
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Creative Global Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**RESTRUCTURING TRANSACTIONS INVOLVING,
INTER ALIA,
(1) ISSUE OF NEW SHARES TO THE INVESTOR;
(2) SCHEME OF ARRANGEMENT;
(3) PROPOSED ISSUE OF NEW SHARES UNDER
SPECIFIC MANDATE; AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 5 to 15 of this circular.

The notice of the EGM is set out on pages 16 to 21 in this circular. The EGM will be held at Room 203, 2/F Duke of Windsor Social Service Building, No.15 Hennessy Road, Wanchai, Hong Kong at 11:00 am on 6 May 2022.

Whether or not you intend to attend the EGM, you are advised to complete and return the enclosed proxy form in respect of the EGM in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours prior to the commencement of such meeting or any adjournments thereof, (i.e., not later than 5 May 2022 at 11:00 a.m. (Hong Kong time)). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish. Shareholders who intend to attend the EGM should also complete and return the reply slip in accordance with the instructions printed thereon.

22 April 2022

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

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| “Admitted Claim(s)” | Debts claimed by each Creditor which is admitted by the Scheme Administrator(s) in accordance with the Scheme |
| “Associate(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Board” | the board of Directors |
| “Business Day” | a day (other than a Saturday, Sunday or public holiday) when banks in Hong Kong are open for business |
| “Cash Bonus” | cash bonus to be distributed to the Creditors as an incentive to the Creditors for their support of the Scheme |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “Company” | China Creative Global Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 1678) |
| “Connected person” | has the same meaning ascribed thereto under the Listing Rules |
| “Creditors” | any Person having a Claim: (a) which is not a Preferential Claim (and where the Claim is only in part a Preferential Claim, then the Person is a Creditor only to the extent of the non-preferential portion of the Claim); (b) which is not an Operational Debt (and where the Claim is only in part an Operational Debt, then the Person is a Creditor only to the extent of such debts which are not Operational Debts); and (c) which is not an amount due from the Company to the Investor under the Restructuring Agreement respectively |
| “Debt” | the amount of debts claimed by each of the Creditors against the Company, whether actual, present, future, contingent, liquidated or unliquidated, “Debts” shall be construed accordingly as the aggregated amount of each Debt holding by each Creditor |
| “Director(s)” | the director(s) of the Company |
| “Dividend(s)” | any Realisation Proceeds which may be distributed to the Creditors pursuant to the terms of the Scheme |

DEFINITIONS

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| “Effective Date” | the date on which all the conditions precedent of the Scheme are satisfied |
| “EGM” | the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among others, the Restructuring Transactions and the granting of Specific Mandate |
| “Executive” | the Executive Director of the Corporate Finance Division of the SFC from time to time or any of his delegate(s) |
| “Grand Court” | The Grand Court of the Cayman Islands |
| “Group” | the Company and its subsidiaries from time to time |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “High Court” | The High Court of Hong Kong |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “Independent Shareholder(s)” | Shareholder(s) other than (i) the Creditors; (ii) the Investor, and parties acting in concert with any of them; and (iii) Shareholders who are interested in or involved in any of the Restructuring Transactions |
| “Investor” | HR HITECH SDN BHD, a company incorporated in Malaysia and is wholly owned by ARIF BIN HASIM who is an independent third party |
| “Investor’s Subscription” | the subscription of 400,000,000 New Shares under the Restructuring Agreement by the Investor |
| “Investor’s Subscription Shares” | the New Shares to be allotted and issued under the Investor’s Subscription |
| “Issue Price” | the issue price of HK\$0.05 per Investor’s Subscription Share |
| “Last Trading Day” | 31 August 2020, being the last trading day prior to the suspension of trading of the Shares on the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange |
| “Operational Debts” | certain debts of the Company to be set out in the scheme document for the Scheme which include, among others, the director’s fee, legal fee, professional and services fee and wages |

