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**CHINA CREATIVE GLOBAL HOLDINGS LIMITED**

**中創環球控股有限公司**

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

*(Stock Code: 1678)*

**SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

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On 28 October 2021 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 50,000,000 Subscription Shares at the Subscription Price of HK\$0.05 per Subscription Share.

The Subscription Shares represent approximately 2.30% of the existing issued share capital of the Company as at the date of this announcement and approximately 2.25% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming no issue, repurchase, or conversion of Shares, other than the issue of the Subscription Shares). The Subscription Shares to be subscribed under the Subscription Agreement will be issued under the General Mandate.

The Subscription Price of HK\$0.05 per Subscription Share represents

- (i) a premium of approximately 25.00% to the closing price of HK\$0.04 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) the same with the conversion price of the convertible bonds formerly issued and subscribed on 15 October 2021 (please refer to the Company's announcement 15 October 2021).

The total Subscription Price (without any deduction or set off) of the Subscription will be approximately HK\$2.5million.

The Company intends to apply the net proceeds from the Subscription for the general working capital of the Group.

**The Completion of the Subscription shall be subject to the fulfilment of the following conditions: -**

- a. the meetings of the Creditors having approved the Schemes to settle the debts with the Creditors;
- b. the final sanctions from the High Court of Hong Kong and Cayman Islands on the Schemes having been obtained (to the extent necessary);
- c. the conditions precedent to the implementation of the Schemes having been fulfilled or waived (as the case may be) ;
- d. all winding up petition(s) against the Issuer having been unconditionally withdrawn or dismissed.
- e. 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
- f. the proposal for the resumption of trading of Shares having been submitted to the Stock Exchange and confirmation from the Stock Exchange that the Company has satisfied all resumption conditions.

**As completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 28 October 2021 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 50,000,000 Subscription Shares at the Subscription Price of HK\$0.05 per Subscription Share (i.e. Total consideration HK\$2,500,000).

### **General Mandate**

Under the General Mandate, the Company is authorised to issue up to 434,000,000 Shares. Up to the date of this announcement, except that there was 100,000,000 Conversion Shares under the Convertible Bonds issued on 15 October 2021, no Shares have been issued under the General Mandate and thus, the maximum number of new Shares which could be issued by the Company under the General Mandate is 334,000,000 Shares. As such, the General Mandate is sufficient for allotment and issue of 50,000,000 Subscription Shares in this subscription. Accordingly, the issue of

the Subscription Shares is not subject to the approval of the Shareholders.

Set out below is a summary of the principal terms of the Subscription Agreement:

## **THE SUBSCRIPTION AGREEMENT**

Date: 29 October 2021 (after trading hours)

Parties: (a) The Company  
(b) The Subscriber

The Subscriber is a Hong Kong resident, Mr. YU Shiu Kei (“Mr. Yu”) who is a sophisticated investor with extensive experience in carrying out trading businesses. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Subscriber and is an Independent Third Party.

### **Number of Subscription Shares**

The Subscription Shares represent approximately 2.30% of the existing issued share capital of the Company as at the date of this announcement and approximately 2.25% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming no issue, conversion of shares, or repurchase of Shares other than the issue of the Subscription Shares). The Subscription Shares to be subscribed under the Subscription Agreement will be issued under the General Mandate. The aggregate nominal value of the Subscription Shares is HK\$2,500,000.

### **Ranking of the Subscription Shares**

The Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares then in issue.

### **Subscription Price**

The Subscription Price for the Subscription Shares is HK\$0.05 per Subscription Share and represents:

- (i) a premium of approximately 25% to the closing price of HK\$0.04 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) the same with the conversion price of the convertible bonds formerly issued and subscribed on 15 October (please refer to the Company’s announcement 15 October 2021).

The Subscription Price was determined after arm’s length negotiations between the Company and the Subscriber with reference to the prevailing market price of the Shares. The Directors consider that the Subscription Price is fair and reasonable and in the

interests of the Company and the Shareholders as a whole.

### **Conditions of the Subscription Agreement**

Completion of the Subscription Agreement is conditional upon fulfillment of the following conditions:-

- a. the meetings of the Creditors having approved the Schemes to settle the debts with the Creditors;
- b. the final sanctions from the High Court of Hong Kong and Cayman Islands on the Schemes having been obtained (to the extent necessary);
- c. the conditions precedent to the implementation of the Schemes having been fulfilled or waived (as the case may be) (save for the condition that this Agreement having become unconditional);
- d. all winding up petition(s) against the Issuer having been unconditionally withdrawn or dismissed.
- e. 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
- f. the proposal for the resumption of trading of Shares having been submitted to the Stock Exchange and confirmation from the Stock Exchange that the Company has satisfied all resumption conditions.

If any of the above conditions is not fulfilled, the Subscription Agreement shall terminate and none of the parties shall have any claim against the other for costs, damages, compensation or otherwise apart from any antecedent breaches of any provisions thereof.

