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**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)**

## **ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020**

### **AUDITED ANNUAL RESULTS**

Reference is made to the announcement (the “**Unaudited Result Announcement**”) of the Company dated 31 March 2021 regarding the publication of the Company’s unaudited annual consolidated results (“**Unaudited Results**”) for the year ended 31 December 2020.

Further to the publication of the Unaudited Result Announcement, the board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces its audited annual consolidated results (“**Audited Results**”) for the year ended 31 December 2020, together with the corresponding comparative figures for the year ended 31 December 2019 as follows.

The major variances between Audited Results and Unaudited Results could be referred to in the section “**MAJOR VARIANCE BETWEEN AUDITED RESULTS AND UNAUDITED RESULTS**” in this announcement.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

		2020	2019
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>CONTINUING OPERATIONS</b>			
REVENUE	5	<b>47,761</b>	323,949
Cost of sales		<u>(75,997)</u>	<u>(92,593)</u>
Gross (loss)/profit		<b>(28,236)</b>	231,356
Other income and gains		<b>3,775</b>	12,672
Selling and distribution expenses		–	(5,966)
Administrative expenses		<b>(24,219)</b>	(38,022)
Reversal of impairment loss on investment in film and television programs and program rights		–	10,356
Impairment losses on financial and contract assets, net		<b>(90,436)</b>	(3,569)
Change in fair value of derivative financial liabilities		<b>14,390</b>	(32,477)
Change in fair value of convertible bonds		–	(548)
Finance costs	7	<b>(13,602)</b>	(21,342)
Other expenses		<u>(12,143)</u>	<u>–</u>
<b>(LOSS)/PROFIT BEFORE TAX</b>			
FROM CONTINUING OPERATIONS	6	<b>(150,471)</b>	152,460
Income tax expense	8	<u>(11,785)</u>	<u>(51,212)</u>
<b>(LOSS)/PROFIT FOR THE YEAR</b>			
FROM CONTINUING OPERATIONS		<b>(162,256)</b>	101,248
<b>DISCONTINUED OPERATIONS</b>			
Loss for the year from discontinued operations	9	<u>(152)</u>	<u>(3,754)</u>

	<i>Notes</i>	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
(LOSS)/PROFIT FOR THE YEAR		<b><u>(162,408)</u></b>	<b><u>97,494</u></b>
Attributable to:			
Owners of the parent		<b>(162,275)</b>	98,181
Non-controlling interests		<b><u>(133)</u></b>	<b><u>(687)</u></b>
		<b><u>(162,408)</u></b>	<b><u>97,494</u></b>
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	<i>11</i>		
Basic and diluted			
– For (loss)/profit for the year		<b><u>HK (19.70) cents</u></b>	<b><u>HK13.37 cents</u></b>
– For (loss)/profit for continuing operations		<b><u>HK (19.68) cents</u></b>	<b><u>HK13.88 cents</u></b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
(LOSS)/PROFIT FOR THE YEAR	<u>(162,408)</u>	<u>97,494</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>8,531</u>	<u>(138)</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>8,531</u>	<u>(138)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	<u>8,531</u>	<u>(138)</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	<u>(153,877)</u>	<u>97,356</u>
Attributable to:		
Owners of the parent	<u>(153,748)</u>	98,038
Non-controlling interests	<u>(129)</u>	<u>(682)</u>
	<u>(153,877)</u>	<u>97,356</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

		2020	2019
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>1,781</b>	1,743
Right-of-use assets		<b>4,384</b>	6,062
Club debenture		–	320
Deferred tax assets		–	802
		<hr/>	<hr/>
Total non-current assets		<b>6,165</b>	8,927
<b>CURRENT ASSETS</b>			
Trade receivables	<i>12</i>	<b>67,233</b>	257,963
Prepayments, other receivables and other assets		<b>404,567</b>	322,817
Contract assets		<b>94,025</b>	144,753
Investment in film and television programs and program rights		<b>301,062</b>	259,719
Cash and cash equivalents		<b>142,837</b>	180,404
Assets of a disposal group classified as held for sale	<i>9</i>	<b>2,568</b>	–
		<hr/>	<hr/>
Total current assets		<b>1,012,292</b>	1,165,656
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>13</i>	–	3,162
Other payables and accruals		<b>156,656</b>	132,292
Contract liabilities		<b>92,618</b>	71,936
Amounts due to non-controlling shareholders of subsidiaries		–	20,900
Interest-bearing bank and other borrowings		<b>184,830</b>	211,827
Derivative financial liabilities		<b>17,945</b>	32,477
Amounts due to a shareholder		–	175,652
Promissory notes		<b>1,000</b>	9,000
Lease liabilities		<b>1,938</b>	2,241
Tax payable		<b>38,056</b>	47,725
Liabilities directly associated with the assets classified as held for sale	<i>9</i>	<b>4,833</b>	–
		<hr/>	<hr/>

