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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)*  
**(Stock code: 1781)**

**VOLUNTARY ANNOUNCEMENT**  
**BUSINESS COLLABORATION IN CARS TRADING**  
**AND RELATED SERVICES**

The announcement is made by the Company on a voluntary basis.

**BUSINESS COLLABORATION IN CARS TRADING AND RELATED SERVICES**

The Company hereby announces that on 3 October 2019, Top Leader, a wholly owned subsidiary of the Company, and Mr. Tse entered into the Business Agreement pursuant to which Top Leader and Mr. Tse agreed to collaborate in trading of cars and provision of related services by establishing Champion Motor, an indirect non wholly owned subsidiary of the Company which is owned as to 60% by Top Leader and 40% by Mr. Tse. Pursuant to the Business Agreement, Top Leader and Mr. Tse will make a total initial contribution of HK\$10 million to Champion Motor in proportional to their shareholding interest in Champion Motor, i.e. HK\$6 million by Top Leader and HK\$4 million by Mr. Tse, on or before 31 October 2019.

**LISTING RULES IMPLICATIONS**

All relevant applicable percentage ratios for the Company as calculated under chapter 14 of the Listing Rules in relation to the Business Agreement are less than 5%; therefore, the Business Agreement is not subject to any disclosure requirements pursuant to chapter 14 of the Listing Rules. This announcement is made on a voluntary basis to provide a business update of the Company to the investors.

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The Company hereby announces that on 3 October 2019, Top Leader, a wholly owned subsidiary of the Company, and Mr. Tse entered into the Business Agreement, the principal terms of which are as follows:

## **THE BUSINESS AGREEMENT**

Date: 3 October 2019

- Parties:
- (1) Top Leader, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company which is principally engaged in investment holding; and
  - (2) Mr. Tse, an individual who is principally engaged in trading of super and luxury cars and provision of motor services. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Mr. Tse is an Independent Third Party.

## **Information of Champion Motor**

Champion Motor was incorporated in Hong Kong with limited liability on 19 September 2019. Champion Motor is owned as to 60% by Top Leader and 40% by Mr. Tse and is an indirect non wholly owned subsidiary of the Company. Champion Motor will be principally engaged in trading of cars and provision of related services.

## **Capital contribution**

Pursuant to the Business Agreement, Top Leader and Mr. Tse will make a total initial contribution of HK\$10 million to Champion Motor in proportional to their shareholding interest in Champion Motor, i.e. HK\$6 million by Top Leader and HK\$4 million by Mr. Tse, on or before 31 October 2019. The amount of capital contribution was determined after arm's length negotiations between Top Leader and Mr. Tse on normal commercial terms with reference to the expected initial working capital, funding requirements and future business development of Champion Motor and the proportion of shareholding in Champion Motor by Top Leader and Mr. Tse. The capital contribution by Top Leader in Champion Motor will be funded by the Company through its internal resources and does not constitute part of the proceeds from the initial public offering of the Shares on the Stock Exchange in September 2018.

## **Management of Champion Motor**

The board of directors of Champion Motor shall comprise three directors with two director being nominated by Top Leader and one director being Mr. Tse. The chairman of the board of directors of Champion Motor shall be a director nominated by Top Leader.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE BUSINESS AGREEMENT**

The Group is principally engaged in design, develop, manufacture and sale of plastic household products with the Group's headquarters in Hong Kong.

After the completion of the establishment of Champion Motor, the Group will commence a new business segment of trading of cars and provision of related services.

The Board has been reviewing the existing operations and business of the Group and considered beneficial to the Company to explore and develop new business opportunity in an effort to diversify the Group's existing operations to generate extra revenue. The Directors believe that the trading of cars and provision of related services sector is promising with substantial business potential. The Directors note that Mr. Tse possesses more than 15 years of experience in the relevant industry with an extensive client base and are of the view that the experience and client base of Mr. Tse will help the Group to enter into the relevant market. In view of the expected benefit from the cooperation with Mr. Tse, the Group decided to enter into the Business Agreement with Mr. Tse.

As such, the Directors are of the view that the terms and conditions of the Business Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

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## **DEFINITIONS**

In this announcement, unless the context other requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Business Agreement”	the business agreement entered into between Top Leader and Mr. Tse on 3 October 2019 in relation to the formation and management of Champion Motor
“Champion Motor”	Champion Motor Group Hong Kong Limited, a company incorporated in Hong Kong on 19 September 2019 with limited liability
“Company”	Sun Cheong Creative Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Mr. Tse”	Mr. Tse Ka Hing
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) having a par value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holders of Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Top Leader”	Top Leader International Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“%”	per cent

By order of the Board  
**Sun Cheong Creative Development Holdings Limited**  
**Tong Ying Chiu**  
*Chairman and Executive Director*

Hong Kong, 3 October 2019

*As at the date of this announcement, the executive Directors are Mr. Tong Ying Chiu, Ms. Ng Siu Kuen Sylvia, Mr. Tong Bak Nam Billy and Mr. Chan Kam Hon Ivan and the independent non-executive Directors are Mr. Leung Leslie Yau Chak and Mr. Cheung Ting Kin.*