DEFINITIONS

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| “PRC” | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Preferential Claim(s)” | claim(s) which would be treated as a preferential claim pursuant to Section 265 of Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong |
| “Restructuring Agreement” | the framework agreement dated 12 April 2022 entered into between the Company and the Investor in relation to the Restructuring Transactions |
| “Restructuring Transaction(s)” | collectively, (i) the Investor’s Subscription; and (ii) the Scheme |
| “Sanction Order” | the approval or sanction on the Scheme by the High Court |
| “Scheme” | the proposed scheme of arrangement for the Company under Sections 670, 673 and 674 of the Companies Ordinance between the Company and its Creditors, in its present form, or with or subject to any modification of it, any addition to it or any condition approved or imposed by the High Court |
| “Scheme Administrators” | such persons who are to be appointed as scheme administrators pursuant to the terms of the Scheme, which are expected to be |
| “Scheme Company” | a company to be incorporated in Hong Kong with limited liability, being a special purpose vehicle to be held and controlled by the Scheme Administrator(s) or such other company as may be nominated by the Scheme Administrator(s), that holds the Scheme Funds |
| “Scheme Funds” | all funds from time to time credited to the Scheme Trust Account, including any interest thereon |
| “Scheme Shares” | up to 600,000,000 New Shares to be allotted and issued under the Scheme pursuant to the terms thereof |
| “Scheme Shares Issue” | the issue of a maximum of 600,000,000 New Shares under the Scheme |
| “Scheme Trust Account” | a trust account to be opened with a licensed bank in Hong Kong, which trust account shall be controlled by the Scheme Administrator(s) for the purposes of and for the benefit of the Creditors, and into which the Scheme Administrator(s) shall deposit into Scheme Funds |

DEFINITIONS

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| “SFC” | the Securities and Futures Commission of Hong Kong |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Shareholder(s)” | the holder(s) of the Share(s) of the Company |
| “Specific Mandate” | the specific mandate to be granted by the Independent Shareholders to the Board at the EGM for the allotment and issue of the Investor’s Subscription Shares and the Scheme Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “%” | per cent |

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Creative Global Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This document appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

In case of any inconsistency between the Chinese version and the English version of this circular, the English version shall prevail.



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)

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Mr. Wu Ming Fat Simon
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Mr. Wu Ming Chit William
Mr. Zhang Zhisen
Ms. Li Lai Ying

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Hong Kong

22 April 2022

To the Shareholders

Dear Sir or Madam,

**RESTRUCTURING TRANSACTIONS INVOLVING,
INTER ALIA,
(1) ISSUE OF NEW SHARES TO THE INVESTOR;
(2) SCHEME OF ARRANGEMENT;
(3) PROPOSED ISSUE OF NEW SHARES UNDER
SPECIFIC MANDATE; AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the relevant information for making informed decisions in respect of the resolutions at the EGM, in relation to (i) the Investor's Subscription; (ii) the Scheme, including therein a proposed issue of new shares under specific mandate and (iii) the Shares Subscription which has been proposed in the Company's Annual General Meeting on 22 February 2022 but voted against and now re-submit for the Shareholders' re-approval.

LETTER FROM THE BOARD

I. ISSUE OF NEW SHARES TO THE INVESTOR

Reference is made to the announcements of the Company dated 9 March 2022 and 30 March 2022 relating to, among others, the quarterly updates on the status of the resumption, and the decision of the Listing Committee on cancellation of listing and the review request of the decision thereon. Trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 1 September 2020.

In order to reduce the Company's financial burden and improve the future cashflow of the Company, the Board of the Directors (the "Board") of the Company is now proposing the following arrangement and look for the Company's shareholders approval in an Extraordinary General Meeting consents and approval.

The Board is pleased to announce that, on 12 April 2022 (after trading hours), the Company, and the Investor have entered into the conditional Restructuring Agreement, which sets out the terms of the Restructuring Transactions.

The Investor's Subscription

Under the Restructuring Agreement, the Investor's Subscription, together with the Scheme, forms part of the Restructuring Transactions. A summary of the principal terms of the Investor's Subscription is set out below.

| | | |
|--|---|--|
| Parties to the Restructuring Agreement | : | (i) the Company (as issuer) (ii) the Investor (as subscriber) |
| Issue Price | : | HK\$0.05 per New Share |
| Amount of the Investor's Subscription | : | HK\$20,000,000 |
| Number of shares to be issued under the Investor's Subscription | : | 400,000,000 New Shares |
| Enlarged issued share capital upon completion of the Investor's Subscription | : | 2,570,000,000 New Shares |

The Investor's Subscription Shares represent (i) approximately 18.43% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 15.56% of the issued share capital of the Company as enlarged by the allotment and issue of the Investor's Subscription Shares; (iii) approximately 12.61 % of the issued share capital of the Company as enlarged by the allotment and issue of the Investor's Subscription Shares and the Scheme Shares in full; and approximately 12.05% of the issued share capital of the Company as enlarged by the allotment, issue of the Investor's Subscription Shares, the Scheme Shares and subscription of shares and exercising of the conversion shares in full.

The Investor's Subscription is expected to be completed at the same time of the allotment and issue of the Scheme Shares.

