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SUN CHEONG CREATIVE DEVELOPMENT HOLDINGS LIMITED

新昌創展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

(Stock code: 1781)

- (A) MONTHLY UPDATE PURSUANT TO
RULE 3.7 OF THE TAKEOVERS CODE;
(B) MONTHLY UPDATE ON
(I) THE SHARE CONSOLIDATION AND
INCREASE IN AUTHORISED SHARE CAPITAL;
(II) THE SUBSCRIPTION;
(III) THE CREDITORS SCHEMES INVOLVING POSSIBLE GRANT
OF THE SHARE OPTIONS AND THE PUT OPTIONS; AND
(IV) THE WHITEWASH WAIVER;
AND
(C) UPDATE ON THE WINDING-UP PETITION**

**MONTHLY UPDATE PURSUANT TO RULE 3.7 OF THE TAKEOVERS
CODE**

Reference is made to the announcement of Sun Cheong Creative Development Holdings Limited (the “**Company**”) dated 16 June 2020 (the “**Rule 3.7 Announcement**”) relating to the appointment of receiver over certain shares of the Company, and the monthly update announcements dated 16 July 2020, 16 August 2020, 16 September 2020, 16 October 2020, 16 November 2020, 16 December 2020, 15 January 2021, 16 February 2021, 16 March 2021, 16 April 2021, 14 May 2021, 16 June 2021, 16 July 2021, 16 August 2021, 16 September 2021, 15 October 2021, 16 November 2021, 16 December 2021, 17 January 2022, 25 January 2022 and 25 February 2022 respectively. Unless otherwise defined, capitalised terms used in the following paragraphs under this section shall have the same meanings as those defined in the Rule 3.7 Announcement.

The Board wishes to update the shareholders and potential investors of the Company that, as at the date of this announcement, to the best of the knowledge of the Directors having made all reasonable enquiries with the Receiver, the Receiver is still in the process of looking for potential purchaser(s) for the sale of the Charged Shares, and no potential purchaser has been identified and no agreement has been entered into in respect of the disposal of the Charged Shares.

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

MONTHLY UPDATE IN RELATION TO THE RESTRUCTURING AND THE WHITEWASH WAIVER

References are made to (i) the announcements of the Company dated 17 September 2021 and 12 November 2021 in relation to, among other things, the Original Funding Agreement; (ii) the announcements of the Company dated 8 November 2021 and 17 March 2022 (the “**Restructuring Announcements**”) in relation to, among other things the proposed Restructuring and the application for the whitewash waiver (the “**Whitewash Waiver**”) by One Oak from strict compliance with Rule 26.1 of the Takeovers Code to make a mandatory general offer for all the issued Shares (not already owned or agreed to be acquired by One Oak and parties acting in concert with it); (iii) the announcement of the Company dated 30 November 2021 (the “**Delay Announcement**”) in relation to the delay in despatch of the circular (the “**Circular**”) relating to the Restructuring and the Whitewash Waiver; and (iv) the monthly update announcements of the Company dated 30 December 2021, 25 January 2022 and 25 February 2022 in relation to the Restructuring and the Whitewash Waiver. Unless otherwise defined, capitalised terms used in this paragraph and the following sections shall have the same meanings as those defined in the Restructuring Announcements.

CKA Loan Agreement and Revised Funding Arrangement

In order to better facilitate the ongoing business development of the Group, on 17 March 2022, One Oak as lender and CKA (the direct wholly-owned operating subsidiary of the Company) as borrower entered into the CKA Loan Agreement, pursuant to which One Oak shall grant a credit facility in the principal amount of up to HK\$70 million, at an interest rate of 3.0% per annum to CKA for its working capital and business operation purpose. Moreover, One Oak, the Company and the Joint Provisional Liquidators entered into the Amended and Restated Funding Agreement to amend the funding arrangement to conditionally grant a credit facility in the principal amount of up to HK\$30 million, at an interest rate of 3.0% per annum to the Company for settlement of the Schemes and related fees and costs. For details of the CKA Loan Agreement and the Amended and Restated Funding Agreement, please refer to the announcement of the Company dated 17 March 2022.

