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**ASIA TELEVISION HOLDINGS LIMITED**

**亞洲電視控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 707)**

**(1) PROPOSED CAPITAL REORGANISATION;  
(2) PROPOSED CHANGE IN BOARD LOT SIZE;  
AND  
(3) SUBSCRIPTION OF CONVERTIBLE BONDS  
UNDER SPECIFIC MANDATE**

**(1) PROPOSED CAPITAL REORGANISATION**

The Board proposes to implement the Capital Reorganisation which comprises the following:

- (i) the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of par value of HK\$0.1 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$1.0 each;
- (ii) the Capital Reduction by way of a reduction of the issued share capital of the Company through a cancellation of the paid up capital to the extent of HK\$0.99 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$1.0 to HK\$0.01; and
- (iii) the Share Sub-division on the basis that each of the authorised but unissued Consolidated Shares of par value of HK\$1.0 each will be sub-divided into one hundred (100) Adjusted Shares of par value of HK\$0.01 each.

**(2) PROPOSED CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Existing Shares. Subject to the Capital Reorganisation becoming effective, it is proposed that the board lot size for trading in the Shares shall be changed from 2,000 Existing Shares to 6,000 Adjusted Shares.

**(3) SUBSCRIPTION OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

On 14 May 2021 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds in an aggregate principal amount of HK\$300,000,000 at the Conversion Price of HK\$0.1 per Conversion Share (or HK\$1.0 per Conversion Share after the Capital Reorganisation becoming effective).

Assuming all the Conversion Shares are converted in full at the initial Conversion Price of HK\$0.1 per Conversion Share (or HK\$1.0 per Conversion Share after the Capital Reorganisation becoming effective), an aggregate of 3,000,000,000 Conversion Shares (or 300,000,000 Conversion Shares after the Capital Reorganisation becoming effective) will be issued, which represent (i) approximately 27.46% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 21.54% of the total issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The Company will seek the Specific Mandate from the Shareholders at the EGM for the allotment and issue of the Conversion Shares.

## **EGM**

The Capital Reorganisation and the Subscription Agreement were, among other things, approved by the Shareholders at the 2021 EGM. For details, please refer to the announcement of the Company dated 21 July 2021. Given the long lapse of time since July 2021 and the revised aggregate principal amount of the Subscription, the Company will convene and hold an EGM for the Shareholders to consider and, if thought fit, re-approve the Capital Reorganisation, the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Convertible Bonds and the Conversion Shares, and the grant of the Specific Mandate. Under the present arrangement, the Subscription will only be between the Company and the Subscriber. Mr. Deng Junjie will not subscribe for any convertible bonds of the Company, and the subscription agreement dated 14 May 2021 (as amended and supplemented by the supplemental agreement thereto) entered into between Mr. Deng and the Company has been terminated by the parties.

## **GENERAL**

A circular containing, among other things, (i) further details of the Capital Reorganisation; (ii) further details of the Subscription; and (iii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

**Shareholders and potential investors should note that the Capital Reorganisation and the Change in Board Lot Size are subject to the satisfaction of the conditions. Accordingly, the Capital Reorganisation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

**Shareholders and potential investors should also note that Completion is subject to the fulfillment of the conditions precedent as set out in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **(1) PROPOSED CAPITAL REORGANISATION**

The Board proposes to implement the Capital Reorganisation which comprises the following:

- (i) the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of par value of HK\$0.1 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$1.0 each;
- (ii) the Capital Reduction by way of a reduction of the issued share capital of the Company through a cancellation of the paid up capital to the extent of HK\$0.99 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$1.0 to HK\$0.01; and
- (iii) the Share Sub-division on the basis that each of the authorised but unissued Consolidated Shares of par value of HK\$1.0 each will be sub-divided into one hundred (100) Adjusted Shares of par value of HK\$0.01 each.

### **Effects of the Capital Reorganisation**

As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000 divided into 20,000,000,000 Existing Shares of par value HK\$0.1 each. Following the Capital Reorganisation becoming effective, the authorised share capital would be HK\$2,000,000,000 divided into 200,000,000,000 Adjusted Shares of par value HK\$0.01 each.