LETTER FROM THE BOARD

The consideration for the Investor's Subscription shall be payable by the Investor to the Company in cash by way of a cashier order issued by a licensed bank in Hong Kong or by way of telegraphic transfer to the designated bank account of the Company on the date of completion of the Investor's Subscription.

In the event that the Investor's Subscription does not take place before 31 December 2023 or such later date as the Investor, the Company may agree in writing, the obligation of the parties under the Restructuring Agreement in relation to the Investor's Subscription shall cease and terminate.

The Issue Price

The Issue Price of HK\$0.05 per New Share under the Investor's Subscription represents:

- (i) a premium of approximately 20% to the closing price of HK\$0.04 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a premium of approximately HK\$0.12 over the audited consolidated net liabilities attributable to owners of the Company of approximately HK\$0.07 per Share as at 31 December 2019.

The Issue Price was determined after arm's length negotiation between the Company, the Investor with reference to (i) the financial position of the Company; (ii) the recent market conditions; and (iii) the substantial funding to be provided by the Investor for the Company to proceed with the rescue plan.

As disclosed in the annual report of the Company for the twelve months ended 31 December 2019, the audited loss attributable to owners of the Company for the year ended 31 December 2019, net liabilities attributable to owners of the Company as at 31 December 2019 and net current liabilities as at 31 December 2019 were approximately RMB1,676 million, RMB153 million and RMB153 million, respectively.

Conditions of the Investor's Subscription

Completion of the Investor's Subscription is conditional upon the fulfillment or waiver of the following conditions precedent:

- (i) The High Court has sanctioned the Scheme and/or recognised the Scheme;
- (ii) The passing of the necessary resolutions by (i) by at least 50% of the Shareholders at the EGM by way of poll in respect of the Restructuring Agreement and the transactions contemplated thereunder, including (a) the Investor's Subscription; and (b) the Scheme;
- (iii) the Stock Exchange granting or agreeing to grant listing of, and permission to deal in, the Investor's Subscription Shares to be issued (and such listing and permission not being subsequently revoked prior to completion of the Investor's Subscription);

LETTER FROM THE BOARD

- (iv) the representations and warranties in respect of (i) the Company; and (ii) the Investor's Subscription Shares being true and accurate and not misleading at the date of completion of the Investor's Subscription; and
- (v) The Scheme having become unconditional.

None of the conditions precedent above could be waived. As at the date of this announcement, none of the conditions above has been fulfilled.

The Company shall issue a closing notice to the Investor within three (3) Business Days following satisfaction of the conditions precedent for the Investor's Subscription and completion for the Investor's Subscription shall take place within five (5) Business Days after the issue of the Closing Notice by the Company.

As the completion of the Investor's Subscription and the Scheme Shares Issue are inter-conditional upon each other, the Investor's Subscription Shares and the Scheme Shares will be issued at the same time. In simple words, if for any reason the Scheme Shares Issue does not proceed, the Investor's Subscription will not proceed, and vice versa.

Pursuant to the Restructuring Agreement, if the conditions precedent for the Scheme and the Investor's Subscription have not been fulfilled or waived (as the case may be) on or before 31 December 2023, the Restructuring Agreement will be terminated and the Investor's Subscription will not proceed.

Application for the listing of the Investor's Subscription Shares

The Investor's Subscription is subject to the Shareholders' approval. If approved, the Company will allot and issue the Investor's Subscription Shares under the Specific Mandate to be granted by the Independent Shareholders at the EGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Investor's Subscription Shares.

Ranking of the Investor's Subscription Shares

The Investor's Subscription Shares will rank *pari passu* in all respects with each other and with the Shares in issue on the date of allotment and issue of the Investor's Subscription Shares in accordance with the Company's memorandum and articles of association.

Reasons for the Investor's Subscription and the Use of Proceeds

The Investor's Subscription, together with the Scheme, is part of the corporate rescue action of the Company, which involves relieving the liabilities of the Company and the funding provided sufficient funding for the Company to continue and further develop its business.

The Group was principally engaged in design, development, manufacture and sales of home decor products and electric fireplaces. The Company has acquired 51% interests in Gold Future Industrial Limited (德隆貿易有限公司) which is principally engaged in trading and manufacture of artificial flowers and requires additional fundings to expand its businesses.

LETTER FROM THE BOARD

The gross proceeds from the Investor's Subscription amount to HK\$20,000,000 and HK\$15 million will firstly be applied for the distribution of the Cash Bonus under the Scheme and the remaining balance of HK\$5 million is expected to be used for the relevant cost for restructuring, general working capital and business development of the Group's artificial flowers.

