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China Partytime Culture Holdings Limited

中國派對文化控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1532)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



THE PLACING AGREEMENT

After trading hours on 4 June 2021, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has appointed the Placing Agent to procure, on a best efforts basis, Placees to subscribe for up to 179,544,600 Placing Shares at a price of HK\$0.175 per Placing Share.

The maximum number of 179,544,600 Placing Shares represent (i) 20% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement and up to completion of the Placing). The maximum aggregate nominal value of the Placing Shares under the Placing will be approximately HK\$1,795,446.

Assuming the maximum number of the Placing Shares is placed, the gross proceeds from the Placing will be approximately HK\$31.4 million and the net proceeds will be approximately HK\$31.0 million. It is intended that the net proceeds from the Placing will be utilised for (i) the repayment of part of the principal and interest of the current debts of the Group of approximately HK\$15.7 million; and (ii) the general working capital of the Group and acquisition(s) of intellectual properties, which the Group may identify from time to time, in the ordinary and usual course of business of the Group of approximately HK\$15.3 million.

The Placing Price of HK\$0.175 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent and represents (i) a discount of approximately 9.3% to the closing price of HK\$0.193 per Share as quoted on the Stock Exchange on 4 June 2021, being the date of the Placing Agreement; and (ii) a discount of approximately 19.7% to the average closing price of HK\$0.218 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the 2020 AGM held on 19 June 2020. The allotment and issue of the Placing Shares are not subject to any additional Shareholders' approval.

Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENTS

Date : 4 June 2021 (after trading hours)

Issuer : the Company

Placing Agent : Gransing Securities Co., Limited

The Placing Agent has conditionally agreed to procure, on a best efforts basis, Placees to subscribe for up to 179,544,600 Placing Shares. The Placing Agent may carry out the Placing itself and/or through the agency of such other agents as the Placing Agent may agree with the Company. The Placing Agent will receive a placing commission of 1% of the aggregate Placing Price of the Placing Shares placed by the Placing Agent pursuant to its obligations under the Placing Agreement. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

Placees

The Placing Shares are to be placed on a best efforts basis to not less than six Placees, who and whose ultimate beneficial owners shall be Independent Third Parties. The Placing Agent will use its reasonable endeavours to ensure that none of the Placees would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning of the Listing Rules) of the Company.

Placing Price

The Placing Price of HK\$0.175 per Placing Share represents:

- (a) a discount of approximately 9.3% to the closing price of HK\$0.193 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 19.7% to the average of the closing prices of approximately HK\$0.218 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market prices of the Shares. The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Shares

The maximum number of 179,544,600 Placing Shares represent (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement and up to completion of the Placing). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$1,795,446.

Ranking

The Placing Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Condition of the Placing

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in, all of the Placing Shares.

If the above condition is not satisfied on or before the Long Stop Date, all obligations of the Placing Agent and the Company under the Placing Agreement shall cease and determine and none of the parties under the Placing Agreement shall have any claim against the others in respect of the Placing save in respect of any antecedent breach of any obligation under the Placing Agreement.

Completion

Completion of the Placing shall take place on the Completion Date (or such other date as the Company and the Placing Agent may agree in writing).

Termination

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement pursuant to the terms and conditions mentioned under this section headed “Termination” of this announcement, all liabilities of the parties to the Placing Agreement thereunder shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the 2020 AGM. Under the General Mandate, the Company is authorised to allot and issue up to 179,544,600 Shares until the revocation, variation or expiration of the General Mandate. The Company has not exercised the power to allot and issue any new Shares pursuant to the General Mandate as at the date of this announcement. The allotment and issue of the Placing Shares are not subject to any additional Shareholders' approval.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the design, development, production, selling and marketing of cosplay products (including cosplay costumes and cosplay wigs) and non-cosplay apparels which include mainly sexy lingerie and leasing of factory premises.

The gross proceeds and net proceeds from the Placing will be approximately HK\$31.4 million and HK\$31.0 million respectively, which will be used for (i) the repayment of part of the principal and interest of the current debts of the Group of approximately HK\$15.7 million; and (ii) the general working capital of the Group and acquisition(s) of intellectual properties, which the Group may identify from time to time, in the ordinary and usual course of business of the Group of approximately HK\$15.3 million.

The Directors consider that the Placing will also provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities involving issue of its securities in the past 12 months immediately preceding the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company before the completion of the Placing) are set out below:

	As at the date of this announcement		Immediately after completion of the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company before the completion of the Placing)	
	<i>Number of Shares</i>	<i>Approx.% (note 2)</i>	<i>Number of Shares</i>	<i>Approx.% (note 2)</i>
Master Professional Holdings Limited (<i>note 1</i>)	371,859,000	41.42%	371,859,000	34.52%
Mr. Lam Shek Sun	78,563,000	8.75%	78,563,000	7.29%
Places	—	—	179,544,600	16.67%
Other Public Shareholders	447,301,000	49.83	447,301,000	41.52%
Total	<u>897,723,000</u>	<u>100%</u>	<u>1,077,267,600</u>	<u>100%</u>

Notes:

- As at the date of this announcement, Master Professional Holdings Limited is 100% beneficially owned by Mr. Chen Sheng Bi.
- The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“2020 AGM”	the annual general meeting of the Company held on 19 June 2020 at which, among other things, the General Mandate was granted to the Directors
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“Company”	China Partytime Culture 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 (stock code: 1532)
“Completion Date”	the fifth Business Day following the day on which the condition set out in the Placing Agreement is satisfied (or such other date as may be agreed between the Company and the Placing Agent in writing)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the 2020 AGM to allot, issue or grant additional 179,544,600 new Shares, representing 20% of the number of issued Shares as at the date of the 2020 AGM

“Group”	collectively, 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 PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	25 June 2021
“Placees”	any individual(s), corporate(s), institutional investor(s) or other investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s), on a best endeavour basis, on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Gransing Securities Co., Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising in corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 4 June 2021 in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.175 per Placing Share

“Placing Shares”	up to 179,544,600 Shares to be allotted and issued pursuant to the terms and conditions of the Placing Agreement which will rank <i>pari passu</i> in all respects with the Shares in issue as at the date of allotment of the Placing Shares and each, a “Placing Share”
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
China Partytime Culture Holdings Limited
Chen Sheng
Chairlady

Hong Kong, 4 June 2021

As at the date hereof, the Board comprises Ms. Chen Sheng, Mr. Xu Chengwu, and Mr. Ma Chi Kwan as executive directors and Mr. Chen Wen Hua, Ms. Peng Xu and Mr. Zheng Jin Min as the independent non-executive directors.