

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE AND CONTINUING CONNECTED TRANSACTION IN RELATION TO THE SUB-LEASING AGREEMENT

THE ACQUISITION

The Board hereby announces that on 20 June 2022 (after trading hours), the Company, as the Purchaser, entered into the Agreement with the Vendor in respect of the Acquisition. Pursuant to the Agreement, the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 100% of the issued share capital of the Target Company, at a consideration of HK\$42.8 million, of which HK\$8.8 million shall be paid by the Company in cash and the remaining consideration shall be satisfied by the allotment and issue of 170,000,000 Consideration Shares to the Vendor at the Issue Price of HK\$0.2 upon Completion.

Completion of the Acquisition is subject to a number of conditions as set out in the paragraph headed “Conditions Precedent” in the section headed “THE ACQUISITION”.

The aggregate of 170,000,000 Consideration Shares represents (i) approximately 15.78% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 13.63% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming there will be no change in the share capital of the Company prior to the Completion).

The Consideration Shares will be allotted and issued under the General Mandate and are not subject to the approval of the Shareholders. An 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 Consideration Shares. The Consideration Shares, when allotted and issued, shall rank *pari passu* with the Shares in issue.

LISTING RULES IMPLICATIONS OF THE ACQUISITION

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

CONTINUING CONNECTED TRANSACTION

Upon Completion, the Vendor will become a Substantial Shareholder of the Company, holding approximately 13.63% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and the Vendor will own 39% of the equity interests in Zhejiang Kelee, and therefore Zhejiang Kelee is a connected subsidiary of the Company upon Completion.

Zhejiang Kelee and Yiwu Partytime entered into the Sub-leasing Agreement on 30 September 2020 (as amended and supplemented by the Supplemental Sub-leasing Agreement on 26 June 2021) in respect of the leasing of the premises for manufacturing purpose. The Sub-leasing Agreement entered into in the ordinary course of business will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules upon Completion.

As at the date of this announcement, the total remaining aggregate rental payable under the Sub-leasing Agreement (as amended and supplemented by the Supplemental Sub-leasing Agreement on 26 June 2021) is approximately RMB5,950,000 which will not exceed either (i) 5% or (ii) 25% of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) and the total remaining aggregate rental payable is less than HK\$10,000,000, thus the Sub-leasing Agreement (as amended and supplemented by the Supplemental Sub-leasing Agreement on 26 June 2021) will be subject to the reporting, annual review, announcement but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

WARNING

Shareholders and potential investors of the Company should note that the Completion is subject to the fulfillment (or waiver, if applicable) of the conditions precedent of the Agreement, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 20 June 2022 (after trading hours), the Company entered into the Agreement with the Vendor in respect of the Acquisition. Pursuant to the Agreement, the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 100% of the issued share capital of the Target Company, at the Consideration of HK\$42.8 million, of which HK\$8.8 million shall be paid by the Company in cash and the remaining consideration shall be satisfied by the allotment and issue of 170,000,000 Consideration Shares to the Vendor at the Issue Price of HK\$0.2 upon Completion.

THE ACQUISITION

The principal terms of the Agreement are as follow:

Date

20 June 2022 (after trading hours)

Parties

- (1) The Company, as purchaser; and
- (2) Ms. Feng Xianhua (馮鮮花), as vendor

As at the date of this announcement, the Sale Shares are legally and beneficially owned by the Vendor. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor, Target Company, Zhejiang Kelee and their ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

Pursuant to the Agreement, the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 100% of the issued share capital of the Target Company. Upon Completion, the Company will indirectly hold 51% of the registered capital of Zhejiang Kelee through the Target Company.

Profit guarantee

Pursuant to the Agreement, the Vendor warranted to the Company that (i) the actual net profit after taxation of the Zhejiang Kelee (the “**Net Profit**”) for each of the two years ending 31 December 2022 and 2023 shall not be less than RMB10 million each year; or (ii) the aggregate Net Profit for the two years ending 31 December 2022 and 2023 shall not be less than RMB20 million in total (the “**Guaranteed Profit**”).

