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SUN CHEONG CREATIVE DEVELOPMENT HOLDINGS LIMITED
新昌創展控股有限公司
(in corporate in the Cayman Islands with limited liability)
(Stock Code: 1781)

PROFIT WARNING

This announcement is made by Sun Cheong Creative Development Holdings Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 available to the Board, it is anticipated the Group would record an unaudited consolidated loss for the year ended 31 December 2019 of approximately HK\$35–50 million, including potential impairment; as compared to the audited profit attributable to owners of the Company for the year ended 31 December 2018, primarily attributable to the drop in revenue and gross profit. The decrease in revenue for the year ended 31 December 2019 was mainly due to (i) an one-off expense of approximately HK\$25 million (including staff compensation) arising from the plan for relocation of production plants starting from August 2019; and (ii) the delay shipments and loss of orders because of the failure of on time production due to the production plant relocation; and (iii) the unstable economic situations made customers becoming more in “wait and see attitude”, more and more delaying or cancel shipments increased which caused a serious damage to the revenue.

It is expected that the amount of the unaudited consolidated loss for the year ended 31 December 2019 would change from profit to loss, subject to potential adjustments and finalization that might be incurred during the audit. This information in this profit warning announcement is only based on the preliminary assessment by the Board, respectively, with reference to their respective management accounts and the information currently available, which are subject to finalization and adjustments where necessary, and has not been audited by the auditors or reviewed by the audit committees of Sun Cheong, respectively. Sun Cheong are still in the process of finalizing their respective annual results for the year ended 31 December 2019. Financial information and other details of Sun Cheong for the year ended 31 December 2019 will be disclosed in their respective annual results announcements in accordance with the requirements of the Listing Rules.

By order of the Board
Sun Cheong Creative Development Holdings Limited
Chan Kam Hon Ivan
Executive Director

Hong Kong, 30 March 2020

As at the date of this announcement, the executive Directors are (Mr. CHAN Kam Hon, Mr. TONG Bak Nam, Billy, Ms. Jiselle Joey CHAN, Mr. UN Ga Wei); Non-executive Director (Mr. CHAN Sai On, Bill); and the independent non-executive Directors are (Mr. NG Chun Chung, Mr. SZE Chun Wai, Ms. HUI Chi Yan, Amy).