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## **China Child Care Corporation Limited**

**中國兒童護理有限公司**

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

**(Stock Code : 1259)**

### **DISCLOSEABLE TRANSACTION – CONVERSION OF CONVERTIBLE BOND OF REAL POWER INTERNATIONAL GROUP LIMITED**

#### **BACKGROUND**

On 15 November 2018, the Company subscribed the Convertible Bond issued by Real Power in an aggregate principal amount of HK\$8,000,000. Assuming the conversion rights attaching to the Convertible Bond are exercised in full at the initial Conversion Price of HK\$320,000 per Conversion Share, a total of 25 Conversion Shares will be allotted and issued, representing approximately 25% of the existing issued share capital of Real Power as at the date of this announcement and approximately 20% of the issued share capital of Real Power as enlarged by the issue of the Conversion Shares.

#### **CONVERSION OF CONVERTIBLE BOND OF REAL POWER**

The Board hereby announces that, on 4 December 2018 (after trading hours), the Company exercised its conversion rights attached to the Convertible Bond to convert the Convertible Bond. Upon the CB Conversion, the Company will hold an aggregate of 25 Real Power Shares (representing approximately 25% of the issued share capital of Real Power as at the date of this announcement and approximately 20% of the issued share capital of Real Power as enlarged by the issue of the Conversion Shares pursuant to the exercise of the conversion rights of the Convertible Bond).

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the CB Conversion is more than 5% but less than 25%, the CB Conversion constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements.

## **BACKGROUND**

On 15 November 2018, the Company subscribed the Convertible Bond issued by Real Power in an aggregate principal amount of HK\$8,000,000. Assuming the conversion rights attaching to the Convertible Bond are exercised in full at the initial Conversion Price of HK\$320,000 per Conversion Share, a total of 25 Conversion Shares will be allotted and issued, representing approximately 25% of the existing issued share capital of Real Power as at the date of this announcement and approximately 20% of the issued share capital of Real Power as enlarged by the issue of the Conversion Shares.

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### **Information on the Convertible Bond**

Parties : (1) Real Power, as the issuer of the Convertible Bond; and  
(2) The Company, as the subscriber of the Convertible Bond

As at the date of this announcement, (i) the Company does not hold any interest in the shares of Real Power; and (ii) Real Power does not hold any interest in the Shares.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Real Power and its ultimate beneficial owners are Independent Third Parties.

## Principal terms of the Convertible Bond

- Conversion Price : HK\$320,000 per Conversion Share
- Conversion Shares : Up to 25 Conversion Shares to be issued by Real Power upon full conversion of the Convertible Bond
- Maturity Date : The date falling two months commencing from and including the date on which the Convertible Bond is issued (the “**Maturity Date**”)
- Conversion Period : The period from the date of issue of the Convertible Bond to the date that is two (2) Business Day immediately prior to the Maturity Date (the “**Conversion Period**”)
- Conversion Rights : Holder of the Convertible Bond shall have the right at any time and from time to time (without limitation as to the number of times of CB Conversion) during the Conversion Period to convert the whole or part(s) of the outstanding, unconverted and unredeemed principal amount of the Convertible Bond into the Conversion Shares
- Ranking of Conversion Shares : Conversion Shares issued upon exercise of conversion rights shall rank *pari passu* with the existing Real Power Shares in issue at the date of CB Conversion
- Procedure for Conversion : To exercise the Conversion Rights, the holder of the Convertible Bond must complete, execute and deliver (i) a notice of conversion; and (ii) the relevant certificate for the Convertible Bond, to Real Power’s registered office

As soon as practicable, and in any event not later than two (2) Business Days after the date of CB Conversion, Real Power shall register the holder of the Convertible Bond as holder of the relevant number of Real Power Shares in Real Power’s share register.

On 4 December 2018 (after trading hours), the Company has issued the notice of conversion to Real Power and to exercise the conversion rights attached to the Convertible Bond.

## **Completion**

Completion is expected to take place within five (5) Business Day from the date of this announcement.

Upon Completion, the Company will hold 20% of the total equity interest in Real Power. The financial information of Real Power will not be consolidated into the financial statements of the Group.

