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China Creative Digital Entertainment Limited **中國創意數碼娛樂有限公司**

(formerly known as HMV Digital China Group Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 8078)

VOLUNTARY ANNOUNCEMENT ON LITIGATION

Reference is made to the announcements made by China Creative Digital Entertainment Limited (the “**Company**”) dated 17 December 2018, 10 July 2019 and 17 July 2019 in relation to the Legal Proceedings (the “**Announcements**”) in respect of the litigation. Capitalized terms used herein, unless otherwise defined, shall have the same meanings as those defined in the Announcements. The board of the Company (the “**Board**”) would like to provide the following supplemental information to the Announcements.

THE LEGAL PROCEEDINGS

The Originating Summons filed by the Lei Shing Hong Credit Limited (“**Plaintiff**” or “**First Mortgagee**”) concerned the default in payment by Ocean Bridge Investments Limited (“**Ocean Bridge**”) of a loan facility advanced by the Plaintiff to Ocean Bridge in 2017 (the “**Loan Facility**”). King Universe Inc Limited (“**King Universe**”) and the Company were guarantors to the concerned Loan Facility. Pursuant to the Court Order dated 6 June 2019, upon settlement of the sum owe to the Plaintiff, first legal charge against the Property and 2 deeds of guarantee which involve King Universe and the Company would be released.

Thus, to settle the matter, the Company has decided to sell Ocean Bridge and the Agreement was signed on 25 June 2019 (the “**Disposal**”). As at the date of the Agreement, Ocean Bridge had obtained 2 Mortgages (or “**Mortgage Loans**”) from the First Mortgagee and Hong Kong Finance Company Limited (“**Second Mortgagee**”), with principal amount of HK\$173,000,000 and HK\$40,000,000 respectively.

To complete the Disposal, the First Mortgagee and Second Mortgagee subsequently entered into loan sale and transfer agreements, whereby all rights and interest in and arising out of the Mortgage Loans (including all security thereto) were assigned to a third party (“**Mortgage Loans Assignments**”). Upon the completion of such transfer, the First Mortgagee and the Second Mortgagee were no longer the creditor of Ocean Bridge, and the first legal charge and 2 deeds of guarantee were released.

Save for the above, all other information and contents set out in the Announcements remain unchanged.

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

Hong Kong, 30 July 2019

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