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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)

INSIDE INFORMATION

BUSINESS UPDATE — TERMINATION OF CLUB LEASE AGREEMENT

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 (“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).

BUSINESS UPDATE — TERMINATION OF CLUB LEASE AGREEMENT

As disclosed in the Group’s previous annual reports and as per the Company’s announcements dated 15 May 2015 and 28 December 2020, Haikou Jiu hao Hotel Management Company Limited Beijing Branch (“Haikou Beijing Branch”), an indirect wholly-owned subsidiary of the Company, has entered into a set of club lease agreements (the “Club Lease Agreement”) with Beijing Bayhood No. 9 Business Hotel Company Limited (the “Lessor”, an indirect wholly-owned subsidiary of Eternity Investment Limited (HKSE stock code: 00764)) pursuant to which the assets relevant to the operations of “Beijing Bayhood No. 9 Club” were leased to Haikou Beijing Branch for a term of twenty years starting from 6 October 2015. The total lease term of twenty years was divided into six rental periods. The first rental period of five years has ended on 5 October 2020. The remaining lease term of fifteen years starting from 6 October 2020 were to be divided into five rental periods of three years each. Haikou Beijing Branch has an option to early terminate the Club Lease Agreement by giving advance notice to the Lessor prior to the expiry of each rental period.

On 3 April 2023, Haikou Beijing Branch has delivered an advance notice to the Lessor to early terminate the Club Lease Agreement after the expiry of the second rental period by 5 October 2023. Upon the early termination of the Club Lease Agreement by 5 October 2023, the Group will no longer engage in the operation of “Bayhood No. 9 Club”. The operation of “Bayhood No. 9 Club” is classified under the operating segment of “Healthcare and Wellness Services”, and the relevant segment revenue for the year ended 31 December 2022 was approximately HK\$110,670,000, accounted for only 6.5% of the Group’s revenue for the year.

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, 3 April 2023

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

Executive directors: Mr. CHENG Wu (Vice Chairman), Mr. YUEN Hoi Po (Chief Executive Officer)

Independent non-executive directors: Dr. WONG Yau Kar David, GBS, JP, Mr. YUEN Kin, Mr. CHU Yuguo