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**One Oak Tree Limited**  
*(a company incorporated in the British Virgin Islands with limited liability)*

  
**ClipFresh**  
just what you need  
**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)*

**PROPOSED RESTRUCTURING INVOLVING**  
**(1) PROPOSED SHARE CONSOLIDATION AND**  
**INCREASE IN AUTHORISED SHARE CAPITAL;**  
**(2) PROPOSED SUBSCRIPTION OF NEW SHARES UNDER**  
**SPECIFIC MANDATE;**  
**(3) CREDITORS SCHEMES INVOLVING POSSIBLE GRANT OF**  
**THE SHARE OPTIONS AND PUT OPTIONS; AND**  
**(4) APPLICATION FOR WHITEWASH WAIVER**

**Financial Advisor to the Company**



**PROPOSED RESTRUCTURING**

On 8 November 2021, the Company and the Joint Provisional Liquidators entered into the Restructuring Agreement with One Oak, pursuant to which the Company will implement the Restructuring which involves the restructuring of business, debts and liabilities, capital structure and share capital of the Company including, among others, (i) the Share Consolidation and the Increase in Authorised Share Capital; (ii) the Subscription; and (iii) the Creditors Schemes involving possible grant of the Share Options and the Put Options.

Following the entering into of the Restructuring Agreement, the Company intends to submit the Resumption Proposal containing details of the Restructuring to the Stock Exchange for the purpose of seeking a resumption of trading of the Shares on the Main Board.

## **PROPOSED SHARE CONSOLIDATION AND INCREASE IN AUTHORISED SHARE CAPITAL**

The Company proposes to implement, subject to the approval by the Shareholders, the Share Consolidation, under which every ten (10) issued Shares of par value of HK\$0.01 will be consolidated into one (1) Consolidated Share of par value of HK\$0.10.

As at the date of this announcement, the authorised share capital of the Company is HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each, of which 540,000,000 Shares are in issue which are fully paid or credited as fully paid. Immediately following the Share Consolidation, the authorised share capital of the Company shall become HK\$20,000,000 divided into 200,000,000 Consolidated Shares of HK\$0.10 each, of which 54,000,000 Consolidated Shares shall be in issue as fully paid or credited as fully paid.

The Company further proposes to increase the Company's authorised share capital from HK\$20,000,000 divided into 200,000,000 Consolidated Shares to HK\$200,000,000 divided into 2,000,000,000 Consolidated Shares by the creation of an additional 1,800,000,000 Consolidated Shares.

Further announcement(s) in relation to the Share Consolidation and Increase in Authorised Share Capital will be made by the Company as and when appropriate.

## **PROPOSED SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

Pursuant to the Subscription Agreement entered into amongst One Oak (as subscriber), the Company (as issuer) and the Joint Provisional Liquidators, the Company has conditionally agreed to allot and issue, and One Oak has conditionally agreed to subscribe for, 486,000,000 new Consolidated Shares, at the subscription price of HK\$0.1646 per new Consolidated Share.

It is proposed that One Oak will subscribe for the Subscription Shares for HK\$80,000,000, which shall be satisfied by way of cash to the Company and/or by way of set-off against the outstanding amounts due by the Company to One Oak under the One Oak Funding Agreement in whole or in part on a dollar-for-dollar basis, respectively. The total number of Subscription Shares to be allotted and issued under the Subscription represents 90% of the enlarged issued share capital of the Company respectively immediately after the Share Consolidation and the Subscription.

The Subscription Shares will be allotted and issued under the Specific Mandate to be sought for approval from the Independent Shareholders at the EGM.

## **CREDITORS SCHEMES**

It is proposed that the Creditors Schemes will be implemented, pursuant to which each Creditor with Admitted Scheme Claim(s) may elect one of the following options for settlement of their entitlement:

- (1) the receipt of the distribution of HK\$20.0 million with other Creditors (i.e. the Cash Option) by reference to the following formula:

$$\text{HK\$20.0 million} \times \frac{\text{Admitted Scheme Claim(s) of the individual Creditor}}{\text{Total Admitted Scheme Claims of all Creditors}}$$

OR

- (2) the grant of the Share Options and the Put Options by the Company (i.e. the Equity Option) by reference to the following formula in respect of the Share Options:

$$60,000,000 \text{ Share Options} \times \frac{\text{Admitted Scheme Claim(s) of the individual Creditor}}{\text{Total Admitted Scheme Claims of all Creditors}}$$

In the absence of any election, the Creditor(s) with Admitted Scheme Claim(s) will be deemed to have elected the Cash Option.

Subject to the approval of the Creditors, the Shareholders, the Cayman Court, the Hong Kong Court and relevant regulators, and upon completion of the Creditors Schemes, all the claims of the Creditors against the Company, and liabilities of the Company will be compromised, discharged and released in full.

## **GRANT OF THE SHARE OPTIONS AND PUT OPTIONS**

Pursuant to the Restructuring Agreement and subject to the terms and conditions therein, as for Creditors with Admitted Scheme Claims who elect the Equity Option, the Company proposes to grant (1) up to 60,000,000 Share Options to subscribe for new Consolidated Shares at the Option Exercise Price of HK\$0.10 per Option Share (subject to adjustment) to the Scheme Administrators for the benefit of the Creditors who elect the Equity Option; and (2) for each Share Option granted, a Put Option to sell the Share Option back to the Company (i) at a Put Option Price A of HK\$0.6667 per Share Option during the Put Option Exercise Period A; and (ii) at a Put Option Price B of HK\$0.8333 per Share Option during the Put Option Exercise Period B. The grant of the Put Options shall be conditional upon the grant of the Share Options becoming unconditional.

The grant of the Share Options and the Put Options to the Scheme Administrators to hold for the benefit of the Creditors will be subject to the approval from the Independent Shareholders at the EGM.

## **APPLICATION FOR WHITEWASH WAIVER**

As at the date of this announcement, One Oak and parties acting in concert with it did not hold, own, control or have direction over any Shares, outstanding options, warrants or any securities that are convertible into Shares or any derivatives in respect of the securities in the Company, or hold any relevant securities in the Company.

Assuming that (i) the Share Consolidation and the Increase in Authorised Share Capital have become effective; (ii) completion of the Subscription has taken place; and (iii) there is no other change in the issued share capital of the Company from the date of this announcement and up to Completion (other than as a result of the Share Consolidation and the Subscription), One Oak will be interested in 486,000,000 Consolidated Shares, representing 90.0% of the then enlarged issued share capital of the Company.

As such, One Oak would be required to make a mandatory general offer for all the issued shares of the Company (not already owned or agreed to be acquired by One Oak and parties acting in concert with it) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

One Oak will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval by at least 75% of the votes cast by the Independent Shareholders at the EGM by way of poll in respect of the Whitewash Waiver and the approval by more than 50% of the Independent Shareholders at the EGM in respect of the underlying transactions (i.e. the Share Consolidation, the Increase in Authorised Share Capital, the Subscription, and the transactions contemplated under the Creditors Schemes, including the grant of specific mandate for the issue and allotment of the Option Shares), in which One Oak and those who are involved in or interested in the proposed Restructuring will abstain from voting on the relevant resolution(s). The Executive may or may not grant the Whitewash Waiver. If the Whitewash Waiver is not granted, the Restructuring Agreement will terminate forthwith.

## **GENERAL**

An Independent Board Committee, comprising all independent non-executive Directors in compliance with Rule 2.8 of the Takeovers Code, will be established to advise the Independent Shareholders, among other things, as to whether the terms of (i) the Subscription; (ii) the Creditors Schemes involving possible grant of the Share Options and Put Options; and (iii) the Whitewash Waiver are fair and reasonable as well as in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser.

The Company will appoint an independent financial adviser to advise the Independent Board Committee and Independent Shareholders in accordance with the requirements under the Takeovers Code and the Listing Rules. Further announcement(s) will be made by the Company upon the appointment of the independent financial adviser.

A circular including, among other things, details of (i) the Share Consolidation and the Increase in Authorised Share Capital; (ii) the Subscription under Specific Mandate; (iii) the Creditors Schemes involving possible grant of the Share Options and the Put Options; (iv) the Whitewash Waiver; and (v) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in compliance with the Takeovers Code and the Listing Rules.

As the Restructuring is subject to various sanctions and approvals (as applicable) by the Cayman Court, the Hong Kong Court, the Shareholders, the Stock Exchange, the Executive and the Creditors, it is expected that more time may be needed for the Company's application to the Courts and relevant regulatory authorities and for the preparation of the circular. The Company will apply to the Executive pursuant to Rule 8.2 of the Takeovers Code for its consent to extend the time limit for the despatch of the Circular and the Company will make further announcement on the expected date of such despatch of the Circular.

