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華夏文化科技集團  
CA CULTURAL TECHNOLOGY GROUP

## CA CULTURAL TECHNOLOGY GROUP LIMITED

華夏文化科技集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01566)**

### ISSUE OF NEW SHARES UNDER GENERAL MANDATE BY DEBT CAPITALISATION

#### SETTLEMENT DEEDS AND DEBT CAPITALISATION

On 23 February 2022 (after trading hours of the Stock Exchange), the following Settlement Deeds are entered into by the Company:

- (i) Creditor A and the Company entered into Settlement Deed A, pursuant to which the Company has conditionally agreed to allot and issue, and Creditor A has conditionally agreed to subscribe 55,670,000 Settlement Shares at the Settlement Price of HK\$0.170 per Settlement Share; and
- (ii) Creditor B and the Company entered into Settlement Deed B, pursuant to which the Company has conditionally agreed to allot and issue, and Creditor B has conditionally agreed to subscribe 42,500,000 Settlement Shares at the Settlement Price of HK\$0.170 per Settlement Share.

Pursuant to the Settlement Deeds, the Company has conditionally agreed to allot and issue, and the Creditors have conditionally agreed to subscribe 98,170,000 Settlement Shares in aggregate at the Settlement Price of HK\$0.170 per Settlement Share.

Assuming that the completion for Settlement A and Settlement B takes place on the same date, and there will be no change in the issued share capital of the Company between the date of this announcement and the date of the completion for Settlement A and Settlement B, the total number of Settlement Shares to be issued and allotted pursuant to Settlement Deed A and Settlement Deed B represent (i) approximately 9.06% of the existing issued share capital of the Company of 1,083,872,000 Shares as at the date of this announcement; and (ii) approximately 8.31% of the issued share capital of the Company as enlarged by the allotment and issue of the Settlement Shares. The aggregate nominal value of the number of Settlement Shares to be allotted and issued will be HK\$9,817,000.00.

The Settlement Price of HK\$0.170 per Settlement Share represents:

- (a) a discount of approximately 1.16% to the closing price of HK\$0.172 as quoted on the Stock Exchange on 23 February 2022, being the Last Trading Day;
- (b) a premium of approximately 1.80% to the average closing price of HK\$0.167 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 22 February 2022; and
- (c) a discount of approximately 6.59% to the average closing price of HK\$0.182 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 22 February 2022.

**As completion of Settlement A and Settlement B is subject to the satisfaction of a number of conditions under the respective Settlement Deeds, Settlement A and/or Settlement B (as the case may be) may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## **SETTLEMENT DEEDS AND DEBT CAPITALISATION**

The Board announces that on 23 February 2022 (after trading hours of the Stock Exchange), the following Settlement Deeds are entered into by the Company:

- (i) Creditor A and the Company entered into Settlement Deed A, pursuant to which the Company has conditionally agreed to allot and issue, and Creditor A has conditionally agreed to subscribe 55,670,000 Settlement Shares at the Settlement Price of HK\$0.170 per Settlement Share; and
- (ii) Creditor B and the Company entered into Settlement Deed B, pursuant to which the Company has conditionally agreed to allot and issue, and Creditor B has conditionally agreed to subscribe 42,500,000 Settlement Shares at the Settlement Price of HK\$0.170 per Settlement Share.

Pursuant to the Settlement Deeds, the Company has conditionally agreed to allot and issue, and the Creditors have conditionally agreed to subscribe 98,170,000 Settlement Shares in aggregate at the Settlement Price of HK\$0.170 per Settlement Share.

The principal terms of the Settlement Deeds are set out below:

### **Settlement Deed A**

#### **Date**

23 February 2022 (after trading hours of the Stock Exchange)

#### **Parties to Settlement Deed A**

Listed Company: The Company

Creditor A: Trillion Joint Group Limited

To the best of the Directors' information, knowledge and belief, after having reasonable enquiries, Creditor A and its ultimate beneficial owner, Mr. Lui Leung Kei, who legally and beneficially owns the entire issued share capital of Creditor A, are Independent Third Parties. As at the date of this announcement, Creditor A and its ultimate beneficial owner are not interested in any Shares.

#### **Subject Matter of Settlement Deed A**

Pursuant to the terms and conditions of Settlement Deed A, Settlement A comprises of (i) the debt capitalisation of HK\$9,463,900.00 of Indebted Sum A into 55,670,000 Settlement Shares of HK\$0.170 per Settlement Share, conditionally agreed to be allotted and issued by the Company; and (ii) the waiver to repay HK\$107,723.84 of Indebted Sum A upon its completion.