	<i>Notes</i>	<b>2020</b> <b>HK\$'000</b>	2019 HK\$'000
Total current liabilities		<u>497,876</u>	<u>707,212</u>
NET CURRENT ASSETS		<u>514,416</u>	<u>458,444</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>520,581</u>	<u>467,371</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		<b>325,089</b>	149,874
Amounts due to a shareholder		<b>1,188</b>	–
Lease liabilities		<b>2,780</b>	4,071
Deferred tax liabilities		<u>14,949</u>	<u>3,874</u>
Total non-current liabilities		<u>344,006</u>	<u>157,819</u>
Net assets		<u><b>176,575</b></u>	<u>309,552</u>
EQUITY			
<b>Equity attributable to owners of the parent</b>			
Share capital	<i>14</i>	<b>82,356</b>	82,356
Reserves		<u>120,192</u>	<u>273,940</u>
		<b>202,548</b>	356,296
Non-controlling interests		<u>(25,973)</u>	<u>(46,744)</u>
Total equity		<u><b>176,575</b></u>	<u>309,552</u>

# NOTES TO FINANCIAL STATEMENTS

## 1. CORPORATE AND GROUP INFORMATION

Starlight Culture Entertainment Group Limited (the “**Company**”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and principal place of business of the Company is Room 1203, 12/F, 118 Connaught Road West, Hong Kong.

During the year and up to 31 December 2020, the Company and its subsidiaries (the “**Group**”) were involved in media and culture business.

In the opinion of the directors of the Company (the “**Directors**”), the single largest shareholder of the Company is Timcha Investment Limited (formerly known as CICFH Innovation Investment Limited) (“**Timcha**”), a company wholly owned by 江陰星輝文化傳播有限公司 (Jiangyin Starlight Communications Co., Ltd.\*), a limited company incorporated in the PRC. In the opinion of the Directors, as of 31 December 2020, the Company has no controlling shareholder.

\* *The English names of the entities registered in the People’s Republic of China (the “**PRC**”) represent the best efforts made by the management of the Company to translate their Chinese names as these entities do not have official English names.*

## 2. BASIS OF PREPARATION

These financial statements 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 derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

## **Basis of consolidation**

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.



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

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) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“**RFR**”). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.
  
- (d) 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 covid-19 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.
  
- (e) 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 only one reportable operating segment Media and culture business segment, which engages in investment, production and distribution of entertainment content such as films and television programs.

Segment assets and segment liabilities information is set out below.

<b>Year ended 31 December 2020</b>	<b>Media and culture business HK\$'000</b>	<b>Total HK\$'000</b>
<b>Segment assets</b>	<b>1,015,889</b>	<b>1,015,889</b>
Reconciliation:		
Assets related to a discontinued operation		<u>2,568</u>
Total assets		<u><b>1,018,457</b></u>
<b>Segment liabilities</b>	<b>(837,049)</b>	<b>(837,049)</b>
Reconciliation:		
Liabilities related to a discontinued operation		<u>(4,833)</u>
Total liabilities		<u><b>(841,882)</b></u>
	<b>Media and culture business HK\$'000</b>	<b>Total HK\$'000</b>
<b>Year ended 31 December 2019</b>		
<b>Segment assets</b>	<b>1,170,198</b>	<b>1,170,198</b>
Reconciliation:		
Assets related to discontinued operations		<u>4,385</u>
Total assets		<u><b>1,174,583</b></u>
<b>Segment liabilities</b>	<b>(835,064)</b>	<b>(835,064)</b>
Reconciliation:		
Liabilities related to discontinued operations		<u>(29,967)</u>
Total liabilities		<u><b>(865,031)</b></u>

## Geographical information

### (a) Revenue from external customers

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
United States of America	47,761	143,532
Mainland China	—	180,417
	<u>47,761</u>	<u>323,949</u>

The revenue information above of continuing operations is based on the locations of the customers.

### (b) Non-current assets

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
United States of America	5,028	5,894
Mainland China	—	1,732
Hong Kong	1,137	499
	<u>6,165</u>	<u>8,125</u>

The non-current asset information above of continuing operations is based on the locations of the assets and excludes deferred tax assets.

