

[Immediate Release]

H.BROTHERS | ENTERTAINMENT
華 誼 騰 訊 娛 樂

**Huayi Tencent signs Framework Agreement with Huayi Brothers
to Tighten Cooperation in Investments and Distribution**

(May 2 2019 – 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 the Company and Huayi Brothers have entered into a cooperation framework agreement (the “**Agreement**”) for Cooperation with Huayi Brothers Group in investing in and carrying out media and entertainment projects, and to engage Huayi Brothers Group for distribution services for certain media and entertainment projects which the Group owns or has acquired the distribution rights in China. The Agreement aims to enhance the synergy and facilitate the Group’s development on media entertainment.

Pursuant to the Agreement, members of the Group may from time to time enter into agreements with Huayi Brothers Group on arm’s length basis for various mode of cooperation on investments in media entertainment projects. The total investment amount shall not exceed HK\$162 million, HK\$264 million, and HK\$279 million respectively in 2019, 2020, and 2021.

Further on distribution services, members of the Group may from time to time enter into agreements with Huayi Brothers Group or its associated companies on arm’s length basis for distribution services of certain media and entertainment projects which the Group owns or has acquired the distribution rights in China at a consideration that does not exceed 20% of the respective gross profit. The Group’s total consideration payable to Huayi Brothers Group shall not exceed HK\$165 million, HK\$196 million, and HK\$206 million respectively in 2019, 2020, and 2021.

Huayi Brothers Group is a major investor, operator and distributor in China’s media and entertainment industry. It is strong in capital, connections and marketing, and is experienced in market connection, promotion and advertising as well as in dealing with government authorities. Huayi Brothers Group has an extensive business network with ample of potential investment pipeline. Meanwhile, the Group does not

have distribution capabilities in China currently. The purpose of the Agreement is to strengthen the cooperation between the Group and Huayi Brothers Group enhancing their synergetic advantages. It is expected to facilitate the Group's development in media entertainment in China as well as around the globe with the support of the substantial shareholders.

The Agreement falls into the category of a continuous connected transaction and is subject to the approval of shareholders in an extraordinary general meeting.

-End-

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: 00700.HK) are the controlling shareholders of Huayi Tencent Entertainment.

Media Contacts

Financial PR (HK) Limited

Ms. Dawn Lee Email: dawnlee@financialpr.hk
Mr. Tommy Wu Email: tommywu@financialpr.hk
Ms. Vivienne Wang Email: viviennewang@financialpr.hk
Tel: (852)2610 0846
Fax: (852)2610 0842