On 4 October 2021, the Company and Creditor A entered into Loan Agreement A, pursuant to which Creditor A as the lender, provided the Company a loan in the amount of up to HK\$10,000,000.00. As at 18 February 2022, Indebted Sum A, being the principal amount of Loan A and the interest accrued thereunder, was HK\$9,571,623.84.

#### **Conditions precedent for Settlement Deed A**

Completion for Settlement A is conditional upon the following conditions being fulfilled:

- (a) the passing of respective resolutions by the Board and the board of Creditor A to approve Settlement A, the execution of Settlement Deed A and the transactions contemplated hereunder;
- (b) the Listing Committee granting the listing of, and permission to deal in the 55,670,000 Settlement Shares contemplated under Settlement Deed A; and
- (c) the warranties given by Creditor A and the Company being true and accurate in all material respects, not misleading or in breach in any material respect, and remaining true and accurate in all material respects at all times up to the date of the completion for Settlement A.

If any of the above conditions is not satisfied on or before the Long Stop Date A, or such other later date as the parties thereto may agree in writing, Settlement Deed A shall be terminated, all rights, obligations and liabilities of the Company and Settlement Deed A shall cease and determine and all parties to Settlement Deed A shall be released from all their respective obligations pursuant to Settlement Deed A and neither party shall have any claim against the other for costs, damages, compensation or otherwise arising under Settlement Deed A, save for antecedent breaches.

### **Number of Settlement Shares under Settlement Deed A**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of the completion for Settlement A, the number of Settlement Shares to be issued and allotted pursuant to Settlement Deed A represent (i) approximately 5.14% of the existing issued share capital of the Company of 1,083,872,000 Shares as at the date of this announcement; and (ii) approximately 4.89% of the issued share capital of the Company as enlarged by the allotment and issue of the Settlement Shares. The aggregate nominal value of the number of Settlement Shares to be allotted and issued will be HK\$5,670,000.00.

### **Settlement Deed B**

#### **Date**

23 February 2022 (after trading hours of the Stock Exchange)

#### **Parties to Settlement Deed B**

Listed Company:                      The Company

Creditor B:                              Mr. Wong Yu Man James

To the best of the Directors' information, knowledge and belief, after having reasonable enquiries, Creditor B, Mr. Wong Yu Man James is an Independent Third Party. As at the date of this announcement, Creditor B holds 16,000,000 Shares, representing approximately 1.48% of the entire issued share capital of the Company as at the date of this announcement.

#### **Subject Matter of Settlement Deed B**

Pursuant to the terms and conditions of Settlement Deed B, Settlement B comprises of (i) the debt capitalisation of HK\$7,225,000.00 of Indebted Sum B into 42,500,000 Settlement Shares of HK\$0.170 per Settlement Share, conditionally agreed to be allotted and issued by the Company; and (ii) the waiver to repay HK\$9,769.98 of Indebted Sum B upon its completion.

On 19 November 2021, the Company and Creditor B entered into Loan Agreement B, pursuant to which Creditor B as the lender, provided the Company a loan in the amount of up to HK\$8,000,000.00. As at 18 February 2022, Indebted Sum B, being the principal amount of Loan B and the interest accrued thereunder, was HK\$7,234,769.98.

## **Conditions precedent for Settlement Deed B**

Completion for Settlement B is conditional upon the following conditions being fulfilled:

- (a) the Listing Committee granting the listing of, and permission to deal in the 42,500,000 Settlement Shares contemplated under Settlement Deed B; and
- (b) the warranties given by Creditor B and the Company being true and accurate in all material respects, not misleading or in breach in any material respect, and remaining true and accurate in all material respects at all times up to the date of the completion for Settlement B.

If any of the above conditions is not satisfied on or before the Long Stop Date B, or such other later date as the parties thereto may agree in writing, Settlement Deed B shall be terminated, all rights, obligations and liabilities of the Company and Settlement Deed B shall cease and determine and all parties to Settlement Deed B shall be released from all their respective obligations pursuant to Settlement Deed B and neither party shall have any claim against the other for costs, damages, compensation or otherwise arising under Settlement Deed B, save for antecedent breaches.

