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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 PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of China Creative Digital Entertainment Limited (the “**Company**”) dated 9 July 2021 in relation to the placing of new shares under general mandate (the “**Announcement**”). Terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The Company entered into a supplemental placing agreement with the Placing Agent, pursuant to which the Company agreed to place through the Placing Agent up to 54,200,000 Placing Shares to not less than six Places at a new placing price of HK\$0.059 per Placing Share (“**New Placing Price**”) on a best effort basis.

NEW PLACING PRICE

The New Placing Price of HK\$0.059 represents:

- (a) a discount of approximately 18.05% over the closing price of HK\$0.072 per Share quoted on the Stock Exchange on 9 July 2021, being the date of the Placing Agreement; and
- (b) a discount of approximately 13.24% to the average closing price of HK\$0.068 per Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among other matters, the prevailing market price, the recent trading volume of the Shares and the prospects of the Company.

The estimated expenses for the Placing are approximately HK\$167,800, comprising placing commission and other fees, costs, charges and expenses of the Placing. Assuming that all the Placing Shares could be placed successfully, the net price of each Placing Share is approximately HK\$0.056 per Placing Share.

Assuming all the Placing Shares have been placed, the gross proceeds of the Placing will be approximately HK\$3,197,800 and the net proceeds (after deduction of placing commission and other fees, costs, charges and expenses of the Placing) will be approximately HK\$3,030,000. The Company intends to apply all the net proceeds from the Placing to the Group's business operations and general working capital.

COMMISSION

Assuming all the Placing Shares have been placed, the maximum commission payable by the Company to the Placing Agent shall be approximately HK\$159,890.

Other terms and conditions of the Placing Agreement remains unchanged.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the GEM was halted with effect from 9:03 a.m. on 12 July 2021 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares on the GEM with effect from 9:00 a.m. on 13 July 2021.

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

Hong Kong, 12 July 2021

As at the date hereof, the Board comprises Mr. Shiu Stephen Junior (Chairman), Mr. Sun Lap Key, Christopher, Mr. Lee Wing Ho, Albert as Executive Directors; Mr. Lee Wing Lun, Mr. Lee King Fui and Mr. Lee Lun Cheong 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.