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Creative Enterprise Holdings Limited

創毅控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3992)

CLARIFICATION ANNOUNCEMENT IN RELATION TO THE ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2021 AND THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

References are made to (i) the annual results announcement of Creative Enterprise Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2021 dated 28 June 2021 (the “**2021 Annual Results Announcement**”); and (ii) the annual report of the Company for the year ended 31 March 2021 (the “**2021 Annual Report**”). Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the 2021 Annual Results Announcement and the 2021 Annual Report.

RELATED PARTY TRANSACTION

As disclosed in the 2021 Annual Results Announcement and the 2021 Annual Report, as at 31 March 2021, the consolidated financial position recorded “amounts due to related parties” totaling HK\$258,000 under current liabilities. The Company wishes to clarify that due to inadvertent errors, such amounts due to related parties, who hold equity interest in the controlling shareholder of the Company, were in fact waived by the relevant related parties through the execution of a deed of waiver dated 5 March 2021 and thus the amounts due to related parties as at 31 March 2021 should be nil instead. The corresponding amounts should have been credited to retained earnings as capital contribution from shareholders.

Accordingly, the following amendments shall be made to the 2021 Annual Results Announcement and the 2021 Annual Report:

The 2021 Annual Results Announcement (all amount expressed in HK\$’000):

1. On page 3, for the Consolidated Statement of Financial Position as at 31 March 2021,
 - the figure of “228,868” for “Reserves” should read as “229,126”;
 - the figure of “345,651” for “Total equity” should read as “345,909”;
 - the figure of “258” for “Amounts due to related parties” should read as “—”;

- the figure of “80,238” for the sum of “Current Liabilities” should read as “79,980”; and
 - the figure of “94,336” for “Total liabilities” should read as “94,078”.
2. On page 19, for the financial position as at 31 March 2021 set out in the table under the section headed “CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES”,
- the figure of “80,238” for “Current liabilities” should read as “79,980”;
 - the figure of “305,101” for “Net current assets” should read as “305,359”; and
 - the figure of “345,651” for “Total equity” should read as “345,909”.

The 2021 Annual Report (all amount expressed in HK\$’000):

1. On page 15, for the financial position as at 31 March 2021 set out in the table under the section headed “CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES”,
- the figure of “80,238” for “Current liabilities” should read as “79,980”;
 - the figure of “305,101” for “Net current assets” should read as “305,359”; and
 - the figure of “345,651” for “Total equity” should read as “345,909”.
2. On page 61, for the Consolidated Statement of Financial Position as at 31 March 2021,
- the figure of “228,868” for “Reserves” should read as “229,126”; and
 - the figure of “345,651” for “Total equity” should read as “345,909”.
3. On page 62, for the Consolidated Statement of Financial Position as at 31 March 2021,
- the figure of “258” for “Amounts due to related parties” should read as “—”;
 - the figure of “80,238” for the sum of “Current liabilities” should read as “79,980”; and
 - the figure of “94,336” for “Total liabilities” should read as “94,078”.

4. On page 63, for the Consolidated Statement of Changes in Equity for the year ended 31 March 2021,

- an item should be added below the item “Other comprehensive income: Remeasurements of employee benefit obligations (*Note 24*)” demonstrated as below:

	Share capital	Share premium	Retained earnings	Total equity
Transactions with equity owners:				
Capital contribution from shareholders	—	—	258	258

- the figure of “63,120” for “Total comprehensive income” under the column “Retained earnings” should read as “63,378”;
- the figure of “63,120” for “Total comprehensive income” under the column “Total equity” should read as “63,378”;
- the figure of “228,868” for “Balance at 31 March 2021” under the column “Retained earnings” should read as “229,126”; and
- the figure of “345,651” for “Balance at 31 March 2021” under the column “Total equity” should read as “345,909”.