## **Number of Settlement Shares under Settlement Deed B**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of the completion for Settlement B, the number of Settlement Shares to be issued and allotted pursuant to Settlement Deed B represent (i) approximately 3.92% of the existing issued share capital of the Company of 1,083,872,000 Shares as at the date of this announcement; and (ii) approximately 3.77% of the issued share capital of the Company as enlarged by the allotment and issue of the Settlement Shares. The aggregate nominal value of the number of Settlement Shares to be allotted and issued will be HK\$4,250,000.00.

## **Settlement Price**

The Settlement Price of HK\$0.170 per Settlement Share represents:

- (a) a discount of approximately 1.16% to the closing price of HK\$0.172 as quoted on the Stock Exchange on 23 February 2022, being the Last Trading Day;
- (b) a premium of approximately 1.80% to the average closing price of HK\$0.167 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 22 February 2022; and
- (c) a discount of approximately 6.59% to the average closing price of HK\$0.182 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 22 February 2022.

The Settlement Price was determined and negotiated on an arm's length basis between the Company and each of the Creditors and with reference to the market conditions and the prevailing market price of the Shares. The Directors consider that the Settlement Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Pursuant to the Settlement Deeds, the debt capitalisation contemplated thereunder involves the capitalisation of the Company's indebtedness in the total amount of HK\$16,688,900.00 into a total of 98,170,000 Settlement Shares of HK\$0.170 per Settlement Share, and the Company will use its internal resources to settle the professional fees and all other related expenses which may be borne by the Company in connection with Settlement A and Settlement B. The net issue price per Settlement Share will be HK\$0.170.

### **Lock-up undertaking**

Pursuant to the Settlement Deeds, Creditor A and Creditor B respectively undertake that it will not at any time during the period of one year following the respective date of the completion for Settlement A and Settlement B dispose of any of the Settlement Shares without the prior written consent of the Company.

### **Completion of Settlement A and Settlement B**

Completion of Settlement A shall take place on the first Business Day after the fulfillment of the conditions under the paragraph "Conditions precedent for Settlement Deed A", or on such other date as the Company and Creditor A may agree in writing. It is expected that Creditor A will not become a substantial shareholder of the Company immediately after Settlement A. Upon completion of Settlement A, Indebted Sum A would cease to exist between the Company and Creditor A.

Completion of Settlement B shall take place on the first Business Day after the fulfillment of the conditions under the paragraph "Conditions precedent for Settlement Deed B", or on such other date as the Company and Creditor B may agree in writing. It is expected that Creditor B will not become a substantial shareholder of the Company immediately after Settlement B. Upon completion of Settlement B, Indebted Sum B would cease to exist between the Company and Creditor B.

**As completion of Settlement A and Settlement B is subject to the satisfaction of a number of conditions under the respective Settlement Deeds, Settlement A and/or Settlement B (as the case may be) may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

### **RANKING OF THE SETTLEMENT SHARES**

The Settlement Shares will rank, upon allotment and issue, *pari passu* in all respects with each other, among themselves and with the other Shares in issue on the date of allotment and issue of the Settlement Shares.

## **GENERAL MANDATE TO ALLOT AND ISSUE OF THE SETTLEMENT SHARES**

No Shareholders' approval is required for the allotment and issue of the Settlement Shares by the Company as the Settlement Shares will be issued and allotted pursuant to the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM held on 2 September 2021, under which the Directors may allot and issue up to 196,340,400 Shares (representing 20% of the issued share capital of the Company as at the date of the passing of the resolution at the AGM).

As at the date of this announcement and immediately prior to the entering into of the Settlement Deeds, the General Mandate has not been fully utilized in light of the following event taken place which involves the utilisation of the General Mandate:

- (i) 98,170,000 Shares have been allotted and issued under the General Mandate as a result of the Previous Debt Capitalisation, under which Bloom Fort Limited as the creditor has conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue 98,170,000 Shares at the price of HK\$0.405 per Share to Bloom Fort Limited as the creditor (details of which can be referred from the announcements of the Company respectively dated 29 December 2021, 30 December 2021 and 14 January 2022).

## **APPLICATION FOR LISTING OF SETTLEMENT SHARES**

Application will be made by the Company to the Listing Committee for the granting of the approval for the listing of, and permission to deal in, the Settlement Shares.

Both Settlement A and Settlement B are conditional upon, inter alia, the Stock Exchange granting the listing of, and permission to deal in, the Settlement Shares.