The Company negotiated with the Investor in formulating a feasible restructuring plan and shall possibly come up with further Restructuring Agreement and the Restructuring Transactions, in which the Investor shall provide further funding to the Company through the Investor's further Subscription under the Restructuring Agreement for the implementation of the restructuring plan and for the future operation of the Company.

II. THE SCHEME

The Scheme will involve (i) the Cash Bonus; and (ii) the Scheme Shares Issue which the details are set out below:

Cash Bonus

Under the Scheme and subject to the terms thereof, HK\$15 million of the total consideration of the Investor's Subscription, will be utilized to be distributed to the Creditors with Admitted Claims on a pro-rata basis for their Admitted Claim, which serve as a bonus to the Creditors and provide an incentive to the Creditors for their support of the Scheme. The distribution of the Cash Bonus will be conducted in accordance with the terms of the Scheme.

Scheme Shares Issue

Subject to the approval by the High Court the Company proposes to implement the Scheme. Under the Scheme, the Company will allot and issue the Scheme Shares to the Creditors to compromise, discharge and/or settle the Debts owing by the Company to the Creditors in full.

As at the date of this announcement, based on the available books and records of the Company, the total estimated indebtedness, owed by the Company to its Creditors is approximately HK\$190 million. Although this indebtedness figure is indicative and will be subject to the proof of Debts filed in accordance with the terms of the Scheme, the final determination by the Scheme Administrators and (if applicable) adjudication under the Scheme, the final indebtedness figure is not expected to exceed HK\$190 million and the Company will make announcement as soon as the final indebtedness figure becomes available which is expected to be after the implementation of the Scheme.

Subject to Sanction Order on the Scheme by the High Court, and the Scheme having become effective, the Scheme will become legally binding on the Company and its Creditors upon filing of the Sanction Order of the High Court with the Company Registry in Hong Kong.

LETTER FROM THE BOARD

Upon the Scheme becoming effective and after the adjudication for the Admitted Claims is completed, the Company will implement the Scheme Shares Issue, under which it is estimated that the Company will allot and issue, in aggregate, up to a maximum of 600,000,000 New Shares where the Creditors will receive 1 New Share for every HK\$0.29 in the amount of the Admitted Claims due to them by the Company for settlement of the Debts of the Creditors in accordance with the terms of the Scheme, and upon which all the Debts of the Creditors will be discharged and extinguished and the Creditors will not be allowed to make any claim against the Company in respect of their Debts. The actual number of Scheme Shares to be issued will be subject to the notices of claim filed in accordance with the terms of the Scheme, the final determination by the adjudicator of the Admitted Claims appointed under the Scheme, which will be after the effective date of the Scheme, and in turn is subject to the timetable and actual development of the Scheme.

The Admitted Claims would be subject to Notices of Claim submitted by the Creditors and adjudication to be conducted by the Scheme Administrators after the fulfillment of all conditions precedents and the implementation of the Scheme. At this stage, the amount of Admitted Claims is yet to be determined.

The issue price of the Scheme Shares was determined with reference to the prevailing market conditions, situation and financial position of the Company and recovery rate to be approved by the Creditors. The maximum number of 600,000,000 Scheme Shares will represent approximately 18.93% of the enlarged issued share capital of the Company as enlarged by the allotment and issue of the Investor's Subscription Shares and the Scheme Shares (assuming there is no change in the issued share capital of the Company other than the allotment and issue of the Investor's Subscription Shares and the Scheme Shares), and will rank *pari passu* in all respects with each other in accordance with the Company's memorandum and articles of association.

Subject to declarations made by the creditors otherwise, all of the Creditors are independent of and not connected with the Company and its subsidiaries, its connected person(s) and their respective associate(s) and none of them are Shareholders. ***The connected shareholders, if any, should NOT vote in the resolutions in relation to the Scheme and the related resolutions.***

Application for the listing of the Scheme Shares

The allotment and issue of the Scheme Shares is subject to the Independent Shareholders' approval. The Company will allot and issue the Scheme Shares under the Specific Mandate to be granted by the Independent Shareholders at the EGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Scheme Shares.

Conditions precedent to the Scheme

The Scheme shall become effective subject to the fulfillment of the following conditions precedent:

- (a) over fifty per cent. (50%) in number of the Creditors, representing at least seventy-five per cent. (75%) in value of the Creditors, present and voting in person or by proxy at the Scheme meeting, vote in favour of the Scheme;

LETTER FROM THE BOARD

- (b) the High Court sanctions the Scheme and an official copy of the order of the High Court sanctioning the Scheme is delivered to the Registrar of Companies in Hong Kong for registration;
- (c) the passing of the necessary resolutions by at least 50% of the Independent Shareholders at the EGM by way of poll in respect of (a) the Investor's Subscription; (b) the Scheme and the transactions contemplated thereunder;
- (d) the Company having obtained either conditional approval or approval in-principle from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scheme Shares on the Stock Exchange;
- (e) the Investor's Subscription having become unconditional; and
- (f) the Scheme having become effective (including all necessary sanctions by the High Court having been obtained).