### **Completion of the Subscription**

Completion of the Subscription Agreement shall take place within three Business Days after the fulfilment of the conditions as set out in the Subscription Agreement or such other date as the Company and the Subscriber may agree in writing.

Application for listing will be made by the Company to the Listing Committee of the Stock Exchange, being initially stated in the resumption proposal and being submitted after the fulfillment of the resumption conditions, for the grant of approval for the listing of, and permission to deal in, the Subscription Shares.

## REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Company is principally carrying business of design, development, manufacture and sales of home decor products. In addition to the acquisition of the Gold Future Industrial Limited on 15 October, 2021, the Company expects to carry out more substantial business in order to fulfil the 13.24 of the Listing Rules and other requirements stated in the Resumption Guidelines. Moreover, the Company's management is planning to offer the Company's creditors a scheme of arrangement to settle the debts therewith ("the Scheme") and therefore, substantial legal and professional fees are expected to be incurred soon.

The total Subscription Price (without any deduction or set off) from the Subscription will be approximately HK\$2.5 million and the net proceeds from the Subscription (after deducting the relevant expenses) will be approximately HK\$2.2 million. The Company intends to apply the net proceeds in the general working capital of the Group.

The Board is of the view that the Subscription will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Subscription will strengthen the Group's financial position for its future development. Accordingly, the Board considers that the Subscription is in the interests of the Company and the Shareholders as a whole.

## EFFECT ON SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Subscription is as follows:

Name of Shareholders	As at the date of this announcement		Immediately after the completion of the Subscription, assuming no conversion shares be issued under the convertible bonds dated 15 October 2021		Immediately after the conversion shares issued under the convertible bonds dated 15 October 2021 and the completion of the Subscription	
	Number of Shares	Approximate %	Number of shares	Approximate %	Number of shares	Approximate %
<b>Substantial Shareholder:</b>						
Mr. Arab, Osman MOhammed and Mr. Lai, Wing Lun (Note)	1,086,725,180	50.08	1,086,725,180	48.95%	1,086,725,180	46.84%
Mr. Yip, Chong Dar, Peter, holder of convertible note issued on 15 October 2021	0	0	0	0.00%	100,000,000	4.31%
<b>The Subscriber</b>	0	0	50,000,000	2.25%	50,000,000	2.16%
<b>Public Shareholders:</b>	1,083,274,820	42.37	1,083,274,820	48.80%	1,083,274,820	46.69%
<b>Total</b>	<u>2,170,000,000</u>	<u>100.00</u>	<u>2,220,000,000</u>	<u>100.00</u>	<u>2,320,000,000</u>	<u>100.00%</u>

Note: Mr. Arab, Osman Mohammed and Mr. Lai, Wing Lun are the joint and several receivers and managers appointed by Win Win Stable No.1 Fund SP (the Company's announcement dated 21 August 2019 refers to).

## EQUITY FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS

The Company has conducted the following fundraising activity in the past twelve (12) months immediately preceding the date of this announcement:

<i>Date of announcement</i>	<i>Fund raising activities</i>	<i>Net proceeds</i>	<i>Intended use of proceeds</i>	<i>Actual use of net proceeds as at this announcement</i>
15 October 2021	Issue of Convertible Bonds under the General Mandate	HK\$5,000,000	For the acquisition of Golden Future Industrial Limited (德隆貿易有限公司)	The same as intended use.

Save as abovementioned, the Company has not conducted any other fundraising activities during the past twelve months immediately preceding the date of this announcement.

## CONTINUED SUSPENSION OF TRADING

Trading in the Shares has been suspended since 1 September 2020 pending the fulfilment of all the resumption conditions set by the Stock Exchange. The Company is working closely with its professional advisers towards the Resumption as soon as possible.

## DEFINITIONS

In this announcement, the following terms shall have the meanings ascribed to them below unless the context otherwise requires:

"AGM"	the annual general meeting of the Company held on 29 May 2019
"Board"	board of Directors
"Business Day(s)"	any day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business
"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)
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"Director(s)"	director(s) of the Company
"General Mandate"	the mandate granted to the Directors by the Shareholders at the AGM of the Company to allot, issue and deal with new shares of the Company up to 20% of the issued Shares as at the date thereof
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China

“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) at par value of HK\$0.0001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. YU Shiu Kei, a Hong Kong resident, the subscriber under the Subscription Agreement, being an independent third party to the Company
“Subscription”	the subscription of the Subscription Shares pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and the Subscriber on 28 October 2021 in respect of the Subscription
“Subscription Price”	HK\$0.05 per Subscription Share
“Subscription Shares”	the 50,000,000 new Shares to be allotted and issued by the Company to the Subscriber or its nominees pursuant to the terms and conditions of the Subscription Agreement
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeover code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.



**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, 31 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, Mr. Wong Shun Ching and Mr. Wong Sik Kei.*