## **REASONS FOR AND BENEFITS OF THE DEBT CAPITALISATION**

The Company is an investment holding company. The Group is a multimedia animation entertainment group in China, engaged in the business of sales of animation-derived products featuring a wide range of popular third-party owned animation characters, including general plastic toys and food-grade toys. The Group also offers relevant value-added services, including quality control and advice on product design to customers in accordance with their requests.

The Directors have considered other alternative financing methods to settle the Indebtedness, however, those other financing methods taken into consideration have the following disadvantages:

- (i) Debt financing such as bank borrowings, will inevitably increase the interest expenses and gearing ratio of the Group, it may require pledge of assets and/or other kind of securities which may reduce the Group's flexibility in managing its portfolio. Moreover, debt financing may be subject to lengthy and time-consuming due diligence and negotiations for more favourable terms for such borrowings; and

- (ii) Equity financing methods such as rights issue and open offer will require substantial time for extra administrative work for preparation and issue of related documents such as prospectus and application forms for acceptance of the rights issue or open offer and appointment of reporting accountants to report on unaudited pro forma financial information to be included in the prospectus; and incurring certain amount of fixed costs such as expenses in relation to engagement of professional advisers, printing charges in connection with documents such as prospectus and application forms, cost associated with registration and despatch of new Shares to a large number of Shareholders. As a result, rights issues or open offers may involve substantial time and costs to complete.

Even though the allotment and issue of the Settlement Shares will have a dilution effect to the existing Shareholders, having considered (i) the capitalisation of and partial waiver of repayment for the Indebtedness can alleviate the repayment and settlement pressure of the Company; and (ii) the Settlement Shares, when allotted and issued, will be recognised entirely as equity of the Company which in turn will reduce the gearing ratio, enlarge the capital base, and accordingly, strengthen the financial position of the Group, the Board of the Directors are of the view that the Debt Capitalisation is a more desirable and cost-effective solution for the Company to settle the Indebtedness and the advantages of Debt Capitalisation in settling the Company's indebtedness outweigh the disadvantage of the dilution effect arising from the allotment and issue of the Settlement Shares.

In view of the above, the Board of Directors (including the independent non-executive Directors) considers that the terms of (i) Settlement A; (ii) Settlement B; and (iii) both Settlement Deeds were all arrived at after arm's length negotiations between the Company and the respective Creditors under normal commercial terms and with reference to the prevailing market conditions. The Directors are of the view that the terms of the Settlement Deeds are fair and reasonable based on current market conditions. Settlement A, Settlement B and the entry into the Settlement Deeds are in the interest of the Company and the Shareholders as a whole.

## **EFFECTS OF SETTLEMENT A AND SETTLEMENT B ON SHAREHOLDINGS STRUCTURE OF THE COMPANY**

Assuming that the completion for Settlement A and Settlement B take place on the same date, and there will be no change in the issued share capital of the Company between the date of this announcement and the date of the completion for Settlement A and Settlement B, the total number of Settlement Shares to be issued and allotted pursuant to Settlement Deed A and Settlement Deed B represent (i) approximately 9.06% of the existing issued share capital of the Company of 1,083,872,000 Shares as at the date of this announcement; and (ii) approximately 8.31% of the issued share capital of the Company as enlarged by the allotment and issue of the Settlement Shares. The aggregate nominal value of the number of Settlement Shares to be allotted and issued will be HK\$9,817,000.00.



To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the completion for Settlement A and Settlement B (assuming the completion for Settlement A and Settlement B take place on the same date and there is no change in the issued share capital of the Company from the date of this announcement up to the date of the completion for Settlement A and Settlement B other than the issue of the Settlement Shares) is set out as follows:

