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This announcement, for which the directors of Sun Entertainment Group Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") for the purpose of giving information with regard to Sun Entertainment Group Limited. 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 in this announcement misleading.

太陽娛樂集團
SUN ENTERTAINMENT GROUP

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

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8082)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

The board of directors (the "Directors") presents the consolidated results of Sun Entertainment Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2020, together with the comparative figures for the year ended 31 December 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	Notes	2020 HK$'000	2019 HK$'000
REVENUE	5	**29,095**	126,247
Cost of sales		**(20,119)**	(109,525)
Gross profit		**8,976**	16,722
Other income and gains	5	**2,400**	4,744
Selling, marketing and distribution expenses		**(5,133)**	(19,258)
General, administrative and other expenses		**(36,649)**	(52,672)
Finance costs		**(73)**	(339)
LOSS BEFORE TAX	6	**(30,479)**	(50,803)
Income tax expense	7	**(196)**	(749)
LOSS FOR THE YEAR		**(30,675)**	(51,552)
Attributable to:			
Owners of the Company		**(30,541)**	(49,122)
Non-controlling interests		**(134)**	(2,430)
		(30,675)	(51,552)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
Basic and diluted *(HK cents)*		**(2.4)**	(4.0)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	2020	2019
	HK$'000	*HK$'000*
LOSS FOR THE YEAR	**(30,675)**	(51,552)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**1,666**	(261)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(29,009)**	(51,813)
Attributable to:		
Owners of the Company	**(29,010)**	(49,333)
Non-controlling interests	**1**	(2,480)
	(29,009)	(51,813)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	Notes	**2020** HK$'000	2019 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**13,140**	14,820
Right-of-use assets		**187**	1,834
Intangible assets		**13,971**	13,644
Investment in a film production project		**1,350**	–
Prepayments and deposits		**10,571**	14,244
Total non-current assets		**39,219**	44,542
CURRENT ASSETS			
Inventories		**907**	95
Investments in concert, other entertainment event, film and TV drama production projects		**8,545**	21,374
Trade receivables	*10*	**3,905**	19,836
Prepayments, deposits and other receivables		**32,254**	44,202
Tax recoverable		**68**	–
Cash and cash equivalents		**34,037**	19,039
Total current assets		**79,716**	104,546
CURRENT LIABILITIES			
Trade payables, other payables, accruals and other financial liabilities	*11*	**23,482**	39,916
Deferred income		**498**	492
Other borrowing		**–**	335
Lease liabilities		**141**	1,652
Tax payable		**7,429**	10,275
Total current liabilities		**31,550**	52,670
NET CURRENT ASSETS		**48,166**	51,876
TOTAL ASSETS LESS CURRENT LIABILITIES		**87,385**	96,418

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2020

	2020	2019
	HK$'000	*HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES	**87,385**	96,418
NON-CURRENT LIABILITIES		
Deferred income	**1,957**	2,308
Lease liabilities	**51**	150
Other borrowing	**20,000**	–
Deferred tax liabilities	**2,386**	2,248
Total non-current liabilities	**24,394**	4,706
Net assets	**62,991**	91,712
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**31,270**	31,270
Reserves	**30,085**	58,807
	61,355	90,077
Non-controlling interests	**1,636**	1,635
Total equity	**62,991**	91,712

NOTES

31 December 2020

1. CORPORATE AND GROUP INFORMATION

Sun Entertainment Group Limited (the "Company") was incorporated in the Cayman Islands on 12 July 2001 and continued in Bermuda as an exempted company with limited liability under the laws of Bermuda.

The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is located at 10th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

During the year, the Group was primarily involved in the following principal activities:

- organisation/production of and investments in concert, other entertainment event, film and TV drama production projects, and other media and entertainment related businesses; and

- provision of cremation and funeral services and deathcare related business.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention, except for investments in concert, other entertainment event, film and TV drama production projects, and other financial instruments at fair value through profit or loss, which have been measured at fair value. The consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions* (early adopted)
Amendments to HKAS 1 and HKAS 8	*Definition of Material*

Except for the amendments to HKFRS 9, HKAS 39 and HKFRS 7 which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs are described below:

(a) *Conceptual Framework for Financial Reporting 2018* (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

(b) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

(c) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively. The amendment did not have any impact on the financial position and performance of the Group.