**Since the Restructuring is subject to various sanctions and approvals (as applicable) by the Cayman Court, the Hong Kong Court, the Shareholders, the Stock Exchange, the Creditors, etc., there is no guarantee that the Restructuring will be materialised. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **CONTINUED SUSPENSION OF TRADING IN THE SHARES**

Dealing in the Shares on the Main Board of the Stock Exchange has been suspended since 9:00 a.m. on 2 July 2020 and will remain suspended until further notice.

**The publication of this announcement does not indicate any decision or conclusion from the Stock Exchange nor warrant any approval from the Stock Exchange on the resumption of trading in Shares given that the Resumption is subject to the fulfilment of other resumption conditions. Therefore, the Resumption may or may not proceed. The Company will keep the public informed of the latest development by making further announcements as and when appropriate.**

References are made to the announcements of the Company dated 31 July 2020 and 26 August 2020 in relation to, among other things, the appointment of the Joint Provisional Liquidators, and the announcement of the Company dated 17 September 2021 in relation to, among other matters, the One Oak Funding Agreement. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the One Oak Funding Announcement.

## **THE RESTRUCTURING AGREEMENT**

On 8 November 2021, the Company and the Joint Provisional Liquidators entered into the Restructuring Agreement with One Oak, pursuant to which the Company will implement the Restructuring which involves restructuring of the business, debts and liabilities, capital structure and share capital of the Company including, among others, (i) the Share Consolidation and the Increase in Authorised Share Capital; (ii) the Subscription; and (iii) the Creditors Schemes involving possible grant of the Share Options and Put Options.

### **Date**

8 November 2021

### **Parties**

- (i) Company (as issuer)
- (ii) One Oak (as investor)
- (iii) The Joint Provisional Liquidators

### **Conditions precedent for Completion**

Completion shall be conditional upon the following conditions precedent being fulfilled on or before the Long Stop Date:

- (i) the signing of all Restructuring Documents by all the parties thereunder as may be required to be entered into before Completion;
- (ii) a copy of an order of the Cayman Court sanctioning the Cayman Scheme pursuant to the Companies Act having been delivered to the Registrar of Companies in the Cayman Islands for registration and an office copy of an order of the Hong Kong Court sanctioning the Hong Kong Scheme pursuant to the Companies Ordinance having been delivered to the Registrar of Companies in Hong Kong for registration;

- (iii) the orders of the Cayman Court and the Hong Kong Court sanctioning the dismissal of the winding-up petitions presented against the Company and the discharge of the Provisional Liquidators in Hong Kong and the Cayman Islands;
- (iv) the passing of the necessary resolutions by the Shareholders or Independent Shareholders (as the case may be) at the EGM for the Creditors Schemes, the Restructuring Agreement, the transactions contemplated under the Restructuring (including the Share Consolidation, the Increase in Authorised Share Capital, the Subscription, the grant of the Share Options and the Put Options, and the Whitewash Waiver) and not having been revoked or vitiated;
- (v) 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 Consolidated Shares, the Subscription Shares and the Option Shares on the Stock Exchange;
- (vi) the Whitewash Waiver having been granted by the Executive and such Whitewash Waiver not having been subsequently revoked or withdrawn;
- (vii) the Creditors Schemes becoming effective and being implemented in accordance with their terms;
- (viii) the resumption of trading of the Shares (or Consolidated Shares, if the Share Consolidation has become effective) on the Stock Exchange; and
- (ix) all necessary governmental, regulatory and corporate authorisations, approvals, consents and/or waivers for the entering into of the Restructuring Agreement and the performance of obligations thereunder having been obtained and effective.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, save for the consents, approvals and/or waivers required to be obtained by the Company as set out in conditions (ii) to (viii) above, there is no other governmental, regulatory and corporate authorisations and approvals required to be obtained in respect of condition (ix) above. As at the date of this announcement, none of the conditions above is fulfilled.

## **Termination of the Restructuring Agreement**

### ***Termination by Joint Provisional Liquidators or One Oak***

Each of the Joint Provisional Liquidators and One Oak may terminate the Restructuring Agreement by serving written notice to other parties to the Restructuring Agreement if One Oak or the Joint Provisional Liquidators (as the case may be) (i) materially breach or default in any of its/their obligations under the Restructuring Agreement or fail to comply fully with such obligations; and (ii) fail to rectify such breach, default or non-compliance within ten (10) Business Days of the non-defaulting party notifying the defaulting party in writing of such breach, default or non-compliance.

If the Restructuring Agreement is terminated by the Joint Provisional Liquidators following a material breach of One Oak of its obligations under the Restructuring Agreement, (i) the Creditors Schemes shall terminate and all the Scheme Claims shall be deemed to have revived and the Creditors will be entitled to pursue against the Company in respect of such Scheme Claims as if the Schemes had never been effective and binding provided that credit be given to any distribution made under the Creditors Schemes; and (ii) any amount of the Scheme Funds remaining in the Scheme Trust Account, after deduction of all the Restructuring Costs incurred, shall be returned to the Company as soon as practicable following the termination and One Oak shall waive the repayment of such equivalent amount and interest accrued thereon provided under the One Oak Funding Agreement.

### ***Automatic Termination***

Unless the Joint Provisional Liquidators and One Oak shall otherwise agree, the Restructuring Agreement shall be terminated automatically if:

- (i) the listing of the Shares has been cancelled by the Stock Exchange before the Completion Date and the Company has failed in an appeal to the Listing Review Committee of the Stock Exchange to reverse such decision;
- (ii) an order has been made by the Hong Kong Court and/or the Cayman Court to wind-up the Company;
- (iii) Completion has not taken place on or before the Long Stop Date; or
- (iv) the Joint Provisional Liquidators and One Oak agree in writing that the Restructuring Agreement shall be terminated.

The Restructuring Agreement shall not be terminated automatically, if at any time of the occurrence of any event set out in the paragraphs (i) to (iv) above, One Oak is in breach of or has defaulted in its obligations under the Restructuring Agreement or has failed to comply fully with such obligations and such breach, default or non-compliance has not been rectified within 14 Business Days from the date of such breach, default or non-compliance, but shall be deemed to have been terminated by the Joint Provisional Liquidators and any amount of the Scheme Funds remaining in the Scheme Trust Account, after deduction of all the Restructuring Costs incurred, shall be returned to the Company as soon as practicable following the termination and One Oak shall waive the repayment of such equivalent amount and the interest accrued thereon provided under the One Oak Funding Agreement.

If the Restructuring Agreement is terminated automatically, (i) the Creditors Schemes shall terminate and all the Scheme Claims shall be deemed to have revived and the Creditors will be entitled to pursue against the Company in respect of such Scheme Claims as if the Creditors Schemes had never been effective and binding provided that credit be given to any distributions made under the Creditors Schemes; and (ii) any amount of the Scheme Funds remaining in the Scheme Trust Account, after deduction of all the Restructuring Costs incurred, shall be transferred to One Oak as soon as practicable following the termination.

## **I. PROPOSED SHARE CONSOLIDATION AND INCREASE IN AUTHORISED SHARE CAPITAL**

The Company proposes to implement, subject to the approval by the Shareholders, the Share Consolidation, under which every ten (10) issued Shares of par value of HK\$0.01 will be consolidated into one (1) Consolidated Share of par value of HK\$0.10.

### **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each, of which 540,000,000 Shares are in issue which are fully paid or credited as fully paid. Immediately following the Share Consolidation, the authorised share capital of the Company shall become HK\$20,000,000 divided into 200,000,000 Consolidated Shares of HK\$0.10 each, of which 54,000,000 Consolidated Shares shall be in issue which are fully paid or credited as fully paid.

Other than the relevant expenses incurred, the implementation of the Share Consolidation will not, by itself, alter the underlying assets, liabilities, businesses, operations, management or financial position of the Company and the Group or the rights of the Shareholders.

### **Status of the Consolidated Shares after the Share Consolidation**

The Consolidated Shares after the Share Consolidation will be identical and rank pari passu in all respects with each other.

### **Conditions precedent of the Share Consolidation**

The implementation of the Share Consolidation shall be conditional upon:

- (1) the passing of an ordinary resolution by the Shareholders by way of poll at the EGM to approve the Share Consolidation;
- (2) 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 Consolidated Shares, upon the Share Consolidation becoming effective, on the Stock Exchange; and
- (3) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation, if any.

The Company further proposes to increase the Company's authorised share capital from HK\$20,000,000 divided into 200,000,000 Consolidated Shares to HK\$200,000,000 divided into 2,000,000,000 Consolidated Shares by the creation of an additional 1,800,000,000 Consolidated Shares. The proposed Increase in Authorised Share Capital is conditional upon:

- (1) the passing of an ordinary resolution by the Shareholders by way of poll at the EGM to approve the Increase in Authorised Share Capital; and
- (2) the Share Consolidation having become effective.

