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歡喜傳媒集團有限公司*
HUANXI MEDIA GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 1003)

PROFIT WARNING FOR THE YEAR ENDED 31 DECEMBER 2015

This announcement is made by Huanxi Media Group Limited (the “Company”, together with its subsidiaries, the “Group”) in accordance with 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).

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the circular of the Company dated 5 August 2015 (the “Circular”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the Group’s unaudited management accounts for the year ended 31 December 2015 and the information currently available, the Group is expected to record a net loss of between approximately HK\$80 million to HK\$90 million for the year ended 31 December 2015, as compared with a net loss of approximately HK\$13.1 million for the year ended 31 December 2014.

The estimated net loss for the year ended 31 December 2015 was mainly attributable to the one-off share-based payment expenses in relation to the issue of Fee Shares (as detailed below) as detailed in the Circular. As set out in the Circular and the subsequent announcement in relation to the completion of the Subscription, 30,000,000 new Shares (i.e. the “Fee Shares”) were allotted, issued and credited as fully paid to the financial

* *for identification purpose only*

adviser to the Company in respect of the Subscription as consideration for the financial advisory services provided and that such allotment and issuance would be recognised as share-based payment expenses which would be charged to the statement of profit or loss. As such, the fair value of the Fee Shares of approximately HK\$81 million would be recognized as an expense for the year ended 31 December 2015.

The Company wishes to point out that such expenses were of a non-cash nature.

The Company is still in the process of finalising its audited consolidated financial statements for the year ended 31 December 2015. The information contained in this announcement is a preliminary assessment made by the management of the Company with reference to the information currently available to the Company, including the unaudited management accounts of the Group. Such information has not been audited by the Company's auditors or reviewed by the audit committee of the Company and is subject to possible adjustments arising from further review. Details of the Group's annual financial results will be disclosed in the Company's annual results announcement for the year ended 31 December 2015. Shareholders and investors should read carefully the annual results announcement of the Company for the year ended 31 December 2015, which is expected to be published by the Company in March 2016.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Huanxi Media Group Limited
Xiang Shaokun, Steven
Executive Director and Chief Executive Officer

Hong Kong, 8 March 2016

As at the date of this announcement, the Board comprises Mr. Dong Ping (Chairman) and Mr. Xiang Shaokun Steven (Chief Executive Officer) as executive directors, Mr. Ning Hao, Mr. Xu Zheng, Mr. Gao Zhikai and Mr. So Chak Kwong as non-executive directors, and Mr. Su Tuong Sing, David, Mr. Li Xiaolong and Mr. Wong Tak Chuen as independent non-executive directors.