Consideration

The Consideration is HK\$42.8 million, of which HK\$8.8 million shall be paid by the Company in cash and the remaining consideration shall be satisfied by the allotment and issue of 170,000,000 Consideration Shares by the Company to the Vendor under the General Mandate at the issue price of HK\$0.2 per Consideration Share upon Completion.

The total consideration payable by the Company to the Vendor shall be paid in the following manner:

- (1) Approximately 79.4% of the Consideration in the sum of HK\$34.0 million shall be satisfied by the allotment and issuance of the 170,000,000 Consideration Shares to the Vendor at the Issue Price of HK\$0.2 upon Completion;

- (2) Approximately 20.6% of the Consideration in the sum of approximately HK\$8.8 million in cash (the “**Cash Balance**”) shall be paid as follows:
- (i) If and only if the Target Group achieves the Guaranteed Profit, the Cash Balance shall be paid within thirty (30) days after the issue of written confirmation in respect of the Shortfall by the Company on or before 30 June 2024;
 - (ii) If the Target Group fails to achieve the Guaranteed Profit, the Vendor shall pay the Company the Shortfall which may be applied by the Company to set off against the Cash Balance and:
 - (a) if the Shortfall is equal to the Cash Balance, no cash consideration shall be payable by the Company;
 - (b) if the Shortfall is more than the Cash Balance, no cash consideration shall be payable by the Company and the Vendor shall pay the Company the excess amount within thirty (30) days after the issue of written confirmation in respect of the Shortfall by the Company on or before 30 June 2024; or
 - (c) if the Shortfall is less than the Cash Balance, the Company shall pay the Vendor the difference in amount with thirty (30) days after the issue of written confirmation in respect of the Shortfall by the Company on or before 30 June 2024.

The Consideration was determined after arm’s length negotiations between the Vendor and the Purchaser with reference to, among others, (i) the Valuation on the entire equity interest in Zhejiang Kelee, the principal operating company of the Target Group, of approximately RMB71.8 million (equivalent to approximately HK\$84.0 million) as at 31 May 2022 as prepared by the Independent Valuer based on market approach by reference to comparable companies; (ii) the effective 51% equity in interests in Zhejiang Kelee to be held by the Group through its 100% shareholding in the Target Company upon Completion; (iii) the guaranteed net profit after taxation of RMB10 million of Zhejiang Kelee for each of the two years ending 31 December 2022 and 2023; (iv) the historical financial performance of the Target Group; (v) the future prospects of the Target Group; and (vi) the expected benefits of the Acquisition to the Company as detailed in the section headed “Reasons for and benefits of the Acquisition” in this announcement.

Issue of Consideration Shares

The aggregate of 170,000,000 Consideration Shares represents: (i) approximately 15.78% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 13.63% of the issued Shares as enlarged by the allotment and issue of the Consideration Shares (assuming there will be no change in the share capital of the Company prior to the Completion).

The Consideration Shares will be allotted and issued pursuant to the General Mandate. Under the General Mandate, the Directors are allowed to allot and issue up to 20% of the total number of the issued Shares. The maximum number of Shares that can be issued under the General Mandate is 179,544,600 Shares. As at the date of this announcement, the Company has not allotted and issued any Shares under the General Mandate. The General Mandate is sufficient for the allotment and issue of the Consideration Shares.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares will rank *pari passu* in all respects with each other and with the Shares in issue at the time of the Consideration Shares.

Issue Price

The Issue Price of HK\$0.2 represents:

- i. a premium of approximately 17.7% over the closing price of HK\$0.17 per Share as quoted on the Stock Exchange on 20 June 2022, being the date of the Agreement;
- ii. a premium of approximately 9.9% over the average closing price of HK\$0.182 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Agreement; and
- iii. a premium of approximately 4.7% over the average closing price of HK\$0.191 per Share as quoted on the Stock Exchange for the ten consecutive trading days of the Shares immediately prior to the date of the Agreement.

