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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)**

**SUPPLEMENTAL ANNOUNCEMENT ON  
UPDATE ON DISCLOSEABLE TRANSACTION  
THIRD SUPPLEMENTAL AGREEMENT ON  
CAPITAL INCREASE TO AND ACQUISITION OF EQUITY INTEREST IN  
A COMPANY ENGAGED IN NEW RETAIL PLATFORM FOR PRESCRIPTION DRUGS  
BY WAY OF CASH CONSIDERATION AND ISSUE OF CONSIDERATION SHARES**

Reference is made to the announcement of Huayi Tencent Entertainment Company Limited (the “**Company**”) dated 12 July 2022 (the “**Announcement**”) in relation to the third supplemental agreement dated 12 July 2022 to the capital increase to and acquisition agreement dated 7 April 2021 in relation to acquisition by the Group of a company engaged in new retail platform for prescription drugs by way of cash consideration and issue of consideration shares. Capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

The Company would like to provide the following further information regarding the Third Supplemental Agreement.

**REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE THIRD  
SUPPLEMENTAL AGREEMENT — ISSUANCE OF FIRST CONSIDERATION SHARES**

Although the Revised First Performance Target has not yet been fulfilled as at the date of the Third Supplemental Agreement, the revenue of the Target Group had reached RMB150,000,000 for the 12-month period after the Completion Date. Considering such positive financial result achieved by the Target Group, and to provide incentives for the Founding Shareholders to diligently develop the Target Group’s businesses further which would in turn help to secure and promote the Group’s commercial interest in the Target Group, the parties to the Third Supplemental Agreement agreed that the First Consideration Shares (being 24,732,032 Shares to be issued at the pre-determined issue price of HK\$0.529 each, representing a premium of approximately 152% to the closing price of HK\$0.21 per

Share on the trading day immediately preceding the date of the Third Supplemental Agreement) shall be issued to the Founding Shareholders in proportion to their shareholding in the Platform Co immediately after the completion of the Corporate Restructuring within one month after the date of the Third Supplemental Agreement.

By Order of the Board  
**Huayi Tencent Entertainment Company Limited**  
**HAU Wai Man**  
*Company Secretary*

Hong Kong, 20 July 2022

*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*