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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)**

**VOLUNTARY ANNOUNCEMENT**

**MEMORANDUM OF UNDERSTANDING IN RELATION TO  
THE POSSIBLE ACQUISITION OF CERTAIN ASSETS AND  
THE POTENTIAL STRATEGIC COOPERATION**

This is a voluntary announcement made by Huanxi Media Group Limited (the “**Company**”).

The board of directors (the “**Board**”) of the Company is pleased to announce that on 1 June 2016 (after trading hours), the Company entered into a non-binding memorandum of understanding (the “**MOU**”) with Shanghai Jiayu Cultural Investment Limited\* (上海嘉娛文化投資有限公司) (“**Shanghai Jiayu**”, together with the Company, are collectively referred to as the “**Parties**”), a television production company established in the People’s Republic of China (the “**PRC**”), in relation to, among other things, (i) the Parties’ agreement for entering into exclusive negotiation relating to the Proposed Transaction (as defined below) for 60 days from the date of the MOU; (ii) the possible acquisition of certain assets beneficially owned by Shanghai Jiayu, which may include the copyrights of certain entertainment media programs such as 《歡樂喜劇人》, 《笑傲江湖》, 《歡樂大咖秀》 and 《我不是歌手》, and the related advertisement business (the “**Possible Acquisition**”) and (iii) the potential formation of a strategic cooperative relationship between Shanghai Jiayu and the Company, pursuant to which the Parties intend to cooperate in future production of movies, television programs and other entertainment products. (the “**Potential Cooperation**”, together with the Possible Acquisition, are collectively referred to as the “**Proposed Transaction**”). The consideration of the Proposed Transaction will be subject to further negotiation between the Parties.

\* For identification purpose only

To the best of the Board's knowledge, information and belief after having made all reasonable enquiries, Shanghai Jiayu and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")).

The Company is optimistic about the television and the overall entertainment industry in the PRC, and in particular, the lucrative advertisement business in the PRC associated with these entertainment media programs. In addition, the strategic cooperation between the Parties will help the Company maintain its status and further consolidate its position in the entertainment industry in the PRC. The Board considers that entering into the MOU is in the interests of the Company and its shareholders as a whole.

**Shareholders and potential investors of the Company should note that the terms of the Proposed Transaction are subject to further negotiation between the Parties. The Board wishes to emphasize that no binding agreement in relation to the Proposed Transaction has been entered into by the Company as at the date of this announcement. As such, the Proposed Transaction may or may not proceed.**

**As the Proposed Transaction may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. If the Proposed Transaction materialises, it may constitute a notifiable transaction of the Company under the Listing Rules and further disclosure and/or announcement(s) will be made by the Company in compliance with the Listing Rules as and when appropriate.**

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

Hong Kong, 1 June 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.*

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