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Lajin Entertainment Network Group Limited

拉近網娛集團有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8172)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 26 June 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed, as an agent of the Company, to procure on a best effort basis currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 84,182,620 Placing Shares at the Placing Price of HK\$0.241 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum of 84,182,620 Placing Shares represent (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.241 per Placing Share represents: (i) a discount of approximately 19.67% over the closing price of HK\$0.300 per Share as quoted on the Stock Exchange on 26 June 2025, being the date of the Placing Agreement; and (ii) a discount of approximately 19.67% over the average closing price of approximately HK\$0.300 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$20.3 million. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing, are estimated to be approximately HK\$20.0 million. The Company intends to apply the net proceeds from the Placing for general working capital of the Group and/or for further development of the existing and potential business and investment opportunities in the future.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the condition set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 26 June 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed, as an agent of the Company, to procure on a best effort basis currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 84,182,620 Placing Shares at the Placing Price of HK\$0.241 per Placing Share. Details of the Placing Agreement are set out below:

The Placing Agreement

Date: 26 June 2025 (after trading hours of the Stock Exchange)

Parties: (i) the Company, as the issuer;

(ii) the Placing Agent, as a placing agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner are Independent Third Parties.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 1.4% of the amount which is equal to the Placing Price multiplied by the number of the Placing Shares actually placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares.

The Directors consider that the placing commission in respect of the Placing are fair and reasonable based on the current market conditions.

Placees

The Placing Shares will be placed to currently expected to be not less than six (6) Placees who and whose ultimate beneficial owner(s) (if applicable) will be Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial shareholder (as defined in the GEM Listing Rules) of the Company. If the Placing Shares will be placed to less than six Placees or if any of the Placees will become a substantial shareholder of the Company after Completion, further announcement will be made by the Company.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum of 84,182,620 Placing Shares represent (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The aggregate nominal value of the maximum of 84,182,620 Placing Shares is HK\$8,418,262.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.241 per Placing Share represents: (i) a discount of approximately 19.67% over the closing price of HK\$0.300 per Share as quoted on the Stock Exchange on 26 June 2025, being the date of the Placing Agreement; and (ii) a discount of approximately 19.67% over the average closing price of approximately HK\$0.300 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was arrived at after arm 's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Condition of the Placing

The Placing is conditional upon:

- (i) the GEM Listing Committee granting listing of, and permission to deal in, the Placing Shares on the Stock Exchange (and such listing approval not subsequently being revoked prior to the completion); and the the Placing Agreement not having been terminated in accordance with the terms of the Placing Agreement; and
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

In the event that the above condition is not fulfilled on or before fifteen (15) Business Days after the date of the Placing Agreement or such later date as may be agreed between the Placing Agent and the Company in writing, the Placing will lapse and all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and none of the parties thereto shall have any claim against the others save for any antecedent breach of any right or obligation under the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing will take place on the Completion Date.

Application for listing

An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Placing Shares.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders. Under the General Mandate, the Company is authorised to issue up to 841,826,209 Pre-consolidated Shares under the General Mandate.

The Share Consolidation became effective on 29 May 2025, as such the limit of the General Mandate was adjusted to 84,182,620 Shares (representing approximately 20.00% of the total number of issued Shares as at the date of this announcement).

As at the date of this announcement, the Company had not utilised the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to the approval of the Shareholders.

Termination of the Placing Agreement

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate Placing Agreement without any liability to the Company save for antecedent breach under Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to 6:00 p.m. on the day immediately preceding the Completion Date upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in Placing Agreement if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than ten (10) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would adversely affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing; or
- (e) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or

- (f) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of Placing Agreement and prior to the Completion Date which if had occurred or arisen before the date of Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of Placing Agreement; or
- (g) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to the above, Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of Placing Agreement save for any antecedent breach under Placing Agreement prior to such termination.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Company's principal activity is investment holding and the principal activities of the Group are investment in movies, TV programmes, internet contents and music, conducting new media business and the provision of artists management services.

