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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

Sole Placing Agent



THE PLACING

On 17 April 2024 (after trading hours), the Company and the Sole Placing Agent entered into the Placing Agreement pursuant to which the Company has appointed the Sole Placing Agent to procure, on a best efforts basis, not less than six Placers to subscribe for up to 295,544,224 Placing Shares at a price of HK\$0.08 per Placing Share.

As at the date of this announcement, the Company has 1,477,721,120 Shares in issue. The maximum number of 295,544,224 Placing Shares under the Placing represent (i) approximately 20.00% 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 all 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 the Completion Date). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$2,955,442.24.

Assuming the maximum number of the Placing Shares is fully placed, the gross proceeds from the Placing will be approximately HK\$23.6 million and the net proceeds (after deduction of placing commission and other expenses of the Placing) will be approximately HK\$23.1 million. The net proceeds from the Placing are intended to be applied by the Company as to approximately (i) RMB7.0 million for the proposed expansion of the Group's fabric care, personal hygiene and home care products business; (ii) RMB8.2 million for settling the Group's indebtedness falling due within 12 months; and (iii) RMB6.2 million as its general working capital so as to accommodate the operating cash flow needs to support its business operations.

The Directors consider that the Placing will provide a good opportunity to raise further capital for the Company whilst broadening its shareholder base and capital base.

The Placing Price of HK\$0.08 per Placing Share was determined after arm's length negotiations between the Company and the Sole Placing Agent and represents (i) a discount of approximately 3.6% to the closing price of HK\$0.083 per Share as quoted on the Stock Exchange on 17 April 2024, being the date of the Placing Agreement; and (ii) a discount of approximately 3.6% to the average closing price of HK\$0.083 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 2023 AGM held on 9 June 2023. The allotment and issue of the Placing Shares are not subject to any additional Shareholders' approval.

The Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement. As the Placing may or may not proceed, the Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

On 17 April 2024 (after trading hours), the Company and the Sole Placing Agent entered into the Placing Agreement pursuant to which the Company has appointed the Sole Placing Agent to procure, on a best efforts basis, not less than six Placees to subscribe for up to 295,544,224 Placing Shares at a price of HK\$0.08 per Placing Share.

THE PLACING AGREEMENT

The principal terms of the Placing Agreement are as follows:

Date : 17 April 2024 (after trading hours)

Issuer : the Company

Sole Placing Agent : First Securities (HK) Limited

The Sole Placing Agent has conditionally agreed to procure, on a best efforts basis, not less than six Placees to subscribe for up to 295,544,224 Placing Shares. The Sole Placing Agent may carry out the Placing itself and/or through the agency of such other agents as the Sole Placing Agent may agree with the Company. The Sole Placing Agent will receive a placing commission of 1.2% of the aggregate Placing Price of the Placing Shares placed by the Sole Placing Agent pursuant to its obligations under the Placing Agreement or a minimum commission of HK\$400,000. Such placing commission was negotiated on an arm's length basis between the Company and the Sole Placing Agent under normal commercial terms and determined with reference to the prevailing commission rate for similar transactions, the size of the Placing and the price performance of the Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Sole Placing Agent and its ultimate beneficial owners are Independent Third Parties. As at the date of this announcement, the Sole Placing Agent is not interested in any Shares.

Placees

The Sole Placing Agent will procure the Placing Shares to be placed on a best efforts basis to not less than six Placees, who and whose ultimate beneficial owners (if applicable) shall be Independent Third Parties. The Sole Placing Agent will use its best endeavours to ensure that no Placee or their respective ultimate beneficial owners will become a substantial shareholder (within the meaning of the Listing Rules) of the Company forthwith upon completion of the Placing.

Placing Price

The Placing Price of HK\$0.08 per Placing Share represents:

- (a) a discount of approximately 3.6% to the closing price of HK\$0.083 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 3.6% to the average of the closing prices of approximately HK\$0.083 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 Sole 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 determined on normal commercial terms and fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Shares

As at the date of this announcement, the Company has 1,477,721,120 Shares in issue. The maximum number of 295,544,224 Placing Shares under the Placing represent (i) approximately 20.00% 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 all 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 the Completion Date). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$2,955,442.24.

Ranking

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

Conditions of the Placing

Completion of the Placing is conditional upon all the following conditions being fulfilled on or before the Long Stop Date:

- (a) the passing by the Board of resolutions to approve the Placing Agreement and the transactions contemplated thereunder;
- (b) the Listing Committee granting or agreeing to grant approval for the listing of, and permission to deal in, all of the Placing Shares on the Stock Exchange; and
- (c) the Placing Agreement not having been terminated in accordance with its terms.

The conditions above cannot be waived by any party. If the above conditions shall not have been satisfied or fulfilled on or before the Long Stop Date or any of the event set out in the section headed "Termination" below shall have occurred, all obligations and responsibilities of the Sole Placing Agent and those of the Company under the Placing Agreement shall cease and determine forthwith and no party under the Placing Agreement shall have any claim whatsoever against the other party in relation thereto save for any antecedent breach of any obligation under the Placing Agreement and without prejudice to the accrued rights and liabilities of each Party.