Following the Capital Reorganisation becoming effective (assuming there is no issuance of new Shares or repurchase of Shares by the Company from the date of this announcement up to the effective day of the Capital Reorganisation), the issued share capital of the Company would be reduced from HK\$1,092,566,800 divided into 10,925,668,000 Existing Shares of par value HK\$0.1 each to HK\$10,925,668 divided into 1,092,566,800 (fractional number disregarded for illustration purpose) Adjusted Shares of par value HK\$0.01 each.

A credit amount of approximately HK\$10,816,841,132 will arise as a result of the Capital Reduction. It is proposed that the credit arising from the Capital Reduction will be credited to the distributable reserve account of the Company, which will be utilised by the Company in such manner as the Board may deem fit and permitted under all applicable laws and the Memorandum and Articles.

Shareholders and potential investors of the Company should note that the credits arising in the books from the Capital Reduction will be subject to change depending on the number of the Existing Shares in issue immediately prior to the Capital Reorganisation becoming effective.

As at the date of this announcement, there are outstanding Convertible Bonds 2020 with a principal amount of HK\$50,000,000 which are convertible into 500,000,000 Existing Shares at the conversion price of HK\$0.1 per Existing Share. The Capital Reorganisation may lead to adjustment to the conversion price and the number of Shares falling to be issued upon the exercise of the conversion right attaching to the Convertible Bonds in accordance with the terms and conditions of the Convertible Bonds. The Company will make further announcement(s) on such adjustment(s) as and when appropriate. Save for the Convertible Bonds 2020, the Company does not have any derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Adjusted Shares.

Assuming that there is no change in the number of issued Existing Shares from the date of this announcement up to the effective date of the Capital Reorganisation, the share capital structure of the Company will be as follows:

	As at the date of this announcement	Immediately upon the Share Consolidation becoming effective but prior to the Capital Reduction and the Share Sub-division becoming effective	Immediately upon the Capital Reorganisation becoming effective
Par value	HK\$0.1 per Existing Share	HK\$1.0 per Consolidated Share	HK\$0.01 per Adjusted Share
Amount of authorised share capital	HK\$2,000,000,000	HK\$2,000,000,000	HK\$2,000,000,000
Number of authorised shares	20,000,000,000	2,000,000,000	200,000,000,000
Number of issued shares	10,925,668,000 Existing Shares	1,092,566,800 Consolidated Shares	1,092,566,800 Adjusted Shares
Amount of the issued share capital	HK\$1,092,566,800	HK\$1,092,566,800	HK\$10,925,668

The Adjusted Shares will rank *pari passu* in all respects with each other in accordance with the Memorandum and Articles and will not result in any change in the relative rights of the Shareholders, save for any fractional Adjusted Shares which may arise.

Other than the expenses to be incurred in relation to the Capital Reorganisation which are expected to be insignificant in the context of the net asset value of the Company, the implementation of the Capital Reorganisation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Directors are of the view that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group and is in the interest of the Company and the Shareholders as a whole.

### **Conditions of the Capital Reorganisation**

The Capital Reorganisation is conditional upon the following conditions being fulfilled:

- (a) the passing of the necessary special resolution(s) by the Shareholders approving the Capital Reorganisation and the transactions contemplated thereunder at the EGM;
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares in issue arising from the Capital Reorganisation;
- (c) the Court granting an order confirming the Capital Reduction;
- (d) compliance with any conditions which the Court may impose in relation to the Capital Reduction;
- (e) registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act with respect to the Capital Reduction; and
- (f) the compliance with the relevant procedures and requirements under the applicable laws of Cayman Islands and the Listing Rules to effect the Capital Reorganisation.

As at the date of this announcement, none of the above conditions have been fulfilled.