All the conditions precedent to the Scheme are not capable of being waived. As at the date of this announcement, none of the conditions above has been fulfilled.

As the completion of the Investor's Subscription and the Scheme Shares Issue are inter-conditional upon each other, the Investor's Subscription Shares and the Scheme Shares will be issued at the same time. In simple words, if for any reason the Investor's Subscription does not proceed, the Scheme Shares Issue will not proceed, and vice versa.

Pursuant to the Restructuring Agreement, if the conditions precedent for the Scheme and the Investor's Subscription, have not been fulfilled or waived (as the case may be) on or before 31 December 2023, the Restructuring Agreement will be terminated and the Scheme will not proceed.

Benefits of the Scheme to the Shareholders

As stated above, the Company is now under severance financial pressure that the unpaid creditors are more than HK\$190 million. In order to maintain a positive cashflow in future, the management considers that the agreement from the Creditors to compromise and to discharge and/or settle the Debts owing by the Company to the Creditors in full is indispensable. The Board considers that without the positive cashflow, it is very difficult for the Company to obtain consents from the Listing Review Committee for granting a resumption of trading of the Company's shares in the Exchange.

LETTER FROM THE BOARD

Effects on the shareholding structure of the Company

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the issue of the Investor's Subscription Shares and the Scheme Shares in full: -

| Name of Shareholders | As at the date of this announcement | | Immediately after completion of the issue of the Investor's Subscription Shares and the Scheme Shares in full | |
|---|-------------------------------------|---------------|---|---------------|
| | Number of Shares | Approximate % | Number of shares | Approximate % |
| Substantial Shareholder: | | | | |
| Osman Mohammed Arab and Lai Wing Lun (Note) | 1,104,731,180 | 50.91% | 1,104,731,180 | 34.85% |
| GR Capital Holdings Ltd | 163,822,000 | 7.55% | 163,822,000 | 5.17% |
| The Subscriber | 0 | 0 | 400,000,000 | 12.62% |
| The Admitted Creditors | 0 | 0 | 600,000,000 | 18.93% |
| Public Shareholders: | | | | |
| Others | 901,446,820 | 41.54% | 901,446,820 | 28.44% |
| Total | <u>2,170,000,000</u> | <u>100.00</u> | <u>3,170,000,000</u> | <u>100.00</u> |

Notes: Osman Mohammed Arab and Lai Wing Lun are the joint and several receivers and managers appointed by Win Win International Strategic Investment Funds SPC (company's announcement dated 21 August 2019 refers to).

Listing Rules Implication

The Investor's Subscription Shares and the Scheme Shares will be allotted and issued pursuant to the Specific Mandate to be obtained upon approval by the Independent Shareholders at the EGM.

Pursuant to Rule 7.27B of the Listing Rules, a listed issuer may not undertake a rights issue, open offer or specific mandate placings that would result in a theoretical dilution effect of 25% or more, unless the Stock Exchange is satisfied that there are exceptional circumstances. In view of the insolvent financial position and the provisional liquidation status of the Company as well as the prolonged suspension of the trading in the Shares on the Stock Exchange, the closing price of the Shares on the Last Trading Day does not reasonably reflect the existing condition of the Company and the financial position of the Company could be considered as an exceptional circumstances under Rule 7.27B. Accordingly, the independent non-executive Directors consider it is fair and reasonable for the allotment and issue of the Investor's Subscription Shares and the Scheme Shares would result in a theoretical dilution effect of approximately 29.1%.

LETTER FROM THE BOARD

As at the date of this announcement, the Company is not aware of any concerns on the compliance of the Restructuring Transactions with other applicable rules or regulations (including the Listing Rules). Should such concern arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authorities as soon as possible but in any event before the despatch of the Circular.

III. PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

Reference is made to the Company's announcements dated 30 October 2021 and 16 February 2022 and 23 February 2022, in relation to, among the others, the subscription agreement, the notice of the Annual General Meeting ("AGM") and the polling results of the AGM (in which the Shareholders voted against the subscription made). As stated in the announcement made on 30 October 2021, the completion of the Subscription Agreement signed on 28 October 2021 is subject to the fulfillment of the following conditions to be met: -

- 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.

