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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Sun Cheong Creative Development Holdings Limited (Provisional Liquidators Appointed) (For Restructuring Purposes) (the “**Company**”) will be held at Unit 1501, 15/F, 9 Wing Hong Street, Cheung Sha Wan, Kowloon, Hong Kong on Friday, 13 May 2022 at 12:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company (unless otherwise indicated, capitalised terms used in this notice have the same meanings as those defined in the circular of the Company dated 14 April 2022 (the “**Circular**”)):

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the conditional restructuring agreement dated 8 November 2021 (as amended and supplemented by a supplemental agreement thereto dated 17 March 2022) (the “**Restructuring Agreement**”) (a copy of which is produced to the Meeting marked “**A**” and signed by the Chairman of the Meeting for the purpose of identification) and entered into amongst the Company, the Joint Provisional Liquidators, and One Oak, in relation to the restructuring of the debts and liabilities and capital structure of the Company, or its subsidiaries, associated companies or other entities in which the Company holds an interest (as the case may be) and which comprise (i) the Share Consolidation; (ii) the Increase in Authorised Share Capital; (iii) the Subscription; and (iv) the Creditors Schemes involving the grant of the Share Options and the Put Options and the transactions contemplated thereunder (the “**Restructuring**”) be and are hereby approved, confirmed and ratified; and
- (b) any Director be and is hereby authorised to do all such things and acts and execute all documents (whether under common seal or not) which he considers necessary, desirable or expedient to implement or to give effect to any matters relating to the Restructuring Agreement and the transactions contemplated thereunder.”

2. **“THAT**

- (a) subject to and conditional upon, among other things, the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares in issue, with effect from the next business day after the date on which this resolution is passed by the Shareholders, every ten (10) issued and unissued Shares of par value of HK\$0.01 be consolidated into one (1) Consolidated Share of par value of HK\$0.10, and such Consolidated Share(s) shall be identical and rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company (the **“Share Consolidation”**);
- (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the directors (the **“Directors”**) of the Company may think fit;
- (c) the authorised share capital of the Company be increased from HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each to HK\$20,000,000 divided into 200,000,000 Consolidated Shares of HK\$0.10 each by the creation of an additional 1,800,000,000 Consolidated Shares (**“Increase in Authorised Share Capital”**); and
- (d) any Director be and is hereby authorised to do all such acts and things and execute all such documents which he considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Share Consolidation and the Increase in Authorised Share Capital.”

3. **“THAT**

- (a) the conditional subscription agreement dated 8 November 2021 (as amended and supplemented by a supplemental agreement thereto dated 17 March 2022) (the **“Subscription Agreement”**) (a copy of which is produced to the Meeting marked **“B”** and signed by the Chairman of the Meeting for the purpose of identification) and entered into between the Company, as the issuer, and One Oak as subscriber, in relation to the subscription for 486,000,000 new Consolidated Shares (the **“Subscription Shares”**) at the Subscription Price of HK\$0.1646 per Subscription Share and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

- (b) subject to the Listing Committee of the Stock Exchange granting the listing of and permission to deal in all of the Subscription Shares, the Directors be and are hereby granted a specific mandate for the allotment and issue of the Subscription Shares in accordance with the terms of the Subscription Agreement; and
- (c) any Director be and is hereby authorised to do all such things and acts and execute all documents (whether under common seal or not) which he considers necessary, desirable or expedient to implement or to give effect to any matters relating to the Subscription Agreement and the transactions contemplated thereunder.”

4. **“THAT**

subject to and conditional upon, among others, the applicable laws of the Cayman Islands and Hong Kong and the directions and sanctions of the Cayman Court and the Hong Kong Court, and to all the other resolutions set out in this notice being passed:

- (a) the Creditors Schemes’ material particulars whereof are disclosed in the scheme of arrangement document of the Company despatched to the Creditors (details of the major terms of the scheme of arrangement are set out in the section headed “Letter from the Board — D. The Creditors Schemes” in the Circular), which are to be proposed and effected as a scheme under section 86 of the Companies Act of the Cayman Islands being sanctioned by the Cayman Court and under Part 13 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as parallel, concurrent and inter-conditional schemes of arrangement, be and are hereby approved, confirmed and ratified, subject to any modification thereof or addition thereof approved or imposed by the Cayman Court or the Hong Kong Court (if any);
- (b) the proposed payment of up to HK\$20,000,000 in cash to the Creditors in accordance with the terms of the Creditors Schemes (the “**Cash Option**”) be and is hereby approved;
- (c) the proposed grant of up to 60,000,000 options (the “**Share Options**”) to be held by the Scheme Administrators for the benefit of the Creditors which entitle the holders thereof to subscribe for up to 60,000,000 new Consolidated Shares (the “**Option Shares**”) at the exercise price of HK\$0.10 per Option Share in accordance with the terms of the Creditors Schemes and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

