太陽娛樂集團
SUN ENTERTAINMENT GROUP

SUN ENTERTAINMENT GROUP LIMITED
太陽娛樂集團有限公司

(formerly known as "Sage International Group Limited" in English
and "仁智國際集團有限公司" in Chinese)
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8082)

PROFIT WARNING

This announcement is made by Sun Entertainment Group Limited (the ''**Company**'' and together with its subsidiaries, the ''**Group**'') pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and the Inside Information Provisions (as defined under the GEM Listing Rules) (the ''**Inside Information Provisions**'') under Part XIVA of the Securities and Futures Ordinance (Cap. 571, the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders and potential investors of the Company that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 (the "Year 2019") and certain information currently available to the Board, the Group is expected to record a significant increase in loss of the Year 2019 and loss attributable to owners of the Company for the Year 2019 as compared to the corresponding year in 2018. The significant increase in loss for the Year 2019 and loss attributable to owners of the Company for the Year 2019 was mainly attributable to (i) social unrest in Hong Kong since June 2019 which resulted in unexpected performance of the exhibitions organised by the Group; (ii) non-cash share-based payment expense recognised as a result of an acceleration of vesting upon the cancellation of certain share options in June 2019, which were granted by the Company in the second and third quarters of the year ended 31 December 2018; (iii) non-cash share-based payment expense recognised during the Year 2019 for certain share options issued by the Company in July 2019; (iv) non-cash share-based payment expense recognised in connection with the issuance and allotment of certain new shares of the Company pursuant to a strategic cooperation agreement entered into between an indirect wholly-owned subsidiary of the Company and a consultant; and (v) impairment loss on certain investments in film and drama.

The Company is still in the process of finalising the consolidated results of the Group for the Year 2019. The information contained in this announcement is only based on the Board's preliminary assessment of certain unaudited financial information of the Group upon the preliminary review of the unaudited management accounts of the Group for the Year 2019 and certain information currently available to the Board, which have not been audited or reviewed by/agreed with the auditors of the Company. The preliminary unaudited consolidated results of the Group for the Year 2019 may be subject to adjustments following further review by the Board and the audit committee of the Company. As such, the final consolidated results of the Group for the Year 2019 and related information may be different from what are disclosed in this announcement. The annual results announcement of the Group for the Year 2019 is expected to be published before the end of March 2020.

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

By order of the Board
Sun Entertainment Group Limited
Dong Choi Chi, Alex
Chairman and executive Director

Hong Kong, 6 March 2020

As at the date of this announcement, the executive Directors are Mr. Chong Cho Lam and Mr. Dong Choi Chi, Alex (the chairman), and the independent non-executive Directors are Mr. Chan Wai Man, Mr. Siu Hi Lam, Alick and Mr. Ting Kit Lun.

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 "Latest Company Announcements" page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company's website at www.8082.com.hk.