

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



China Creative Digital Entertainment Limited

中國創意數碼娛樂有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8078)

CLARIFICATION ANNOUNCEMENT

ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2019

Reference is made to the annual report (the “Annual Report”) of China Creative Digital Entertainment Limited (the “Company”, together with its subsidiaries, the “Group”) published on 1 October 2019 in relation to the annual results of the Group for the year ended 30 June 2019. Terms used herein shall have the same meanings as defined in the Annual Report unless the context requires otherwise.

The Company would like to clarify the following information under the heading “Accountability and Audit” in Corporate Governance Report of the Annual Report:

The material uncertainties relating to events or conditions which may cast significant doubt upon the Company’s ability to continue as a going concern are set out on page 40 to page 41 in the Independent Auditor’s Report attached to the Annual Report.

The Directors of the Company have prepared the financial statements of the Company on a going concern basis as certain measures have been and are being undertaken to manage the Group’s liquidity needs and to improve its financial position, which include, but not limited to, the followings:

- (i) Actively negotiating with finance providers for the waiver of the repayable on demand clause and breach of the undertaking and restrictive covenant requirements of certain bank loans;
- (ii) Actively negotiating with banks or other financial institutions to obtain additional new financing and other source of funding as and when required;
- (iii) Actively executing active measures to expedite collections of outstanding receivables;

- (iv) Actively speeding up the launch of certain films that will contribute significant cash flows through film distribution;
- (v) Implementing comprehensive policies to monitor cash flows through cutting costs and capital expenditure; and
- (vi) Exploring the possibility of disposing certain non-core assets.

Based on the Group's cash flow projections, taking account of effectiveness and feasibility of the above measures covering a period of twelve months from the end of the reporting period prepared by the management, the directors of the Company consider the Group would be able to finance its operations and to meet its financial obligations as and when they fall due within the forecast period. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

By Order of the Board
China Creative Digital Entertainment Limited
Shiu Stephen Junior
Chairman

Hong Kong, 5 December 2019

As at the date of this announcement, the Board comprises Mr. Shiu Stephen Junior (Chairman), MS. Li Mau, Mr. Sun Lap Key, Christopher and Mr. Lee Wing Ho, Albert as executive Directors; Mr. Lee Wing Lun, Mr. Lee King Fui and Ms. Yang Yusi as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for seven days from the day of its posting and on the website of the Company at www.china3d8078.com.