## **INFORMATION OF REAL POWER**

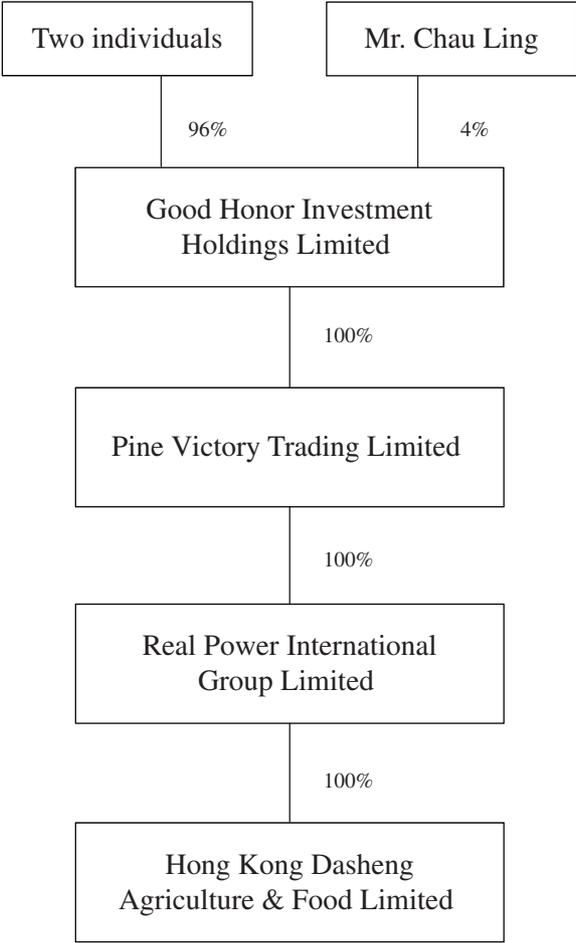
Real Power is a company incorporated in the BVI with limited liability on 1 November 2018 and is an investment holding company. Real Power is interested in 100% of the issued share capital of Hong Kong Dasheng Agriculture & Food Limited (“**HK Dasheng**”). HK Dasheng is a company incorporated in Hong Kong with limited liability on 9 June 2017 and is primarily engaged in the trading of agriculture products in Hong Kong, i.e. frozen meats. The major products are beef, pork and chicken related products.

As at the date of this announcement, Real Power was held as to 100% by the Pine Victory Trading Limited. Pine Victory Trading Limited is a company incorporated in Hong Kong with limited liability and is primarily engaged in food factory.

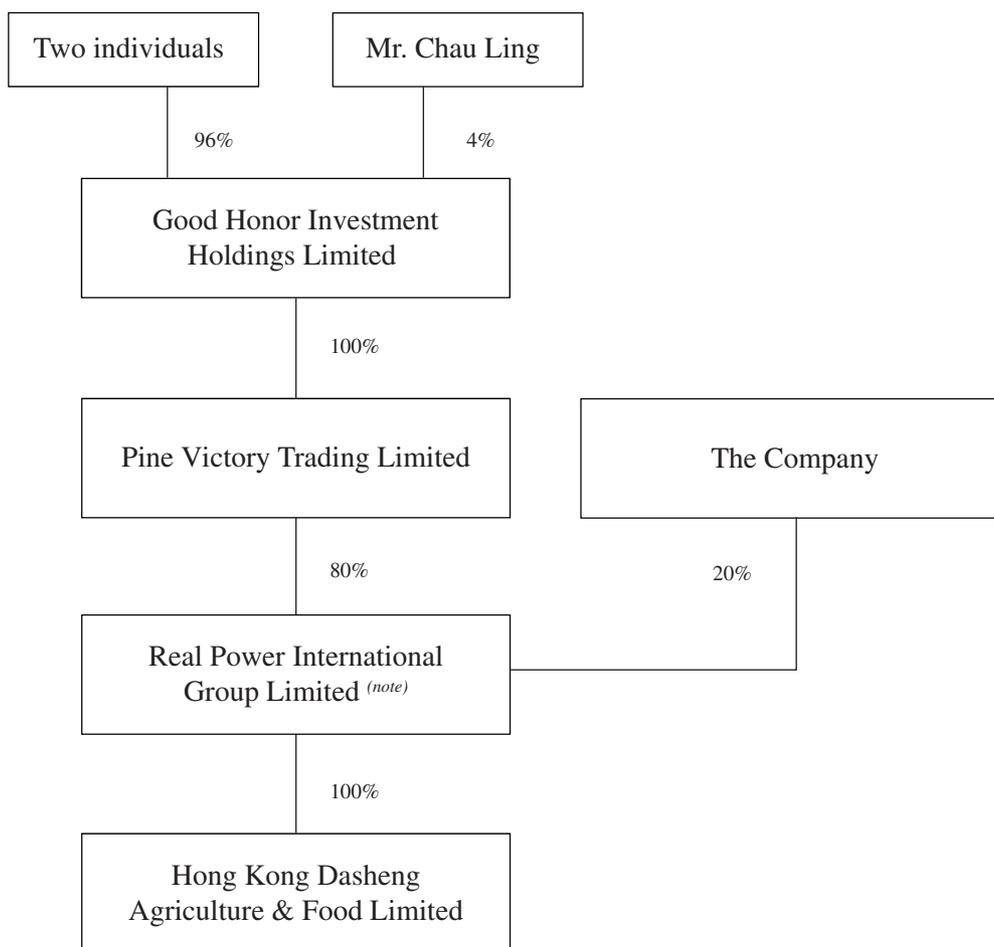
As at the date of this announcement, Pine Victory Trading Limited was held as to 100% by the Good Honor Investment Holdings Limited. Good Honor Investment Holdings Limited is a company incorporated in BVI with limited liability on 1 March 2018 and is primarily engaged in the food and beverage business including restaurants and central kitchen production.