### Information about major customers

Revenue from major customers contributing over 10% to the total revenue of the Group is set out below:

	<b>2020</b>	2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Customer A	–	127,476
Customer B	–	53,342
Customer C	–	52,938
Customer D	<b>13,372</b>	41,689
Customer E	<b>13,970</b>	–
Customer F	<b>11,176</b>	–
Customer G	<b>7,451</b>	–
	<u><b>45,969</b></u>	<u>275,445</u>

### 5. REVENUE

An analysis of revenue is as follows:

	<b>2020</b>	2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Revenue from contracts with customers	<u><b>47,761</b></u>	<u>323,949</u>

## Revenue from contracts with customers

### (a) *Disaggregated revenue information*

For the year ended 31 December 2020

Segments	Media and culture business HK\$'000
<b>Types of goods or services</b>	
Revenue from motion pictures	13,391
Film production services	15,743
Other services	18,627
	<hr/>
Total revenue from contracts with customers	<b>47,761</b>
	<hr/> <hr/>
<b>Geographical markets</b>	
United States of America	47,761
	<hr/>
Total revenue from contracts with customers	<b>47,761</b>
	<hr/> <hr/>
<b>Timing of revenue recognition</b>	
At a point in time	32,018
Services transferred over time	15,743
	<hr/>
Total revenue from contracts with customers	<b>47,761</b>
	<hr/> <hr/>

For the year ended 31 December 2019

Segments	Media and culture business HK\$'000
<b>Types of goods or services</b>	
Revenue from motion pictures	143,532
Revenue from television programs	52,941
Sale of investment in television programs and program rights*	<u>127,476</u>
Total revenue from contracts with customers	<u><u>323,949</u></u>
<b>Geographical markets</b>	
United States of America	143,532
Mainland China	<u>180,417</u>
Total revenue from contracts with customers	<u><u>323,949</u></u>
<b>Timing of revenue recognition</b>	
At a point in time	<u>323,949</u>
Total revenue from contracts with customers	<u><u>323,949</u></u>

\* During the year ended 31 December 2019, sale of investment in television programs and program rights included a net gain of approximately HK\$127,476,000. The Group was entitled to gross proceeds from sale of approximately HK\$446,521,000 (including tax) under these sales agreements.

**(b) Performance obligations**

Information about the Group's performance obligations is summarised below:

*(a) Revenue from motion pictures and television programs*

Revenue from motion pictures is recognised at the later of when the subsequent sale or usage of the royalties occurs, and when the performance obligation to some or all of the sales-based or usage-based royalties has been allocated has been satisfied (or partially satisfied). The actual amounts due to the Group under these arrangements are generally not reported to the Company until after the close of the reporting period. The Group records revenue under these arrangements for the amounts due and not yet reported to the Group based on estimates of the sales or usage of the royalties and pursuant to the terms of the contracts. Such estimates are based on information from the statement of net receipt, historical experience with similar genres in that market or territory, the performance of the genres in other markets, and/or data available in the industry.

Revenue from television programs is recognised when master tapes and materials have been delivered to broadcasting sources and the rights to broadcast have been licensed in accordance with the terms of the underlying agreements, and the rights to receive payments are established, based on the pre-determined share of the sales proceeds from the licensing of the related television programs set out in the respective agreements.

*(b) Film production services*

Revenue from film production services is recognised over time, using the output method to measure progress towards complete satisfaction of the services, because the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The output method recognises revenue based on the proportion of the work completed relative to the estimated total work.

*(c) Sale of investment in television programs and program rights*

Revenue from sale of investment in television programs and program rights is recognised at the point in time when the interests in the underlying investments is transferred to the customer, major obligations in the agreement have been fulfilled and the right to receive payment is established.

*(d) Other services*

Revenue from other services is recognised at the point in time when the service is fully delivered to the customer, and the right to receive payments is established.



## 6. (LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	<i>Note</i>	<b>2020</b> <b>HK\$'000</b>	2019 <i>HK\$'000</i>
Cost of sales*		<b>75,997</b>	92,593
Amortisation of investment in film and television programs and program rights*		<b>64,425</b>	92,592
Depreciation of property, plant and equipment		<b>966</b>	1,213
Depreciation of right-of-use assets		<b>2,719</b>	2,608
Lease payments not included in the measurement of lease liabilities		<b>842</b>	1,058
Auditor's remuneration		<b>2,446</b>	1,943
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		<b>5,496</b>	6,890
Pension scheme contributions		<b>162</b>	155
		<b>5,658</b>	7,045
Foreign exchange differences, net		<b>2,381</b>	(105)
Impairment of financial and contract assets, net:			
Impairment of trade receivables, net	<i>12</i>	<b>65,005</b>	2,606
Impairment of contract assets, net		<b>25,431</b>	963
		<b>90,436</b>	3,569
Reversal of impairment loss on investment in film and television programs and program rights		–	(10,356)
Fair value (gains)/losses, net:			
Convertible bonds		–	548
Derivative financial liabilities		<b>(14,390)</b>	32,477

\* Cost of services provided and amortisation of investment in films and television programs and program rights are included in "Cost of sales" in the consolidated statement of profit or loss.