Shareholders	Immediately before the Completion		Immediately after the Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Newgate (PTC) Limited as trustee of The Fortune Trust created by Mr. CHONG Heung Chung Jason (Note 2)	175,899,000	16.23	175,899,000	14.88
Mr. CHONG, Ms. LEE Sui Fong Fiona and their family members, being the beneficiaries of The Fortune Trust (Note 2)	175,899,000	16.23	175,899,000	14.88
Bright Rise Enterprises Limited (Note 2)	175,899,000	16.23	175,899,000	14.88
Mr. CHONG Heung Chung Jason (Notes 2, 4) (“Mr. CHONG”)	175,899,000	16.23	175,899,000	14.88
Fortress Strength Limited	26,187,000	2.42	26,187,000	2.22
Ms. LEE Sui Fong Fiona (Notes 1, 2, 3, 4)	26,187,000	2.42	26,187,000	2.22
Dragon Year Group Limited	50,280,000	4.64	50,280,000	4.25
Mr. Shinichiro IKEDA (Notes 1, 5, 6)	12,000,000	1.11	12,000,000	1.01
Bonville Glory Limited	12,900,000	1.19	12,900,000	1.09
Mr. TING Ka Fai Jeffrey (Notes 1, 7)	12,900,000	1.19	12,900,000	1.09
East Jumbo Development Limited	12,329,000	1.14	12,329,000	1.04
Ms. OR Den Fung Bonnie (Notes 1, 8)	12,329,000	1.14	12,329,000	1.04
Atlantis Capital Group Holdings Limited	11,209,000	1.03	11,209,000	0.95
HT Riverwood Multi-Growth Fund (Note 9)	11,209,000	1.03	11,209,000	0.95
LIU Yang (Note 10)	11,209,000	1.03	11,209,000	0.95
Public Shareholders (other than Creditors)	767,068,000	70.76	767,068,000	64.90
Creditor A	0	0	55,670,000	4.71
Creditor B	16,000,000	1.48	58,500,000	4.95
<b>Total</b>	<b>1,083,872,000</b>	<b>100.00</b>	<b>1,182,042,000</b>	<b>100.00</b>

Notes:

- (1) Pursuant to the concert party agreement, the concert parties have agreed with certain arrangements pertaining to their shareholdings. Further information on the terms and conditions of the concert party agreement is set forth in the section headed “Controlling Shareholders and Substantial Shareholders – Summary of Concert Party Agreement” in the prospectus of the Company.

- (2) Newgate (PTC) Limited is the sole shareholder of Bright Rise Enterprises Limited and it holds all the shares of Bright Rise Enterprises Limited in its capacity as the trustee of the Fortune Trust created by Mr. CHONG Heung Chung Jason in the Cayman Islands. The beneficiaries of the Fortune Trust currently include Mr. CHONG Heung Chung Jason, Ms. LEE Sui Fong Fiona and their family members. For the Fortune Trust, in terms of disclosure of interest, under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, it holds in total 175,899,000 Shares in the Company. Mr CHONG Heung Chung Jason is the founder of the Fortune Trust, a discretionary trust who can influence how the trustee exercises his discretion.
- (3) Ms. LEE Sui Fong Fiona is the sole beneficial owner of all issued shares of Fortress Strength Limited which is the registered and beneficial owner of 26,187,000 Shares.
- (4) Ms. LEE Sui Fong Fiona is the spouse of Mr. CHONG and she is deemed to be interested in our Shares interested by Mr. CHONG under the SFO.
- (5) Mr. Shinichiro Ikeda is the sole beneficial owner of all issued shares of Dragon Year Group Limited which is the beneficial owner of 50,280,000 Shares.
- (6) Mr. Shinichiro Ikeda personally holds 12,000,000 Shares in the Company, representing approximately 1.11% of the shareholding percentage of Shares in issue.
- (7) Mr. TING Ka Fai Jeffrey is the sole beneficial owner of all issued shares of Bonville Glory Limited which is the registered and beneficial owner of 12,900,000 Shares.
- (8) Ms. OR Den Fung Bonnie is the sole beneficial owner of all issued shares of East Jumbo Development Limited which is the registered and beneficial owner of 12,329,000 Shares.
- (9) Pursuant to the relevant forms of Disclosure of Interest, HT Riverwood Multi-Growth Fund is indirectly owned by LIU Yang as of 50%.
- (10) Pursuant to the relevant forms of Disclosure of Interest, LIU Yang is interested in totally 11,209,000 Shares through her controlled corporations.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS**

Save and except the below equity fund raising activities, the Company had not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement:

- (i) The Company had allotted and issued a total of 17,640,000 Shares as consideration for acquiring 51% of the entire issued share capital of a target company on 9 March 2021. For details, please refer to the Company's announcements dated 28 December 2020, 26 February 2021 and 9 March 2021; and
- (ii) The Company had allotted and issued a total of 4,000,000 Shares as consideration to subscribe for 95,000,000 shares of Future World 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) on 8 September 2021. For details, please refer to the Company's announcements dated 24 August 2021 and 8 September 2021.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company held and convened on 2 September 2021
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	means a day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“Company”	CA Cultural Technology Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 1566)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Creditor A”	Trillion Joint Group Limited, a company incorporated in the British Virgin Islands with limited liability, whose entire issued share capital is legally and beneficially owned by Mr. Lui Leung Kei, a Hong Kong citizen, and both Creditor A and Mr. Lui Leung Kei are Independent Third Parties
“Creditor B”	Mr. Wong Yu Man James, a Hong Kong citizen and an Independent Third Party
“Creditors”	collectively, Creditor A and Creditor B
“Debt Capitalisation”	the capitalisation of the Company’s indebtedness in the total amount of HK\$16,688,900.00 into 98,170,000 Settlement Shares of HK\$0.170 per Settlement Share pursuant to the Settlement Deeds
“Director(s)”	the director(s) of the Company

