directors.