## 7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest on bank loans and other borrowings (including convertible bonds)	13,073	5,030
Interest on lease liabilities	306	441
Interest expense on promissory notes	<u>223</u>	<u>15,871</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<u><u>13,602</u></u>	<u><u>21,342</u></u>

## 8. INCOME TAX EXPENSE

No provision for Hong Kong profits tax was made as the Group did not generate any assessable profits in Hong Kong during the year ended 31 December 2020 and 2019. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Income tax consists income tax charged on the Group in Mainland China and United States of America (“USA”). Provision for the PRC enterprise income tax was calculated based on the statutory tax rate of 25% on the assessable income of the PRC companies during the years ended 31 December 2020 and 2019. USA income tax applicable to the Group was charged at the federal tax rate of 21% and state tax rate, net of federal effect, of 7% during the years ended 31 December 2020 and 2019.

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current – Elsewhere	(120)	47,531
Deferred	<u>11,905</u>	<u>3,072</u>
Total tax charge for the period from continuing operations	11,785	50,603
Total tax charge for the period from discontinued operations	<u>–</u>	<u>609</u>
	<u><u>11,785</u></u>	<u><u>51,212</u></u>

## 9. DISCONTINUED OPERATIONS

The Company's board of Directors decided to cease its entertainment and gaming business (“**Ceased Gaming Business**”) on 20 February 2020, and to cease its trading of chemical products, energy conservation and environmental protection products business (“**Ceased Trading Business**”) on 12 October 2020, in order to focus its resources on its media and culture business. The underlying companies of the Ceased Trading Business was then disposed on 30 November 2020. The disposal of the Ceased Gaming Business was completed in February 2021. As at 31 December 2020, the Ceased Gaming Business and Ceased Trading Business were classified as discontinued operations. With the classification as discontinued operations, the Ceased Gaming Business and Ceased Trading Business segments were no longer included in the note for operating segment information.

The results of the Ceased Gaming Business and Ceased Trading Business are presented below:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue	–	3,116
Cost of sales	–	(3,025)
Gross profit	–	91
Other income and gains	9	1
Loss on disposal of subsidiaries	–	(14)
Administrative expenses	<b>(2,616)</b>	(4,441)
Loss before tax from the discontinued operations	<b>(2,607)</b>	(4,363)
Gain on the disposal of the discontinued operations	<b>2,455</b>	–
Loss before tax from the discontinued operations	<b>(152)</b>	(4,363)
Income tax:		
Related to pre-tax loss	–	609
Loss for the year from the discontinued operations	<b>(152)</b>	<b>(3,754)</b>

The major classes of assets and liabilities of Ceased Gaming Business segment classified as held for sale as at 31 December are as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<i>Assets</i>		
Prepayments, other receivables and other assets	2,561	–
Cash and cash equivalents	<u>7</u>	<u>–</u>
Assets classified as held for sale	<u>2,568</u>	<u>–</u>
<i>Liabilities</i>		
Tax payable	(190)	–
Other payables and accruals	<u>(4,643)</u>	<u>–</u>
Liabilities directly associated with the assets classified as held for sale	<u>(4,833)</u>	<u>–</u>
Net liabilities directly associated with the disposal group	<u><u>(2,265)</u></u>	<u><u>–</u></u>

The net cash flows incurred by the Ceased Gaming Business and Ceased Trading Business are as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Operating activities	<u>(366)</u>	<u>(607)</u>
Net cash outflow	<u><u>(366)</u></u>	<u><u>(607)</u></u>
Loss per share:		
Basic, from the discontinued operations	<u>HK0.02cents</u>	HK0.51cents
Diluted, from the discontinued operations	<u>HK0.02cents</u>	<u>HK0.51cents</u>

The calculations of basic loss per share from the discontinued operation are based on:

	2020	2019
Loss attributable to ordinary equity holders of the parent		
from the discontinued operations	<b>HK\$139,000</b>	HK\$3,754,000
Weighted average number of ordinary shares used in the basic		
loss per share calculation	<b><u>823,564,799</u></b>	<b><u>734,518,224</u></b>

The Group has no potentially dilutive ordinary shares in issue during the years ended 31 December 2020 and 2019.

#### 10. DIVIDENDS

No dividend has been paid or declared during each of the years ended 31 December 2020 and 2019. The directors do not recommend the payment of any dividends for 2020 (2019: Nil).

#### 11. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 823,564,799 (2019: 734,518,224) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2020 and 2019.