## **II. PROPOSED SUBSCRIPTION OF NEW SHARES**

One Oak agrees under the Subscription Agreement to provide funding for the restructuring and future business operation of the Company in addition to the One Oak Funding Agreement.

### **Subscription Shares**

Pursuant to the terms and conditions of the Subscription Agreement, One Oak shall subscribe for a total of 486,000,000 Consolidated Shares for a total subscription price of HK\$80,000,000, representing approximately HK\$0.1646 per Consolidated Share, which shall be satisfied (i) by way of cash to the Company; and/or (ii) by way of set-off against the outstanding amounts under the One Oak Funding Agreement in whole or in part on a dollar-for-dollar basis.

The total number of Consolidated Shares to be allotted and issued under the Subscription represents:

- (i) 90% of the enlarged issued share capital of the Company immediately after the Share Consolidation, Subscription and the Creditors Scheme becoming effective;
- (ii) approximately 75% of the enlarged issued share capital of the Company immediately after the Share Consolidation, Subscription, the Creditors Schemes becoming effective, and completion of the Placing, assuming all Creditors accept the Cash Option or all Creditors accepting the Equity Option have not exercised the Share Options eventually; and
- (iii) approximately 67.5% of the enlarged issued share capital of the Company immediately after the Share Consolidation, Subscription, the Creditors Schemes becoming effective, and completion of the Placing, assuming all Creditors accept the Equity Option, and all Creditors accepting the Equity Option have exercised the Share Options eventually.

The aggregate nominal value of 486,000,000 Consolidated Shares is HK\$48,600,000.

The Subscription Shares will be allotted and issued under the Specific Mandate to be sought for approval from the Independent Shareholders at the EGM.

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

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Consolidated Shares in issue on the date of allotment and issue of the Subscription Shares.

### **Subscription Price**

The Subscription Price of HK\$0.1646 per Subscription Share represents:

- (i) a discount of approximately 91.01% to the theoretical closing price of HK\$1.830 per Consolidated Share as adjusted for the effect of the Share Consolidation based on the closing price of HK\$0.1830 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 91.02% to the theoretical average closing price of HK\$1.832 per Consolidated Share as adjusted for the effect of the Share Consolidation based on the average closing price of HK\$0.1832 as quoted on the Stock Exchange for the last five trading days prior to the Last Trading Day.

The Subscription Price was determined after arm's length negotiation between the Company, Joint Provisional Liquidators and One Oak with reference to (i) the financial position of the Company (recording a total deficit of HK\$116,936,000 and HK\$135,086,000 as at 31 December 2019 and 30 June 2020, respectively, according to the 2019 annual report and 2020 interim report of the Company) and that the Company is insolvent; (ii) the prevailing market prices of the Shares; (iii) the recent market conditions; and (iv) the fact that trading in the Shares on the Stock Exchange has been suspended since 2 July 2020 and the proposed Restructuring is the only viable resumption proposal to rescue the Company to avert the delisting of the Shares on the Stock Exchange. Taking into account the aforesaid factors, the Directors (excluding the independent non-executive Directors whose view will be expressed after considering the advice of the independent financial adviser) considered that the Subscription Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## Conditions precedent of the Subscription

Completion of the Subscription shall be conditional upon:

- (i) a copy of an order of the Cayman Court sanctioning the Cayman Scheme pursuant to the Companies Act having been delivered to the Registrar of Companies in the Cayman Islands for registration and an office copy of an order of the Hong Kong Court sanctioning the Hong Kong Scheme pursuant to the Companies Ordinance having been delivered to the Registrar of Companies in Hong Kong for registration;
- (ii) the Share Consolidation and the Increase in Authorised Share Capital becoming effective;
- (iii) the passing of the necessary resolutions by the Shareholders or Independent Shareholders (as the case may be) at the EGM for the Creditors Schemes, the Restructuring Agreement, the Subscription Agreement and the transactions contemplated thereunder respectively (including the Share Consolidation, the Increase in Authorised Share Capital, the Subscription, the grant of the Share Options and Put Options, and the Whitewash Waiver) and not having been revoked or vitiated;
- (iv) the Whitewash Waiver having been granted by the Executive and such Whitewash Waiver not having been subsequently revoked or withdrawn;
- (v) 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 Subscription Shares on the Stock Exchange;
- (vi) the Stock Exchange having conditionally or unconditionally approved or decided to allow the Company to proceed with the resumption of the trading in the Shares (or the Consolidated Shares upon the Share Consolidation becoming effective) on the Stock Exchange and all the conditions attached to such approval or decision (if any) having been fulfilled (other than those conditions relating to or in connection with the restoration of public float) or waived by the Stock Exchange; and
- (vii) all other necessary waivers, consents and approval including but not limited to those from the Stock Exchange, the Executive and any other relevant government or regulatory authorities, which are required (if any) for the implementation of the Restructuring Proposal and all transactions contemplated thereunder having been obtained.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, save for the waivers, consents and/or approvals required to be obtained by the Company as set out in conditions (i), (iii), (iv), (v) and (vi) above, there is no other waivers, consents and approvals required to be obtained in respect of condition (vii) above. As at the date of this announcement, none of the conditions above is fulfilled.

Further announcement(s) will be made by the Company in relation to the Subscription as and when appropriate.

### **Placing down for fulfilling the minimum public float requirement**

As the public float of the Company will fall below 25% upon completion of the Subscription, One Oak undertakes that it will, as soon as practicable, dispose of such number of Consolidated Shares through a placing agent to ensure that the public float requirement under the Listing Rules can be complied with by the Company. Further announcement(s) will be made in relation to the arrangements, as and when appropriate.

### **III. CREDITORS SCHEMES**

It is proposed that the debts of the Company be restructured from funds to be made available out of (i) the funding under the One Oak Funding Agreement; and (ii) the partial net proceeds from the Subscription (if applicable).

Under the Creditors Schemes, each Creditor with Admitted Scheme Claim(s) may choose either the Cash Option or the Equity Option (but not a combination of the Cash Option and Equity Option). Further, each Creditor with Admitted Scheme Claim(s) may be entitled to the Realisation Proceeds which may be realised by the Scheme Administrators from the Disposal of the Transferred Claims.

Those Creditors who elect to receive the Cash Option would share in the distribution of HK\$20.0 million with the other Creditors by reference to the following formula:

$$\text{HK\$20.0 million} \times \frac{\text{Admitted Scheme Claim(s) of the individual Creditor}}{\text{Total Admitted Scheme Claims of all Creditors}}$$

Those Creditors who elect to receive the Equity Option will receive the benefit of the Share Options granted by the Company to be held by the Scheme Administrators for the benefit of such Creditors to subscribe for new Consolidated Shares at a nominal exercise fee of HK\$0.10 (i.e. the Option Exercise Price) by reference to the below formula. Additionally, such Creditors may exercise the Put Option and require the Company to purchase the Share Options granted.

$$60,000,000 \text{ Share Options} \times \frac{\text{Admitted Scheme Claim(s) of the individual Creditor}}{\text{Total Admitted Scheme Claims of all Creditors}}$$

If the Put Option is exercised within the Put Option Exercise Period A and Put Option Exercise Period B, the relevant Creditor will be entitled to require the Company to purchase the Share Option(s) at HK\$0.6667 per Share Option (i.e. the Put Option Price A) and HK\$0.8333 per Share Option (i.e. the Put Option Price B), respectively.

In the absence of any election, a Creditor will be deemed to have elected the Cash Option.

### **Conditions precedent of the Creditors Schemes**

The Creditors Schemes will be implemented simultaneously in Hong Kong and the Cayman Islands. The Creditors Schemes will become binding and effective on the Company and the Creditors under Cayman Islands law and Hong Kong law if the following conditions precedent, among others, are satisfied:

- (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 through electronic means if applicable) or by proxy at the Scheme Meeting, vote in favour of the Creditors Schemes;
- (b) the Cayman Court sanctions the Cayman Scheme and an office copy of the order of Cayman Court sanctioning the Cayman Scheme is delivered to and registered by the Registrar of Companies in the Cayman Islands;
- (c) the Hong Kong Court sanctions the Hong Kong Scheme and an office copy of the order of the Hong Kong Court sanctioning the Hong Kong Scheme is delivered to and registered by the Registrar of Companies in Hong Kong for registration; and
- (d) the passing of the necessary resolutions by the Shareholders or Independent Shareholders (as the case may be) at the EGM for the Creditors Schemes.

