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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)

INSIDER INFORMATION PROFIT WARNING

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

The board of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that further to our announcement made on 30 March 2020, “**preliminary results announcement for the year 2019 — profit warning**”, based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 and information currently available to the Group, the Group expects to record a net loss after tax of approximately HK\$296 million, as opposed to a net loss after tax of approximately HK\$45 million as announced on 30 March 2020. The increase of the expected net loss is primarily attributed to the following reasons:

- 1) the impairment of fixed assets of approximately HK\$193 million; and
- 2) the provision of inventory of approximately HK\$30 million.

With the significant amount of impairment of fixed assets, the Group expects to record a net liability of approximately HK\$115 million, as opposed to a net assets of approximately HK\$137 million as announced on 31 March 2020.

The Company is still in the process of preparing the consolidated financial results of the Group for the year ended 31 December 2019. The information contained in this announcement is only based on the information currently available to the Group and the preliminary review by the Directors on the unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company. The actual financial results of the Group may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company, which is expected to be published on 30 June 2020. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 23 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).