The calculations of the basic (loss)/earnings per share are based on:

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent		
Attributable to:		
Continuing operations	<b>(162,136)</b>	101,935
Discontinued operations	<b><u>(139)</u></b>	<b><u>(3,754)</u></b>
	<b><u>(162,275)</u></b>	<b><u>98,181</u></b>

	<b>Number of shares</b>	
	<b>2020</b>	2019
Shares		
Weighted average number of ordinary shares in issue		
during the year used in the basic earnings per share calculation	<b><u>823,564,799</u></b>	<u>734,518,224</u>

## 12. TRADE RECEIVABLES

	<b>2020</b>	2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade receivables	<b>138,864</b>	267,201
Impairment	<b><u>(71,631)</u></b>	<u>(9,238)</u>
	<b><u>67,233</u></b>	<u>257,963</u>

Trade receivables from royalties from film and television programs are due when reported to the Group, and usually received within 30 to 180 days. Trade receivables from sales of investment in television programs and program rights are due based on payment schedule specified in contract. Trade receivables from other revenue sources are usually within 180 days from the date of provision of services. The Group recognises lifetime ECLs for all trade receivables and measures the lifetime ECLs on a specific basis according to management's assessment of the recoverability of an individual receivable. Management considers the number of days that an individual receivable is outstanding, historical experience and forward-looking information to determine the recoverability of the trade receivable. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are unsecured and non-interest-bearing.

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

	<b>2020</b>	2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 1 month	–	257,963
Over 3 months	<b><u>67,233</u></b>	<u>–</u>
	<b><u>67,233</u></b>	<u>257,963</u>

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

	<b>2020</b>	2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
At beginning of year	<b>9,238</b>	6,633
Impairment losses	<b>65,005</b>	2,606
Disposal of a subsidiary	<b>(6,632)</b>	–
Exchange realignment	<b>4,020</b>	(1)
	<hr/>	<hr/>
At end of year	<b><u>71,631</u></b>	<u>9,238</u>

Loss allowances recognised of HK\$65,005,000 (2019: HK\$2,606,000) included an allowance of HK\$63,808,000 for receivables in respect of investments in two television programs and program rights sold to a customer in 2019. Certain incidents happened to the producer and the distributor of the two television programs led to a limitation of distribution of television programs they produced. The Directors, upon consulting its legal advisor, are of the view that the Group has no additional obligation for the investments in two television programs and program rights sold, including the refund of considerations partially received. The Directors assessed the loss allowance of these receivables taking into account the probability-weighted outcome, the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

### 13. TRADE PAYABLES

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Over 3 months	<u><u>–</u></u>	<u><u>3,162</u></u>

The trade payables are derecognised as a result of the disposal of subsidiaries.

### 14. SHARE CAPITAL

#### Shares

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Issued and fully paid: 823,564,799 (2019: 823,564,799)	<u><u>82,356</u></u>	<u><u>82,356</u></u>
Authorised: 20,000,000,000	<u><u>2,000,000</u></u>	<u><u>2,000,000</u></u>

A summary of the Company's share capital is as follows:

	Number of shares in issue	Share capital <i>HK\$'000</i>
At 1 January 2020 and 31 December 2020	<u><u>823,564,799</u></u>	<u><u>82,356</u></u>

### 15. EVENTS AFTER THE REPORTING PERIOD

The companies underlying the Ceased Gaming Business were either dissolved or disposed of during February 2021.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS AND OPERATION REVIEW**

The Group reported a net loss attributable to owners of the Company of approximately HK\$162.3 million for the year ended 31 December 2020 (2019: net profit of approximately HK\$98.2 million) as revenue from its media and culture business reduced to approximately HK\$47.8 million, compared with approximately HK\$323.9 million of last year.

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 will continue to monitor the development of COVID-19 situation closely and assess its impacts on the financial position and operating results of the Group.

#### **Media and Culture**

The Group's movies and TV drama series products and investments, projects incubated by film directors and related prepayments amounted to approximately HK\$573.0 million as at 31 December 2020, and the followings are some highlights:

##### ***Media investments and products***

###### ***Crazy Rich Asians***

The movie was invested and released by Warner Bros. Pictures, co-invested by the Group and directed by director Jon M. Chu (who has entered into an agreement with the Group), and was released in August 2018. The film was adapted from a best-selling novel written by Kevin Kwan under the same title, which has a solid reader base. The movie stars Constance Wu, Henry Golding, Michelle Yeoh, and etc. The highly anticipated movie is the first major film that is not a period piece in Hollywood in two and a half decades to feature an all ethnically Asian cast. As the first adapted work of the novel series, there is also expectation for it to develop into commercially successful film series where the stories of the two sequels mainly take place in China. To date, according to Box Office Mojo, its worldwide gross is US\$238,538,736.

