Maoyan Entertainment

貓眼娛樂

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1896)

PROFIT WARNING

This announcement is made by Maoyan Entertainment (the "**Company**", 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).

Reference is made to the announcement on the business update in relation to the impact of the coronavirus diseases ("**COVID-19**") outbreak on the business of the Group dated May 22, 2020 (the "**Announcement**"). As disclosed in the Announcement, the board (the "**Board**") of directors (the "**Directors**") of the Company expected that the Group would record a decline in the revenue of the Group for the six months ended on June 30, 2020 (the "**1H2020**") as compared with the same period last year and would record a net loss for 1H2020 taking into account the impact of the COVID-19 outbreak.

The Board wishes to inform the shareholders and potential investors of the Company that, based on the information currently available to the Company and its preliminary assessment of the unaudited consolidated management accounts of the Group for the 1H2020, the revenue of the Group for 1H2020 is expected to range between approximately RMB200.0 million and RMB230.0 million, while the revenue for the six months ended June 30, 2019 was approximately RMB1,984.6 million; the net loss attributable to the owners of the Company to be recorded by the Group for 1H2020 is expected to range between approximately RMB390.0 million and RMB440.0 million, while it recorded a net profit attributable to the owners of the Company of approximately RMB262.0 million for the six months ended June 30, 2019. The aforementioned loss is mainly attributed to the continuous shut down of movie theaters and the cancellation of large offline performances and games in the Mainland China for the period from the outbreak of the COVID-19 to June 30, 2020 which has resulted in the significant decrease of revenue of the Group from online entertainment ticketing services, and based on the principle of being more prudent, the impairment provisions made by the Group for receivables and prepayments during 1H2020 which ranges between approximately RMB130 million and RMB140 million.

During the epidemic, the Group actively fulfilled its social responsibilities and took a series of measures to deal with the impact of the epidemic. Currently, movie theaters in Mainland China have resumed work in an orderly manner since July 20, 2020, and relevant entertainment projects are also being resumed. The Group will also continue to improve its services, refine its competitive products, accelerate its integrated online and offline layout, and further accumulate and release the aggregation capabilities and value of the Company in the whole entertainment field.

The information contained in this announcement is only a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group and other information currently available to the Company. Such information has not been audited or reviewed by the auditors or the audit committee of the Company. As the Company is still in the process of finalizing its final interim results for 1H2020, the Group's actual results for 1H2020 may be subject to changes and may differ from the information disclosed in this announcement. The final interim results of the Company for 1H2020 and other operating details of the Group will be disclosed in the interim results announcement of the Company for 1H2020, which is expected to be released in mid-to-late August 2020.

Shareholders and potential investors of the Company should exercise caution when dealing in shares or other securities of the Company.

By order of the Board
Maoyan Entertainment
Zheng Zhihao
Executive Director

Hong Kong, August 7, 2020

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zheng Zhihao as Executive Director, Mr. Wang Changtian, Ms. Li Xiaoping, Ms. Wang Jian, Mr. Cheng Wu, Mr. Chen Shaohui, Mr. Lin Ning and Mr. Tang Lichun, Troy as Non-executive Directors, and Mr. Wang Hua, Mr. Chan Charles Sheung Wai, Mr. Ma Dong and Ms. Liu Lin as Independent Non-executive Directors.