## (2) **PROPOSED CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 2,000 Existing Shares. Subject to the Capital Reorganisation becoming effective, the Board also proposes to change the board lot size for trading in the Shares from 2,000 Existing Shares to 6,000 Adjusted Shares upon the Capital Reorganisation becoming effective.

Based on the closing price of HK\$0.036 per Existing Share (equivalent to the theoretical closing price of HK\$0.36 per Adjusted Share) as at the date of this announcement, the value of each original board lot of the Existing Shares is HK\$72 and the theoretical market value of each new board lot of the Adjusted Shares, assuming the Capital Reorganisation had become effective, would be HK\$2,160.

### **REASONS FOR THE CAPITAL REORGANISATION AND THE CHANGE IN BOARD LOT SIZE**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 28 June 2019 (the “**Guide**”) has further stated that market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules. It is also stated in the Guide that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

In addition, the Company is prohibited from issuing new shares at below their par value under the Companies Act. As at the date of this announcement, the par value of the Existing Shares is HK\$0.1 each.

Since 10 January 2020, the closing prices of the Shares have been trading below HK\$0.1 and at under HK\$2,000 per board lot. The proposed Capital Reorganisation will bring a corresponding upward adjustment in the trading price of the Adjusted Shares and enable the Company to comply with the trading requirements under the Listing Rules.

In view of the above, the Capital Reorganisation and the Change in Board Lot Size will (i) enable the Company to increase the market price as well as each board lot value of the Shares so as to comply with the requirements under the Listing Rules and the Guide; and (ii) keep the par value of the Shares at HK\$0.01 per Adjusted Share, which allows greater flexibility for the Company in the pricing for any issue of new Shares in the future.

In view of the above, the Board considers that the Capital Reorganisation and the Change in Board Lot Size are in the best interests of the Company and the Shareholders as a whole.

## **OTHER ARRANGEMENTS**

### **Application for listing of the Adjusted Shares**

In July 2021, the Company obtained the conditional listing approval of the Stock Exchange in relation to, among other things, the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation. In view of the long lapse of time, the Company will re-file a fresh application for approval of the same with the Stock Exchange.

Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. The Capital Reorganisation will not result in any change in the rights of the Shareholders. The Adjusted Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS.



### **Free exchange of share certificates**

Subject to the Capital Reorganisation becoming effective, which is expected to be on Wednesday, 6 March 2024, Shareholders may on or after Wednesday, 6 March 2024 and until Thursday, 11 April 2024 (both dates inclusive) submit their existing share certificates (in white colour) for the Existing Shares to the Registrar for exchange for new share certificates (in pink colour) for the Adjusted Shares at the expense of the Company. Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each share certificate issued for the Adjusted Shares or each existing share certificate for the Existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher.

After 4:10 p.m. on Tuesday, 9 April 2024, existing share certificates in white colour for the Existing Shares will continue to be good evidence of legal title and may be exchanged for share certificates in pink colour for Adjusted Shares at any time but are not acceptable for trading, settlement and registration purposes.

### **Fractional Shares, odd lot arrangements and matching services**

Fractional Adjusted Shares will not be issued by the Company to the Shareholders. Any fractional entitlements of the Adjusted Shares will be aggregated and sold for the benefit of the Company. In order to facilitate the trading of odd lots (if any) of the Adjusted Shares arising from the Capital Reorganisation, a designated broker will be appointed to match the purchase and sale of odd lots of the Adjusted Shares at the relevant market price per Adjusted Share for the period from Wednesday, 20 March 2024 to Tuesday, 9 April 2024 (both dates inclusive). Holders of odd lots of the Adjusted Shares should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his, or her, or its own professional advisers. Details of the matching service will be provided in the circular to be despatched to the Shareholders.

### **(3) SUBSCRIPTION OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

#### **THE SUBSCRIPTION AGREEMENT**

On 14 May 2021 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds in an aggregate principal amount of HK\$300,000,000 at the Conversion Price of HK\$0.1 per Conversion Share (or HK\$1.0 per Conversion Share after the Capital Reorganisation becoming effective).

