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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)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF 51% OF THE ISSUED SHARE CAPITAL OF THE
TARGET COMPANY INVOLVING THE ISSUE OF
CONVERTIBLE BONDS UNDER GENERAL MANDATE**

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 15 October 2021 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor and the Guarantor, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Shares (which represent 51% of the issued share capital of the Target Company) for the Consideration of HK\$5,000,000, which shall be satisfied by the issue of the Convertible Bonds in three tranches to the Vendor by the Company.

As at the date of this announcement, the Target Company is owned as to 51% and 49% by the Vendor and the individual shareholder, respectively. Upon the Completion, the Target Company will be owned as to 51% and 49% by the Purchaser and the individual shareholder, respectively, and will become an indirect subsidiary of the Company. As a result, the financial results of the Target Group will be consolidated into the consolidated financial statements of the Company.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion of the Acquisition is subject to fulfilment of the Conditions Precedent under the Sale and Purchase Agreement. As the Acquisition may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 15 October 2021 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor and the Guarantor, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Shares (which represent 51% of the issued share capital of the Target Company). The Project Company is indirectly wholly-owned by the Target Company.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follows:

- Date 15 October 2021 (after trading hours)
- Parties (i) CHINA CREATIVE GLOBAL HOLDINGS LIMITED (中創環球控股有限公司), as the Purchaser
- (ii) Mr. Yip Chong Dar, Peter, as the Vendor, who holds 100% direct interest and shareholding of the Target Company before this Sale and Purchase
- (iii) Golden Future Industrial Limited (德隆貿易有限公司), as the Target Company.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is an Independent Third Party.

Subject matter

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Shares. The Target Shares represent 51% of the issued share capital of the Target Company as at the date of this announcement.

Consideration

The Consideration for the Acquisition payable by the Purchaser is HK\$5,000,000, which shall be satisfied by issuance of the Convertible Bonds that the principal amount of which is an equivalent to HK\$5,000,000 to the Vendor upon the Completion.

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Vendor and the Company with reference to the future prospects of the Target Group. Further, as stated in the paragraph headed "The Sale and Purchase Agreement - Conditions Precedent" below, the Purchaser would obtain a valuation report (in the form and substance reasonably satisfactory to the Purchaser) from an independent professional valuer appointed by the Purchaser and the Completion shall be conditional on 51% of the aggregate of the valuation of 100% equity interests of the Target Company and the unaudited consolidated net asset value of the Target Group as at 30 September 2021 being not less than the Consideration. If such a valuation report, once finalised, contains a profit forecast, the Company will issue further announcement(s) in compliance with Rules 14.60A and 14.62 of the Listing Rules.

Based on the aforesaid, the Directors are of the view that the Consideration is fair and reasonable and on normal commercial terms and that the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

The Convertible Bonds

The principal terms of the Convertible Bonds are summarised below:

Principal amount:	HK\$5,000,000 to be issued
Maturity date:	one year from the date of issue of the Convertible Bonds
Interest rate:	the Convertible Bonds bear interest at 1.5% per annum
Conversion period:	the conversion into the Conversion Shares shall be made from the period commencing on the respective dates of issue of the Convertible Bonds and expiring on the respective maturity dates
Conversion Price:	HK\$0.05 per Conversion Share, subject to adjustments by the adjustment provisions summarised below. The Conversion Price represents 20% premium on the closing price of HK\$0.04 per Share as quoted on Stock Exchange on the date of the Sale and Purchase Agreement; The Conversion Price was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the prevailing market price and recent trading performance of the Shares.
Conversion Shares:	Based on the Conversion Price of HK\$0.05, a maximum of 100,000,000 Conversion Shares will be issued, representing approximately 4.61% of the existing issued share capital of the Company as at the date of this announcement and approximately 4.41% of the Company's issued share capital as enlarged by the issue of the Conversion Shares.

- Redemption at maturity: Unless previously redeemed by the Company or converted for the Conversion Shares, at maturity, the Company shall be entitled to redeem the outstanding principal amount of the Convertible Bonds or require the holder(s) of the outstanding Convertible Bonds to exercise the conversion rights.
- Transfer restrictions: Holder(s) of the Convertible Bonds may freely transfer the Convertible Bonds to the transferee other than to connected person(s) of the Company subject to compliance with any applicable laws, rules and regulations, and with the prior written consent of the Company.
- Any assignment or transfer of the Convertible Bonds shall be in respect of the whole or any part (in multiples of HK\$1,000,000) of the outstanding principal amount of the Convertible Bonds and the Company shall facilitate any such assignment or transfer of the Convertible Bonds.
- Adjustments to the Conversion Price: The Conversion Price shall from time to time be adjusted upon the occurrence of the following to the extent permitted under the General Mandate:
- (a) consolidation or subdivision of the Shares;
 - (b) capitalisation of profits or reserves (other than in lieu of a cash dividend);
 - (c) capital distribution to the Shareholders;
 - (d) rights issues of the Shares or options over the Shares (at less than 80% of the current market price per Share);
 - (e) rights issues of other securities by the Company; and
 - (f) issue (other than as mentioned in (d) above), or issue or grant (otherwise as mentioned in (d) above) any options, warrants or other rights to subscribe for or purchase any Shares at a price per Share which is less than 80% of the current market price per Shares.