All the conditions precedents to the Creditors Schemes are not capable of being waived.

Pursuant to the terms of the Restructuring Agreement, the Company shall apply to the Hong Kong Court and the Cayman Court for orders convening the Scheme Meeting to enable the Creditors to consider the Creditors Schemes pursuant to which:

- (i) all Scheme Claims against the Company shall be compromised, discharged and/or settled; and
- (ii) the Creditors shall receive distribution of the Scheme Funds on the terms of the Creditors Schemes.

The Creditors Schemes shall, if sanctioned by the Courts, bind the Company and each of the Creditors and shall be administered by the Scheme Administrators.

As at the date of this announcement, the Company has an estimated total amount of Claims of approximately HK\$197 million. As informed by the Joint Provisional Liquidators, the Joint Provisional Liquidators have received ten proof of debt forms totalling approximately HK\$109.8 million from certain alleged bondholders in or around late April and early May 2021 in addition to the total amount of Claims of approximately HK\$197 million. The alleged bonds held by the said alleged bondholders were not recorded in the Company's financial records. The Company considers that the validity and enforceability of these Claims are subject to serious dispute. This indebtedness figure is indicative only and the claims of the Creditors will be subject to final determination by the Scheme Administrators and (if applicable) adjudication under the Creditors Schemes. As at the date of this announcement, none of the Creditors are known to be Shareholders, nor have any known Creditors indicated their intention to become Shareholders. The Creditors are Independent Third Parties, who are not existing Shareholders and are not acting in concert with the One Oak Concert Group as at the date of this announcement.

Subject to the approval of the Creditors, the Shareholders, the Cayman Court, the Hong Kong Court and relevant regulators, and upon completion of the Creditors Schemes, all the claims of the Creditors against the Company, and liabilities of the Company will be compromised, discharged and released in full. The Creditors Schemes will become legally binding on the Company and its creditors upon fulfilment of the conditions to be set out in the Restructuring Agreement and upon the filing of the orders of the Hong Kong Court and the Cayman Court with the relevant companies registries in Hong Kong and the Cayman Islands respectively. As at the date of this announcement, the Creditors Schemes have not come into effect. The Company will provide an update on the Creditors Schemes as and when appropriate.

#### **IV. GRANT OF THE SHARE OPTIONS AND PUT OPTIONS**

##### **Share Options**

Pursuant to the terms and conditions of the Restructuring Agreement, the Company undertakes to execute the Option Deed and to grant up to 60,000,000 Share Options to the Creditors who elect the Equity Option under the Creditors Schemes. Up to 60,000,000 Share Options will be issued by the Company to the Scheme Administrators to hold for the benefit of such Creditors as soon as practicable after the Scheme Administrators or the adjudicator has/have determined or adjudicated all the Scheme Claim(s) (as the case may be) in accordance with the Creditors Schemes and within 21 days from the date of Resumption (whichever is later). Principal terms of the Share Options are set out below:

Issuer: the Company

Grantee: the Creditors who elect the Equity Option under the Creditors Schemes

Number of Share Option:	up to 60,000,000 Share Options entitling the holder(s) to subscribe for a maximum of 60,000,000 Option Shares (upon the Share Consolidation becoming effective). Each Share Option carries the rights of its holder to subscribe for one Option Share
Number of the Option Shares:	up to 60,000,000 Option Shares (upon the Share Consolidation becoming effective) to be issued upon exercise of the Share Options  The aggregate nominal value of 60,000,000 Option Shares is HK\$6,000,000
Option Period:	period of six (6) months from the date of grant of the Share Options
Option Exercise Price:	HK\$0.10 per Option Share (upon the Share Consolidation becoming effective) (subject to customary adjustments upon occurrence of certain events such as consolidation or subdivision of the share capital of the Company, capitalisation of profits or reserves, share dividends or other dividends and distributions)
Ranking of Option Shares to be allotted and issued on exercise of the Share Options	all Options Shares to be allotted and issued on exercise of the Share Options shall rank pari passu in all respects with the fully paid new Consolidated Shares in issue on the relevant date of exercise of the Share Options, and shall accordingly entitle the holders to participate in full in all dividends or other distributions paid or made on the Consolidated Shares on or after the relevant date of exercise of the Share Options, other than any dividend or other distribution previously declared, or recommended or resolved to be paid or made, if the record date is before the relevant date of exercise of the Share Options and notice of the amount and record date for which is given to the Stock Exchange prior to the relevant date of exercise of the Share Options

Alteration in capital structure:	In the event of any alteration in the capital structure of the Company whilst any Share Option is able to be vested or remains exercisable, whether by way of capitalisation of profits or reserves, consolidation or sub-division of the share capital of the Company in accordance with the legal requirements and requirements of the Stock Exchange, other than any alteration in the capital structure of the Company as a result of an issue of Shares pursuant to, or in connection with, any share option scheme, share appreciation rights scheme or any arrangement for remunerating or incentivising any employee, consultant or advertiser to the Company or any employee, consultant or adviser to the Group, or in the event of any distribution of the Company's legal assets to the Shareholders on a pro rata basis other than dividends paid out of the net profits attributable to the Shareholders for each financial year of the Company, such corresponding alterations (if any) shall be made to the Option Exercise Price subject to the written confirmation of a firm of accountant or independent financial adviser of the Company that the adjustment shall be in compliance with the Listing Rules or such other guidance by the Stock Exchange
Rights on liquidation:	In the case of a compulsory winding-up of the Company, the Share Options in so far as not exercised shall lapse on an order having been made by the court for winding-up of the Company
Transferability:	Save for the transfer of the Share Options to the Company by virtue of the exercise of the Put Options, the Share Options are not transferable
Listing:	No listing of the Share Options will be sought on the Stock Exchange or other stock exchanges

## Put Options

Pursuant to the terms and conditions of the Restructuring Agreement, the Company undertakes to grant the Put Options to the Creditors who elect the Equity Option under the Creditors Schemes. The holder of the Put Options will have the right to sell the Share Options back to the Company (i) at a Put Option Price A of HK\$0.6667 per Share Option during the Put Option Exercise Period A; and (ii) at a Put Option Price B of HK\$0.8333 per Share Option during the Put Option Exercise Period B. Principal terms of the Put Options are set out below:

Grantor:	the Company
Grantee:	the Creditors who elect the Equity Option under the Creditors Schemes
Exercise of Put Options:	The Company shall purchase the Share Options and the Grantee shall sell the Share Options free from any encumbrance, equities, claims and adverse interests whatsoever, and together with all rights now and hereafter attaching or accruing to them on or after the date of the exercise notice given by the Grantee to the Grantor
Put Option Exercise Period A:	the 14-day period immediately preceding the date falling three (3) months from the date of grant of the Share Options
Put Option Exercise Period B:	the 14-day period immediately preceding the date of expiry of the Option Period
Put Option Price A:	HK\$0.6667 per Share Option for the Put Option Exercise Period A
Put Option Price B:	HK\$0.8333 per Share Option for the Put Option Exercise Period B

The Put Option Price A represents the consideration of HK\$40,000,000 offered by One Oak to the Creditors who elect the Equity Option and intend to exercise the Put Options within the Put Option Exercise Period A, divided by the maximum number of Share Options to be issued. The Put Option Price B represents the consideration of HK\$50,000,000, offered by One Oak to the Creditors who elect the Equity Option and intend to exercise the Put Options within the Put Option Exercise Period B, divided by the maximum number of Share Options to be issued.

Pursuant to the terms and conditions of the Restructuring Agreement, One Oak shall guarantee the due and punctual payment and performance of all obligations of the Company in connection with the Put Options in favour of the Creditors, provided that any liability of One Oak under the Option Deed and the Option Guarantee shall be limited to an amount of HK\$30.0 million. Such guaranteed amount of HK\$30.0 million represents the difference between (i) the maximum purchase price for the Share Options assuming all Creditors opt for the Equity Option and exercise the Put Options (i.e. HK\$50.0 million); and (ii) a cash payment of HK\$20.0 million which One Oak has agreed to provide to the Company as part of the Further Funding pursuant to the terms of the One Oak Funding Agreement for the purposes of the Creditors Schemes.