- (d) the proposed grant of the put options (the “**Put Options**”) which entitled the holders of the Share Options acting through the Scheme Administrators, to the right, but not the obligation, to require the purchase of the Share Options by the Company at a purchase price of (i) HK\$0.6667 per Share Option upon exercise of the Put Options if such exercise is made within the 14-day period immediately preceding the date falling three (3) months from the date of grant of the Share Options; or (ii) HK\$0.8333 per Share Option upon exercise of the Put Options if such exercise is made within the 14-day period immediately preceding the date falling six (6) months from the date of grant of the Share Options in accordance with the terms of the Creditors Schemes and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (e) subject to the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Option Shares, the Directors be and are hereby granted a specific mandate for the allotment and issue of up to 60,000,000 Option Shares as may be subscribed by the Creditors upon exercise of the Share Options granted pursuant to paragraph 4(c) above in accordance with the terms of the Creditors Schemes;
- (f) any Director be and is hereby authorised to do all such things and acts and execute all documents (whether under common seal or not) which he considers necessary, desirable or expedient to implement or to give effect to any matters relating to the Creditors Schemes (including the grant of the Cash Option, the Share Options and the Put Options), the grant of the specific mandate for the allotment and issue of the Option Shares and the transactions contemplated thereunder.”

SPECIAL RESOLUTION

5. “**THAT**

- (a) the terms of the application for a waiver (the “**Whitewash Waiver**”) granted or to be granted by the Executive to One Oak pursuant to Note 1 on the Dispensations from Rule 26 of the Takeovers Code from an obligation to make a general mandatory offer to the Shareholders in respect of all the Shares and the securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it as a result of the subscription of the Subscription Shares under the Subscription Agreement be and are hereby approved, confirmed and ratified; and

- (b) any Director be and is hereby authorised to do all such things and acts and execute all documents (whether under common seal or not) which he considers necessary, desirable or expedient to implement or to give effect to any matters relating to the Whitewash Waiver and the transactions contemplated thereunder.”

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, 14 April 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 Director are Mr. Wong Chi Kei, Ms. Lin Weiqi Wendy and Dr. Chan Kai Yue Jason.

Notes:

1. Due to the recent development of the COVID-19 pandemic, Shareholders are reminded to refer to the section headed “PRECAUTIONARY MEASURES AND SPECIAL ARRANGEMENTS FOR EGM” on pages 1 to 3 of the Circular for details.
2. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member of the Company who is an individual or a member of the Company which is a corporation shall be entitled to exercise the same powers on behalf of the member of the Company which he or they represent as such member of the Company could exercise.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
4. In view of the current COVID-19 situation and the changing government regulations on social distancing measures in Hong Kong, the Company strongly encourages Shareholders to exercise their right to vote at the Meeting by appointing the chairman of the Meeting (who is expected to be an independent non-executive Director) or any independent non-executive Directors as their proxy and to return their forms of proxy by the time specified above, instead of attending the Meeting in person.

5. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the Meeting (i.e. Wednesday, 11 May 2022 at 12:00 p.m. (Hong Kong time)) or any adjournment thereof.
6. The register of members of the Company will be closed from Tuesday, 10 May 2022 to Friday, 13 May 2022 (both days inclusive) to determine the eligibility of the Shareholders to attend and vote at the Meeting. The record date for determining the entitlement of the Shareholders to attend and vote at the Meeting will be on Friday, 9 April 2021. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration no later than Monday, 9 May 2022 at 4:30 p.m. (Hong Kong time).
7. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
8. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in a case where the meeting was originally held within 12 months from such date.
9. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
10. If typhoon signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 9:00 a.m. on the date of the Meeting, the Meeting will be postponed. The Company will publish an announcement on the website of the Company at www.cknassociates.com and the website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.
11. The voting at the Meeting shall be taken by way of poll.