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SUN CHEONG CREATIVE DEVELOPMENT HOLDINGS LIMITED

新昌創展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

(Stock code: 1781)

APPOINTMENT OF PROVISIONAL LIQUIDATORS FOR RESTRUCTURING PURPOSES

This announcement is made by Sun Cheong Creative Development Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) and Rule 13.25 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement (the “**Announcement**”) of the Company dated 31 July 2020 in relation to the appointment of joint and several provisional liquidators (the “**JPLs**”) for restructuring purpose. Unless otherwise defined, terms used herein shall have the same meanings as defined in the announcement dated 31 July 2020 of the Company.

RECOGNITION APPLICATION

The Company announced that upon the Letter of Request for the recognition of the JPLs issued by the Grand Court of the Cayman Islands (“**Cayman Court**”), we are in the process of filing the recognition application with High Court of Hong Kong.

The terms of the Letter of Request are set out below:

1. The provisional liquidation of Sun Cheong Creative Development Holdings Limited (“**Sun Cheong**”) and the appointment of the JPLs as joint provisional liquidators of Sun Cheong pursuant to the Provisional Liquidator Order be recognised by the Hong Kong Court.

2. The JPLs have and may exercise such powers as are available to them as a matter of Cayman Islands law and would be available to them under the laws of Hong Kong as if they had been appointed provisional liquidators of Sun Cheong under the laws of Hong Kong and in particular, but without prejudice to the generality of the foregoing, for the following purposes:
 - 2.1 To develop and propose a restructuring of Sun Cheong's indebtedness in a manner designed to allow Sun Cheong to continue as a going concern, with a view to making a compromise or arrangement with Sun Cheong's creditors, including (without limitation) a compromise or arrangement by way of a scheme of arrangement;
 - 2.2 To monitor, oversee and supervise the board of directors of Sun Cheong ("**Board**") in its management of Sun Cheong with a view to developing and proposing any compromise or arrangement with Sun Cheong's creditors, and any corporate and/or capital reorganisation of Sun Cheong and its subsidiaries (including but not limited to any share subscription and placement of shares in Sun Cheong and its subsidiaries);
 - 2.3 Without prejudice to the generality of the foregoing, for the purpose of any proposal to be presented to The Stock Exchange of Hong Kong Limited ("**SEHK**") for the resumption of trading of Sun Cheong's shares and maintenance of Sun Cheong's listing on the Main Board of the SEHK, and to satisfy any resumption conditions imposed by the SEHK;
 - 2.4 To seek out investors and financiers for the purpose of investing in and/or providing finance to Sun Cheong;
 - 2.5 To terminate, complete or perfect any agreement or transaction relating to the business of Sun Cheong, including without prejudice to the generality of this power, to novate or assign any such agreements or transactions, so far as may be necessary for the purpose of managing the affairs of Sun Cheong, protecting the assets of Sun Cheong and restructuring Sun Cheong's assets and affairs to enable the resumption of trading of Sun Cheong's shares and the maintenance of Sun Cheong's listing on the Main Board of the SEHK;
 - 2.6 To oversee the existing Board (and attend any Board meetings) so as to effect a maximisation of returns to the stakeholders of Sun Cheong;
 - 2.7 To deal with all questions in any way relating to or affecting the assets or the restructuring of Sun Cheong;

- 2.8 To do all such things as may be necessary or expedient for the protection or recovery of Sun Cheong's property and assets at law or in equity within the jurisdiction of the Hong Kong Court as the JPLs may consider to be appropriate;
- 2.9 With the consent of Sun Cheong, to supervise the operation and/or opening and/or closing of any bank accounts in the name of and on behalf of Sun Cheong;
- 2.10 To operate and open any bank accounts on behalf of Sun Cheong for the purpose of paying costs and expenses of the provisional liquidation of Sun Cheong;
- 2.11 To draw, accept, make and indorse any bill of exchange or promissory note or borrow funds for the purpose of the day to day expenses of the provisional liquidation, in the name and on behalf of Sun Cheong, with the same effect with respect to Sun Cheong's liability as if the bill or note had been drawn, accepted, made or indorsed or the loan had been entered into by or on behalf of Sun Cheong in the course of its business;
- 2.12 To communicate with and carry out any necessary filings with regulatory bodies as appropriate, including, without limitation, the SEHK and the Securities and Futures Commission in the name and on behalf of Sun Cheong;
- 2.13 To make payments to creditors which may have the effect of preferring such creditors, in order to minimise the interruption to the day to day activities of Sun Cheong;
- 2.14 To discharge debts incurred by Sun Cheong after the commencement of the provisional liquidation of Sun Cheong as expenses or disbursements properly incurred in the provisional liquidation;
- 2.15 To engage staff to assist them in the performance of their duties for the purpose of the provisional liquidation and to remunerate them out of the assets of Sun Cheong as an expense of the provisional liquidation;
- 2.16 To take such steps as the JPLs may consider appropriate in respect of proceedings before the Hong Kong Court concerning Sun Cheong;
- 2.17 To appoint agents, attorneys and professional advisors as the JPLs may consider necessary to advise and assist them in the performance of their duties and to remunerate them for their reasonable fees and expenses out of the assets of Sun Cheong as any expense of the provisional liquidation;

2.18 To authorise the Board to exercise such of the above powers relating to Sun Cheong on such terms as the JPLs consider fit; and

2.19 To do all other things incidental to the exercise of the powers set out herein.

3. Anything that is authorised or required to be done by the JPLs is to be done by all or anyone or more of the persons appointed.
4. For so long as Sun Cheong remains in liquidation in the Cayman Islands, no action or proceeding shall be proceeded with or commenced against Sun Cheong or its assets or affairs, or its property within the jurisdiction of the Hong Kong Court, except with leave of the Hong Kong Court and subject to such terms as the Hong Kong Court may impose.
5. The JPLs do have liberty to apply.
6. The JPLs' costs of and incidental to their application to the Hong Kong Court for recognition of their appointment as joint provisional liquidators shall be costs in the liquidation.

On 13 August 2020, the Company's JPLs circulated a letter with the JPLs order from Cayman Court to the known or potential creditors of the Company regarding the detail of the JPLs arrangement. The JPLs will provide creditors with an update on the provisional liquidation and proposed restructuring in due course.

If any potential creditors of the Company wish to obtain copies of the documents to be filed in support of the recognition application with the High Court of Hong Kong or have any enquiries with respect to the said application, they may contact the JPLs by telephone (+852 3768 4676) or by email (email: joe.cheng@fticonsulting.com).

Further announcements will be made as soon as practicable to update the shareholders of the Company and potential investors on the restructuring proposal. For the avoidance of doubt, no concrete or binding restructuring plans or transactions has been undertaken by the Company as at the date of this announcement.

SUSPENSION OF TRADING

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

Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Company's shares or other securities of the Company.

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

Hong Kong, 26 August 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. Li Ka Chun, Mr. Sze Chun Wai and Mr. Fung Wai Hang.

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