In addition, the subscription of the shares is based on the specific mandates subject to the approval from the shareholders. Based on the terms and conditions of the subscription agreement and the confirmation from the subscriber, the Board understands that neither party has the intention to terminate the subscription agreement and the agreement is still valid until 31 December 2022.

LETTER FROM THE BOARD

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 first subscription made on 28 October 2021 | | Immediately after the subscription of shares and completion of the Scheme | |
|--|-------------------------------------|---------------|--|---------------|---|---------------|
| | Number of Shares | Approximate % | Number of shares | Approximate % | Number of shares | Approximate % |
| Substantial Shareholder: | | | | | | |
| Osman Mohammed Arab and Lai Wing Lun (Note) | 1,104,731,180 | 50.91% | 1,104,731,180 | 49.76% | 1,104,731,180 | 34.31% |
| GR Capital Holdings Ltd | 163,822,000 | 7.55% | 163,822,000 | 7.38% | 163,822,000 | 5.09% |
| The Subscriber for the subscription made on 28 October 2021 | 0 | 0% | 50,000,000 | 2.25% | 50,000,000 | 1.55% |
| The Subscriber for the subscription made on 12 April 2022 | 0 | 0% | 0 | 0% | 400,000,000 | 12.42% |
| The Admitted Creditors | 0 | 0% | 0 | 0% | 600,000,000 | 18.63% |
| Public Shareholders: | | | | | | |
| Others | <u>901,446,820</u> | <u>41.54%</u> | <u>901,446,820</u> | <u>40.61%</u> | <u>901,446,820</u> | <u>28.00%</u> |
| Total | <u>2,170,000,000</u> | <u>100.00</u> | <u>2,220,000,000</u> | <u>100.00</u> | <u>3,220,000,000</u> | |

Note: Osman Osman Mohammed Arab and Lai Wing Lun are the joint and several receivers and managers appointed by Win Win International Strategic Investment Funds SPC (company's announcement dated 21 August 2019 refers to).

The Board advises that the Company requires funding for the resumption activities, including the payments of the audit fees (approximately HK\$0.8M), listing fees (approximately HK\$.8M), printing costs for the annual reports (approximately HK\$0.3M), salaries (approximately HK\$0.1M), professional fees for lawyers (approximately HK\$0.2M), financial advisors (approximately HK\$0.3M) and etc., and therefore, the Board hereby resubmit this resolution in the EGM to the Shareholders for reconsidering the approve thereof.

LETTER FROM THE BOARD

IV. EGM

The EGM will be convened on 6 May 2022 and held for the purpose of considering and, if thought fit, approving (i) the Investor's Subscription; (ii) the Scheme (including the Scheme Shares Issuance); (iii) To approve and ratify the subscriptions of shares on 28 October 2021.

Based on the Company's best knowledge and understanding, none of the other Shareholders and their respective associates have to abstain from voting on any resolution(s) to be proposed at the EGM.

Completion of each of the Restructuring Transactions are subject to the fulfillment or waiver (as the case may be) of various conditions. Accordingly, the Restructuring Transactions may not proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Shares.

The Company is subject to a delisting decision issued by the Listing Committee on 18 March 2022 as it has failed to fulfill all the resumption deadline and should be delisted under Rule 6.01A. Given these circumstance, the Exchange is minded not to grant the listing approval of any issuance of new securities by the Company. Such delisting decision is currently subject to review by the Listing Review Committee, who may either uphold or overturn the delisting decision. The publication of this announcement does not indicate any decision or conclusion from the exchange not to delist the Company nor warrant any approval from the Stock Exchange on the Company's trading resumption.

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

NOTICE OF THE EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING (“EGM”)

NOTICE IS HEREBY GIVEN that an EGM of China Creative Global Holdings Limited (the “Company”) will be held at 11:00 am on 6 May 2022 at Room 203, 2/F Duke of Windsor Social Service Building, No.15 Hennessy Road, Wanchai Hong Kong for the purposes of considering and, if thought fit, passing with or without amendment, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the director(s) of the Company (the “Director(s)”) be and are hereby granted with a specific mandate to allot and issue the Subscription Shares to the Subscriber pursuant to the Subscription Agreement entered into between the Company as issuer, and HR HITECH SDN BHD (the “Subscriber”) as subscriber dated 12 April 2022 in relation to the subscription by the Subscriber of an aggregate of 400,000,000 shares in the Company (the “Subscription Share(s)”) at the subscription price of HK\$0.05 per Subscription Share to be issued by the Company. The transactions are contemplated thereunder be and hereby confirmed, approved and ratified; and
- (b) any one or more of the Directors be and is/are hereby authorised to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps which, in his/her/their opinion, may be necessary, appropriate, desirable or expedient to implement and/or give effect to the terms of, or the transactions contemplated by, the Subscription Agreement and to agree to such variation, amendments or waiver of matters relating thereto as are, in his/her/their opinion, in the interests of the Company.”

