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**STARLIGHT CULTURE
ENTERTAINMENT**

STARLIGHT CULTURE ENTERTAINMENT GROUP LIMITED

星光文化娛樂集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

VOLUNTARY ANNOUNCEMENT

RESOLVING OF HIGH CONCENTRATION OF SHAREHOLDING

The Company makes this announcement to update the market on the information in respect of the concentration of its shareholding as at 22 October 2014, the subject of the only shareholding concentration announcement issued to date in respect of the Company by the SFC. Based on an analysis of the shareholding structure of the Company, the Board is satisfied that (i) the then high shareholding concentration issue of the Company as at 22 October 2014 has been resolved; and (ii) there is no concentration of its shareholding in the hands of a limited number of Shareholders as at the date of this announcement.

INTRODUCTION

This is a voluntary announcement made by Starlight Culture Entertainment Group Limited (the “**Company**”).

Reference is made to an announcement published by the Securities and Futures Commission of Hong Kong (the “**SFC**”) on 11 November 2014 (the “**SFC Announcement**”), the only shareholding concentration announcement issued to date in respect of the Company by the SFC, and the announcement of the Company dated 11 November 2014 in relation to the SFC Announcement.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company has conducted an analysis of the shareholding structure of the Company. Based on available information the Board is of the view that (i) the then high shareholding concentration issue of the Company as at 22 October 2014 has been resolved; and (ii) there has been no concentration of its shareholding in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) since 31 May 2021.

BACKGROUND

According to the SFC Announcement, the SFC completed an enquiry into the shareholding of the Company. The SFC’s findings indicated that as at 22 October 2014, a group of 16 Shareholders held an aggregate of 87,896,800 Shares, representing 17.81% of the then issued Shares. Such shareholding, together with an aggregate of 369,405,600 Shares (representing 74.85% of the then issued Shares) held by the then controlling shareholder and three executive Directors, represented 92.66% of the then issued Shares as at 22 October 2014. Therefore, only 36,262,400 Shares (representing 7.34% of the then issued Shares) were held by other Shareholders.

As set out in the SFC Announcement, as at 22 October 2014, the shareholding structure of the Company was as follows:–

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Reach Luck International Limited (<i>Note 1</i>)	295,023,200	59.77
Mega Start Limited (<i>Note 2</i>)	49,693,600	10.07
Fount Holdings Limited (<i>Note 3</i>)	18,188,800	3.69
New Elect International Limited (<i>Note 4</i>)	6,500,000	1.32
A group of 16 shareholders	87,896,800	17.81
Other shareholders	<u>36,262,400</u>	<u>7.34</u>
Total	<u>493,564,800</u>	<u>100.00</u>

Note 1: The entire issued share capital of Reach Luck International Limited was owned by Dr. Lam Yin Lok. Dr. Lam Yin Lok was appointed as an executive Director and the chairman of the Company from 3 November 2014. Dr. Lam Yin Lok subsequently resigned as an executive Director and the chairman of the Company with effect on 31 May 2017.

Note 2: The entire issued share capital of Mega Start Limited is owned by Mr. Chau Chit, an executive Director.

Note 3: The entire issued share capital of Fount Holdings Limited is owned by Mr. Tang Hao, the then executive Director. Mr. Tang Hao resigned as the executive Director with effect on 3 November 2014.

Note 4: The entire issued share capital of New Elect International Limited is owned by Mr. Hung Ching Fung, the then executive Director and the nephew-in-law of Dr. Lam Yin Lok. Mr. Hung Ching Fung retired from office of Director by rotation at the annual general meeting of the Company dated 30 June 2020 and did not offer himself for re-election.

The Board wishes to remind the Shareholders and the potential investors that the information disclosed in the SFC Announcement only reflected the shareholding structure of the Company as at 22 October 2014.

ACTIONS TAKEN SINCE THE PUBLICATION OF THE SFC ANNOUNCEMENT

Since the publication of the SFC Announcement, the management of the Company has strived to increase the Company's presence in the market by enhancing its communication with public and potential investors through various investment conferences, roadshows, investor calls, corporate open day and increasing banks/brokers covering the Company's securities.