~~As at the date of this announcement, a principle amount of HK\$[•] million was drawn by CKA pursuant to the terms of the CKA Loan Agreement for purpose of its business operation.~~

Supplemental Restructuring Agreement and Supplemental Subscription Agreement

On 17 March 2022, the Company and the Joint Provisional Liquidators entered into the Supplemental Restructuring Agreement and the Supplemental Subscription with One Oak, pursuant to which the parties agreed to amend and supplement certain terms of each of the Restructuring Agreement and the Subscription Agreement, such that the total Subscription Price of HK\$80,000,000 for the Subscription Shares shall be satisfied by One Oak (i) firstly, by way of set-off of the Company's Outstanding Debts under the Amended and Restated Funding Agreement in whole or in part on dollar-for-dollar basis against and towards the payment of the Subscription Price for such amount of the Company's Outstanding Debts; (ii) secondly, by way of set-off of the CKA Outstanding Debts under the CKA Loan Agreement in whole or in part on dollar-for-dollar basis against and towards the payment of the Subscription Price for such amount of the CKA Outstanding Debts; and (iii) finally, the balance of the Subscription Price (if any) shall be payable by the One Oak (or its nominee) to the Company by way of cash.

Save as disclosed above, there is no other variation to each of the Restructuring Agreement and the Subscription Agreement. For details of the Supplemental Restructuring Agreement and the Supplemental Subscription Agreement, please refer to the announcement of the Company dated 17 March 2022.

Despatch of the Circular

As stated in the announcement dated 25 February 2022, as additional time is required for (i) the preparation of the audited consolidated financial statements of the Group for the year ended 31 December 2021 for inclusion in the Circular; (ii) the Independent Financial Adviser to prepare the letter of advice to the Independent Board Committee and the Independent Shareholders in respect of the Restructuring and the Whitewash Waiver to be included in the Circular; and (iii) the finalisation of the content of the Circular, it is expected that the despatch date of the Circular will be postponed to a date falling on or before 14 April 2022.

The Company applied to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code by extending the despatch date of the Circular to a date no later than 14 April 2022 and the Executive has granted consent to such waiver application on 1 March 2022.

Announcement(s) setting out further updates on the development of the Creditors Schemes will be made by the Company as and when appropriate.

UPDATE ON THE WINDING-UP PETITION

Reference is made to the announcements dated 7 January 2020, 8 January 2020, 22 January 2020, 3 February 2020, 12 February 2020, 10 March 2020, 24 June 2020, 6 July 2020, 8 July 2020, 4 August 2020, 1 September 2020, 23 September 2020, 8 January 2021, 17 May 2021, 26 July 2021, 27 September 2021 and 31 December 2021 of the Company in relation to certain litigation and winding up petitions.

As disclosed in the announcement of the Company dated 31 December 2021, the hearing in respect of the petition was originally adjourned until 21 March 2022 with liberty to restore by the Hong Kong Judiciary. Due to the outbreak of the fifth wave of the COVID-19 pandemic, on 4 March 2022, the Hong Kong Judiciary announced that in light of the latest public health situation and related developments, all hearings of the courts and tribunals originally scheduled between 7 March 2022 and 11 April 2022 will generally be adjourned (the “**General Adjourned Period**”). Due to the General Adjourned Period, the High Court directed that the hearing be re-fixed to 19 April 2022.

Further announcement will be made by the Company regarding the winding-up petition as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company has been suspended since 9:00 a.m. on 2 July 2020, and will remain in suspension until further notice.

Shareholders and potential investors of the Company should accordingly exercise caution when dealing in the securities of the Company.

By order of the Board
Sun Cheong Creative Development Holdings Limited
(Provisional Liquidators Appointed)
(For Restructuring Purposes)
CHAN Sai On Bill
Executive Director

Hong Kong, 25 March 2022

As at the date of this announcement, the executive Directors are Mr. CHAN Sai On Bill, Mr. NG Chun Chung and Mr. Jason Martin Westcott; and the independent non-executive Directors are Dr. CHAN Kai Yue Jason, Ms. LIN Weiqi Wendy and Mr. WONG Chi Kei.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.