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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)*

*(Provisional Liquidators Appointed)*

*(For Restructuring Purposes)*

**(Stock code: 1781)**

## PRELIMINARY RESULTS ANNOUNCEMENT FOR THE YEAR 2020

This announcement is issued by Sun Cheong Creative Development Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the disclosure obligations under Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions. Important notes: The financial data for the year ended 31 December 2020 (“**2020**”) contained in this announcement has been prepared in accordance with the Accounting Principles and is only preliminary accounting data which has not been audited by an accounting firm and may be different to the final data disclosed in the 2020 annual report. Investors are cautioned about the potential risks in their investment.

### 1. Major financial data and indicators for the Year 2020

<b>Item</b>	<b>2020</b> <i>(HK\$'000)</i> <b>(unaudited)</b>	<b>2019</b> <i>(HK\$'000)</i> <b>(audited)</b>	<b>Change %</b>
Revenue	<b>41,163</b>	260,389	(84.2%)
Gross loss	<b>(4,228)</b>	(2,120)	(99.1%)
Loss for the year	<b>(21,374)</b>	(297,443)	92.8%
Loss for the year attributable to owners of the Company	<b>(21,374)</b>	(297,440)	92.8%
Basic loss per share (HK cents per share)	<b>(3.96)</b>	(55.08)	92.8%

Item	As at the end of this reporting period (HK\$'000) (unaudited)	As at the beginning of this reporting period (HK\$'000) (audited)	Change %
Total assets	69,316	82,213	(15.7%)
Total liabilities	(199,391)	(198,969)	(0.2%)
Net liabilities	(120,075)	(116,936)	(2.7%)
Equity attributable to owners of the Company	(120,075)	(116,940)	(2.7%)
Share capital	5,400	5,400	—

*Note:* The above data are based on the data of the consolidated statements of the Company.

## 2. Profit warning and explanation of the operating results and financial position

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 available to the Board, it is anticipated the Group would record an unaudited consolidated loss for the year ended 31 December 2020 of approximately HK\$20–25 million. As compared to the audited loss attributable to owners of the Company for the year end 31 December 2019 (“**2019**”), the changes is primarily attributable to the drop in revenue, drop in profit margin and increase in professional fee on debt restructuring.

- 1) The factory was sealed off in 2020 resulting a drop in production capacity;
- 2) The Group had a loss on the de-consolidation of subsidiaries of approximately HK\$57.2 million in 2019; and
- 3) The Group had an impairment loss on the due from de-consolidation of approximately HK\$147.1 million in 2019.

The Group’s net liabilities was slightly increased as compared to 2019 mainly attributable to the accrued professional fee on debt restructuring and depreciation on property, plant and equipment.

### 3. Update on litigations

<b>Action Number</b>	<b>Petitioner/ Bank</b>	<b>Details</b>	<b>Status</b>
Sun Cheong Creative Development Holdings Ltd	CTBC	Principal + accrued interest (up to the date of petition):	The hearing will be adjourned with liberty to restore until 17 May 2021 by the Judiciary of Hong Kong
HCCW 403/2020		— US\$5,728,322.63	

The Company is in the process of finalizing the Group's unaudited consolidated financial results for the year ended 31 December 2020. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to it and such information is subject to review by the Company's auditors or audit committee. Shareholders and potential investors of the Company are advised to read the annual results announcement of the Company for the year ended 31 December 2020 carefully, once it is available.

### SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company has been suspended since 9:00 a.m. on 2 July 2020 and will remain in suspension until further notice.

**Shareholders and potential investors should accordingly exercise caution when dealing in the securities of the Company.**

By order of the Board  
(Provisional Liquidators Appointed)  
(For Restructuring Purposes)  
**Sun Cheong Creative Development Holdings Limited**  
**CHAN Sai On Bill**  
*Executive Director*

Hong Kong, 1 April 2021

*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 and Mr. 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.*