### **Conditions precedent of the grant of the Share Options and the Put Options**

The grant of the Share Options shall be conditional upon:

- (1) a copy of an order of the Cayman Court sanctioning the Cayman Scheme pursuant to the Companies Act having been delivered to the Registrar of Companies in the Cayman Islands for registration and an office copy of an order of the Hong Kong Court sanctioning the Hong Kong Scheme pursuant to the Companies Ordinance having been delivered to the Registrar of Companies in Hong Kong for registration;
- (2) the signing of the Option Deed by the Company and the Option Guarantee by One Oak both in favour of the Scheme Administrators for the benefit of the Creditors;
- (3) the Share Consolidation and the Increase in Authorised Share Capital becoming effective;
- (4) the passing of the necessary resolutions by the Shareholders or Independent Shareholders (as the case may be) at the EGM for the Creditors Schemes, the Restructuring Agreement and the transactions contemplated under the Restructuring Agreement (including the Share Consolidation, the Increase in Authorised Share Capital, the Subscription, the grant of the Share Options and Put Options) and not having been revoked or vitiated; and
- (5) 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 Option Shares on the Stock Exchange.

The grant of the Put Options shall be conditional upon the grant of the Share Options becoming unconditional.

The grant of the Share Options and the Put Options will be subject to the approval from the Independent Shareholders at the EGM.

## **The Option Shares**

Pursuant to the terms and conditions of the Restructuring Agreement, the Creditors with Admitted Scheme Claims who elect the Equity Option will have the rights, which may be exercised at any time during the Option Period to subscribe at the Option Exercise Price for up to 60,000,000 Option Shares.

If the Creditors with Admitted Scheme Claims who elect the Equity Option shall exercise the Share Options in entirety, an aggregate of 60,000,000 Option Shares will be newly issued, representing 10.00% of the enlarged issued share capital of the Company immediately after the Share Consolidation, the Subscription, the Creditors Schemes becoming effective, and completion of the Placing, assuming all Creditors accept the Equity Option, and all Creditors accepting the Equity Option have exercised the Share Options eventually.

## **The Option Exercise Price**

The Option Exercise Price of HK\$0.10 per Option Share represents:

- (i) a discount of approximately 94.54% to the theoretical closing price of HK\$1.830 per Consolidated Share as adjusted for the effect of the Share Consolidation based on the closing price of HK\$0.1830 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 94.54% to the theoretical average closing price of HK\$1.832 per Consolidated Share as adjusted for the effect of the Share Consolidation based on the average closing price of HK\$0.1832 as quoted on the Stock Exchange for the last five trading days prior to the Last Trading Day.

The Option Exercise Price, being HK\$0.10 per Option Share (upon the Share Consolidation becoming effective) which represents the nominal price of the Consolidated Share and the lowest possible issued price of the Consolidated Share, was determined after arm's length negotiation between the Company, Joint Provisional Liquidators and One Oak with reference to (i) the financial position of the Company; (ii) the prevailing market prices of the Shares; (iii) the recent market conditions; and (iv) the fact that trading in the Shares on the Stock Exchange has been suspended since 2 July 2020 and the proposed Restructuring is the only viable resumption proposal to rescue the Company to avert the delisting of the Shares on the Stock Exchange.

## **Expected effective date of the grant of the Share Options and Put Options**

The proposed issue of the Share Options and Put Options will be effective upon the conditions mentioned above being fulfilled. The Share Options shall lapse automatically on the earliest of (i) the expiry of the Option Period and (ii) a voluntary or compulsory winding-up of the Company.

Further announcement(s) will be made by the Company to inform the Shareholders of the progress of the matter as and when appropriate.

## **REASONS AND BENEFITS FOR THE ENTERING OF THE RESTRUCTURING AGREEMENT, THE SUBSCRIPTION AGREEMENT AND THE USE OF PROCEEDS**

The Group is principally engaged in designing, developing, manufacturing and selling in plastic and other household products.

References are 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 and 26 July 2021 of the Company in relation to several litigation and winding up petitions. The Restructuring, along with the One Oak Funding Arrangement, form a vital part of the resumption plan of the Company as it provides the Group with the necessary financing to resolve the debts of the Company by the implementation of the Creditors Schemes.

In view of the above and considering the financial situation of the Group and the willingness of One Oak to finance the Group in order to relieve the indebtedness of the Company and to support the business operations and expansion of the Group, the Joint Provisional Liquidators and the executive Directors consider that the entering into the Restructuring Agreement and the Subscription Agreement will facilitate the debt restructuring of the Group and to satisfy the Resumption Guidance set out by the Stock Exchange. In addition, as disclosed in the quarterly update announcement of the Company dated 30 September 2021, the Group has been endeavoring on the process of formulating and implementation of the Restructuring plan, and in order to comply with the resumption guidance of the Company, one of which is to demonstrate its compliance with Rule 13.24 of the Listing Rules to warrant the continued listing of the Shares. With the introduction of One Oak as a Shareholder, it is expected that the experience and network of Mr. Kabir Haresh Shah (“**Mr. Shah**”) and Mr. David Michael Halley (“**Mr. Halley**”), both being the shareholders and directors of One Oak, in the corporate management and industrial and supply chain industry could help the Group to expand and develop its business. Having considered the factors above, the Joint Provisional Liquidators and the Directors consider that the terms of the Restructuring Agreement and the Subscription Agreement are on normal commercial terms that are fair and reasonable and the entering into of the Restructuring Agreement and the Subscription Agreement is in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Subscription are expected to amount to HK\$80,000,000. The total subscription price of HK\$80,000,000 for the Subscription Shares shall be satisfied (i) by way of cash to the Company; and/or (ii) by way of set-off against the outstanding amounts under the One Oak Funding Agreement in whole or in part on a dollar-for-dollar basis. At the date of this announcement, funding under the One Oak Funding Agreement has not been drawn down.

Whether the Subscription will be fully set off against the outstanding amounts under the One Oak Funding Agreement shall depend on the actual amounts drawn down therefrom. Assuming that the consideration of the Subscription is fully settled by way of cash, the Company is expected to receive net proceeds of approximately HK\$75.0 million from the Subscription after the deduction of the relevant expenses incidental to the Subscription. The net issue price per Subscription Share after the deduction of the relevant expenses incidental to the Subscription is approximately HK\$0.1543.

Assuming the full exercise of Share Options at the Option Exercise Price, it is expected that the gross proceeds and net proceeds of HK\$6,000,000 will be raised. Accordingly, the net Option Exercise Price will be HK\$0.1. The aggregate net proceeds of up to approximately HK\$81.0 million from the Subscription and the Share Options, assuming the Share Options are fully exercised, is expected to be used for the relevant cost for restructuring, general working capital and business development of the Group.

## EFFECT OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purposes only, to the best of the knowledge, information and belief of the Directors and Joint Provisional Liquidators, having made all reasonable enquiries, set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation having become effective; (iii) immediately after the Share Consolidation and completion of the Subscription; (iv) immediately after the Share Consolidation, completion of the Subscription and the Placing, assuming all the Creditors with Admitted Scheme Claims opt for the Cash Option; and (v) immediately after the Share Consolidation, completion of the Subscription and the Placing, assuming all the Creditors with Admitted Scheme Claims opt for Equity Option and exercise their Share Options:

Shareholder	As at the date of this announcement		Immediately after the Share Consolidation having become effective		Immediately after the Share Consolidation and Subscription		Immediately after the Share Consolidation, completion of the Subscription and Placing assuming all the Creditors with Admitted Scheme Claims opt for the Cash Option		Immediately after the Share Consolidation, completion of the Subscription and Placing assuming all the Creditors with Admitted Scheme Claims opt for Equity Option and exercise their Share Options	
	Number of Shares	Approx. %	Number of Consolidated Shares	Approx. %	Number of Consolidated Shares	Approx. %	Number of Consolidated Shares	Approx. %	Number of Consolidated Shares	Approx. %
Uni-Pro Ltd (Notes 1 and 3)	270,256,500	50.05%	27,025,650	50.05%	27,025,650	5.00%	27,025,650	5.00%	27,025,650	4.50%
Chan Kam Hon Ivan (Notes 2 and 3)	98,613,000	18.26%	9,861,300	18.26%	9,861,300	1.83%	9,861,300	1.83%	9,861,300	1.64%
One Oak	—	—	—	—	486,000,000	90.00%	405,000,000	75.00%	405,000,000	67.50%
Placees	—	—	—	—	—	—	81,000,000	15.00%	81,000,000	13.50%
Creditors	—	—	—	—	—	—	—	—	60,000,000	10.00%
Other Public Shareholders	171,130,500	31.69%	17,113,050	31.69%	17,113,050	3.17%	17,113,050	3.17%	17,113,050	2.85%
<b>Total:</b>	<b>540,000,000</b>	<b>100%</b>	<b>54,000,000</b>	<b>100%</b>	<b>540,000,000</b>	<b>100%</b>	<b>540,000,000</b>	<b>100%</b>	<b>600,000,000</b>	<b>100%</b>