Completion

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

Termination

The Sole Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by giving 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 Sole 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 Sole 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 Sole 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 Sole Placing Agent, terminate the Placing Agreement by notice in writing to the Sole 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 Sole 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.

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 2023 AGM held on 9 June 2023. Under the General Mandate, the Company is authorised to allot and issue up to 295,544,224 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 for listing of the Placing Shares

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

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the design, research and development, production, sales and marketing of cosplay products (including cosplay costumes and cosplay wigs), sexy lingerie and fabric care, personal hygiene and home care products, and leasing of factory premises.

Assuming the maximum number of the Placing Shares is fully placed, the gross proceeds from the Placing will be approximately HK\$23.6 million and the net proceeds (after deduction of placing commission and other expenses of the Placing) will be approximately HK\$23.1 million. The net proceeds from the Placing are intended to be applied by the Company as to approximately (i) RMB7.0 million for the proposed expansion of the Group's fabric care, personal hygiene and home care products business; (ii) RMB8.2 million for settling the Group's indebtedness falling due within 12 months; and (iii) RMB6.2 million as its general working capital so as to accommodate the operating cash flow needs to support its business operations.

The Directors consider that the Placing will provide a good opportunity to raise further capital for the Company whilst broadening its shareholder base and capital base.

The Directors consider that the Placing Agreement was entered into upon normal commercial terms following arm's length negotiations between the Company and the Sole 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 activity involving the issue of its equity securities in the past twelve (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 are placed and there are no other changes in the issued share capital of the Company between the date of this announcement and before the completion of the Placing) are set out below:

Shareholders of the Company	As at the date of this announcement		Immediately after completion of the Placing (assuming the maximum number of the Placing Shares are placed and there are no other changes in the issued share capital of the Company between the date of this announcement and before the completion of the Placing)	
	Number of Shares (note 1)	Approx. % (note 4)	Number of Shares (note 1)	Approx. % (note 4)
Master Professional Holdings Limited (note 2)	251,859,000	17.04%	251,859,000	14.20%
Ms. Feng Xianhua	170,000,000	11.50%	170,000,000	9.59%
Mr. Li Bin	168,561,000	11.41%	168,561,000	9.51%
Mr. Lam Shek Sun	78,563,000	5.32%	78,563,000	4.43%
Mr. Teng Hao (note 3)	2,500,000	0.17%	2,500,000	0.14%
Placees	–	–	295,544,224	16.67%
Other Public Shareholders	806,238,120	54.56%	806,238,120	45.47%
Total	1,477,721,120	100.00%	1,773,265,344	100.00%

Notes:

- The Company has outstanding options granted under the Share Option Scheme to subscribe for 82,200,000 Shares as at the date of this announcement.
- As at the date of this announcement, Master Professional Holdings Limited is 100% beneficially owned by Mr. Chen Shucaï.
- Mr. Teng Hao is the chairman and an executive Director of the Company.
- 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.

The Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement. As the Placing may or may not proceed, the Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“2023 AGM”	the annual general meeting of the Company held on 9 June 2023 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)”	any day (excluding Saturdays, Sundays, public holidays 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 signal 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 generally are open for general business in Hong Kong
“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 date of completion of the Placing, which shall be the fifth Business Day after the date on which the conditions set out in the Placing Agreement has been satisfied or fulfilled in accordance therewith (or such other date as the Company and the Sole Placing Agent may agree 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 by the Shareholders to the Directors at the 2023 AGM to allot, issue or deal with up to 295,544,224 new Shares, representing 20% of the number of issued Shares as at the date of the 2023 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”	means 3 May 2024 (or such other date as agreed by the parties in writing), being the latest date on which all the conditions to the Placing Agreement have to be satisfied or fulfilled
“Placees”	any individual, corporate, institutional or other investors selected and/or procured by or on behalf of the Sole Placing Agent to subscribe for any of the Placing Shares pursuant to the Sole Placing Agent’s obligations under the Placing Agreement
“Placing”	the proposed placing of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Sole Placing Agent dated 17 April 2024 in relation to the Placing
“Placing Price”	HK\$0.08 per Placing Share

“Placing Shares”	up to 295,544,224 new Shares to be allotted and issued pursuant to the terms and conditions of the Placing Agreement, and the Placing Shares shall rank pari passu 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)
“Sole Placing Agent”	First Securities (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“%”	per cent

By order of the Board
China Partytime Culture Holdings Limited
Teng Hao
Chairman

Hong Kong, 17 April 2024

As at the date hereof, the Board comprises Mr. Teng Hao and Mr. Xu Chengwu as executive Directors, and Mr. Zheng Jin Min, Mr. Chen Wen Hua and Ms. Peng Xu as independent non-executive Directors.