(d) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the media and entertainment segment primarily engages in the organisation/production of and investments in concert, other entertainment event, film and TV drama production projects, and other media and entertainment related businesses; and

(b) the cremation and funeral services segment primarily engages in the provision of cremation and funeral services and deathcare related business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that finance costs, share-based payment expense and head office and corporate expenses are excluded from such measurement.

Segment assets exclude certain property, plant and equipment, club membership and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other borrowing, unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2020/as at 31 December 2020

	Media and entertainment *HK$'000*	Cremation and funeral services *HK$'000*	Total *HK$'000*
Segment revenue *(note 5)*			
Revenue from contracts with external customers	**17,566**	**5,582**	**23,148**
Other revenue[#]	**181**	**5,766**	**5,947**
	17,747	**11,348**	**29,095**
Segment results	**(20,900)**	**1,344**	**(19,556)**
Reconciliation:			
Corporate and other unallocated expenses, net			**(10,850)**
Finance costs			**(73)**
Loss before tax			**(30,479)**
Segment assets	**70,098**	**26,023**	**96,121**
Reconciliation:			
Corporate and other unallocated assets			**22,814**
Total assets			**118,935**
Segment liabilities	**(18,711)**	**(13,624)**	**(32,335)**
Reconciliation:			
Corporate and other unallocated liabilities			**(23,609)**
Total liabilities			**(55,944)**
Other segment information			
Depreciation and amortisation	**618**	**1,813**	**2,431**
Loss on disposal of items of property, plant and equipment	**56**	**–**	**56**
Capital expenditure*	**42**	**1,272**	**1,314**

[#] Including government subsidies received for the rendering of cremation services and gain on investments in concert, other entertainment event, film and TV drama production projects, net.

* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

Year ended 31 December 2019/as at 31 December 2019

	Media and entertainment *HK$'000*	Cremation and funeral services *HK$'000*	Total *HK$'000*
Segment revenue *(note 5)*			
Revenue from contracts with external customers	113,500	5,226	118,726
Other revenue#	1,927	5,594	7,521
	115,427	10,820	126,247
Segment results	(25,898)	362	(25,536)
Reconciliation:			
Corporate and other unallocated expenses, net			(24,928)
Finance costs			(339)
Loss before tax			(50,803)
Segment assets	93,005	24,589	117,594
Reconciliation:			
Corporate and other unallocated assets			31,494
Total assets			149,088
Segment liabilities	(38,990)	(6,743)	(45,733)
Reconciliation:			
Corporate and other unallocated liabilities			(11,643)
Total liabilities			(57,376)
Other segment information			
Depreciation and amortisation	806	1,750	2,556
Impairment of drama and film production	5,153	–	5,153
Gain on disposal of items of property, plant and equipment	–	50	50
Capital expenditure*	119	2,937	3,056

Including government subsidies received for the rendering of cremation services and gain on investments in concert and other entertainment event projects, net.

* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

Geographical information

(a) Revenue from contracts with external customers

	2020	2019
	HK$'000	*HK$'000*
Hong Kong	**5,635**	32,699
Macau	**–**	76,866
Mainland China	**5,998**	9,161
Taiwan	**11,515**	–
	23,148	118,726

The revenue information above is based on the locations where the relevant sales, concerts or other entertainment events took place/underlying services were rendered.

(b) Non-current assets

	2020	2019
	HK$'000	*HK$'000*
Hong Kong	**5,521**	8,304
Mainland China	**21,646**	21,977
Others	**131**	17
	27,298	30,298

The non-current assets information above is based on the locations of the assets/underlying assets and excludes financial instruments and prepayments.