*Notes:*

1. These Shares are held by Uni-Pro Ltd, a company incorporated in the BVI and is wholly-owned by Sun Cheong Creative Development Limited. Sun Cheong Creative Development Limited is a company incorporated in Hong Kong and is held as to 50% by Mr. Tong Ying Chiu and as to 50% by Ms. Ng Siu Kuen Sylvia. Both of Mr. Tong Ying Chiu and Ms. Siu Kuen Sylvia are the former directors of the Company who resigned with effect from 6 December 2019. Mr. Tong Ying Chiu is the spouse of Ms. Ng Siu Kuen Sylvia. As at the date of this announcement, these Shares are held in the name of Uni-Pro Ltd.
2. Mr. Chan Kam Hon Ivan is a former Director who resigned as an executive Director with effect from 10 June 2020. As at the date of this announcement, these Shares are held in the name of Mr. Chan Kam Hon Ivan.
3. On 3 June 2020, Mr. Cheung Hok Hin, Alan of Wing United CPA Limited was appointed to be the receiver over 270,256,500 Shares and 98,613,000 Shares which were registered under the names of Uni-Pro Ltd and Mr. Chan Kam Hon Ivan, respectively, pursuant to the powers contained in a debenture dated 16 January 2020 and executed by Uni-Pro Ltd in favour of Cachet Multi Strategy Fund SPC and a share charge dated 1 April 2019 and executed by Mr. Chan Kam Hon Ivan in favour of Cachet Multi Strategy Fund SPC (as amended and supplemented by a supplemental deed dated 16 January 2020) in connection with a loan agreement dated 1 April 2019 and entered into among Uni-Pro Ltd (as borrower), Cachet Multi Strategy Fund SPC (as lender), and Mr. Tong Ying Chiu, Ms. Ng Siu Kuen Sylvia and Mr. Chan Kam Hon Ivan (as guarantors). Details were set out in the announcement of the Company dated 16 June 2020.

As at the date of this announcement, the executive Directors are Mr. Chan Sai On Bill and Mr. Ng Chun Chung; and the independent non-executive Directors are Mr. Wong Chi Kei and Ms. Lin Weiqi Wendy.

None of the Directors, or chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as defined in Part XV of the SFO as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at date of this announcement.

## **APPLICATION FOR LISTING**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares, the Subscription Shares, and the Option Shares on the Stock Exchange.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares, the Subscription Shares, and the Option Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation, the Subscription and the Creditors Schemes becoming effective, the Consolidated Shares, the Subscription Shares, and the Option Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares, the Subscription Shares, and the Option Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

## **SPECIFIC MANDATE**

The Subscription Shares and Option Shares will be issued pursuant to a specific mandate to be obtained upon approval by the Shareholders, or Independent Shareholders, as the case may be, at the EGM.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

Save for the entering into of the One Oak Funding Agreement, the Company had not conducted any equity fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

## **IMPLICATIONS UNDER THE LISTING RULES AND TAKEOVERS CODE**

### **Listing Rules implications**

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 Joint Provisional Liquidators and the Directors consider it is fair and reasonable for (i) the Subscription Price and Option Exercise Price to be set at a relatively deep discount to the historical trading prices of the Shares; and (ii) the Subscription and the grant of Share Options together would result in a relatively significant theoretical dilution effect of approximately 83.18%.

### **Takeovers Code implications**

As at the date of this announcement, One Oak and parties acting in concert with it did not hold, own, control or have direction over any Shares, outstanding options, warrants or any securities that are convertible into Shares or any derivatives in respect of the securities in the Company, or hold any relevant securities in the Company.

Assuming that (i) the Share Consolidation and the Increase in Authorised Share Capital have become effective; (ii) completion of the Subscription has taken place; and (iii) there is no other change in the issued share capital of the Company from the date of this announcement and up to Completion (other than as a result of the Share Consolidation and the Subscription), One Oak will be interested in 486,000,000 Consolidated Shares, representing 90.0% of the then enlarged issued share capital of the Company.

As such, One Oak would be required to make a mandatory general offer for all the issued shares of the Company (not already owned or agreed to be acquired by One Oak and parties acting in concert with it) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

One Oak will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval by at least 75% of the votes cast by the Independent Shareholders at the EGM by way of poll in respect of the Whitewash Waiver and the approval by more than 50% of the Independent Shareholders at the EGM in respect of the underlying transactions (i.e. the Share Consolidation, the Increase in Authorised Share Capital, the Subscription, and the transactions contemplated under the Creditors Schemes, including the grant of specific mandate for the issue and allotment of the Option Shares), in which Shareholders who are involved in or interested in the proposed Restructuring will abstain from voting on the relevant resolution(s). The Executive may or may not grant the Whitewash Waiver. If the Whitewash Waiver is not granted, the Restructuring Agreement will terminate forthwith.

## **INFORMATION OF THE GROUP**

The Group is principally engaged in designing, developing, manufacturing and selling plastic and other household products.

## **INFORMATION OF ONE OAK**

One Oak is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, One Oak is owned as to 50% and 50% by Mr. Shah and Mr. Halley, who are both directors of One Oak, respectively.

Mr. Shah has spent over a decade in Hong Kong and China, primarily focused on large, industrialized businesses and investing in venture capital. Mr. Shah has invested and worked with businesses ranging from LPG logistics, commodity trading, manufacturing, advertising, and education. Mr. Shah has a master's degree in Public Policy from Georgetown University and a Bachelor of Arts, with honors, from Trinity College.

Mr. Shah was previously a member of the board of directors at Horizon Oil & Gas Co. Ltd., while at the company, Mr. Shah focused on the chemicals supply chain through the import, transport, storage, and distribution of products such as liquified petroleum gas (LPG), propane, butane, and natural-gas condensate; primarily feeding into the plastics, heating, and other industries in mainland China.

Mr. Shah also previously served as a member of the board of directors at Peau de Fée LLC, a consumer-focused manufacturer of beauty care and wellness products and related packaging (paper, plastics, and glass) for products such as shampoos, lotions, and masks, supplying both in-house brands, as well as white label products for hotel chains including the Kempinski Hotels and the Four Seasons Hotels and Resorts in the PRC.

Mr. Halley has 25 year experience in banking, asset management and commodities in London and Hong Kong. He has previously worked for companies including JP Morgan and Man-Vector hedge fund, and successfully exited a number of businesses that he has built. The most recent exit is the sale of Capstone Financial (HK) Limited.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of One Oak and its ultimate beneficial owners is an Independent Third Party.

## **INFORMATION REQUIRED UNDER THE TAKEOVERS CODE**

As at the date of this announcement, save for the Restructuring Agreement, the Subscription Agreement, and the One Oak Funding Arrangement, the Directors confirm that:

- (a) none of One Oak or parties acting in concert with it owns, holds, controls or has direction over any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (b) none of One Oak or parties acting in concert with it has received any irrevocable commitment in relation to voting of the resolutions in respect of the transactions contemplated under the Creditors Schemes at the EGM;
- (c) there is no outstanding derivative in respect of the securities of the Company which has been entered into by One Oak or parties acting in concert with it;
- (d) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares of One Oak or parties acting in concert with it or the Company and which might be material to the transactions contemplated under the Restructuring Agreement and the Subscription Agreement, including the Subscription, the grant of Share Options and Put Options, the Creditors Schemes or the Whitewash Waiver;
- (e) there is no agreement or arrangement to which One Oak or parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the transactions contemplated under the Restructuring Agreement and the Subscription Agreement, including the Subscription, the grant of Share Options and Put Options, the Creditors Schemes or the Whitewash Waiver;
- (f) none of One Oak or parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

- (g) there is no other consideration or compensation or benefit in whatever form paid or to be paid by One Oak or parties acting in concert with it to the Company or any party acting in concert with it in connection with the transactions contemplated under the Restructuring Agreement and the Subscription Agreement, including the Subscription, the grant of Share Options and Put Options, the Creditors Schemes or the Whitewash Waiver;
- (h) there is no understanding, arrangement, agreement or special deal between One Oak or parties acting in concert with it on the one hand, and the Company and parties acting in concert with it on the other hand; and
- (i) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (a) any Shareholder; and (b) either (i) One Oak and any parties acting in concert with it; or (ii) the Company, its subsidiaries or associated companies.

As at the date of this announcement, the Company believes that the transactions contemplated under the Restructuring Agreement, including the Subscription, the grant of Share Options and Put Options, the Creditors Schemes and the Whitewash Waiver would not give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the whitewash circular.

## **GENERAL**

An Independent Board Committee, comprising all independent non-executive Directors in compliance with Rule 2.8 of the Takeovers Code, will be established to advise the Independent Shareholders among other things, as to whether the terms of (i) the Subscription; (ii) the Creditors Schemes involving possible grant of the Share Options and the Put Options; and (iii) the Whitewash Waiver are fair and reasonable as well as in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser.

