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**Lajin Entertainment Network Group Limited**  
**拉近網娛集團有限公司\***

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8172)**

**UPDATE ON THE ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the announcement made by Lajin Entertainment Network Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) dated 31 March 2020 in relation to the unaudited annual results of the Group for the year ended 31 December 2019 (the “**Unaudited Annual Results Announcement**”) and its supplemental announcement dated 1 April 2020 (collectively the “**Announcements**”). Shareholders of the Company are advised to read this announcement in conjunction with the Unaudited Annual Results Announcement. This announcement aims to make changes to certain financial information contained in the Unaudited Annual Results Announcement relating to, but not limited to, the (i) current assets; (ii) current liabilities; (iii) non-current assets; (iv) non-current liabilities; and (v) comprehensive income of the Group for the year ended 31 December 2019.

Unless otherwise specified, capitalized terms in this announcement shall have the same meanings as the defined terms in the Unaudited Annual Results Announcement.

Since financial information contained in the Unaudited Annual Results Announcement was neither audited nor agreed with the Company’s auditors as at the date of its publication and subsequent adjustments have been made to such information, shareholders and potential investors of the Company are advised to pay attention to certain differences between the financial information of the unaudited and audited annual results of the Group. The Board is of the view that the adjustments have no material impact on the Company’s consolidated financial statements and notes to the financial statements for the year ended 31 December 2019 contained in the Unaudited Annual Results Announcement.

\* *For identification only*

Changes to the financial information for the year ended 31 December 2019 of the Unaudited Annual Results Announcement as a result of the adjustments are set out below:

Affected Items	Per Unaudited Annual Results Announcement <i>HK\$'000</i>	Adjustments <i>HK\$'000</i>	Per audited amounts <i>HK\$'000</i>	<i>Note</i>
<b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>				
Other income and gains/(losses)	(8,673)	(2,685)	(11,358)	<i>(a)</i>
Other expenses	(24,450)	(1,139)	(25,589)	<i>(b)</i>
Share of profits and losses of:				
A joint venture	(3,434)	2,957	(477)	<i>(a)</i>
<b>LOSS BEFORE TAX</b>	(89,051)	(867)	(89,918)	
<b>LOSS FOR THE YEAR</b>	(88,309)	(867)	(89,176)	
Attributable to:				
Owners of the parent	(86,721)	(867)	(87,588)	
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>				
Basic and diluted	HK(2.06) cents	HK(0.02) cents	HK(2.08) cents	
<b>OTHER COMPREHENSIVE LOSS</b>				
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	(6,935)	(36)	(6,971)	
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:				
Equity investments designated at fair value through other comprehensive income:				
Changes in fair value, net of tax	(1,137)	(340)	(1,477)	<i>(c)</i>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(851)	(340)	(1,191)	
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>	(7,786)	(376)	(8,162)	
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	(96,095)	(1,243)	(97,338)	
Attributable to:				
Owners of the parent	(94,530)	(1,243)	(95,773)	

Affected Items	Per Unaudited Annual Results Announcement <i>HK\$'000</i>	Adjustments <i>HK\$'000</i>	Per audited amounts <i>HK\$'000</i>	Note
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>				
Investments in associates	36,211	(1,161)	35,050	<i>(b)</i>
Equity investments designated at fair value through other comprehensive income	11,056	(335)	10,721	<i>(c)</i>
Total non-current assets	163,799	(1,496)	162,303	
Film rights and films and TV programmes under production	156,770	436	157,206	<i>(a)</i>
Prepayments, other receivables and other assets	144,895	6	144,901	<i>(a)</i>
Total current assets	431,354	442	431,796	
Other payables and accruals	62,195	189	62,384	<i>(a)</i>
Total current liabilities	69,844	189	70,033	
<b>NET CURRENT ASSETS</b>	<b>361,510</b>	<b>253</b>	<b>361,763</b>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>525,309</b>	<b>(1,243)</b>	<b>524,066</b>	
<b>Net assets</b>	<b>524,558</b>	<b>(1,243)</b>	<b>523,315</b>	
Reserves	484,204	(1,243)	482,961	<i>(a)(b)(c)</i>
<b>Total equity</b>	<b>524,558</b>	<b>(1,243)</b>	<b>523,315</b>	

*Note:*

- (a) Based on the valuation report for step acquisition of a subsidiary, adjustments are recorded to decrease other income and gains/(losses) by HK\$2,685,000, decrease share of loss of a joint venture by HK\$2,957,000, increase film rights and films and TV programmes under production by HK\$436,000, increase prepayments, other receivables and other assets by HK\$6,000 and increase other payable and accruals by HK\$189,000.
- (b) Record the adjustments to investment in an associate and impairment on investment in an associate based on the valuation report.
- (c) Record the adjustments to the fair value of equity investments designated at fair value through other comprehensive income based on the valuation report.

## SCOPE OF WORK OF ERNST & YOUNG

The audited financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019 as set out in this announcement have been compared by the Group's auditors, Ernst & Young, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year set out in the annual report of the Group for the year ended 31 December 2019. The work performed by Ernst & Young in this respect did not constitute an 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 Ernst & Young on this announcement.

By order of the Board of  
**Lajin Entertainment Network Group Limited**  
**Leung Wai Shun Wilson**  
*Company Secretary*

Hong Kong, 14 May 2020

*As at the date of this announcement, the executive Directors are Ms. Zhai Shan Shan and Ms. Wu Li; the non-executive Directors are Mr. Zou Xiao Chun and Mr. Zhou Ya Fei and the independent non-executive Directors are Mr. Ng Wai Hung, Mr. Lam Cheung Shing Richard and Mr. Wang Ju.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.*

*This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the day of its posting. This announcement will also be published on the website of the Company at [www.irasia.com/listco/hk/lajin/index.htm](http://www.irasia.com/listco/hk/lajin/index.htm).*