

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.



HENGTEN NETWORKS GROUP LIMITED

恒騰網絡集團有限公司

(a company incorporated in Bermuda with limited liability)

(Stock Code: 136)

(Stock Code of Warrants: 1493)

POSITIVE PROFIT ALERT

This announcement is made by HengTen Networks Group Limited (the “**Company**”, 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 (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to be making a profit for the year ended 31 December 2016 (the “**Current Year**”) and record a profit of approximately HK\$5,000,000, as compared to recording a loss for the nine months ended 31 December 2015 (the “**Previous Financial Period**”). Details will be disclosed in the results announcement which will be published soon.

We turned into profit-making in the Current Year mainly due to the following factors:

1. Cost of approximately HK\$184,800,000 arising from employee share option scheme and a loss of approximately HK\$22,600,000 in fair value change of equity investments were recorded during the Previous Financial Period. On the other hand, during the Current Year, no cost has arisen from employee share option scheme and a gain of approximately HK\$1,200,000 in fair value change of equity investments was recorded.

2. The Group's effective and continuous control of cost of sales and the reversal of provision made have altogether led to improvement in the overall gross profit margin, which increased from 26% for the Previous Financial Period to 43% for the Current Year.
3. In 2016, the Group achieved a promising start in the newly developed internet community service business segment, which contributed to the profit.

The information contained in this announcement is only based on the Board's preliminary review of the unaudited consolidated management accounts of the Group and the information currently available to the Board, but not on any data or information which has been audited or reviewed by the auditor of the Company, and the information has not been confirmed or audited by the auditor of the Company. The information contained in this announcement may be subject to adjustments following further review by the auditor of the Company and completion of the required auditing procedures. The Company is still preparing and finalizing the audited results of the Group for the Current Year and will disclose them in the results announcement which is expected to be published in the second half of March 2017.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
HengTen Networks Group Limited
Ms. Zhang Xiaohua
Chairlady

Hong Kong, 20 February 2017

As at the date of this announcement, the executive directors of the Company are Ms. Zhang Xiaohua, Mr. Liu Yongzhuo, Mr. Huang Xiangui and Mr. Zhuo Yueqiang; and the independent non-executive directors of the Company are Mr. Chau Shing Yim, David, Mr. Nie Zhixin, Mr. Chen Haiquan and Professor Shi Zhuomin.