Information about a major customer

Revenue derived from transactions with a major customer by the cremation and funeral services segment contributing over 10% of the total revenue of the Group is as follows:

	2020	2019
	HK$'000	*HK$'000*
Customer	**5,766**	N/A*

* Less than 10% of the total revenue of the Group

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2020	2019
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Provision of cremation and funeral services and sale of related goods	**5,582**	5,226
Concert and other entertainment event income and sale of related goods	**17,175**	111,853
Artiste management and performance services income	**391**	1,295
Other	**–**	352
	23,148	118,726
Revenue from other sources		
Rendering of cremation services	**5,766***	5,594*
Gain on investments in concert, other entertainment event, film and TV drama production projects, net	**181**	1,927
	5,947	7,521
	29,095	126,247

* Being government subsidies received for the rendering of cremation services in certain location. There are no unfulfilled conditions or contingencies relating to these subsidies.

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2020

Segments	**Media and entertainment** *HK$'000*	**Cremation and funeral services** *HK$'000*	**Total** *HK$'000*
Types of goods or services			
Sale of goods	**558**	**580**	**1,138**
Cremation and funeral services	**–**	**5,002**	**5,002**
Concert and other entertainment event organisation	**16,569**	**–**	**16,569**
Sponsorship	**48**	**–**	**48**
Artiste management and performance	**391**	**–**	**391**
Total revenue from contracts with customers	**17,566**	**5,582**	**23,148**
Geographical markets			
Hong Kong	**5,635**	**–**	**5,635**
Mainland China	**416**	**5,582**	**5,998**
Taiwan	**11,515**	**–**	**11,515**
Total revenue from contracts with customers	**17,566**	**5,582**	**23,148**

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the year ended 31 December 2019

Segments	Media and entertainment *HK$'000*	Cremation and funeral services *HK$'000*	Total *HK$'000*
Types of goods or services			
Sale of goods	702	524	1,226
Cremation and funeral services	–	4,702	4,702
Concert and other entertainment event organisation	95,292	–	95,292
Sponsorship	15,859	–	15,859
Artiste management and performance	1,295	–	1,295
Other	352	–	352
Total revenue from contracts with customers	113,500	5,226	118,726
Geographical markets			
Hong Kong	32,699	–	32,699
Macau	76,866	–	76,866
Mainland China	3,935	5,226	9,161
Total revenue from contracts with customers	113,500	5,226	118,726

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2020

Segments	**Media and entertainment** *HK$'000*	**Cremation and funeral services** *HK$'000*	**Total** *HK$'000*
Revenue from contracts with customers			
External customers	**17,566**	**5,582**	**23,148**

For the year ended 31 December 2019

Segments	Media and entertainment *HK$'000*	Cremation and funeral services *HK$'000*	Total *HK$'000*
Revenue from contracts with customers			
External customers	113,500	5,226	118,726

	2020	2019
	HK$'000	*HK$'000*
Other income and gains		
Gain on investment in a film project	**–**	2,282
Gain on disposal of items of property, plant and equipment	**–**	50
Government subsidies	**748**	–
Management fee income	**816**	816
Other interest income	**–**	780
Others	**836**	816
	2,400	4,744

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2020	2019
	HK$'000	*HK$'000*
Cost of inventories sold	**801**	787
Depreciation of property, plant and equipment	**3,642**	3,567
Depreciation of right-of-use assets	**1,168**	1,696
Amortisation of an intangible asset*	**223**	223
Cost of drama recognised as an expense (other than impairment)^	**–**	352
Gain on disposal of items of property, plant and equipment	**–**	(50)
Reversal of impairment of an intangible asset*	**–**	(400)
Impairment of trade receivables, net	**4,256**	44
Impairment of other receivables, net	**3,505**	709
Impairment of drama and film production#	**–**	5,153

* Included in "General, administrative and other expenses" in the consolidated statement of profit or loss.

^ Included in "Cost of sales" in the consolidated statement of profit or loss.

Included in "General, administrative and other expenses" in the consolidated statement of profit or loss. The impairment was made based on the amount estimated by management that could be recovered/realised from the drama and film production with reference to specific risk and future prospects of respective assets and expected market development.