5. On page 81, for the table under the section headed “3. FINANCIAL RISK MANAGEMENT (Continued) — 3.1 Financial risk factors (Continued) — (c) Liquidity risk (Continued)” in the Notes to the Consolidated Financial Statements,

- the figure of “258” for “Amounts due to related parties” as at 31 March 2021 under the column “Within 1 year/repayable on demand” should read as “—”;
- the figure of “258” for “Amounts due to related parties” as at 31 March 2021 under the column “Total contractual cash flows” should read as “—”;
- the figure of “258” for “Amounts due to related parties” as at 31 March 2021 under the column “Carrying amount” should read as “—”;
- the figure of “62,492” for the Group’s financial liabilities as at 31 March 2021 under the column “Within 1 year/repayable on demand” should read as “62,234”;
- the figure of “62,659” for the Group’s financial liabilities as at 31 March 2021 under the column “Total contractual cash flows” should read as “62,401”; and
- the figure of “62,403” for the Group’s financial liabilities as at 31 March 2021 under the column “Carrying amount” should read as “62,145”.

6. On page 82, for the table under the section headed “3. FINANCIAL RISK MANAGEMENT (Continued) — 3.2 Capital risk management (Continued)” in the Notes to the Consolidated Financial Statements,

- the figure of “345,651” for “Total equity” as at 31 March 2021 should read as “345,909”; and
- the figure of “229,589” for “Total capital” as at 31 March 2021 should read as “229,847”.

7. On page 104, for the table under the section headed “26. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued) — (b) Reconciliation of liabilities arising from financing activities” in the Notes to the Consolidated Financial Statements,

- an item should be added below the item “Cash flows” demonstrated as below:

	Bank borrowings (excluding bank overdraft)	Lease liabilities	Amounts due to related parties	Total
Non-cash transactions	—	—	(258)	(258)

- the figure of “258” for “Balance at 31 March 2021” under the column “Amounts due to related parties” should read as “—”; and
- the figure of “7,703” for “Balance at 31 March 2021” under the column “Total” should read as “7,445”.

8. On page 105, for the table under the section headed “28. FINANCIAL INSTRUMENTS BY CATEGORIES (Continued)” in the Notes to the Consolidated Financial Statements,

- the figure of “258” for “Amounts due to related parties” as at 31 March 2021 should read as “—”; and
- the figure of “62,403” for “Total (liabilities as per financial position)” as at 31 March 2021 should read as “62,145”.

9. On page 106, for the table under the section headed “29. RELATED PARTY TRANSACTIONS (Continued) — (b) Balances with related parties” in the Notes to the Consolidated Financial Statements,

- the figure of “132” for “Amount due to Mr. Lai” should read as “—”;
- the figure of “87” for “Amount due to Mr. Poon” should read as “—”;

- the figure of “27” for “Amount due to Mr. Ho” should read as “—”;
 - the figure of “12” for “Amount due to Mr. Lam” should read as “—”; and
 - the figure of “258” for the total sum of the carrying amounts of “Non-trade balances” as at 31 March 2021 should read as “—”.
10. On page 110, for the table under the section headed “FINANCIAL SUMMARY — ASSETS AND LIABILITIES”,
- the figure of “94,336” for “Total liabilities” as at 31 March 2021 should read as “94,078”; and
 - the figure of “345,651” for “Total equity” as at 31 March 2021 should read as “345,909”.

The Board is of the view that the above amendments to the 2021 Annual Results Announcement and the 2021 Annual Report are not material to the operations or financial position of the Company. The Company’s auditor has confirmed that it has not withdrawn, and does not have plan to withdraw, its auditor’s report on the Company’s consolidated financial statements for the year ended 31 March 2021.

The information contained in this clarification announcement does not affect other information contained in the 2021 Annual Results Announcement and the 2021 Annual Report and, save as disclosed above, all other information in the 2021 Annual Results Announcement and the 2021 Annual Report remains unchanged.

On behalf of the Board
Creative Enterprise Holdings Limited
Poon Kin Leung
Chairman

Hong Kong 23 July 2021

As at the date of this announcement, the executive Directors are Mr. Poon Kin Leung, Mr. Lee Siu Wah Albert, Mr. Lam Siu Hung Christopher, Mr. Wong King Cheung, Mr. Lai Wai Man and Mr. Wu Ka Chai; and the independent non-executive Directors are Mr. Wong Chung Kin Quentin, Mr. Tang Yiu Ming and Mr. Wong Si Yuen.