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Transmit Entertainment Limited

傳遞娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1326)

PROFIT WARNING

This announcement is made by Transmit Entertainment Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and 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 (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Board, the Group is expected to record an increase in net loss for the year ended 30 June 2018 by approximately between 330% to 380% as compared to the net loss recorded by the Group for the year ended 30 June 2017.

The net loss of the Group for the year ended 30 June 2018 is mainly attributable to: (i) increase in selling and distribution expenses for the film exhibition business due to the increase in rental expenses of four new cinemas in Hong Kong and in the People’s Republic of China during the year ended 30 June 2018, while there were only two cinemas in Hong Kong in prior year; (ii) impairment loss on property, plant and equipment due to the unsatisfactory performance of the film exhibition segment; (iii) impairment loss on interest in an associate; and (iv) impairment loss on investment in a film.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the information currently available to the Board, all of which are still subject to review and audit by the Company’s auditor and internal review. Further, the information in this announcement is not based on any figures or information reviewed or approved by the audit committee of the Board. The Company is still in the process of finalizing the financial results of the Group for the year ended 30 June 2018, which are subject to possible adjustments upon further review. Shareholders and potential investors are advised to peruse the financial results for the year ended 30 June 2018 which is expected to be published on 21 September 2018.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Transmit Entertainment Limited
Zhang Liang Johnson
Chairman

Hong Kong, 11 September 2018

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. ZHANG Liang Johnson (Chairman); Mr. LEE Hin Kwong Patrick and Mr. WONG Pak Ming; and (ii) three independent non-executive Directors, namely Mr. WANG Bo, Mr. XIANG Feng and Mr. CHANG Eric Jackson.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.