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Litian Pictures Holdings Limited

力天影業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9958)

PROFIT WARNING

This announcement is made by Litian Pictures Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), pursuant to Rule 13.09(2)(a) 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 (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended 31 December 2021 and information currently available to the Board, the Group is expected to record a net loss ranging from approximately RMB70 million to RMB80 million for the year ended 31 December 2021, as compared to a net profit of approximately RMB70 million for the year ended 31 December 2020.

Given the challenges and changes of the market environment during the year ended 31 December 2021, especially the delays in the films and drama series production industry due to the COVID-19 pandemic and the restructuring of the broadcasting platforms in mainland China, the Board considers that such expected loss was mainly due to (i) the decrease in revenue from the licensing of the broadcasting rights of self-produced drama series for the year ended 31 December 2021, which were not yet available to the customers in accordance with the original estimated broadcast schedule due to slotting, pricing and other factors; (ii) the decrease in gross profit from the licensing of the broadcasting rights of outright-purchased drama series for the year ended 31 December 2021 due to the challenging market conditions and macroeconomic environment; and (iii) the increase in impairment losses of drama series copyrights for the year ended 31 December 2021.

As the Company is in the process of finalising the Group's annual results for the year ended 31 December 2021, the information contained in this announcement is only based on a preliminary assessment of the Company's unaudited consolidated management accounts with reference to the latest information available to the Board, which is not based on any figures or information as audited or reviewed by the Company's auditors or the audit committee of the Company, thus may be subject to further adjustments. The annual results announcement of the Group for the year ended 31 December 2021 is expected to be published before the end of March 2022.

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
Litian Pictures Holdings Limited
Yuan Li
Chairman

Hong Kong, 11 March 2022

As at the date of this announcement, the Board comprises Mr. Yuan Li, Ms. Tian Tian and Ms. Fu Jieyun as executive directors, Mr. Yu Yang, Mr. Tang Zhiwei and Mr. Luo Jianxing as non-executive directors and Mr. Teng Bing Sheng, Mr. Liu Hanlin and Mr. Gan Weimin as independent non-executive directors.