## *Greta*

The thriller/crime movie is directed by Neil Jordan who won the Academy Award for Best Original Screenplay and starring French actress Isabelle Huppert who has been nominated for the Academy Award for Best Actress. The international sales of the movie are undertaken by veteran sales agency Sierra/Affinity. To date, international sales are anticipated to be US\$9.5 million. The movie premiered at the Toronto International Film Festival in September 2018 and was released in March 2019.

## *Midway*

The Group arranged the investment in the epic drama movie, directed by the well-known director Roland Emmerich (who has entered into an agreement with the Group), produced by Mark Gordon and starring Woody Harrelson, Mandy Moore and Luke Evans. It started principal photography in 2018 and was released on 8 November 2019. The movie is also the first World War II film of Roland Emmerich. It is adapted from the true stories of the Battle of Midway and tells rarely known stories of war heroes. The total budget is approximately US\$100 million. In terms of distribution, Summit Entertainment, LLC is responsible for the U.S., Bona Film Group is responsible for the Greater China area and Accelerate Global Content, LLC is responsible for overseas sales. The Deadline Magazine has provided extensive coverage in this regard and the commentary described the movie as “one of the biggest movies on-sale at Cannes”. During the pre-sales period, excluding the Greater China area, overseas pre-sales has exceeded US\$30 million.

The movie topped the North American box office only in its opening week. According to Box Office Mojo, its worldwide gross amounted to US\$126,696,475. In addition, the movie also enjoyed positive buzz among audiences since releasing, with being scored by up to 92% of audiences (Audience Score) on Rotten Tomatoes, a professional film critics website.

### *Scary Stories to Tell in the Dark*

The movie is distributed in US by Lionsgate, co-financed by CBS Films, eOne, the Group and Rolling Hills and was released in August 2019. The film is adapted from a bestselling series of short horror stories, written by Alvin Schwartz under the same title. It is directed by André Øvredal, produced by Academy Award Winner Guillermo del Toro, written by Dan Hageman, Kevin Hageman, and Guillermo del Toro. Starring Zoe Margaret Colletti, Michael Garza, Gabriel Rush, etc., the movie's international distributor is Entertainment One and Sierra/Affinity is the foreign sales agency of the picture. Produced for US\$25 million, the movie earned US\$21 million at the domestic box office in its opening weekend. To date, according to Box Office Mojo, its worldwide gross is US\$104,545,505.

### *Malignant*

The movie is independently co-financed by the Group and Midas Innovation. The motion picture written by Akela Cooper, based on a story by James Wan and Ingrid Bisu and directed and produced by James Wan, is the first project to go into production since the development deal was inked. New Line has the exclusive right to distribute the picture throughout the world excluding mainland China but including Hong Kong, Macau and Taiwan. The movie is starred by Annabelle Wallis. Currently, it is expected to be released in the second half of 2021.

### *Marshall*

The movie was obtained by the Group through acquisition. It is internationally distributed by Sony Pictures Worldwide Acquisitions Inc., and distributed by Open Road Films, LLC in North America. The movie is produced by Paula Wagner, an experienced Hollywood producer, and starring Chadwick Boseman, the leading actor of "Black Panther", and Sterling K. Brown, an Emmy Award winner and the leading actor of "This Is Us". The movie was nominated for Oscar Best Original Song (theme song: Stand Up For Something) and received Top Ten Films of African American Film Critics Association Awards, Audience Choice Award of Chicago International Film Festival, Annual Song Award of Hollywood Film Awards, Best Original Song Award of Annual Satellite Awards as well as 18 other internationally renowned awards nominations.

## *My Robot Boyfriend*

*My Robot Boyfriend*, an urban love sci-fi comedy directed by Lai Chun Tsang and starring Chao Jiang and Xiaotong Mao, which has been firstly broadcasted on Zhejiang Satellite TV on 21 October 2019 with concurrently releasing on Tencent Video and Mango TV.

## **PROJECTS INCUBATING BY FILM DIRECTORS**

With the commitment in further diversifying and enhancing the entertainment business of the Group so as to broaden the income sources, the Group has engaged 8 film directors.

James Wan, Roland Emmerich, Jon M. Chu, Robert Zemeckis, Alan Taylor, Jonathan Liebesman, F. Gary Gray, Sylvester Stallone, Nattawut Poonpiriya and Sam Raimi in relation to the development and production of motion picture projects, which enable the Group to tap into the business of film production and distribution. Reference may be made to the Company's announcement dated 20 March 2020 for details of the profile of some of the projects under development. With respect to those projects that have not been completed prior to the terminations or expirations of the development agreements, the Company and those directors will continue to collaborate on the development of those projects.

