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**CHINA CREATIVE GLOBAL HOLDINGS LIMITED (the “Company”)
中創環球控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1678)*

DECONSOLIDATION OF SUBSIDIARIES OF THE GROUP

This announcement is made by China Creative Global Holdings Limited (the “Company”) pursuant to Rule 13.25 of the Main Board Listing Rules made by the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made for the Company’s announcements dated 5 May 2021, 11 May 2021, 21 June 2021 and 6 July 2021 (the “Announcements”), in relation to, among other things, the investigation in relation to the transfers of the subsidiaries (the “Transactions”) under Allen International Holdings Limited (“Allen International”) and the suspension of duties of executive directors and independent and non-executive director, and setting up of an investigation committee to investigate the Transactions. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

As mentioned in the Announcements, the relevant subsidiaries were transferred to an independent third party on 16 November 2020 and as such, the Company’s current Board members are not able to obtain sufficient accounting information for these subsidiaries either from the books and records and relevant supporting documents (e.g. bank statements and vouchers)(“Books and Records”), or from the suspended directors and/or Mr. Chen Fanglin (the Company’s former chairman, executive director) to carry out the Company’s audit works and to make any management representation for the Company’s behalf for the year ended 31 December 2019. As such, the Company is not able to prepare the consolidated financial statements of the Group for the year ended 31 December 2019 involving the financial information of the relevant subsidiaries.

In view of the above situation, due to the geographical constraint and outbreak of COVID-19 virus, the Board’s members are not able to physically inspect these subsidiaries and therefore, the Board has engaged a legal adviser in the PRC to perform a due diligence investigation so as to obtain more information about the Transactions and the present situations about the subsidiaries. Nevertheless, the legal adviser has reverted to the Board that he is not able to obtain further information thereabout and the Company is not able to exercise its control over the subsidiaries.

Moreover, although the Company has taken various legal actions in order to recover the subsidiaries to the Group (e.g. by reporting the incidents to the regulatory authorities), in view of the above circumstances, the Board is of the view that the Company has currently lost controls to the assets and operations of the relevant subsidiaries or to exercise the decision-making rights over the subsidiaries. Therefore, the Board considers that the relevant PRC subsidiaries be deconsolidated effective from the second half of the year of 2019 (i.e. 1st July 2019), on the basis that the Books and Records for audit purposes are not fully and completely obtainable.

The Subsidiaries are engaged in the Group's trading of electric fireplaces, air purifiers and home decor products, which are almost fully accounted for of the Group's total revenue for the financial year ended 31 December 2018 and nearly accounts of the Group's total assets as at 31 December 2018. The Deconsolidation would result in a Deconsolidation of assets, liabilities and certain reserves in the financial statements of the Subsidiaries, which would lead to a substantial loss to the Group. As such, the Board expects that the Deconsolidation would have a significant impact on the financial statements of the Group for year ended 31 December 2019. Based on the preliminary discussions with the Auditors, there is a reasonable likelihood that the consolidated financial statements of the Group for year ended 31 December 2019 will be qualified in respect of the financial results of the Subsidiaries and the net assets of the Subsidiaries attributable to the Group will be considered written off. As at the date of this announcement, the Company is in the course of quantifying the financial impacts of the Deconsolidation on the Group with the assistance of the Auditors.

As mentioned above, the Board has taken serious actions to recover and regain control over the subsidiary companies and/or to recover the losses from the Transactions. The Board is also currently working hard to look for new businesses to maintain and sustain the Company's operations. In the meantime, the Board is the course of engaging an internal control reviewer/compliance officer to review and to improve the relevant internal controls of the Group in place. Further announcements shall be released once the above steps and measures have material or significant progresses be achieved.

CONTINUED SUSPENSION OF TRADING

Trading in the Company's shares has been suspended since 1 September 2020 pending the fulfillment of all the resumption conditions set out in the letters from the Stock Exchange. The Company is working closely with its professional advisers towards the resumption of trading in the Shares as soon as possible.

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

By order of the Board
China Creative Global Holdings Limited
Mr. Wu Ming Fat, Simon
Chairman

Hong Kong, 18 August 2021

As at the date of this announcement, the executive directors of the Company are Mr. Wu Ming Fat, Simon, Ms. Ching Wan Wah, Kitty, Mr. Shen Jianzhong (Suspended), Mr. Zhang Zhisen, Mr. Wu Ming Chit William, Ms. Li Lai Ying and Mr. Zheng Hebin (Suspended); and the independent non-executive director of the Company are Mr. Huang Songqing (Suspended), Mr. Chan Yui Hang and Mr. Wong Shun Ching.