The Issue Price was determined after arm's length negotiation between the Company and the Vendor with reference to, among other things, the recent price performance of the Shares and the prevailing market conditions.

Conditions precedent

Completion is conditional upon fulfilment or waiver (as the case may be) of the following conditions:

- (i) the Company having completed the legal and/or financial due diligence review of the Target Group, the results of which being satisfactory to the Company;
- (ii) the Company having satisfied that each member of the Target Group is duly incorporated, validly existing and of good standing, and that the shareholding structure of the Target Group pursuant to the Agreement is true, correct, accurate, complete, legal and valid;
- (iii) the Company having obtained the approval from the Board in respect of the transactions contemplated under the Agreement as well as the allotment and issue of the Consideration Shares;
- (iv) the Stock Exchange having granted approval for the listing of, and permission to deal in, the Consideration Shares and such approval not having been revoked;
- (v) the Target Company having directly held 51% issued share capital of Zhejiang Kelee;
- (vi) all of the warranties and representations contained in the Agreement being true, correct, complete, accurate and not misleading in all material respects at Completion, as if repeated at Completion and all undertakings contained in the Agreement, to the extent being capable of being fulfilled prior to the Completion Date, having been fulfilled in all respects;
- (vii) the Company, the Vendor and the Target Company having complied with the Listing Rules in all respects for the Acquisition; and
- (viii) it has not come to the attention of the Company that any material adverse change or effect on the Target Group has occurred prior to the Completion Date or are reasonably likely to occur whether on or before the Completion Date.

As at the date of this announcement, all of the conditions above except for (iv), (vi) and (viii) are satisfied. If the conditions above have not been fulfilled or waived (as the case may be) on or before the Long Stop Date (or such later date as the parties may agree), the Agreement shall cease and terminate and neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the Agreement.

Completion

Completion shall take place within five business days after fulfilment or waiver (as the case may be) of all the conditions precedent to the Agreement, or such other date as the parties to the Agreement may agree in writing.

Upon Completion, (i) the Target Company will become a direct wholly owned subsidiary of the Company, and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Group; (ii) the Vendor will become a Substantial Shareholder of the Company, holding approximately 13.63% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming there will be no change in the share capital of the Company prior to the Completion).

INFORMATION OF THE PARTIES

The Company and the Group

The Company is a company incorporated in the Cayman Islands with limited liability.

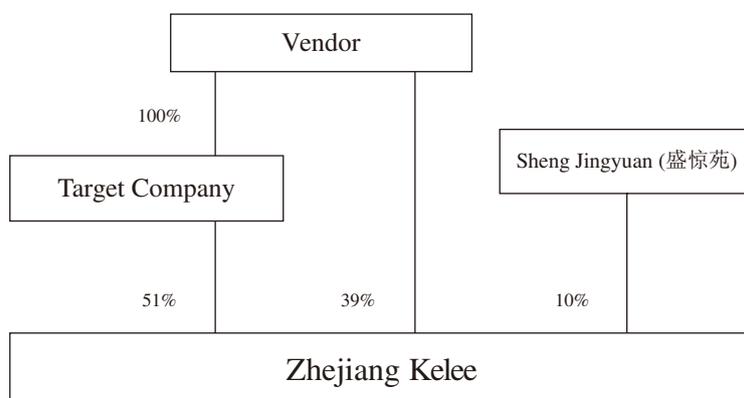
The Group is principally engaged in design, development, production, sales and marketing of cosplay products (including cosplay costumes and cosplay wigs) and sexy lingerie and leasing factory premises.

The Vendor

The Vendor is Ms. Feng Xianhua (馮鮮花), who has over 25 years of experience in the consumer household care industries.

The Target Group

As at the date of this announcement, the shareholding structure of the Target Group is as follows:



Target Company is an investment holding company incorporated in the BVI with limited liability.