The Company will appoint an independent financial adviser to advise the Independent Shareholders in accordance with the requirements under the Takeovers Code and the Listing Rules. Further announcement(s) will be made by the Company upon the appointment of the independent financial adviser.

The EGM will be convened and held to consider and, if thought fit, approve (i) the Share Consolidation and the Increase in Authorised Share Capital, (ii) the Subscription, (iii) the transactions contemplated under the Creditors Schemes, including the grant of specific mandate for the issue and allotment of the Option Shares; and (iv) the Whitewash Waiver.

Any Shareholder (or its associate) who was involved in or interested in the transactions contemplated under the Restructuring are required to abstain from voting at the EGM. To the best knowledge of the Directors, as none of the Shareholders or their associates involved in or interested in the transactions contemplated under the Restructuring, no Shareholder is required to abstain from voting at the EGM in respect of the resolution(s) relating to the (i) the Subscription, including the grant of specific mandate for the issue and allotment of the Subscription Shares; (ii) the transactions contemplated under the Creditors Schemes, including the grant of specific mandate for the issue and allotment of the Option Shares; and (iii) the Whitewash Waiver.

A circular including, among other things, details of (i) the Share Consolidation and the Increase in Authorised Share Capital; (ii) the Subscription; (iii) the Creditors Schemes involving possible grant of the Share Options and the Put Options; (iv) the Whitewash Waiver; and (v) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in compliance with the Takeovers Code and the Listing Rules.

As the Restructuring is subject to various sanctions and approvals (as applicable) by the Cayman Court, the Hong Kong Court, the Shareholders, the Stock Exchange, the Executive and the Creditors, it is expected that more time may be needed for the Company's applications to the Courts and relevant regulatory authorities and for the preparation of the circular. The Company will apply to the Executive pursuant to Rule 8.2 of the Takeovers Code for its consent to extend the time limit for the despatch of the Circular and the Company will make further announcement on the expected date of such despatch of the Circular.

**Since the Restructuring is subject to various sanctions and approvals (as applicable) by the Cayman Court, the Hong Kong Court, the Shareholders, the Stock Exchange and the Creditors, etc., there is no guarantee that the Restructuring will be materialised. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## CONTINUED SUSPENSION OF TRADING IN THE SHARES

Dealing in the shares of the Company on the Main Board of the Stock Exchange has been suspended since 9:00 a.m. on 2 July 2020 and will remain suspended until further notice.

**The publication of this announcement does not indicate any decision or conclusion from the Stock Exchange nor warrant any approval from the Stock Exchange on the resumption of trading in Shares given that the Resumption is subject to the fulfilment of other resumption conditions. Therefore, the Resumption may or may not proceed. The Company will keep the public informed of the latest development by making further announcements as and when appropriate.**

## DEFINITIONS

Unless the context requires otherwise, capitalised terms used in this announcement shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Admitted Scheme Claim(s)”	all Scheme Claim(s) against the Company which have been admitted under the Creditors Schemes by the scheme administrators or the adjudicator (as the case may be)
“Board”	board of Directors
“Business Day(s)”	a day other than a Saturday, Sunday or public holiday on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Cash Option”	option exercisable by a Creditor with Admitted Scheme Claim(s) to share in the distribution of HK\$20.0 million with the other Creditors by reference to the following formula: HK\$20.0 million x Admitted Scheme Claim(s) of the individual Creditor/total Admitted Scheme Claims
“Cayman Court”	Grand Court of the Cayman Islands
“Cayman Scheme”	the proposed scheme of arrangement pursuant to section 86 of the Companies Act and made between the Company and the Creditors in its present form or with or subject to any non-material modifications, additions, or conditions that the Cayman Court may approve or impose

“Chase On”	Chase On Development Limited, a company incorporated in Hong Kong with limited liability, a former wholly-owned subsidiary of the Company which was wound up on 31 March 2020
“Claim(s)”	any debt, liability or obligation of the Company (whether known or unknown, whether actual or contingent, whether present, future or prospective, whether liquidated or unliquidated), whether arising by virtue of contract, at common law, in equity or by statute in Hong Kong, the Cayman Islands or in any other jurisdiction or in any manner whatsoever and which includes without limitation a debt or liability to pay money or money’s worth, any liability for breach of trust, any liability in contract (including any guarantee liability of the Company), tort or bailment and any liability arising out of an obligation to make restitution, together with all interest on such debt, obligation or liability
“Companies Act”	Companies Act (2021 Revision) of the Cayman Islands as amended from time to time
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time
“Company”	Sun Cheong Creative Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on main board of the Stock Exchange (stock code: 1781)
“Completion”	completion of the Share Consolidation, the Increase in Authorised Share Capital, the Subscription, the Placing, the Disposal and other transactions contemplated under the Restructuring Agreement in accordance with the provisions thereof
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company upon the Share Consolidation becoming effective
“Courts”	collectively, the Cayman Court and the Hong Kong Court

“Creditors”	collectively, all the creditors of the Company with Admitted Scheme Claims against the Company as at the date on which Creditors Schemes become effective
“Creditors Schemes”	the proposed schemes of arrangement to be entered into between the Company and the Creditors pursuant to Sections 666 to 675 of the Companies Ordinance and Section 86 of the Companies Act with, or subject to, any modification, addition or conditions approved or imposed by the Hong Kong Court and the Cayman Court
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Transferred Claims
“EGM”	an extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, among others, all the resolutions of the Company necessary and appropriate in relation to (i) the Share Consolidation and the Increase in Authorised Share Capital; (ii) the Subscription, including the grant of specific mandate for the allotment and issue of the Subscription Shares, (iii) the transaction contemplated under the Creditors Schemes, including the grant of specific mandate for the issuing and allotment of the Option Shares; (iv) the Whitewash Waiver; and (v) any other matters as required by law, the Listing Rules, the Takeovers Code, the Stock Exchange and/or the SFC, which are necessary to give effect to any transactions contemplated under the Restructuring Agreement
“Equity Option”	option exercisable by a Creditor to receive the benefit of the Share Options and the Put Options to be granted by the Company and held by the Scheme Administrators for the benefit of such Creditors pursuant to the terms of the Option Deed
“Executive”	the Executive Director of the Corporate Finance Department of the SFC from time to time or any delegate of the Executive Director

“Further Funding”	credit facility for a total sum of up to HK\$50.0 million to be provided by One Oak to the Company upon the fulfillment of the conditions precedent for the Further Funding, including (i) the sanction of the Cayman Court and the Hong Kong Court (if applicable) (which shall be binding on both the parties thereto and all third parties) of the One Oak Funding Agreement and the transactions contemplated thereunder having been obtained and (ii) the resumption of trading of the Shares (or the Consolidated Shares if the Share Consolidation has become effective) on the Stock Exchange, pursuant to the terms and conditions of the One Oak Funding Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Court”	any Court in Hong Kong that has jurisdiction to hear the provisional liquidation case the Company is subject to
“Hong Kong Scheme”	the proposed scheme of arrangement pursuant to section 670 of the Companies Ordinance and made between the Company and the Creditors in its present form or with or subject to any non-material modifications, additions, or conditions that the Hong Kong Court may approve or impose
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$20,000,000 divided into 200,000,000 Consolidated Shares to HK\$200,000,000 divided into 2,000,000,000 Consolidated Shares by the creation of an additional 1,800,000,000 Consolidated Shares
“Independent Shareholder(s)”	the Shareholders other than One Oak, their close associates and parties acting in concert with anyone of them and those who are required to abstain from voting under the Takeovers Code and the Listing Rules
“Independent Third Party”	any person or company together with its ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, who or which is/are not connected person(s) (as defined under the Listing Rules) of the Company and is/are third party(ies) independent of the Company and its connected person(s)

“Initial Funding”	credit facility for a total sum of up to HK\$50.0 million to be provided by One Oak to the Company upon the fulfillment of the conditions precedent for the Initial Funding, including, amongst others, the sanction of the Cayman Court and the Hong Kong Court (if applicable) (which shall be binding on both the parties thereto and all third parties) of the One Oak Funding Agreement and the transactions contemplated thereunder having been obtained, pursuant to the terms and conditions of the One Oak Funding Agreement
“Joint Provisional Liquidators”	Fok Hei Yu of FTI Consulting (Hong Kong) Limited and David Martin Griffin of FTI Consulting (Cayman) Ltd
“Last Trading Day”	30 June 2020, the last trading date before the suspension of trading in the Shares
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	7 November 2022, being a date falling on the expiry of 12 months from the date of the Restructuring Agreement, or such later date as the parties to the Restructuring Agreement may agree in writing
“One Oak”	One Oak Tree Limited, being a company incorporated in the British Virgin Islands and owned as to 50% and 50% by Mr. Kabir Haresh Shah and Mr. David Michael Halley, respectively
“One Oak Concert Group”	One Oak and parties acting in concert with it
“One Oak Funding Agreement”	the funding agreement dated 17 September 2021 and entered into amongst One Oak as lender, the Company as borrower and the Joint Provisional Liquidators in relation to the grant of the Initial Funding with principal amount up to HK\$50 million and the Further Funding with principal amount up to HK\$50 million at the interest rate of 3.0% per annum, details of which were set out in the One Oak Funding Announcement of the Company dated 17 September 2021
“One Oak Funding Announcement”	the announcement of the Company dated 17 September 2021 in relation to, among other matters, the One Oak Funding Agreement