During the year ended 31 December 2020, the Group's revenue generated from media and culture business amounted to approximately HK\$47.8 million (2019: HK\$323.9 million), with a gross loss of approximately HK\$28.2 million (2019: gross profit of HK\$231.4 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.

Delays in distribution, settlement as well as receipt of income of TV drama and film investments of the Company significantly and negatively affected the future cash flow projections regarding these investments, which in turn reduced the amount of revenue recognized during the year. The recorded gross loss was therefore mainly attributable to the amount of amortization recognized exceeded the revenue recognized from these investments.

## **Trading of chemical products, and energy conservation and environmental protection products**

As this segment was no longer revenue or profit generating to the Group, and the management decided to allocate more resources to media and culture segment, this segment's business was ceased in October 2020 and the underlying companies was disposed of on 30 November 2020.

## **Entertainment and Gaming**

For the year ended 31 December 2019, the Group has not generated any revenue from entertainment and gaming business. In view of the continued tightened credit control policy of the Group and the poor results recorded in the previous reporting periods, the management had been reviewing the future prospect and development of this segment as at 31 December 2019.

On 20 February 2020, the board of directors of the Company decided to cease its business in the entertainment and gaming segment taken account of, among other factors, absence of revenue generated for over one year, the minimal assets kept and the hardship in keeping its operations. As at 31 December 2019 and 31 December 2020, there were no long-term assets or liabilities in the entertainment and gaming business segment.

As disclosed in "EVENTS AFTER THE REPORTING PERIOD" below, during February 2021, the underlying companies of this segment were either dissolved or disposed of.

## **FINANCIAL REVIEW**

The Group reported a loss attributable to owners of the Company of approximately HK\$162,275,000 for the year ended 31 December 2020 (2019: profit of approximately HK\$98,181,000).

The Board considers that the retrogression in the overall performance of the Group was mainly attributable to the decrease in gross profit (turn to gross loss) of approximately HK\$259.6 million.

Basic loss per share for the year amounted to approximately 19.70 HK cents (2019: earning per share 13.37 HK cents). Net assets of the Group were approximately HK\$176,575,000 (2019: approximately HK\$309,552,000).

## **FUTURE PLANS AND PROSPECTS**

The management will continue to allocate more resources to media and culture segment which are the Group's major growth drivers.

With an aim to safeguard a higher shareholder's return, the Group is in the process of reviewing the future prospect and development of its other business segments, and at the same time exploring new business opportunities and making more efforts to explore market opportunities in Mainland China.

## **MATERIAL ACQUISITION AND DISPOSAL**

There is no material acquisition and disposal conducted by the Group during the year that should be notified to the shareholders of the Company.

## **DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (31 December 2019: NIL).

## **CAPITAL STRUCTURE**

As at 31 December 2020, the Company's equity attributable to its owners was approximately HK\$202,548,000 (2019: approximately HK\$356,296,000).

## **LOSS ALLOWANCES OF TRADE RECEIVABLES**

The Company had provided for loss allowances on trade receivables of approximately HK\$65 million for the year ended 31 December 2020. Details of the impairment analysis can be referred to in note 12 to the consolidated financial statements of this announcement.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group generally finances its operation by internally generated cash flow, interest-bearing bank and other borrowing amount due to a holding company, and through issuance of promissory notes and convertible bonds.

Prudent financial management and selective investment criteria have enabled the Group to maintain a stable financial position. As at 31 December 2020, the Group's bank balances and cash amounted to approximately HK\$142,837,000 (2019: HK\$180,404,000).

As at 31 December 2020, the current ratio was approximately 2.03 (2019: approximately 1.65) based on current assets of approximately HK\$1,012,292,000 (2019: HK\$1,165,656,000) and current liabilities of approximately HK\$497,876,000 (2019: HK\$707,212,000).

## **EXPOSURE TO FLUCTUATION IN EXCHANGE RATES**

Most of the Group's assets, liabilities and business transactions are denominated in Hong Kong dollars, Renminbi and U.S. dollars which have been relatively stable during the year. The Group was not exposed to material foreign exchange risk and has not employed any financial instruments for hedging purposes.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group employed 27 (2019: 28) employees as at 31 December 2020. The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Employees may also be invited to participate in the share option scheme of the Group.

## **EVENTS AFTER THE REPORTING PERIOD**

Further to cessation of business of entertainment and gaming segment on 20 February 2020, the Company has completed either the dissolution or disposal of the underlying companies of this segment during February 2021.

Other than disclosed above, there is no major event after the reporting period that should be notified to the shareholders of the Company.

