UNIVERSE ENTERTAINMENT AND CULTURE GROUP COMPANY LIMITED
寰宇娛樂文化集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

UPDATE ON THE ANNUAL FINANCIAL PERFORMANCE

This announcement is made by Universe Entertainment and Culture Group Company Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions 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 and potential investors of the Company that the Group is preparing its annual results for the year ended 30th June 2020 (the "**Year**"). Based on the information currently available, the Board expected the revenue of the Group for the Year will increase significantly and the net loss of the Group for the Year will decrease substantially during the Year as compared to the corresponding period of previous year which was mainly due to the net effect of:

(i) the contributions from a new blockbuster film called "White Storm 2 – Drug Lords" ("掃毒2天地對決") released by the Group with a remarkable box office of approximately RMB1.3 billion in the People's Republic of China (the "**PRC**") in second half of 2019; and

(ii) the revenue and result of the Group was negatively affected by the sustained outbreak of coronavirus disease ("**COVID-19**") in the first half of 2020. In particular, the theaters of the PRC have shut down in the wake of the outbreak of COVID-19 pandemic since late January 2020, the original schedule of releasing new films of the Group has been delayed and hence affected the Group's revenues and result in 2020. The prolonged spread of COVID-19 pandemic in PRC since late January 2020 and the massive outbreak of COVID-19 pandemic in Europe and United States of America since March 2020 had great negative impact on the world economy. The Group believes that in the near to medium term, high unemployment rate, weak consumption and the threat of second wave of COVID-19 pandemic worldwide will continue to weak the economy globally. Taking into account the combined effect of the COVID-19 pandemic and the expected slow recovery from current market conditions as described above, the Group expects to record an increase of the impairment loss of films rights and related deposits during the Year. As at the date of this announcement, the exact amount of such impairment loss is still subject to review and finalisation.

As the expected positive effect of the aforesaid factor in (i) will exceed the expected negative effect of the aforesaid factors in (ii) above, the Board expected the revenue of the Group for the Year will increase significantly and the net loss of the Group for the Year will decrease substantially during the Year as compared to the corresponding period of previous year.

As the Company is still in the process of finalising the annual result for the Year, the information contained in this announcement is based only on the preliminary assessment by the management according to the information currently available to it and is not based on any figures or information that has been audited or review by the auditors and the audit committee of the Company.

The annual results announcement of the Group for the Year is expected to be published in late September 2020.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Universe Entertainment and Culture Group Company Limited
Lam Shiu Ming, Daneil
Chairman and Executive Director

Hong Kong, 17 July 2020

As at the date of this announcement, the executive directors of the Company are Mr. Lam Shiu Ming, Daneil and Mr. Lam Kit Sun, and the independent non-executive directors of the Company are Mr. Choi Wing Koon, Mr. Lam Chi Keung and Mr. Tang Yiu Wing.