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)

PROFIT ALERT

This announcement is made by Starlight Culture Entertainment Group Limited (the "**Company**", together with its subsidiaries as the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on its preliminary review of the unaudited management accounts and the information of the Group currently available to the Board, the Group is expected to record an unaudited consolidated net profit attributable to owners of the Company of approximately HK$116 million for the year ended 31 December 2019 as compared to an unaudited consolidated net loss attributable to owners of the Company of approximately HK$50 million for the year ended 31 December 2018. The Board considers that the improvement in the overall performance of the Group was mainly attributable to the followings:

(i) the increase in gross profit of approximately HK$187 million;

(ii) the increase in income tax expenses of approximately HK$33 million;

(iii) the decrease in operating expenses, administrative expenses and finance costs totaling approximately HK$83 million, and the decrease/reversal of impairment losses totaling HK$90 million, however, the decreases in these expenses/losses were offset by the following three factors:

a) the losses on change in fair value of relevant financial liabilities were approximately HK$12 million for the year ended 31 December 2019, while the gains on change in fair value of relevant financial liabilities were approximately HK$128 million for the year ended 31 December 2018;

b) the decrease in other income of approximately HK$16 million; and

c) the decrease in share of loss by the non-controlling interest of approximately HK$5 million.

The Group is still in the process of finalizing its results for the year ended 31 December 2019. The Board would like to point out that this announcement (except the figures for the net loss attributable to owners of the Company for the year ended 31 December 2018) is only based on the Company's preliminary evaluation of the available information of the Group and is not based on any financial figures or information that have been audited or reviewed by the Company's auditor and the Company's audit committee. Further adjustments and finalization in the Group's 2019 annual financial results may be required. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Starlight Culture Entertainment Group Limited
Fang Jun
Chairman

Hong Kong, 13 March 2020

As at the date of this announcement, the Board comprises eight executive Directors, namely Mr. Fang Jun, Mr. Chau Chit, Mr. Luo Lei, Mr. Sang Kangqiao, Mr. Gao Qun, Mr. Chen Jie, Ms. Wu Xiaoli and Mr. Hung Ching Fung; and four independent non-executive Directors, namely Mr. Wong Wai Kwan, Mr. Michael Ngai Ming Tak, Mr. Ma Runsheng and Mr. Wong Wai Hung.