“One Oak Funding Arrangement”	transactions contemplated under the One Oak Funding Agreement and the One Oak Security Documents
“One Oak Security Documents”	collectively, the CK Hong Kong Share Charge, the Account Receivable Charge, the Designated Account Charge, and the Jialing WFOE Legal Charge, details of which were set out in the One Oak Funding Announcement of the Company dated 17 September 2021
“Option Deed”	instrument to be executed by the Company upon Completion pursuant to which the Share Options and the Put Options are to be granted by the Company
“Option Exercise Price”	HK\$0.10 (a fixed nominal fee) payable upon the exercise of the Share Options
“Option Guarantee”	the guarantee to be executed by One Oak in favour of the Scheme Administrators for the benefit of the Creditors as security for the due and punctual payment and performance of all obligations of the Company under the Option Deed, provided that any liability of One Oak under the Option Deed and such guarantee shall be limited to an amount of HK\$30.0 million
“Option Period”	any day within the period of six (6) months from the date of grant of the Share Options
“Option Shares”	up to 60,000,000 new Consolidated Shares as may be subscribed by the Creditors pursuant to the terms of the Option Deed at the Option Exercise Price
“Placing”	the placing of 81,000,000 Subscription Shares or such number of Subscription Shares by One Oak through a placing agent to ensure that the public float requirement under the Listing Rules can be complied with by the Company
“PRC”	People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Put Options”	options which entitle 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 the Put Option Price A or the Put Option Price B (as the case may be), upon and subject to the terms and conditions contained in the Option Deed
“Put Option Exercise Period A”	the 14-day period immediately preceding the date falling three (3) months from the date of grant of the Share Options
“Put Option Exercise Period B”	the 14-day period immediately preceding the date of expiry of the Option Period
“Put Option Price A”	purchase price of HK\$0.6667 per Share Option payable by the Company upon exercise of the Put Options within the Put Option Exercise Period A
“Put Option Price B”	purchase price of HK\$0.8333 per Share Option payable by the Company upon exercise of the Put Options within the Put Option Exercise Period B
“Realisation Proceeds”	the proceeds of realisation of Transferred Claims, if any, received by the Scheme Company
“Receiver”	Mr. Cheung Hok Hin, Alan of Wing United CPA Limited was appointed to be the receiver over 270,256,500 Shares and 98,613,000 Shares which were registered under the names of Uni-Pro Ltd and Mr. Chan, respectively, pursuant to the powers contained in a debenture dated 16 January 2020 and executed by Uni-Pro Ltd in favour of Cachet Multi Strategy Fund SPC and a share charge dated 1 April 2019 and executed by Mr. Chan in favour of Cachet Multi Strategy Fund SPC (as amended and supplemented by a supplemental deed dated 16 January 2020) in connection with a loan agreement dated 1 April 2019 and entered into among Uni-Pro Ltd (as borrower), Cachet Multi Strategy Fund SPC (as lender), and Mr. Tong Ying Chiu, Ms. Ng Siu Kuen Sylvia and Mr. Chan (as guarantors)

“Restructuring”	restructuring of business, debts and liabilities, capital structure and share capital 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 and the Increase in Authorised Share Capital, (ii) the Subscription and the Placing, (iii) the Disposal, (iv) the Creditors Schemes involving the grant of the Share Options and the Put Options
“Restructuring Agreement”	a restructuring framework agreement dated 8 November 2021 and entered into amongst the Company, the Joint Provisional Liquidators and One Oak (as may be amended or supplemented from time to time) relating to the Restructuring
“Restructuring Costs”	any costs, charges, expenses and disbursements properly incurred by the Joint Provisional Liquidators and the Company before the date of Resumption in connection with the investigation, negotiation and implementation of the Restructuring Proposal including the Creditors Schemes or otherwise in the course of the provisional liquidation, including the fees and expenses of the advisors to the Joint Provisional Liquidators and the Company and legal expenses
“Restructuring Documents”	Restructuring Agreement, the Subscription Agreement, the Option Deed, the Option Guarantee and all other documents necessary to document and implement the transactions contemplated in the Restructuring Proposal, the Restructuring Agreement, the Creditors Schemes and the Resumption
“Restructuring Proposal”	a proposal setting out the agreements or arrangements proposed or contemplated by the Company and One Oak for the purpose of implementing the Restructuring under the Restructuring Agreement
“Resumption”	resumption of trading of the Shares (or the Consolidated Shares if the Share Consolidation has become effective) on the Stock Exchange
“Resumption Proposal”	the proposal in relation to the Resumption to be submitted by the Company to the Stock Exchange

“Scheme Administrators”	Mr. Fok Hei Yu of FTI Consulting (Hong Kong) Limited and Mr. David Martin Griffin of FTI Consulting (Cayman) Ltd acting jointly and severally or their successors appointed pursuant to the Creditors Schemes
“Scheme Claim(s)”	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 a secured Claim (and where the Claim is only in part a secured Claim, then the person is a Creditor only to the extent of the unsecured part of the Claim); (c) which is not a claim for the Costs; and (d) which is not an amount due from the Company to One Oak under the One Oak Funding Agreement
“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 Administrators or such other company as may be nominated by the Scheme Administrators
“Scheme Funds”	all funds from time to time credited to the Scheme Trust Account, including any interest thereon
“Scheme Meeting(s)”	the meeting(s) of the Creditors to be convened at the direction of the Cayman Court and the Hong Kong Court respectively for the purpose of considering and, if thought fit, approving the Creditors Schemes
“Scheme Trust Account”	an interest-bearing trust account to be opened in the names of the Scheme Company and/or any of the Scheme Administrators with a licensed bank in Hong Kong for the purposes of holding Scheme Funds for the benefit of the Creditors
“Secured Claim(s)”	Claim(s) which is secured by any security interest
“SFC”	The Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares or Consolidated Shares, as the case may be

“Shareholders”	holder of the issued Shares
“Share Consolidation”	proposed consolidation of every ten (10) issued Shares into one (1) Consolidated Share
“Share Options”	up to 60,000,000 options to be granted under the Option Deed to be held by the Scheme Administrators for the benefit of the Creditors pursuant to which the holders thereof will be entitled to subscribe for up to 60,000,000 new Consolidated Shares at the Option Exercise Price
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the conditional subscription agreement dated 8 November 2021 and entered into amongst One Oak (as subscriber), the Company (as issuer) and the Joint Provisional Liquidators
“Subscription”	the subscription of the Subscription Shares subject to the terms and conditions of the Subscription Agreement
“Subscription Price”	a price of HK\$0.1646 per Subscription Share
“Subscription Shares”	486,000,000 new Consolidated Shares to be subscribed by One Oak under the Subscription
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
“Transferred Claims”	(i) all causes of action and claims which the Group has or may have against any person and the rights and obligations in respect of the litigations or any potential litigations involved under the name of the Group; (ii) all rights to claims which the Group has or may have against any person; and (iii) the accounts receivable from Chase On, whether known or not known as at the date of completion of the Disposal (but excluding the claims for trade receivables and rights to the intercompany loans of the Company)
“Uni-Pro”	Uni-Pro Ltd, a company incorporated in the British Virgin Islands and directly wholly-owned by Sun Cheong Creative Development Limited, which is in turn owned as to 50% by Mr. Tong Ying Chiu and as to 50% by Ms. Ng Siu Kuen Sylvia

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent

\* *For identification purpose only*

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, 8 November 2021

*As at the date of this announcement, the executive Directors are Mr. CHAN Sai On Bill and Mr. NG Chun Chung; and the independent non-executive Directors are Mr. Wong Chi Kei and Ms. Lin Weiqi Wendy.*

*The Directors and the Joint Provisional Liquidators 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.*

*The directors and the ultimate beneficial owners of One Oak, Mr. Kabir Haresh Shah and Mr. David Michael Halley accept full responsibility for the accuracy of the information with regards to One Oak obtained in this announcement and confirms, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by them have been arrived 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.*