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**STARLIGHT CULTURE
ENTERTAINMENT**

STARLIGHT CULTURE ENTERTAINMENT GROUP LIMITED
星光文化娛樂集團有限公司

(formerly known as Jimei International Entertainment Group Limited 集美國際娛樂集團有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

**CLARIFICATION ANNOUNCEMENT ON
CONSOLIDATED RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2016 AND
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017**

Reference is made to the announcement dated 29 March 2017 on the audited consolidated results for the year ended 31 December 2016 of Starlight Culture Entertainment Group Limited (the “**Company**”) (Formerly known as Jimei International Entertainment Group Limited) (“**2016 Annual Results Announcement**”) and the Company’s 2016 annual report dated 29 March 2017 (“**2016 Annual Report**”).

Reference is also made to the Company’s announcement dated 30 August 2017 on the unaudited condensed consolidated results for the six months period ended 30 June 2017 (“**2017 Interim Results Announcement**”).

Unless otherwise defined, capitalised terms used herein shall have the same meanings as in the 2016 Annual Report and 2017 Interim Results Announcement.

It was stated in the 2016 Annual Results Announcement that the Company had impairment loss on trade and other receivables of HK\$100.9 million for the year ended 31 December 2016 (“**2016 Impairment Loss**”), representing approximately 26.4% of the total assets of the Company as at 31 December 2016.

It was also stated in the 2017 Interim Results Announcement that the Company had impairment loss on trade and other receivables of HK\$17.9 million for the six months period ended 30 June 2017 (“**2017 Impairment Loss**”).

The Company wishes to provide additional information in relation to the 2016 Impairment Loss and 2017 Impairment Loss in this announcement.

For financial reporting purpose, the Group was required to assess the recoverability of the amount of trade and other receivables on an individual basis at each reporting date and to provide for impairment for those trade and other receivables which were considered irrecoverable. In determining the recoverability of a trade/gaming receivable, the Group considers any change in credit quality of the receivable from the date credit was initially granted up to the end of the reporting period.

Upon assessment on an individual basis, advance to patrons totaling HKD99.9 million and a trade receivable of HKD1 million were overdue and had no indication of the likelihood of recovery, and as such 2016 Impairment Loss was then recognized.

The below table provides for the ageing of those advances impaired in the year of 2016 of HKD99.9 million.

Ageing of the advance to patron impaired As at 31 December 2016	Impairment amount in year of 2016 (HKD'million)
0 – 30 days	–
31 – 180 days	13.0
181-365 days	40.8
Over 1 year	46.1
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Total	<u>99.9</u>

Similarly, upon assessment on an individual basis, advance to patrons totaling HKD17.9 million were overdue and had no indication of the likelihood of recovery, and as such 2017 Impairment Loss was then recognized.

The below table provides for the ageing of those advances impaired for the six months period ended 30 June 2017 of HKD17.9 million.

Ageing of the advance to patron impaired As at 30 June 2017	Impairment amount for the six months ended 30 June 2017 (HKD'million)
0 – 30 days	–
31 – 180 days	0.6
181-365 days	14.0
Over 1 year	3.3
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Total	<u>17.9</u>

Advance to 28 patrons was impaired in the year of 2016. Among the impairment of advance to patrons of HKD99.9 million, approximately 59 % was attributable to the total uncollected advances to the largest 5 patrons, and approximately 41% was attributable to the total uncollected advances to 23 patrons.

For the six months period ended 30 June 2017, the impairment of advance to patrons of HKD17.9 million was attributable to the total uncollected advance to 5 patrons.

For those trade and other receivables that are impaired, the Group continues to pursue collection efforts which include periodic reminder letters, phone contact, issue of demand letters, etc. During the year, the Group has discussions with several patrons on their repayment plans though these have yet to be finalised. In addition, the Group has consulted with external legal counsel for advice on what actions can be taken against certain customers.

By order of the Board
Starlight Culture Entertainment Group Limited
Yan Xu
Chairman

Hong Kong, 8 September 2017

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Yan Xu, Mr. Chau Chit, Mr. Luo Lei, Ms. Chen Hong, Mr. Hung Ching Fung and Mr. Li Haitian; one non-executive Director, namely Mr. Wang Shoulei; and four independent non-executive Directors, namely Mr. Wong Wai Kwan, Mr. Michael Ngai Ming Tak, Mr. Kong Chi Mo and Mr. Hong Tao.