## **COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES**

The Directors consider that the Company has complied with all applicable provisions of the Corporate Governance Code contained in Appendix 14 (the “Code”) of the Listing Rules throughout the year ended 31 December 2020 except for deviations as stated below:

### **Code Provision A.6.7**

Under code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders. Due to other pre-arranged commitments, three of the independent non-executive directors were unable to attend the Company’s annual general meeting held on 30 June 2020.

### **Code Provision E.1.2**

Under code provision E.1.2, chairman of the board should attend the annual general meeting. Due to other pre-arranged commitments, the then chairman of the Board was unable to attend the Company’s annual general meeting held on 30 June 2020.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard of dealings as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the year ended 31 December 2020.



## **MAJOR VARIANCE BETWEEN AUDITED RESULTS AND UNAUDITED RESULTS**

Reference is made to the Company's announcement ("Unaudited Results Announcement") dated 31 March 2021 regarding the unaudited annual results ("Unaudited Results") of the Group for the year ended 31 December 2020.

As at the date of the Unaudited Results Announcement, more time was required by the Company for collection of further information and for completion of certain procedures for financial reporting and auditing, in particular the valuation of certain assets and liabilities of the Group as well as USA tax provision review, and hence the Unaudited Results have not yet been agreed with the auditor of the Company, in particular, the amounts of investment loss on investment in films and television programs and program rights, the change in fair value of derivative financial liabilities, other expenses, income tax credit/(expense), deferred tax assets, investment in films and television programs and program rights, derivative financial liabilities, tax payables, and deferred tax liabilities were subject to further review of the auditor of the Company.

Listed out below are the variances between Audited Results and Unaudited Results for reference: –

- a. Deferred tax assets: decreased by HK\$4,889,000 resulting from adjustment made pursuant to USA tax provision review;
- b. Trade receivables: increased by HK\$51,077,000 resulting from reclassification of HK\$51,764,000 from contract assets and from further impairment of HK\$687,000;
- c. Other payables and accruals: decreased by HK\$17,944,000 resulting from reclassification of HK\$17,173,000 to derivative financial liabilities and from decrease of liabilities HK\$771,000 previously charged to other expenses;
- d. Interest-bearing bank and other borrowings: amounts of HK\$30,247,000 was reclassified from non-current portion of this item to current portion of the same item;

- e. Tax payable: decreased by HK\$119,000 resulting from adjustment made pursuant to USA tax provision review;
- f. Derivative financial liabilities: increased by HK\$2,801,000 resulting from reclassification of HK\$17,173,000 from other payables and accruals, from loss in fair value of HK\$14,390,000 made pursuant to valuation, and from exchange realignment of HK\$18,000;
- g. Deferred tax liabilities: increased by HK\$14,949,000 resulting from adjustment made pursuant to USA tax provision review;
- h. Other expenses: decreased by HK\$768,000 resulting from the decrease of liabilities of HK\$771,000 previously charged in other expenses, and from exchange realignment of HK\$3,000;
- i. Impairment losses on financial and contract assets, net: increased by HK\$687,000 resulting from further impairment made to trade receivables;
- j. Change in fair value of derivative financial liabilities: increased by HK\$14,390,000 resulting from fair value gain of HK\$14,390,000 made to derivative financial liabilities pursuant to valuation; and
- k. Income tax expense: increased by HK\$19,734,000 resulting from adjustments made pursuant to USA tax provision review.

## **AUDIT COMMITTEE**

As required by Rule 3.21 of the Listing Rules, the Company has established an Audit Committee with written terms of reference which deal clearly with its authority and duties. Its principal duties are to review and supervise the Group's financial reporting process, risk management and internal control systems. The Audit Committee has discussed with the external auditor of the Company, Ernst & Young on the accounting principles and practices adopted by the Group and the consolidated results of the Group for the year ended 31 December 2020, and is of the opinion that the preparation of the consolidated results complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

## **SCOPE OF WORK OF ERNST & YOUNG**

The financial 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 compared by the Group's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by Ernst & Young in this respect did not constitute an audit, review or other 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 the auditor.

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

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

## **PUBLICATION OF RESULTS AND ANNUAL REPORT**

The results announcement is available for reviewing on the website of Hong Kong Exchanges and Clearing Limited at [www.hkex.com.hk](http://www.hkex.com.hk) under “Latest Listed Companies Information” and the website of the Company at [www.starlightcul.com.hk](http://www.starlightcul.com.hk). The annual report will be dispatched to the shareholders and will also be available on these websites.

## **APPRECIATION**

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our shareholders, customers, business partners, bankers and other business associates for their trust and support.

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

Hong Kong, 23 April 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.*