7. INCOME TAX

No provision for Hong Kong profits tax has been made for the current year as the Group did not generate any assessable profits arising in Hong Kong during the current year. Hong Kong profits tax was provided in the prior year at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during that year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2020	2019
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**–**	463
Underprovision in prior years	**–**	89
Current – Elsewhere		
Charge for the year	**196**	197
Total tax charge for the year	**196**	749

8. DIVIDEND

The board of directors of the Company does not recommend the payment of any dividend in respect of the year (2019: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of approximately 1,250,198,000 (2019: 1,219,442,000) in issue during the year, as adjusted to exclude shares held under the share award scheme of the Company.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2020 and 2019 in respect of a dilution as the impact of the share options outstanding and the unvested share awards had an anti-diluted effect on the basic loss per share amounts presented.

10. TRADE RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Trade receivables	**8,205**	19,880
Impairment	**(4,300)**	(44)
	3,905	19,836

The Group's trading terms with its credit sales customers for cremation and funeral businesses are generally 30 days. For media and entertainment businesses, other than ticket sales and certain sponsorship arrangements whereby payments in advance are normally required, the credit period is generally 30 to 60 days from the date of billing, while ticketing agencies and/or other relevant parties normally settle the corresponding amounts received by them attributable to the Group within 60 to 180 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the billed trade receivables as at the end of the reporting period, based on the invoice date or equivalent and net of loss allowance, is as follows:

	2020	2019
	HK$'000	*HK$'000*
Within 30 days	**546**	18,089
31 to 60 days	**62**	1,235
61 to 90 days	**57**	51
Over 90 days	**3,240**	71
	3,905	19,446

The remaining trade receivables were not yet due as at the end of the reporting period.

The movement in the loss allowance for impairment of trade receivables are as follows:

	2020	2019
	HK$'000	*HK$'000*
At beginning of year	**44**	69
Amount written off as uncollectible	**–**	(69)
Impairment losses, net *(note 6)*	**4,256**	44
At end of year	**4,300**	44

11. TRADE PAYABLES, OTHER PAYABLES, ACCRUALS AND OTHER FINANCIAL LIABILITIES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2020	2019
	HK$'000	*HK$'000*
Within 30 days	**35**	876
31 to 60 days	**28**	–
61 to 90 days	**11**	–
Over 90 days	**4,807**	4
	4,881	880

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2020, the total revenue of the Group (which was mainly arising from (i) media and entertainment businesses; and (ii) cremation and funeral services businesses) was approximately HK$29,095,000 which was 76.95% lower than the corresponding period of last year of approximately HK$126,247,000. The substantial decrease was mainly due to the media and entertainment businesses have been affected by the outbreak of the novel coronavirus ("COVID-19") since January 2020.

Other income and gains

Other income and gains decreased from approximately HK$4,744,000 to approximately HK$2,400,000. The decrease was mainly attributable to a fair value gain on an investment in a film project amounted to approximately HK$2,282,000 in the corresponding period of last year.

Selling, marketing and distribution expenses

Selling, marketing and distribution expenses for the year ended 31 December 2020 were approximately HK$5,133,000, which was 73.35% lower than the amount of corresponding period of last year of approximately HK$19,258,000. The decrease was due to a substantial reduction in the number of entertainment events that were organised by the Group during the year ended 31 December 2020. Such expense as a percentage of revenue for the year was approximately 17.64% (2019: 15.25%).

General, administrative and other expenses

General, administrative and other expenses for the year ended 31 December 2020 amounted to approximately HK$36,649,000 which was 30.42% lower than the amount for the corresponding period of last year of approximately HK$52,672,000. The decrease was primarily attributable to equity-settled share option expense of approximately HK$12,937,000 recognised in the corresponding period of last year, while no equity-settled share option expense for the current period under review.

Loss for the year

The Group's loss for the year was approximately HK$30,675,000 (2019: HK$51,552,000). The decrease in loss for the year was mainly due to (i) decrease in share-based payment expense and impairment loss on investment in drama and film production recognised in general, administrative and other expenses; and (ii) decrease in selling, marketing and distribution expenses, which is in line with the decrease in number of entertainment events organised by the Group during the year.

