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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 2018**

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

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 unaudited consolidated management accounts of the Group for the year ended 31 December 2018, while the Group expects the revenue will increase significantly compared with the corresponding period of previous year due to the recognition of the revenue during the year from the movies “*Us and Them*” 《後來的我們》 and “*Dying to Survive*” 《我不是藥神》 which the Group invested, the Group expects the loss will also increase significantly compared with the corresponding period of previous year, the loss are due to (i) the recognition of share-based payment expense of HK\$85,368,000 (non-cash in nature) for granting 130,700,000 share options during the year; and (ii) the recognition of share-based payment expense of HK\$270,000,000 (non-cash in nature) for the allotment and issuance of 150,000,000 new shares during the year in respect of the cooperation with a film director.

The Company wishes to emphasize that both expenses are non-cash in nature which have no impact on the Group’s cash flow.

\* For identification purposes only

As the Company is in the process of finalising the Group's annual results for the year ended 31 December 2018, the information contained in this announcement is only based on a preliminary assessment by the management of the Company with reference to the latest information available, which is not based on any figures or information as audited or reviewed by the Company's auditors or the audit committee of the Company, thus may be subject to further adjustments.

The annual results announcement of the Group for the year ended 31 December 2018 is expected to be published before the end of March 2019.

**Shareholders of the Company and potential investors 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, 1 March 2019

*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 and Mr. Xu Zheng as non-executive Directors, and Mr. Wong Tak Chuen, Mr. Su Tuong Sing, David and Mr. Li Xiaolong as independent non-executive Directors.*