To the best knowledge of the Board and having made all reasonable enquiries, since 11 November 2014 (i.e. the date of the SFC Announcement), the following actions have been taken by the Company to further resolve the high shareholding concentration issue:

- (i) The Company completed the issue of the convertible bonds in the aggregate principal amount of HK\$315,000,000 to six subscribers on 2 December 2015;
- (ii) The unsecured redeemable bonds with conditional conversion rights in the aggregate principal amount of HK\$180.0 million were issued to three subscribers pursuant to three conditional subscription agreements each dated 26 April 2019 entered into between the Company and three subscribers respectively; and
- (iii) The Company completed the allotment and issuance of 78,000,000 new Shares to six independent subscribers on 30 September 2019.

In light of the above, and as evidenced by the disclosure set out below, the shareholding structure of the Company has been diversified, instead of being highly concentrated, as compared to the shareholding structure of the Company as at 22 October 2014.

THE ANALYSIS OF THE BOARD

In order to enhance greater transparency of the shareholding structure of the Company, the Board has conducted an analysis of the shareholding structure of the Company based on the information provided by an independent service provider engaged by the Company. To the best of the knowledge, information and belief of the Board, having made all reasonable enquires, the updated shareholding structure of the Company as at 31 May 2021 was as follows:

	As at 31 May 2021	
	Number of Shares held	% of the total number of issued Shares (%)
Substantial shareholders		
Timcha Investment Limited (<i>Note 1</i>)	181,513,514	22.04
Supermax Holdings Group Limited (<i>Note 2</i>)	60,000,000	7.29
Okelo Holdings Limited (<i>Note 3</i>)	58,300,000	7.08
Sub-total:	299,813,514	36.40
Director		
Mr. Chau Chit (<i>Note 4</i>)	49,693,600	6.03
Mr. Sang Kangqiao	13,629,500	1.65
Sub-total:	63,323,100	7.69
A group of 15 corporate/individual shareholders who held 40,000,000 Shares to 6,400,000 Shares	230,438,900	27.98
A group of 11 corporate/individual shareholders who held 6,300,000 Shares to 4,000,000 Shares	54,836,122	6.66
Other Shareholders	175,153,163	21.27
Total:	823,564,799	100.00

Note 1: The entire issued share capital of Timcha Investment Limited (formerly known as “CICFH Innovation Investment Limited”) is wholly and beneficially owned by 江陰星輝文化傳播有限公司, which is owned as to 34.97% by 江陰濱江科技創業投資有限公司, which is wholly and beneficially owned by 江陰科技新城投資管理有限公司.

Note 2: The entire issued share capital of Supermax Holdings Group Limited is wholly owned by Mr. ZHAO Liang.

Note 3: The entire issued share capital of Okelo Holdings Limited is wholly owned by Mr. WANG Ji.

Note 4: The entire issued share capital of Mega Start Limited is wholly and beneficially owned by Mr. Chau Chit, an executive Director.

To further demonstrate that the Company's shareholding is no longer highly concentrated, the Company summarised the percentage shareholdings by its top Shareholders as below:

	Number of Shares held	% of the total number of issued Shares (%)
Top 10 shareholders	506,577,114	61.51
Top 20 shareholders	593,575,514	72.07

The abovementioned analysis of the shareholding structure of the Company also revealed that as at 31 May 2021, the shareholding structure of the Company was geographically diversified across Hong Kong, the People's Republic of China (which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan), Australia, British Virgin Islands and Mahe Seychelles.

In light of the above, the Company is of the view that the then high shareholding concentration issue of the Company as at 22 October 2014 has been resolved and there is no concentration of shareholding in the hands of a limited number of Shareholders as at the respective date stated above.

By Order of the Board
Starlight Culture Entertainment Group Limited
Mr. Tang Liang
Chairman

Hong Kong, 15 July 2021

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Tang Liang, Mr. Chau Chit, Mr. Luo Lei, Mr. Zhou Jingbo, Mr. Sang Kangqiao, and Ms. Wu Xiaoli; and three independent non-executive Directors, namely Mr. Wong Wai Kwan, Mr. Michael Ngai Ming Tak, and Mr. Jing Xufeng.