猫眼娱乐

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 the Inside Information Provisions (as defined under 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 of the Company (the "**Shareholders**") and potential investors 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 year ended December 31, 2020 ("**FY2020**"), the revenue of the Group for FY2020 is expected to range between approximately RMB1,350.0 million and RMB1,400.0 million, while the revenue for the year ended December 31, 2019 ("**FY2019**") was approximately RMB4,267.5 million; the net loss attributable to the owners of the Company to be recorded by the Group for FY2020 is expected to range between approximately RMB600.0 million and RMB650.0 million, while it recorded a net profit attributable to the owners of the Company of approximately RMB463.5 million for FY2019.

The aforementioned loss is mainly attributable to the following factors caused by the impact of the epidemic: (i) the shutdown of movie theaters and the cancellation of large offline performances and games in China prior to July 20, 2020, which has resulted in the significant decrease of revenue of the Group from online entertainment ticketing services and other services and (ii) taking into account the overall impact of the epidemic on China's macro-economic environment and the entertainment industry and the individual adverse impact on certain business partners of the Group and based on the principle of being prudent, the Group has made, on a one-off basis, impairment provision for certain receivables and prepayments balance and expected that the total impairment provision recognized in FY2020 will range between RMB350 million and RMB420 million after considering the expected credit loss. The aforementioned factors are the phased impact caused by the epidemic, not the ongoing impact. Meanwhile, as the epidemic is gradually under effective control, together with the gradual recovery and development of the industry (as detailed "Recent Business Development" below), the Group's business has currently resumed normal, and the Company's operations have remained stable.

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 results for FY2020, the Group's actual results for FY2020 may be subject to changes and may differ from the information disclosed in this announcement. The final results of the Company for FY2020 and other operating details of the Group will be disclosed in the results announcement of the Company for FY2020, which is expected to be published in late March of 2021.

Recent Business Development

Currently, China's movie market and live entertainment business have been restoring gradually. While the impact of the epidemic on the industry has not been fully eliminated, a series of data obtained by the Company have demonstrated a strong demand of users for entertainment contents. According to the data from Maoyan Pro, the gross box office of China's movie market reached approximately RMB20.3 billion in 2020, making it the largest movie market (in terms of gross box office) around the world. Meanwhile, notwithstanding the strict implementation of attendance limit of movie theaters nationwide, the gross box office during the Chinese New Year holiday of 2021 (from February 11, 2021 to February 17, 2021) reached approximately RMB7.8 billion, representing a year-on-year increase of 32.5% as compared to the Chinese New Year holiday of 2019 (from February 4, 2019 to February 10, 2019), and the box office per day during the Chinese New Year holiday of 2021 exceeded RMB1 billion for five consecutive days, demonstrating the further recovery of China's movie market. According to the data from Maoyan Pro, as of the time of publication of this announcement, the box office of "*Hi, Mom (你好，李煥英)*", a movie in which the Group acted as the producer and lead distributor and one of the main beneficiaries, has exceeded RMB4.5 billion, currently ranking No. 4 in China's movie market in terms of gross box office.

As a leading platform providing innovative Internet-empowered entertainment business, the Group will continue to strengthen its platform capability, improve its content offerings, diversify the development of its business and enhance the risk tolerance capability of its platform to further unleash the long-term value.

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

By order of the Board
Maoyan Entertainment
Zheng Zhihao
Executive Director

Hong Kong, February 26, 2021

As at the date of this announcement, the Board 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. Yin Hong and Ms. Liu Lin as Independent Non-executive Directors.