OPERATION REVIEW

Media and entertainment business

During the year ended 31 December 2020, the total revenue from media and entertainment business was approximately HK$17,747,000, which was 84.62% lower than that of the corresponding period of approximately HK$115,427,000. During the year, revenues were mainly derived from organisation of concert and other entertainment events, sponsorship income, gain on investments in concert, other entertainment event, film and TV drama production projects. The Group has organised and invested in a total of 3 concerts (2019: 35 concerts); organised an exhibition namely「噗噗!與屁屁偵探完美破案!台北篇」; and organised 2 pop-up stores in Hong Kong.

Cremation and funeral services business

Huaiji funeral parlour

Cremation and related business operations in Huaiji were performing steadily during the year ended 31 December 2020 and its total revenue for the year (including relevant government subsidies recognised) was approximately HK$11,348,000, which was 4.88% higher than that of the corresponding period of last year of approximately HK$10,820,000.

OUTLOOK

The year 2020 was a challenging year for most of the business sectors across the world including Mainland China, Hong Kong and Macau. The outbreak and wide spreading of COVID-19 has affected our entertainment businesses in Hong Kong and Macau, causing closure of leisure and entertainment venues or facilities. Our entertainment businesses will remain under enormous pressure until travel restriction and social distancing measures are lifted. However, the recent launch of various COVID-19 vaccines may provide protection and should have a positive effect. Having said that, the global pandemic is expected to ease in 2021 after the mass production of vaccines.

The Group has been making continuous efforts in identifying future strategic alliances and cooperation opportunities. In January 2021, the Group expanded its service offerings in the area of organization of concerts and other entertainment events in Macau through the formation of a joint venture company and the acquisition of certain audio, lighting and stage equipment for the business of stage production and provision of ancillary engineering services for live performance events.

The Group plans to develop an integrated entertainment platform named "Bookyay", which incorporates an all-in-one lifestyle platform, combining online streaming contents, ticketing system, consumer products and a membership system. At the same time, it cooperates with industry players, entertainment platforms and merchandising network to provide both online and offline entertainment experiences, including live shows, concerts and events/exhibitions booking, movie and drama streaming, live broadcasts, shopping mall and franchised events to the customers. The goal is to create a one-stop service platform for members to enjoy a handy entertainment, consumption, and information platform.

Recently, the Group has started a new non-fungible tokens ("NFT") production studio. NFT refers to unique, non-transferable digital assets stored in blockchain which is a proper way to use the blockchain technology. Owning an NFT is like owning a one-of-a-kind work of art or a collectible antique. According to Statista 2021, the market capitalization of NFT shows a fast growth rate of nearly ten-fold between 2018 and 2020. NFTs are going to be something that media and celebrities such as musicians or artists or other creators of collectible products, will use to monetize. "Sunny Side Up" is our flagship studio to promote the NFT business which mainly focuses on two major areas, namely (1) producing art works for various artists and (2) investing in NFT related market place and social media platforms. The Group will utilize its network in forming strategic partnership with various artists and industry players to capture the ever-growing NFT market.

In addition, the Group will also develop the pet funeral service to enrich its funeral business profile.

The Group will respond to forthcoming market challenges and capture business opportunities by focusing on high quality entertainment related projects with proven track records and commercial viability. In addition, the Group will further explore strategic alliances as well as investment opportunities to enrich its portfolio and broaden its income streams. The Group will continue to access its existing financial resources, and will seek new sources of funding where necessary, to maintain and grow our business in a cost-effective basis.

