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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)

**INSIDE INFORMATION
FURTHER UPDATE ON
MAJOR AND CONNECTED TRANSACTION
IN RELATION TO ACQUISITION OF
THE ENTIRE EQUITY INTEREST IN
STARLIGHT LEGEND INVESTMENT LIMITED**

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

Reference is made to the announcements of the Company dated 14 September 2017 and 13 December 2017 and the circular of the Company dated 26 October 2017 (the “**Circular**”) relating to, among other things, the acquisition of the entire equity interest in Starlight Legend Investment Limited (the “**Acquisition**”) and the update announcement of the Company dated 29 March 2018 (the “**Update Announcement**”) relating to, among other things, the Side Letter. Capitalised terms used herein shall have the meanings as defined in the Circular and the Update Announcement unless the context requires otherwise.

COMPLETION OF THE UPDATED VALUATION PURSUANT TO THE SIDE LETTER

As disclosed in the Update Announcement, the Vendor entered into the Side Letter with the Company on 29 March 2018, pursuant to which the Vendor irrevocably and unconditionally agreed and undertook to the Company the following:

- (i) The Vendor and the Company shall jointly appoint an independent valuer, to conduct the Updated Valuation (i.e. a valuation of the Target Group as at 31 December 2018). The determination by the independent valuer shall be final and binding on the Vendor and the Company.
- (ii) If the Updated Valuation is less than US\$25,000,000, the Vendor irrevocably, unconditionally, and absolutely agrees to the Waiver (i.e. to waive and forgo the principal amount of the Promissory Note payable by the Company under the Promissory Note to the extent of an amount equal to the difference between the Updated Valuation and US\$25,000,000).
- (iii) The due date of the Promissory Note shall be extended until 12 December 2019.

On 9 April 2019, a valuation report was delivered by the independent valuer jointly appointed by the Company and the Vendor for the purpose of the Side Letter, which states that the value of the Target Group as at 31 December 2018 was US\$7,500,000, being the Updated Valuation for the purpose of the Side Letter.

As such and pursuant to the Side Letter, the amount of the principal amount of the Promissory Note to be waived and forgone by the Vendor shall be US\$17,500,000, being US\$25,000,000 minus US\$7,500,000. Given that the principal amount of the Promissory Note is US\$12,884,615.38, the principal amount of the Promissory Note shall be reduced from US\$12,884,615.38 to US\$0 with effect from 9 April 2019. Further, as no interest is payable on the principal amount of the Promissory Note, the Company shall have no further obligation whatsoever to the Vendor under the Promissory Note with effect from 9 April 2019.

The Company expects to recognise: (a) a gain on fair value change in the amount of approximately HK\$95.7 million attributable to the reduction in the principal amount of the Promissory Note pursuant to the Waiver; and (b) a loss on impairment of goodwill in the amount of approximately HK\$54.8 million attributable to the reduction in the value of the Target Group as at 31 December 2018 taking into account the Updated Valuation. The foregoing recognitions and the related amounts are subject to finalisation and audit.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 28 March 2019. Trading in the Shares will remain suspended pending the release of the results announcement of the Company for the year ended 31 December 2018.

The Company will make further announcement(s) to notify the date of the board meeting of the Company to approve the annual results for the year ended 31 December 2018 and its publication or any further updates in accordance with the Listing Rules as and when appropriate.

Shareholders and potential investors should exercise caution when dealing in the Shares.

By Order of the Board
Starlight Culture Entertainment Group Limited
Mr. Gao Qun
Chairman

Hong Kong, 15 April 2019

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Gao Qun, 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.