“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indebtedness”	the total sum of HK\$16,806,393.82, the aggregate amount of Indebted Sum A and Indebted Sum B
“Indebted Sum A”	a sum of HK\$9,571,623.84 owed by the Company to the Creditor A under Loan A and the interests accrued thereunder as at 18 February 2022 pursuant to Loan Agreement A
“Indebted Sum B”	a sum of HK\$7,234,769.98 owed by the Company to the Creditor B under Loan B and the interests accrued thereunder as at 18 February 2022 pursuant to Loan Agreement B
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Last Trading Day”	23 February 2022, being the date of the Settlement Deeds
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement A”	the loan agreement dated 4 October 2021, entered into between the Company and Creditor A, pursuant to which, a loan in the amount of up to HK\$10,000,000.00 would be provided to the Company
“Loan Agreement B”	the loan agreement dated 19 November 2021, entered into between the Company and Creditor B, pursuant to which, a loan in the amount of up to HK\$8,000,000.00 would be provided to the Company
“Loan A”	the loan provided by Creditor A to the Company in the principal amount of HK\$9,421,500.00 pursuant to Loan Agreement A

“Loan B”	the loan provided by Creditor B to the Company in the principal amount of HK\$7,159,890.56 pursuant to Loan Agreement B
“Long Stop Date A”	31 March 2022, or such later date as may be agreed by the Company and Creditor A pursuant to Settlement Deed A
“Long Stop Date B”	31 March 2022, or such later date as may be agreed by the Company and Creditor B pursuant to Settlement Deed B
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Previous Debt Capitalisation”	the debt capitalisation of HK\$39,758,850.00 out of the total indebted sum of HK\$40,020,132.05 into 98,170,000 settlement Shares of HK\$0.405 per settlement Share (details of which can be referred from the announcements of the Company respectively dated 29 December 2021, 30 December 2021 and 14 January 2022)
“Settlement A”	the settlement of the Indebted Sum A pursuant to Settlement Deed A, which comprises of (i) the debt capitalisation over HK\$9,463,900.00 of Indebted Sum A into 55,670,000 Settlement Shares of HK\$0.170 per Settlement Share; and (ii) the waiver to repay HK\$107,723.84 of Indebted Sum A
“Settlement B”	the settlement of the Indebted Sum B pursuant to Settlement Deed B, which comprises of (i) the debt capitalisation over HK\$7,225,000.00 of Indebted Sum B into 42,500,000 Settlement Shares of HK\$0.170 per Settlement Share; and (ii) the waiver to repay HK\$9,769.98 of Indebted Sum B
“Settlement Deed A”	the deed of settlement dated 23 February 2022, entered into between the Company and Creditor A in connection with the Settlement A
“Settlement Deed B”	the deed of settlement dated 23 February 2022, entered into between the Company and Creditor B in connection with Settlement B
“Settlement Deeds”	collectively, Settlement Deed A and Settlement Deed B
“Settlement Price”	HK\$0.170 per Settlement Share

“Settlement Share(s)”	98,170,000 new Shares to be allotted and issued pursuant to the Settlement Deeds
“SFO”	Securities and Future Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares in the issued share capital of the Company, in the par value of HK\$0.10
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“trading day”	means a day on which the Exchange is open for the trading of securities
“%”	per cent

By order of the Board  
**CA Cultural Technology Group Limited**  
**Chong Heung Chung Jason**  
*Chairman and Executive Director*

Hong Kong, 23 February 2022

*As of the date of this announcement, the executive Directors are Mr. Chong Heung Chung Jason, Mr. Ting Ka Fai Jeffrey, Ms. Liu Moxiang and Mr. Xiong Hao, and the independent non-executive Directors are Mr. Ni Zhenliang, Mr. Tsang Wah Kwong and Mr. Hung Muk Ming.*