EVENTS AFTER REPORTING PERIOD

On 21 January 2021, Sun Entertainment Investment & Management Inc, being a direct wholly-owned subsidiary of the Company, and Mr. Lam Kong Yam entered into the joint venture agreement (the "JV Agreement") with Sunny Blue Sea Production Limited (the "JV Company"), pursuant to which the parties thereto agreed to inject capital into the JV Company and set out the manner in which the affairs of the JV Company are to be conducted. In addition, the equipment transfer agreement and the cooperation framework agreement were entered on the same date. The scope of business of the JV Company includes (i) investment holding and (ii) stage production and provision of ancillary engineering services and selling and leasing of audio, lighting and stage equipment for live performance events in Macau. Details have been set out in the announcement of the Company dated 21 January 2021.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2020, the Group had cash and cash equivalents of approximately HK$34,037,000 (31 December 2019: HK$19,039,000) and the total assets of the Group were approximately HK$118,935,000 (31 December 2019: HK$149,088,000). As at 31 December 2020, the net current assets of the Group were approximately HK$48,166,000 (31 December 2019: HK$51,876,000) and the Group's current ratio, which represents current assets over its current liabilities, was approximately 2.53 times (31 December 2019: 1.98 times). The gearing ratio of the Group as at 31 December 2020 (calculated as total liabilities of HK$55,944,000 over equity attributable to owners of the Company of HK$61,355,000) was 91.18% (as at 31 December 2019: 63.70%).

As at 31 December 2020, the Group borrowed a loan with outstanding principal amount of HK$20,000,000 with interest rate of 3.5% per annum from a substantial shareholder of the Company.

INVESTMENT POSITION AND PLANNING

The Group will continuously undertake researches and identify potential media and entertainment, as well as cremation and funeral services related business investment opportunities to enhance its business portfolio.

INVESTMENT HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the consolidated financial statements, there were no other significant investments held, and no material acquisitions or disposals of subsidiaries for the Group during the year.

CURRENCY RISK EXPOSURE

The Group has certain operations in Mainland China and Taiwan, whose net assets might be exposed to foreign currency exchange risk. The Group currently does not have a foreign currency policy to hedge its currency exposure arising from the net assets of the Group's foreign operations. Otherwise, the Group has no material exposure to foreign currency risk as the majority of the Group's assets of its operating units are denominated in their respective functional currency of either Hong Kong Dollars, Renminbi or New Taiwan Dollars.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, the Group had 57 employees and including Directors (31 December 2019: 63). During the year ended 31 December 2020, short term employee benefits, which represented a key component of the total staff costs for the year ended 31 December 2020, included salaries, wages, bonuses and allowances, Directors' remuneration and share-based payments. The Group's employee remuneration packages are mainly determined on the basis of individual performance and experience and also having industry practice, which include basic wages and performance related bonuses. The Group also provides provident fund schemes and medical insurance scheme for its employees. The Company also grants share awards to eligible person under the Company's share award scheme and grants share options to the Directors and eligible employees.

CHARGES ON GROUP'S ASSETS AND CONTINGENT LIABILITIES

There were no charges on the Group's assets and the Group did not have any significant contingent liabilities as at 31 December 2020.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2020.

CORPORATE GOVERNANCE PRACTICES

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is committed to achieving a high standard of corporate governance that can properly protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company.

During the year ended 31 December 2020, the Company has complied with all the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 15 to the Listing of Securities on the GEM of the Exchange ("GEM Listing Rules").

DIRECTORS' SECURITIES TRANSACTIONS

Securities transactions by Directors

The Company has established written guidelines for the required standard of dealings in securities by directors of the Company on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). Having made specific enquiries of all Directors, the Directors confirmed that they have fully complied with the requirements under the Required Standard of Dealings and there was no other event of non-compliance during the year ended 31 December 2020.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The audit committee of the Company reviewed the Group's annual results announcement for the year ended 31 December 2020.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in the preliminary announcement have been agreed by the Company's auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement of the Group for the year ended 31 December 2020 is published on the website of GEM of the Exchange at www.hkgem.com (the "GEM Website") and the website of the Company at www.8082.com.hk. The 2020 Annual Report of the Company will be despatched to the shareholders of the Company and made available on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to all the staff and management team for their contribution during the period. I would also like to express my appreciation to the continuous support of our shareholders and investors.

On behalf of the board of
Sun Entertainment Group Limited
Dong Choi Chi, Alex
Chairman and executive Director

Hong Kong, 26 March 2021

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

This announcement will remain on the "Latest Listed Company Information" page of the GEM website at www.hkgem.com for at least 7 days from the day of its publication and on the website of the Company at www.8082.com.hk.