Zhejiang Kelee is a company established in the PRC with limited liability. As at the date of this announcement, Zhejiang Kelee has a registered capital of RMB10 million. Zhejiang Kelee is principally engaged in the research and development, manufacturing and sale of fabric care, personal hygiene and home care products, etc.

Set out below is a summary of the financial information of the Zhejiang Kelee for the two years ended 31 December 2021 and for the three months ended 31 March 2022 and prepared in accordance with the accounting principles generally accepted in the PRC:

	For the financial year ended		For the
	31 December		three months
	2020	2021	ended
	<i>RMB'000</i>	<i>RMB'000</i>	31 March
	<i>(approx.)</i>	<i>(approx.)</i>	2022
	(unaudited)	(unaudited)	<i>(approx.)</i>
			(unaudited)
Revenue	30,383	51,924	13,356
Net profit before taxation	5,847	11,943	2,566
Net profit after taxation	4,977	10,392	2,181

The unaudited net asset value of the Zhejiang Kelee as at 31 March 2022 was approximately RMB32.0 million.

Since the Target Company is incorporated as investment holding companies, it has minimal assets and did not generate any revenue or profit as to date.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Vendor, the Target Company, Zhejiang Kelee and their ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in design, development, production, sales and marketing of cosplay products (including cosplay costumes and cosplay wigs) and sexy lingerie and leasing factory premises.

The COVID-19 pandemic has caused severe disruption to economic activities worldwide and the global economy and consumer confidence have been adversely affected. Whilst remaining focused on developing its existing businesses, the Group has been exploring potential investment opportunities from time to time in order to broaden its profit source and eventually optimise the returns to the Shareholders.

In 2019, the Group diversified and expanded to the sub-leasing business by entering several lease agreements which relate to the Group's factory premises situated in the PRC, with the aim to integrate the design and development of cultural products, internet celebrity, creative design, research and development and supply chain of the whole industrial chain.

In 2021, the Group also established an associate company with independent third parties, namely Zhongdun (Hangzhou) Intelligent Equipment Company Limited and Zhejiang Lanlu Township Cultural Tourism Technology Company Limited and it is intended that this associate company will be principally engaged in cultural tourism development and related project planning consultation business. The development of the cultural tourism business of the associate company will create synergies with the Group's development of cultural products in the Parky Culture Industrial Park which will be beneficial to the development of the Group's business as a whole.

Zhejiang Kelee, established in 2010, is engaged in research and development, manufacturing and sale of fabric care, personal hygiene and home care products and is near the Group's production plant in Yiwu. The Group had grown to become familiar with Zhejiang Kelee since the Group began to lease its factory premise to Zhejiang Kelee in 2020. Furthermore, based on the result of due diligence, Zhejiang Kelee has over 5 years of business relationship with the majority of its customers and have historically been able to provide steady streams of cashflow. Having considered (i) the capability of Zhejiang Kelee in providing comprehensive fabric care, personal hygiene and home care products, including products with cultural characteristics; (ii) the long-term and stable relationship with its existing customers; and (iii) the financial and operational performance of Zhejiang Kelee, the Directors are of the view that the Acquisition is an opportunity for the Group to diversify its existing business portfolio and broaden the Group's source of income.

Based on the above reasons and having considered all relevant factors, the Directors believe that the terms of the Agreement are fair and reasonable and entering into the Agreement is in the interests of the Company and its shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon Completion (assuming that there are no other changes in the issued share capital of the Company prior to the Completion) are set out as follows:

	As at the date of this announcement		Immediately upon Completion	
	<i>Number of Shares</i>	<i>Approx.% of shareholding</i>	<i>Number of Shares</i>	<i>Approx.% of shareholding</i>
Master Professional Holdings Limited (“ Master Professional ”) (<i>note i</i>)	251,859,000	23.38%	251,859,000	20.19%
Mr. Lam Shek Sun	78,563,000	7.29%	78,563,000	6.30%
Mr. Li Bin	168,561,000	15.65%	168,561,000	13.51%
Mr. Ng Ting Wai	57,351,000	5.32%	57,351,000	4.60%
<i>Public Shareholders</i>				
The Vendor	–	–	170,000,000	13.63%
Other Public Shareholders	<u>520,933,600</u>	<u>48.36%</u>	<u>520,933,600</u>	<u>41.77%</u>
Total	<u><u>1,077,267,600</u></u>	<u><u>100%</u></u>	<u><u>1,247,267,600</u></u>	<u><u>100%</u></u>

