Maoyan Entertainment Announces HK$390 million Strategic Investment in Huanxi Media

BEIJING, March 13, 2019 – Maoyan Entertainment ("Maoyan" or "the Company") (Hong Kong: 1896), a leading platform providing innovative Internet-empowered entertainment services in China, announced a strategic investment of HK$390 million (RMB332.7 million) in Huanxi Media Group Limited ("Huanxi Media")(Hong Kong: 1003), an innovative media company in China. Maoyan will purchase 8.11% of Huanxi Media's shares at a price of HK$1.65 per share.

Along with the strategic investment, the two companies also announced a strategic partnership to leverage their respective advantages to cooperate on entertainment content and services. Huanxi Media focuses on investment and production of films, drama series, and operation of a subscription based online video platform in China.

Under the Strategic Cooperation Framework, Maoyan will be granted priority investment rights and exclusive promotional and distribution right to Huanxi Media's films and television/Internet drama series projects. Maoyan and Huanxi Media will also co-invest in films and TV/Internet drama series projects. Maoyan will establish a close relationship with Huanxi Media's director shareholders and contract directors, including Xu Zheng, Ning Hao, Wong Kar Wai, Peter Chan, Zhang Yibai, Jia Zhangke, and Gu Changwei. Meanwhile, Maoyan will provide support for Huanxi Media's content and service through its Internet-empowered entertainment services platform.

"Partnerships with leading media and entertainment content providers like Huanxi Media help Maoyan build long-term mutually beneficial relationships with top artists and content creators in China," said Zheng Zhihao, CEO of Maoyan Entertainment. "We will leverage Maoyan's advantage as a one-stop comprehensive entertainment services platform to cooperate with artists and creators and support them to produce more high-quality content to meet the growing needs in China."

With its 'Internet + Entertainment' strategy, Maoyan has grown into a leading integrated platform in the entertainment industry empowering upstream and downstream players. The strategic investment and partnership with Huanxi Media is an important step for Maoyan to further expand along the entertainment industry value chain.

Maoyan has already established close partnerships with leading content producers in China, including Mahua Fun Age, Edko Films, New Classics Media, and Dirty Monkeys Studio. It is also cooperating with top directors and producers in China, including Jiang Wen and Han Han. Meanwhile, Maoyan has invested in creative content production companies, including Shanghai Tingdong Film Company founded by Han Han, The Makers, China Year International Culture, and Dazzling Star Culture Development.

Maoyan was the first in China to provide Internet-based promotion and distribution services for movies, and became the largest lead distributor of domestic movies. In the first nine months of 2018, Maoyan provided entertainment content services for movies that contributed to over 90% of the gross box office in China, according to the iResearch Report. Maoyan is also applying its expertise in the movie industry to other entertainment verticals such as live music performance, sports events, TV series and variety shows.

Among eight movies released for the Chinese New Year holiday (February 4 to 10) this year, Maoyan provided services for seven movies, including distribution, promotion, or investment. These movies pushed the seven-day holiday box office to record high of RMB5.8 billion. China's box office in February also set a new monthly world record with total revenues reaching RMB11.1 billion (US$1.66 billion).

About Maoyan Entertainment

Maoyan Entertainment (Hong Kong: 1896) is a leading platform providing innovative Internet-empowered entertainment services in China, offering online entertainment ticketing services, entertainment content services, e-commerce services, advertising services and others. Maoyan was the largest online movie ticketing service provider in China with a market share of 61.3%, as measured by GMV of movie tickets sold in the nine months ended September 30, 2018, according to the iResearch Report. Maoyan was the first to provide Internet-based promotion and distribution services for movies in China, and have now expanded such services to a broad range of entertainment content. In the nine months ended September 30,2018, Maoyan provided entertainment content services for movies that contributed to over 90% of the gross box office in China. Maoyan's MAU averaged 134.6 million in the nine months ended September 30, 2018.

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