Events of default:

If any of the events specified below occurs, the Company shall on demand of a holder(s) of the Convertible Bonds forthwith redeem the Convertible Bonds and the outstanding principal amount of the Convertible Bonds become immediately payable by the Company:

- (a) the Company or any of its subsidiaries defaults in the performance of or observance of or compliance with any of its obligations under the Sale and Purchase Agreement or the Convertible Bonds which is incapable of being remedied or, if capable of being remedied, is not in the reasonable opinion of the holder(s) of the Convertible Bonds remedied within 14 Business Days after notice of such default is given to the Company by the holder of the Convertible Bonds;
- (b) the Company becomes insolvent or is incapable of repaying its debts when due or the Company consents to the appointment or is being appointed with a receiver, administrator or liquidator to take over the Company's undertaking, assets, properties or revenue in whole or in part, or undergoes reorganisation or delays in performance of its repayment obligation under any applicable laws or enters into a general assignment or compromise for any debt restructuring for the benefit of the creditors (as the case may be);
- (c) a resolution is passed or an order of a court of competent jurisdiction is made that the Company or any of its subsidiaries be wound up, dissolved, liquidated or all or majority of its assets be distributed, other than for the purpose of a consolidation, amalgamation, merger or reorganisation (as the case may be);
- (d) the Company is being wound up or liquidated;
- (e) any declaration, representation and warranty under the Convertible Bonds is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, or there is a material breach by the Purchaser of any warranty or obligation under the Sale and Purchase Agreement;
- (f) any governmental authority or agency seizes, compulsorily purchases or expropriates all or a substantial part of the assets of the Company; or
- (g) it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under the Convertible Bonds.

Application for listing:
Convertible

No application will be made for the listing of the

Bonds on the Stock Exchange or any other stock or securities exchange.

Application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares. The Conversion Shares will be allotted and issued under the General Mandate.

Ranking:

The Conversion Shares shall rank *pari passu* with all other Shares in issue as at the date on which the Conversion Shares are issued and be entitled to all dividends and other distributions the record date of which falls on or after the date on which the Conversion Shares are issued.

Conditions Precedent

Completion is conditional upon the fulfilment of the following conditions:

- (a) completion of due diligence in respect of the Target Group (including due diligence relating to legal and financial matters) by the Purchaser to the satisfaction of the Purchaser;
- (b) all necessary consents, licences and approvals required to be obtained on the part of the Vendor and members of the Target Group in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder have been obtained and remain in full force and effect;
- (c) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder have been obtained and remain in full force and effect;
- (d) the representations and warranties given by the Vendor have remained true and accurate in all respects and not misleading; and
- (e) the Purchaser being reasonably satisfied that there has not been any material adverse change on any member of the Target Group since the date of the Sale and Purchase Agreement;
- (f) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of and permission to deal in all of the Subscription Shares, and such permission not having been subsequently revoked or withdrawn; and
- (g) the Resumption Plan having been submitted to the Stock Exchange and the Company having satisfied all resumption conditions

Completion

Completion shall take place within five business days after the date of fulfilment of the Conditions Precedent (or such later date as the Purchaser and the Vendor may agree).

Upon the Completion, the Company will indirectly hold a total of 51% of the issued share capital of the Target Company. As a result, the financial results of the Target Group will be consolidated into the consolidated financial statements of the Company.

INFORMATION ON THE VENDOR AND THE TARGET COMPANY

Information on the Vendor

The Vendor is a businessman residing in Hong Kong. He is an independent third party to the Company's management and major shareholders. Before the Sale and Purchase transaction, he does not hold any shares of the Company.

Information on the Target Company

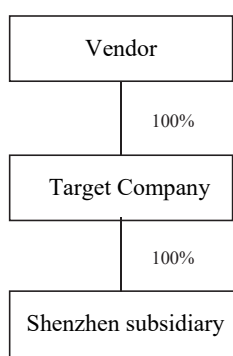
The Target Company is a company incorporated under the laws of Hong Kong on 16 September 1988. The Target Company is principally engaged in manufacturing and trading of artificial flowers and decoration for Christmas.

The Target Company has a wholly owned subsidiary in Shenzhen of the PRC carrying business of design and develop gifts and artworks.