Notes:

- (i) Mr. Ye Wanhong directly owned 100% equity interests in Master Professional. Accordingly, Mr. Ye Wanhong is deemed to be interested on the Shares held by Master Professional.

LISTING RULES IMPLICATIONS OF THE ACQUISITION

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

CONTINUING CONNECTED TRANSACTION

The principal terms of the Sub-leasing Agreement (as amended and supplemented by the Supplemental Sub-leasing Agreement) are as follows:

Date

- (i) the Sub-leasing Agreement – 30 September 2020
- (ii) the Supplemental Sub-leasing Agreement – 26 June 2021

Parties

- (1) Yiwu Partytime, as lessor; and
- (2) Zhejiang Kelee, as tenant

Uses

Manufacturing

Lease Term

Four years from 1 October 2020

Premises

The first, second and third floor and warehouse at the intersection of Huachuan North Road and Feifeng Road, Yiwu City, Zhejiang Province, PRC (中國浙江省義烏市華川北路與飛鳳路口交叉口)

Gross floor area

The gross floor area under the Sub-leasing Agreement (as amended and supplemented by the Supplemental Sub-leasing Agreement) is approximately 19,499.90 square meters from 1 October 2020 to 28 June 2021 and approximately 18,830.6 square meters from 29 June 2021 to 30 September 2024.

Rent

The rent under the Sub-leasing Agreement (as amended and supplemented by the Supplemental Sub-leasing Agreement) is RMB2,568,890 (inclusive of tax) per annum from 1 October 2020 to 28 June 2021, and subject to an increment of 5% every year for the remaining term of the Sub-leasing Agreement and RMB2,456,528 (inclusive of tax) per annum from 29 June 2021 to 30 September 2024, and subject to an increment of 5% every year for the remaining term of the Sub-leasing Agreement.

Aggregate rental

Approximately RMB9,900,000

Manner of payment

Payable annually in advance

The rent under the Sub-leasing Agreement (as amended and supplemented by the Supplemental Sub-leasing Agreement) was determined after arm's length negotiations between Yiwu Partytime and Zhejiang Kelee and taking into consideration the prevailing market rent of comparable premises.

Upon Completion, the Vendor will become a Substantial Shareholder of the Company, holding approximately 13.63% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and the Vendor will own 39% of the equity interests in Zhejiang Kelee, and therefore Zhejiang Kelee is a connected subsidiary of the Company upon Completion.

Yiwu Partytime is an indirect wholly-owned subsidiary of the Company which is established in the PRC and is principally engaged in the design, development, production, sales and marketing of cosplay products (including cosplay costumes and cosplay wigs) and sexy lingerie and leasing of factory premises. Zhejiang Kelee and Yiwu Partytime entered into the Sub-leasing Agreement on (as amended and supplemented by the Supplemental Sub-leasing Agreement) in respect of the leasing of the premises for manufacturing purpose. The Sub-leasing Agreement (as amended and supplemented by the Supplemental Sub-leasing Agreement) will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules upon Completion. The Directors, including the independent non-executive Directors, consider that the transactions contemplated under the Sub-leasing Agreement (as amended and supplemented by the Supplemental Sub-leasing Agreement) are entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the Sub-leasing Agreement (as amended and supplemented by the Supplemental Sub-leasing Agreement) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the total remaining aggregate rental payable under the Sub-leasing Agreement (as amended and supplemented by the Supplemental Sub-leasing Agreement) is approximately RMB5,950,000 which will not exceed either (i) 5% or (ii) 25% of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) and the total remaining aggregate rental payable is less than HK\$10,000,000, thus the Sub-leasing Agreement (as amended and supplemented by the Supplemental Sub-leasing Agreement) will be subject to the reporting, annual review, announcement but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