Assuming all the Placing Shares are fully placed, the gross proceeds to be raised from the Placing will be approximately HK\$20.3 million. After deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing, the estimated net proceeds from the Placing will be approximately HK\$20.0 million, representing a net price of approximately HK\$0.238 per Placing Share.

The Group intends to strengthen its financial position and apply the net proceeds for general working capital of the Group and/or for further development of the existing and potential business and investment opportunities in the future.

The Board considers that the Placing represents a good opportunity to raise additional funds to meet the Group's funding needs and replenishing its working capital without having to increase the Group's financing costs. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Changes in shareholding structure of the Company

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date and that the maximum number of the Placing Shares is placed, the changes in the shareholding structure of the Company as a result of the Placing are as follows:

	As at the date of this announcement		Immediately after completion of the Placing	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Shareholders				
Jiaxuan Group Company Limited (<i>Note 1</i>)	198,256,172	47.10	198,256,172	39.25
Famous Peak Investments Limited (<i>Note 2</i>)	45,993,495	10.93	45,993,495	9.10
First Charm Investments Limited (<i>Note 3</i>)	31,154,541	7.40	31,154,541	6.17
Other Shareholders	145,508,896	34.57	145,508,896	28.81
The Placees	—	—	84,182,620	16.67
Total	<u>420,913,104</u>	<u>100</u>	<u>505,095,724</u>	<u>100</u>

Note:

1. Jiaxuan Group Company Limited is owned as to 55% by Eagle King Investment Holding Limited and as to 45% by Great Majestic Global Holdings Limited. Mr. Wong Kwong Yu owns 100% of Eagle King Investment Holding Limited and Mr. Xu Zhong Min owns 100% of Great Majestic Global Holdings Limited.
2. Famous Peak Investments Limited is a wholly-owned subsidiary of CITC Investment (HK) Limited, being one of the wholly-owned subsidiaries of CITIC Limited. CITIC Group Corporation is the holding company of CITIC Limited.
3. Mr. Ko Chun Shun, Johnson owns 100% of First Charm Investments Limited.
4. Percentages shown in the above table are approximate figures and have been rounded to the nearest tenth of a percent. Accordingly, figures shown as totals in the above table may not be an arithmetic aggregation of the figures which precede them.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the condition set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

Definitions

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“AGM”	the annual general of the Company held on 21 June 2024 to approve the General Mandate
“Board”	the board of Directors from time to time
“Business Day(s)”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Lajin Entertainment Network Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on the GEM (Stock Code: 8172)
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	the fourth Business Day following the day on which the condition precedent set out in the Placing Agreement is fulfilled or such other date as the Company and the Placing Agent may agree
“Director(s)”	director(s) of the Company from time to time

“GEM”	the GEM of the Stock Exchange
“GEM Listing Committee”	the GEM listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with not exceeding 20% of the shares then in issue of the capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People ’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons (as defined in the GEM Listing Rules) of the Company
“Placees”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best efforts basis, of up to 84,182,620 new Shares to be allotted and issued pursuant to the terms of the Placing Agreement
“Placing Agent”	Head & Shoulders Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 26 June 2025 and entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	the Placing price of HK\$0.241 per Placing Share
“Placing Share(s)”	up to 84,182,620 new Shares to be issued by the Company to the Placees pursuant to the Placing Agreement

“Pre-consolidated Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately prior to the Share Consolidation becoming effective
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Share Consolidation”	share consolidation of every ten (10) Pre-consolidated Shares into one (1) Share which became effective on 29 May 2025
“Shareholder(s)”	holder(s) of the issued Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Lajin Entertainment Network Group Limited
Leung Wai Shun Wilson
Executive Director

Hong Kong, 26 June 2025

As at the date of this announcement, the executive directors are Mr. Colin Xu and Mr. Leung Wai Shun Wilson; the non-executive directors are Mr. Zou Xiao Chun, Mr. Zhou Ya Fei, Mr. Li Xue Song and Ms. Wu Qian and the independent non-executive directors are Mr. Ng Wai Hung, Mr. Lam Cheung Shing Richard and Mr. Wang Ju.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the Company’s website at www.irasia.com/listco/hk/lajin/index.htm.

* For identification only