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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 2020**

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 (“**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 2020, the Group expects to record revenue not less than approximately HK\$630,000,000 (revenue of approximately HK\$814,000,000 was recorded for the year ended 31 December 2019) and loss in the range of approximately HK\$230,000,000 to HK\$240,000,000 for the year ended 31 December 2020 (profit of approximately HK\$105,000,000 was recorded for the year ended 31 December 2019). Based on the latest information available to the Board, loss for the year ended 31 December 2020 was mainly attributable to the fact that a number of movies invested by the Group were delayed to make debut on cinema screens due to the impact of the Coronavirus Disease 2019 pandemic, and the box office revenue was also affected by the implementation of prevention and control measures, leading to a decrease in the Group’s revenue for the year. In addition, during the year, the Group continued to optimise and update the contents of the online video platform of “huanxi.com” (歡喜首映), and increased the production and purchase of film rights, which resulted in an increase in amortised expenses of film rights. However, through the above initiatives, the Group was able to strengthen the cooperation with various channels, such as different online video platforms, TV terminals and projector terminals, to promote the popularity and audience coverage of “huanxi.com”, and to drive the growth in the number of downloads and fee-paying subscribers of “huanxi.com”, thus achieving the development target of the Group. We are optimistic about the long-term potential of “huanxi.com”.

The Group expects that following the mass vaccinations, the situation of Coronavirus Disease 2019 pandemic will be improved, a number of movies invested by the Group to be debuted on cinema screens will gradually contribute revenue to the Group, and the results of the Group will be improved.

* For identification purpose only

As the Company is still in the process of finalising the Group's annual results for the year ended 31 December 2020, the information contained in this announcement is only based on a preliminary assessment by the management with reference to the latest information available to it, which is not based on any figures or information as audited or reviewed by the 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 2020 is expected to be published before the end of March 2021.

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, 15 March 2021

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 Ms. Li Ni as non-executive Directors, and Mr. Wong Tak Chuen, Mr. Li Xiaolong and Mr. Wang Hong as independent non-executive Directors.