As at the date of this announcement, Good Honor Investment Holdings Limited was held as to (i) 96% by two individuals; and (ii) 4% by Mr. Chau Ling (who is an employee of the Company) (collectively, being the “**Individuals**”). To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Individuals are Independent Third Parties.

The shareholding structure of Real Power as at the date of this announcement and immediately before the CB Conversion:



The shareholding structure of Real Power upon completion of the CB Conversion:



*Note:* As at the date of this announcement, the board composition of Real Power consists of three directors, namely Mr. Chau Ling and two other individuals who are all Independent Third Parties.

### **Financial information of Real Power**

Real Power itself is a special purpose vehicle established on 1 November 2018 merely for the purpose of acquiring HK Dasheng which the acquisition was completed on 21 November 2018. It has no substantial operation and did not record any operating revenue or profit since its incorporation.

As at 30 November 2018, the unaudited net asset value of Real Power amounted to approximately HK\$56,967,855, which is solely composed of the shareholder's loan due from HK Dasheng.

## Financial information of HK Dasheng

Set out below is a summary of financial information of HK Dasheng as extracted from its unaudited financial information from 9 June 2017 (date of incorporation) to 30 November 2018:

	<b>From 9 June 2017 (date of incorporation) to 30 November 2018 (unaudited) <i>HK\$ approximately</i></b>
Revenue	566,401,206
Loss before taxation	2,133,319
Loss after taxation	2,133,319
	<b>As at 30 November 2018 (unaudited) <i>HK\$ approximately</i></b>
Net asset value	17,866,680

The aggregate net asset value of Real Power and HK Dasheng as at 30 November 2018 amounted to approximately HK\$74,834,535.

## REASONS FOR THE CB CONVERSION

The principal activity of the Company is an investment holding. The subsidiaries of the Company are principally engaged in manufacture and sale of personal care products, money lending, operation of online platform, trading of commodities, securities investment, properties holding and investment holding.

In order to expand the Group's existing operations and income base to maximise the interests of the Group and the Shareholders as a whole, the Group has been reviewing its operations and actively exploring investment opportunities. The Board understands that there has always been a high demand in Hong Kong's food and beverage service industry and given the fact that as compared to fresh meats, frozen meats can be transported conveniently and better preserved, which better meets the business needs of the catering industry in Hong Kong, the Directors are of the view that the CB Conversion, which allows the Group to participate in the trading of frozen meats market in Hong Kong, is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the CB Conversion is more than 5% but less than 25%, the CB Conversion constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Business Day”	any day(s) (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	the British Virgin Islands
“CB Conversion”	conversion of the Convertible Bond in the principal amount of HK\$8,000,000 into 25 Conversion Shares
“Company”	China Child Care Corporation Limited, a company incorporated in Cayman Islands with limited liability, whose shares are listed on the Main Board of Stock Exchange
“Completion”	the completion of the CB Conversion
“connected person(s)”	has the meaning ascribed to it under Listing Rules
“Conversion Price”	HK\$320,000 per Conversion Share
“Conversion Share(s)”	new Real Power Shares to be issued upon conversion of the Convertible Bond
“Convertible Bond”	the convertible bond in the principal amount of HK\$8,000,000 issued by Real Power to the Company on 15 November 2018

“Director(s)”	the director(s) of the Company
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a third party independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Real Power”	Real Power International Group Limited, a company incorporated in Hong Kong with limited liability
“Real Power Shares”	ordinary share(s) of US\$1.00 each in the share capital of Real Power
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board  
**China Child Care Corporation Limited**  
**Tsai Wallen**  
*Chairman and Chief Executive Director*

Hong Kong, 4 December 2018

*As at the date of this announcement, the Board comprises (i) two executive directors, namely Mr. Tsai Wallen and Mr. Ma Chi Ming; (ii) one non-executive director, namely Mr. Li Zhouxin; and (iii) three independent non-executive directors, namely Ms. Chan Sze Man, Mr. Ma Kwun Yung Stephen and Ms. Bu Yanan.*