2. “**THAT:**

The Scheme of Arrangement to repay the Creditors as mentioned in the Circular noted above including:-

- (a) Subject to the approval made in 1(a), HK\$15 million of the total consideration of the Investor’s Subscription, will be utilized to be distributed to the Creditors with Admitted Claims on a pro-rata basis for their Admitted Claim, which serve as a bonus to the Creditors and provide an incentive to the Creditors for their support of the Scheme;

NOTICE OF THE EGM

- (b) the Company will allot and issue, in aggregate, up to a maximum of 600,000,000 New Shares where the Creditors will receive 1 New Share for every HK\$0.29 in the amount of the Admitted Claims due to them by the Company for settlement of the Debts of the Creditors in accordance with the terms of the Scheme, and upon which all the Debts of the Creditors will be discharged and extinguished and the Creditors will not be allowed to make any claim against the Company in respect of their Debts. and
- (c) any one or more of the Directors be and is/are hereby authorised to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps which, in his/her/their opinion, may be necessary, appropriate, desirable or expedient to implement and/or give effect to the terms of, or the transactions contemplated for the Scheme and to agree to such variation, amendments or waiver of matters relating thereto as are, in his/her/their opinion, in the interests of the Company.”

3. **“THAT:**

To approve and ratify the following share transactions which were carried out under Special Mandates that the subscriptions of shares on 28 October 2021 that 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 to a independent third party subscriber Mr. YU Shiu Kei (the Company’s announcement dated 28 October 2021 refers to). 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 Board advises that the Company requires funding for the resumption activities, including the payments of the audit fees (approximately HK\$0.8M), listing fees (approximately HK\$.8M), printing costs for the annual reports (approximately HK\$0.3M), salaries (approximately HK\$0.1M), professional fees for lawyers (approximately HK\$0.2M), financial advisors (approximately HK\$0.3M) and etc., and therefore, the Board hereby resubmit this resolution in the EGM to the Shareholders for reconsidering the approve thereof.

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

Hong Kong, 22 April 2022

NOTICE OF THE EGM

Notes:

1. The Company would like to remind members of the Company that it is possible that members of the Company and/or their representatives may not be able to attend in person at the EGM venue depending on prevailing regulations imposed by the Hong Kong Government, including but not limited to any ban on conducting physical general meetings of companies under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F of the Laws of Hong Kong) and the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation 2020 (Chapter 599G of the Laws of Hong Kong). Shareholders and/or their representatives who are denied entry to the venue of the EGM will, subject to the Regulations, be provided with voting slips of the EGM and may complete, sign and return the voting slips to exercise their voting rights. For the health and safety of members of the Company, the Company would strongly encourage members of the Company to exercise their right to vote at the EGM via their proxy instead of attending the EGM in person. Physical attendance is not necessary for the purpose of exercising the voting rights of members of the Company.
2. Any member of the Company entitled to attend and vote at the EGM shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the EGM. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. To be valid, the instrument appointing a proxy and (if required by the Company) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Shops 54/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
5. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the EGM or any adjournment thereof in cases where the EGM was originally held within 12 months from such date.
6. Where there are joint holders of any shares, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the EGM, 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.
7. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the EGM if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked
8. For the purpose of determining the shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 3 May 2022 to Friday, 6 May 2022 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Shops 54/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 29 April 2022.
9. A form of proxy for use at the EGM is enclosed with the Circular.

NOTICE OF THE EGM

PRECAUTIONARY MEASURES FOR THE EGM

In consideration of the control and prevent of spreading of novel corona virus disease (“COVID-19”) pandemic, the following precautionary measures will be implemented at the EGM so as to safeguard the health and safety of the Shareholders who might be attending the EGM in person:

Voting by proxy in advance of the EGM: The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect Shareholders from possible exposure to the COVID-19 pandemic. The Company would like to remind the Shareholders that it is possible that Shareholders and/or their representatives may not be able to attend in person at the EGM venue depending on prevailing regulations imposed by the Hong Kong Government, including but not limited to any ban on conducting physical general meetings of companies under the Regulations (as defined below). Shareholders and/or their representatives who are denied entry to the venue of the EGM will, subject to the Regulations, be provided with voting slips of the EGM and may complete, sign and return the voting slips to exercise their voting rights.