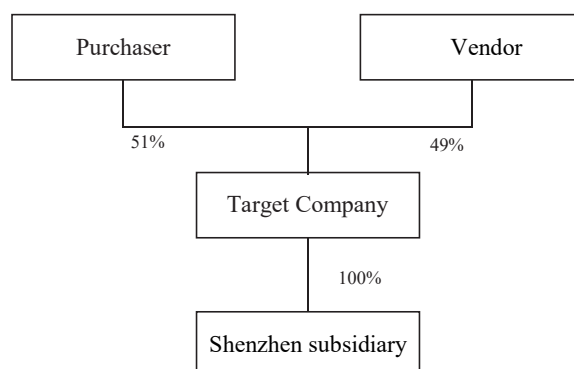
As at the date of this announcement, (i) the Target Company is wholly owned by the Vendor and (ii) to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Vendor is an Independent Third Party.

Shareholding structure of the Target Group

Set out below is the shareholding structure of the Target Group as at the date of this announcement:



Set out below is the shareholding structure of the Target Group immediately following the Completion:



Financial information of the Target Group

Set out below is a summary of the financial information of the Target Group for the year ended 31 March 2020 and 2021:

	For the year ended 30 March 2021	For the year ended 30 March 2020
	<i>HK\$</i> (unaudited)	<i>HK\$</i> (audited)
Revenue	30,639,686	43,228,794
Profits before taxation	1,885,606	2,017,294
Profits after taxation	1,730,043	1,809,466

As at 31 March 2021, the unaudited net assets of the Target Group was approximately HK\$1 million.

GENERAL MANDATE TO ISSUE THE CONVERSION SHARES

The Conversion Shares will be issued and allotted under the General Mandate. The General Mandate entitles the Directors to issue, allot and deal with up to 434,000,000 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM. Since the date of the AGM and up to and including the date of this announcement, no Shares have been allotted and issued under the General Mandate.

Accordingly, the General Mandate is sufficient for the allotment and issue of the Conversion Shares and the allotment and issue of the Conversion Shares is not subject to approval of the Shareholders.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 2,170,000,000 Shares in issue. Assuming there are no other changes to the issued share capital of the Company, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately following issue of the Convertible Bond and assuming full conversion of the Convertible Bond into Conversion Shares.

	<i>As at the date of this announcement</i>		<i>Immediately following issue of the Convertible Bond and assuming full conversion of the Convertible Bond into Conversion Shares</i>	
	No of shares	Approximate %	No of shares	Approximate %
Zhongtai International Securities Limited	1,091,709,180	50.31%	1,091,709,180	48.09%
Vendor	0	0	100,000,000	4.41%
Other Shareholders	1,078,290,820	49.69%	1,078,290,820	47.50%
Total	<u>2,170,000,000.00</u>	<u>100%</u>	<u>2,270,000,000</u>	<u>100%</u>

REASONS OF THE ACQUISITION

The Company is principally carrying business of design, development, manufacture and sales of home decor products. Based on the Target Company's audited financial statements, it is the understanding of the Board members that Target Company shall generate significant positive cash flows from its business operations to finance and maintaining the Company's ongoing operations. Moreover, Target Company is principally engaged in trading of artificial flowers and decoration for Christmas to Europe, USA and Hong Kong markets and therefore, is in line with the Company's principal businesses.

Furthermore, as the Consideration is satisfied through the issue of the Convertible Bonds, there is no immediate cashflow burden on the Group.

Based on the above, the Board is of the view that this acquisition will maximise the future contribution to the Company and is in the interest of the Company and the shareholders of the Company as a whole.

Therefore, the Board considers that the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and the Acquisition is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcements requirement under Chapter 14 of the Listing Rules.

Completion of the Acquisition is subject to fulfilment of the Conditions Precedent under the Sale and Purchase Agreement. As the Acquisition may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

"Acquisition"	the proposed acquisition of the Target Shares pursuant to the terms and conditions of the Sale and Purchase Agreement
"AGM"	the annual general meeting of the Company held on 29 May 2019
"Business Day(s)"	a day (excluding Saturday, Sunday, public holiday and any day on which "extreme conditions" caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
"Company"	China Creative Global Holdings Limited (中創環球控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 1678)
"Completion"	completion of the Acquisition in accordance with the Sale and Purchase Agreement
"Conditions Precedent"	the conditions precedent to the Completion, as more particularly set out under the paragraph headed "The Sale and Purchase Agreement - Conditions Precedent" in this announcement
"Connected Person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the consideration of HK\$5,000,000 for the Acquisition
"Conversion Price"	the conversion price of HK\$0.050 per Conversion Share of the Convertible Bonds (subject to adjustment as set out in and in accordance with the terms and conditions of the Convertible Bonds)
"Conversion Shares"	a maximum of 100,000,000 new Shares to be allotted and issued by the Company upon conversion of the Convertible Bonds at the Conversion Price

"Convertible Bonds"	Convertible bonds issued by the Company
"Directors"	the directors of the Company
"General Mandate"	the mandate granted to the Directors by the Shareholders at the AGM to issue, allot and deal with up to 20% of the issued share capital of the Company as at the date of the AGM
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	party(ies) independent of and not connected with the Company and its connected persons
"Vendor"	Mr. Yip Chong Dar, Peter
"the Exchange"	The Stock Exchange of Hong Kong Limited

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, 15 October 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.