

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
BUSINESS UPDATE IN RELATION TO INVESTMENT IN FILM RIGHTS

This is a voluntary announcement made by the Company to provide Shareholders and potential investors an update on the latest business development in relation to several film rights invested by the Group, which were previously mentioned in the annual report of the Company for the year ended 31 December 2017.

FILM A

The Group invested RMB13.5 million in Film A for part of its income right. Film A is *Us and Them* (“後來的我們”), a romance film directed by Ms. Rene Liu (劉若英), produced by Mr. Zhang Yibai (張一白), and starred by Mr. Jing Boran (井柏然), Ms. Zhou Dongyu (周冬雨), Mr. Tian Zhuangzhuang (田壯壯) and Ms. Su Xiaoming (蘇小明).

Released in the PRC on 28 April 2018, Film A recorded the highest box office in the first week of May 2018 among other films and has already recorded a box office of over RMB1.2 billion as at the date of this announcement.

FILM B

The Group invested approximately RMB12.6 million in Film B for part of its income right. Film B is *Ash Is Purest White* (“江湖兒女”), a romance film directed by Mr. Jia Zhangke (賈樟柯), and starred by Mr. Liao Fan (廖凡), Ms. Zhao Tao (趙濤), Mr. Feng Xiaogang (馮小剛) and Mr. Xu Zheng (徐崢).

* *For identification purpose only*

Film B is nominated as the only Chinese film among 17 other films for the official competition for the Palme d'Or of the 71st Festival de Cannes to be held in mid of May 2018, which is the highest prize awarded at the Festival de Cannes and is one of the most prestigious awards in the film industry.

FILM C

In March 2017, the Group invested RMB20 million in Film C for part of its Income Right. Film C is *Dying To Survive* (“我不是藥神”), a drama movie directed by Mr. Wen Muye (文牧野), co-produced by Mr. Ning Hao (寧浩) and Mr. Xu Zheng (徐崢), and starred by Mr. Xu Zheng, Mr. Zhou Yiwei (周一圍), Mr. Wang Chuanjun (王傳君) and Ms. Tan Zhuo (譚卓). The Vendor, an Independent Third Party, shall be fully responsible for the production of Film C. The Income Right has a term of 15 years from the first release date of Film C.

On 9 May 2018 (after trading hours), the Group was informed by the Vendor that Huoerguosi Dirty Monkey, Beijing Joy Leader and the Vendor entered into agreements, pursuant to which Huoerguosi Dirty Monkey and Beijing Joy Leader have agreed to acquire 15% and 15% of the Income Right respectively. As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the ultimate controlling interest of Huoerguosi Dirty Monkey and Beijing Joy Leader are owned by Mr. Ning Hao and Mr. Xu Zheng respectively. The Board has no objection to the investments of Huoerguosi Dirty Monkey and Beijing Joy Leader in Film C, as the investments will not affect the interest of the Company and the Shareholders as a whole.

The Company is also in discussion with a potential purchaser, who is an Independent Third Party, for disposal of a small part of our Income Right at a premium. The Company will comply with the Listing Rules and make further announcement in this regard if necessary.

GENERAL

The Company is an investment holding company and its subsidiaries are principally engaged in media and entertainment and related businesses, provision of property agency and related services, and securities trading and investments. Given the encouraging results from the aforementioned films, the Group will focus more on investing in film projects.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Beijing Joy Leader”	北京真樂道文化傳播有限公司 (Beijing Joy Leader Culture Communication Co. Ltd.), a company incorporated in the PRC with limited liability, which is principally engaged in movie production and its ultimate controlling interest is owned by Mr. Xu Zheng
“Board”	the board of Directors
“Company”	Huanxi Media Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning as ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Film A”	the film <i>Us and Them</i> (“後來的我們”), a romance film directed by Ms. Rene Liu (劉若英), produced by Mr. Zhang Yibai (張一白), and starred by Mr. Jing Boran (井柏然), Ms. Zhou Dongyu (周冬雨), Mr. Tian Zhuangzhuang (田壯壯) and Ms. Su Xiaoming (蘇小明)
“Film B”	the film <i>Ash Is Purest White</i> (“江湖兒女”), a romance film directed by Mr. Jia Zhangke (賈樟柯), and starred by Mr. Liao Fan (廖凡), Ms. Zhao Tao (趙濤), Mr. Feng Xiaogang (馮小剛) and Mr. Xu Zheng (徐崢)
“Film C”	the film <i>Dying To Survive</i> (“我不是藥神”), a drama movie directed by Mr. Wen Muye (文牧野), co-produced by Mr. Ning Hao (寧浩), and Mr. Xu Zheng (徐崢), and starred by Mr. Xu Zheng, Mr. Zhou Yiwei (周一圍), Mr. Wang Chuanjun (王傳君) and Ms. Tan Zhuo (譚卓)
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Huoerguosi Dirty Monkey”	霍爾果斯壞猴子影視文化傳播有限公司 (Huoerguosi Dirty Monkey Films Culture Communication Co. Ltd.), a company incorporated in the PRC with limited liability, which is principally engaged in TV production and distribution and its ultimate controlling interest is owned by Mr. Ning Hao
“Income Right”	the rights to share the net profit of Film C, which is the amount representing (i) the net income of Film C from cinemas in the PRC (being the gross box office receipts of Film C from distribution and screening in cinemas etc. and after deduction of the monies payable to National Film Industry Development Special Fund (國家電影事業發展專項資金), value added tax and surcharges, and the amounts of the gross box office receipts shared by cinemas and cinema circuits); and (ii) the net income of Film C from cinemas outside the PRC, both after deduction of the production costs (including promotional expenses) of Film C and the distribution costs
“Independent Third Party”	third party(ies) who is/are independent of, and not connected with, the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ning Hao”	a non-executive Director and a substantial shareholder of the Company
“Mr. Xu Zheng”	a non-executive Director and a substantial shareholder of the Company
“PRC”	The People’s Republic of China, for the purposes of this announcement, excluding Hong Kong and Macau Special Administrative Region of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“substantial shareholder(s)”	has the meaning as ascribed to it in the Listing Rules
“Vendor”	天津肆號影視製作工作室 (Tianjin Fourth Film Production Studio), a company incorporated in the PRC which is principally engaged in motion media contents related businesses, including planning and production of films and other media contents
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“%”	per cent.

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

Hong Kong, 9 May 2018

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 and Mr. Gao Zhikai as non-executive directors, and Mr. Su Tuong Sing, David, Mr. Li Xiaolong and Mr. Wong Tak Chuen as independent non-executive directors.