For the health and safety of Shareholders, the Company would strongly encourage Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM (who is expected to be an independent non-executive Director) as their proxy instead of attending the EGM in person. Physical attendance is not necessary for the purpose of exercising Shareholders’ rights. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should they subsequently so wish.

Completed forms of proxy must be returned to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 54/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof.

Appointment of proxy by non-registered Shareholders: non-registered Shareholders whose Shares are held through banks, brokers, custodians or The Hong Kong Securities Clearing Company Limited should consult directly with their banks or brokers or custodians (as the case may be) to assist them in the appointment of proxy.

LIMITING ATTENDANCE IN PERSON AT THE EGM VENUE

Under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F of the Laws of Hong Kong) and the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation 2020 (Chapter 599G of the Laws of Hong Kong) (the “Regulations”), group gatherings (including but not limited to conducting physical general meetings of companies) are restricted (the “Requirement”). As at the Latest Practicable Date, the Regulations include a ban on conducting physical general meetings of companies during a “specified period” (as defined in the Regulations), which, according to announcements made by the Hong Kong Government, is to remain in effect until 20 April 2022 (but may be extended by the Hong Kong Government). As announced by the Hong Kong Government, the existing social distancing measures can be eased from 21 April 2022 onwards on the condition that the epidemic situation shows no signs of a rebound and the downward trend continues. The relaxation will be carried out in three phases over

NOTICE OF THE EGM

a period of three months. Taking into consideration the Company's understanding as at the Latest Practicable Date, the Company will limit attendance in person at the EGM venue in compliance with the Requirement prevailing at the time of the EGM. Given the limited capacity of the EGM venue and the requirements for social distancing to ensure attendee safety, only Shareholders and/or their representatives and relevant EGM staff will be admitted to the EGM. Admission to the EGM venue will not be granted in excess of the capacity of the EGM venue. Shareholders and/or their representatives who are denied entry to the venue of the EGM will, subject to the Regulations, be provided with voting slips of the EGM and may complete, sign and return the voting slips to exercise their voting rights.

PHYSICAL ATTENDANCE

The Company will also implement the following additional precautionary measures at the EGM to ensure the health and safety of the attendees at the EGM:

- (1) Compulsory body temperature screening/checks will be carried out on every attendee before registration at the entrance of Room 203, 2/F Duke of Windsor Social Service Building, No.15 Hennessy Road, Wanchai Hong Kong. The Company reserves the right to deny entry of any person with a body temperature above the reference range quoted by the Department of Health from time to time, or is exhibiting flu-like symptoms into the EGM venue or require such person to leave the EGM venue so as to ensure the health and safety of the attendees at the EGM.
- (2) Every attendee will be compulsorily required to wear a face mask throughout the EGM and every attendee will be assigned a designated seat at the time of registration to ensure social distancing.
- (3) No food or beverages will be served and no gifts will be distributed to attendees at the EGM.

Any attendee who (a) refuses to comply with the precautionary measures; (b) is subject to any prescribed quarantine by the Government or has close contact with any person under quarantine; (c) is subject to the Government's prescribed testing requirement or direction and has not tested negative; or (d) has any flu-like symptoms or is otherwise unwell will be denied entry into or be required to leave the EGM venue at the absolute discretion of the Company as permitted by law.

Shareholders are requested (a) to consider carefully the risk of attending the EGM, which will be held in an enclosed environment, (b) to follow any prevailing requirements or guidelines of the Government relating to COVID-19 in deciding whether or not to attend the EGM; and (c) not to attend the EGM if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19.

Attendees are requested to observe and practice good personal hygiene at all times at the EGM venue.

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It is possible that Shareholders and/or their representatives may not be able to attend in person at the EGM venue depending on prevailing regulations imposed by the Hong Kong Government, including but not limited to any ban on conducting physical general meetings of companies under the Regulations. Shareholders are strongly encouraged to appoint the representative as their proxy to vote on the resolutions to be proposed at the EGM, instead of attending the EGM in person.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the EGM arrangements at short notice. Shareholders should check the website of the Company at <http://www.bece.com.hk> and the website of the Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk/> for future announcements and updates on the EGM arrangements when necessary.

If any Shareholder has any question relating to the EGM arrangements, please contact Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, as follows:

Tricor Investor Services Limited
54th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong
Tel: 2980 1333
Fax: 2810 8185

The contact details set out above are for the purpose of providing Shareholders with information on administrative and logistical matters only. No advice or other information relating to the Subscription, the Specific Mandate and/or the other matters mentioned in this circular will be provided by Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong. Shareholders and potential investors are advised to read this circular for details of the Subscription, the Specific Mandate and/or other resolutions mentioned.