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SUN CHEONG CREATIVE DEVELOPMENT HOLDINGS LIMITED

新昌創展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1781)

ANNOUNCEMENT

1) DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT; AND 2) DELAY IN HOLDING ANNUAL GENERAL MEETING

References are made to (i) the announcement of Sun Cheong Creative Development Holdings Limited (the “**Company**”) dated 18 March 2020 in relation to the delay in publication of audited annual results announcement for the year ended 31 December 2019 and dispatch of the annual report for the year ended 31 December 2019, postponement of 2020 annual general meeting, and notice of board (the “**Board**”) of directors’ meeting and publication of unaudited annual results announcement for the year ended 31 December 2019; (ii) the announcement of the Company dated 31 March 2020 in relation to the preliminary results announcement for the year 2019 (“**Preliminary Results Announcement**”); and (iii) the announcement of the Company dated 5 May 2020 in relation to the clarification announcement delay in publication of audited annual results announcement and annual report.

The Board wishes to update the shareholders and potential investors of the Company that, due to the recent epidemic of the COVID-19 and the curbing and quarantine policies adopted and/or implemented by the Chinese government (“**Policies**”), auditor of the Company, encountered practical difficulties in auditing the consolidated financial statements of the Company and its subsidiaries (together referred to as the “**Group**”) for the year ended 31 December 2019. Accordingly, they were unable to complete the audit of the Group’s annual results for the year ended 31 December 2019 and issue the audit report by 31 March 2020 and agree with the Company thereon in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Board used its reasonable endeavours to publish the audited annual results for the year ended 31 December 2019 as agreed by auditor and the material differences (if any) as compared with the Preliminary Results Announcement.

There were three difficult areas arise for the result announcement, (i) Fixed assets physical count and the assessment of impairment, the Company's business was affected by COVID-19 and therefore there was a need to consider impairment of assets, if any, extra caution have been taken into account with new auditor appointed for the 2019 audit, physical fixed assets count was arranged; (ii) Stock take to be performed at the Sea Port. Based on our understanding, we were unable to attend stock take located at Sea Port until May 2020 and the Company was arranged the stock take at the end of May 2020; and (iii) Factory's accounting records, there was a need of help from Factory's accountants in order to ensure completeness of records.

Based on our plan and arrangement above, we do expect the annual results together with annual report to be announced and released on before 30 June 2020.

Due to the above mentioning, the Board would like to propose to hold the annual general meeting 2020 at Flat B, 28/F, YF Life Tower, 33 Lockhart Road, Wan Chai, Hong Kong on Friday, 31 July 2020 at 10:00am, to receive and approve the audited financial statements and the reports of the directors and the independent auditor of the Company for the year ended 31 December 2019.

The Board confirmed that the delay in the publication of audited annual results and annual report, and the delay in holding the annual general meeting complies with the company articles and the Cayman Islands Companies Law.

The Company is using its best efforts to try to complete the audit works, and the audited annual results announcement and the annual report for the year ended 31 December 2019 will be published on 30 June 2020. Further announcement(s) in relation to any material developments in the completion of the audit progress will be made by the Company as and when appropriate.

Based on the foregoing information, the Stock Exchange of Hong Kong Limited approved 1) the extension of the publication of audited annual results announcement and annual report; and 2) the extension of holding annual general meeting and agreed to waive the requirement of:

- (i) Rule 13.46(2)(a) on the basis that the Company will despatch its annual report of for the year ended 31 December 2019 on or before 30 June 2020; and
- (ii) Rule 13.46(2)(b) subject to the Company's compliance with its articles of association and the laws of Cayman Islands.

By order of the Board
Sun Cheong Creative Development Holdings Limited
Chan Sai On Bill
Executive Director

Hong Kong, 26 June 2020

As at the date of this announcement, the executive Directors are (Mr. Chan Sai On Bill and Mr. Ng Chun Chung); and the independent non-executive Directors are (Mr. Li Ka Chun, Mr. Sze Chun Wai, Fung Wai Hang).

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.