

[Immediate Release]

H. BROTHERS | ENTERTAINMENT
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**Huayi Tencent Entertainment partners with Warner Bros. to establish
a KRW10-billion Huayi-Warner Contents Fund**

(28 April 2017 – Hong Kong) **Huayi Tencent Entertainment Company Limited** (“**Huayi Tencent Entertainment**,” the “**Company**”; Stock code: 00419.HK; together with its subsidiaries collectively known as the “**Group**”) is pleased to announce that it entered into a partnership agreement (the “**Agreement**”) on 28 April 2017 as a limited partner with other partners including Huayi Investment Inc. and Warner Bros. Korea Inc. (“**Warner Bros.**”) to establish the Huayi-Warner Contents Fund (the “**Fund**”). Pursuant to the Agreement, the Company will contribute KRW1 billion of capital (equivalent to approximately HK\$6.8 million) to the Fund, representing 10% of the total capital contribution to the Fund at the time of its establishment.

The Fund will be established in 28 April 2017 with a total capital commitment of KRW10 billion for an initial term of five years (the first three years being the investment period). The Fund’s capital shall be invested in film projects that are invested and distributed by Warner Bros.

As the general partner and manager of the Fund, Huayi Investment Inc. will manage and operate the Fund as well. The other limited partners of the Fund include Warner Bros., FNC Add Culture Co., Ltd., Next World Co., Ltd., Shinhan Capital Co., Ltd., Woori Investment Bank Co., Ltd. and Huayi Brothers Korea Co., Ltd.

Mr. Wang Zhongjun, Chairman of the Company, said, “Warner Bros. is one of the largest film and TV show production companies in the world. Total box office gross receipts from films distributed by Warner Bros. in Korea in year 2016 amounted to approximately US\$136 million (equivalent to approximately HK\$1.06 billion). Its recently invested and distributed Korean film, *The Age of Shadows* (密探), ranked number four in the 2016 box office in Korea with box office gross receipts of approximately US\$54 million (equivalent to approximately HK\$420 million). We are glad to partner with Warner Bros. to establish the first dedicated investment fund

for contents in Korea. Through this cooperation, the Company is able to get preferential access to investments in premier film projects led by Warner Bros. In view of Warner Bros.' strong track records in film investment and distribution in Korea and the strong professional background of the Fund's management, which consists of top talents from Hollywood, Korea and China, we believe that the Fund will incubate acclaimed blockbuster films, which will enhance our brand and contribute considerable return to the Company."

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About Huayi Tencent Entertainment Company Limited

Huayi Tencent Entertainment Company Limited (Stock Code: 00419.HK) is a new media company integrating culture and entertainment. It produces quality international films, animations and TV dramas, and invests in international entertainment companies through M&As and resource integration, aimed at building an integrated platform with both content development and online-to-offline entertainment channels. Currently, Huayi Brothers (Stock Code: 300027.SZ) and Tencent (Stock Code: 0700.HK) are the controlling shareholders of Huayi Tencent Entertainment.

About Huayi Investment Inc. and Huayi Brothers Korea Co., Ltd.

Huayi Investment Inc. is a wholly-owned subsidiary of Huayi Brothers Korea Co., Ltd. ("Huayi Brothers Korea"), a KOSDAQ-listed company. Huayi Brothers Media Corporation, a substantial shareholder of Huayi Tencent, indirectly holds approximately 28.54% of the issued share capital of Huayi Brothers Korea.

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