WARNING

Shareholders and potential investors of the Company should note that the Completion is subject to the fulfillment (or waiver, if applicable) of the conditions precedent of the Agreement, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Allotment”	the issue and allotment of the Consideration Shares by the Company to the Vendor pursuant to the terms and conditions of the Agreement;
“Acquisition”	the acquisition of the Sale Shares by the Company from the Vendor pursuant to the terms and conditions of the Agreement;
“Agreement”	the sale and purchase agreement dated 20 June 2022 and entered into between the Company and the Vendor in relation to the Acquisition;
“Associates”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Business Day(s)”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours;
“BVI”	British Virgin Islands;
“Company”	China Partytime Culture Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange;
“Completion”	the completion of the Acquisition;

“Completion Date”	the date of the Completion, being the date falling on the 5 Business Days after the fulfillment or waiver (where applicable) of the Conditions Precedent, or such later date as agreed between the Vendor and the Company;
“Consideration”	the total consideration of HK\$42.8 million for the Acquisition which will be satisfied by (i) HK\$8.8 million in cash and (ii) the issue and allotment of the Consideration Shares to the Vendor pursuant to terms and conditions of the Agreement;
“Consideration Share(s)”	170,000,000 Consideration Shares to be allotted and issued to the Vendor at the Issue Price for the Acquisition pursuant to the terms and conditions of the Agreement;
“Director(s)”	Director(s) of the Company;
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting (the “AGM”) of the Company on 18 June 2021 to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	any person(s) or companies and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are third party(ies) independent of the Company and connected persons (as defined under the Listing Rules) of the Company;
“Independent Valuer”	Peak Vision Appraisals Limited, an independent professional valuer;
“Issue Price”	the issue price of HK\$0.2 per each Consideration Share;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Listing Committee”	The Listing Committee of the Stock Exchange;
“Long Stop Date”	31 August 2022;
“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares”	One (1) issued share, representing 100% of the entire issued share capital of the Target Company on Completion;
“Share(s)”	share(s) in the Company;
“Shareholder(s)”	the shareholder(s) of the Company;
“Shortfall”	the amount of the shortfall between the aggregate Net Profit for the two years ending 31 December 2022 and 2023 and the Guaranteed Profit
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Sub-Leasing Agreement”	The sub-leasing agreement entered into between the Zhejiang Kelee and Yiwu Partytime in relation to the premises for a term of 4 years commencing from 1 October 2020.
“Supplemental Sub-leasing Agreement”	an agreement dated 26 June 2021 entered into between the Zhejiang Kelee and Yiwu Partytime in relation to the amendment to the Sub-leasing Agreement
“Target Company”	High Kelee Investment Holdings Limited, a company established in the BVI with limited liability;
“Target Group”	Target Company and its subsidiaries;
“Valuation”	the independent valuation on the entire equity interest in Zhejiang Kelee carried out by the Independent Valuer;
“Vendor”	Ms. Feng Xianhua (馮鮮花);

“Yiwu Partytime”	義烏市派對服飾有限公司 (Partytime Costume & Lingerie (Yiwu) Factory*), a company established in the PRC with limited liability and an indirect wholly owned subsidiary of the Company;
“Zhejiang Kelee”	浙江珂莉科技有限公司 (Zhejiang Kelee Technology Company Limited*), a company incorporated in the PRC and 51% owned by the Target Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

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

20 June 2022

As at the date of this announcement, the Board comprises (i) two executive Directors, namely Ms. Chen Sheng and Mr. Xu Chengwu; and (ii) three independent non-executive Directors, namely Mr. Zheng Jin Min, Mr. Chen Wen Hua and Ms. Peng Xu.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

* *For identification purpose only*