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 WARNING

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 loss attributable to owners of the Company of approximately HK$28.5 million for the year ended 31 December 2020, compared to an audited consolidated net profit attributable to owners of the Company of approximately HK$98.2 million for the year ended 31 December 2019. The Board considers that such decrease in profit/increase in loss was mainly attributable to the decrease in revenue of approximately HK$245.6 million resulting in decrease in gross profit of approximately HK$174.0 million, and attributable to the net increase in impairment losses of approximately HK$55.8 million, which were partly offset by the decrease in operating expenses, administrative expenses and finance costs totaling approximately HK$50.8 million and by the decrease in income tax expenses of approximately HK$52.8 million.

For the entire year of 2020, the media business of the Group was affected by the COVID-19 pandemic which has spread all over the world. As the business activity slowed down and the film and TV drama projects currently being developed by the Group postponed, revenue from TV drama and film investments for the year of 2020 derived entirely from the media products already released/published in the years in 2019 and 2018.

The Group is still in the process of finalizing its results for the year ended 31 December 2020. The Board would like to point out that this announcement (except the figures for the net profit attributable to owners of the Company for the year ended 31 December 2019) 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 2020 annual financial results may be required. Shareholders and investors are therefore advised to read carefully the annual results announcement of the Company for the year ended 31 December 2020 to be published at the end of March 2021. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 26 February 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. Sang Kangqiao, Mr. Gao Qun and Ms. Wu Xiaoli; and four independent non-executive Directors, namely Mr. Wong Wai Kwan, Mr. Michael Ngai Ming Tak, Mr. Ma Runsheng and Mr. Wong Wai Hung.