H.BROTHERS ENTERTAINMENT
華誼騰訊娛樂

華 誼 騰 訊 娛 樂 有 限 公 司
Huayi Tencent Entertainment Company Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 419)

PROFIT ALERT

This announcement is made by Huayi Tencent Entertainment Company Limited (the "**Company**") and its subsidiaries (collectively 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 under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571, the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform shareholders of the Company and potential investors that, based on the Group's preliminary unaudited assessment for the year ended 31 December 2018 (the "**Current Year**"), the Group is expected to record a consolidated net profit for the Current Year of over HK$70 million, while there was a consolidated net loss for the year ended 31 December 2017 (the "**Prior Year**") of approximately HK$102 million. The turnaround for the Current Year is mainly attributed to the gain on disposal of Beijing Hao You Media Culture Co., Ltd (please refer to the Company's announcement on 5 December 2018 for details) of approximately HK$140 million (including the recycling of relevant currency translation reserve upon disposal). Excluding the profit from discontinued operations (which includes the gain on disposal of Beijing Hao You Media Culture Co., Ltd), the Group is expected to record a consolidated net loss from continuing operations for the Current Year of less than HK$70 million, significantly reduced from the consolidated net loss from continuing operations for the Prior Year of approximately HK$141 million. This is mainly attributed to the significant reduction in the amount of provision for impairment during the Current Year.

As the Company is still in the process of finalizing the annual results for the Current Year, the information contained in this announcement is based on information that is currently available and the preliminary unaudited consolidated management accounts of the Group for the Current Year which have not yet been reviewed by the Company's audit committee and have not been audited by the Company's independent auditor. The annual results for the Current Year are expected to be published on 21 March 2019.

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

For and on behalf of the Board
Huayi Tencent Entertainment Company Limited
Raymond Hau
Company Secretary

Hong Kong, 27 February 2019

As at the date of this announcement, the Board comprises:

Executive directors: Mr. WANG Zhongjun (Chairman), Mr. CHENG Wu (Vice Chairman), Mr. WANG Zhonglei, Mr. LIN Haifeng, Mr. HU Junyi, Mr. YUEN Hoi Po
Independent non-executive directors: Dr. WONG Yau Kar David, GBS, JP, Mr. YUEN Kin, Mr. CHU Yuguo