The principal terms of the Subscription Agreement are summarised below:

#### **Dates**

14 May 2021 (as amended and supplemented on 17 May 2023)

#### **Parties**

- (i) The Company (as issuer); and
- (ii) Nanotechnology Singapore Pte. Ltd. (as Subscriber).

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

#### **Subject Matter**

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds in an aggregate principal amount of HK\$300,000,000 at the Conversion Price of HK\$0.1 per Conversion Share (or HK\$1.0 per Conversion Share after the Capital Reorganisation becoming effective).

## Conditions precedent

Completion is conditional upon satisfaction of the following conditions:

- (i) the passing by the Shareholders of a fresh ordinary resolution to approve the Subscription Agreement and the transactions contemplated hereunder, including but not limited to the issue of the Convertible Bonds and the Conversion Shares and the grant of the Specific Mandate; and
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant approval for the listing of and permission to deal in the Conversion Shares.

## Completion

Completion shall take place on the Completion Date.

## PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

- Issuer : the Company
- Principal amount : An aggregate principal amount of HK\$300,000,000.
- Issue price : 100% of the principal amount.
- Maturity date : The date falling on the second anniversary of the date of issue of the Convertible Bonds (the “**Maturity Date**”).
- Interest rate : 8% per annum.
- Conversion Price : Initially HK\$0.10 per Conversion Share (or HK\$1.0 per Conversion Share after the Capital Reorganisation becoming effective).

The Conversion Price will be subject to adjustments in the events of subdivision or consolidation of Shares, capitalisation of profits or reserves, capital distributions, issue of Shares or convertible securities at less than 80% of market price.

Conversion Shares : Based on the initial Conversion Price of HK\$0.1 per Conversion Share, a maximum of 3,000,000,000 Conversion Shares (or a maximum of 300,000,000 Conversion Shares after the Capital Reorganisation becoming effective) shall be allotted and issued upon full exercise of the conversion rights attaching to the Convertible Bonds.

Such 3,000,000,000 Conversion Shares represent:

- (i) approximately 27.46% of the total issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 21.54% of the total issued share capital of the Company as enlarged by the issue of the Conversion Shares.

Conversion rights : The holder of the Convertible Bonds shall have the right to convert the Convertible Bonds into the Conversion Shares at any time after the date of issue of the Convertible Bonds up to the Maturity Date (the “**Conversion Rights**”).

The Conversion Rights shall only be exercisable as long as:

- (i) the public float of at least 25 per cent of the issued share capital of the Company as enlarged by the issue of the Conversion Shares can be maintained; or
- (ii) it does not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holders of the Convertible Bonds and any parties acting in concert with it (as defined under the Takeovers Code).

- Early redemption : The Convertible Bonds may be early redeemed at 100% of the outstanding principal amount of the Convertible Bonds (in whole or in part) at any time and from time to time at the option of the Company prior to the Maturity Date. The holder of the Convertible Bonds shall not have any early redemption right.
- Redemption : Any unredeemed and unconverted Convertible Bonds shall be redeemed at 100% of the outstanding principal amount on the Maturity Date.
- Transferability : The Convertible Bonds is freely transferable, subject to the Convertible Bonds may not be transferred by the holder of the Convertible Bonds to any connected person of the Company without consent of the Company and subject to any conditions, approvals, requirements and any other provisions (including but not limited to Listing Rules requirements).
- Voting rights : Holders of the Convertible Bonds shall not be entitled to attend or vote at any meetings of the Company by reason only of it being a holder of the Convertible Bonds.
- Listing : No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.
- Ranking : The obligations of the Company arising under the Convertible Bonds constitute general and unsecured obligations of the Company and rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company. The Conversion Shares will in all respects rank *pari passu* with other Shares in issue on the date of allotment and issue of such Conversion Shares.

## CONVERSION PRICE AND CONVERSION SHARES

The Conversion Price of HK\$0.1 per Conversion Share (or HK\$1.0 per Conversion Share after the Capital Reorganisation becoming effective) represents:

- (i) a premium of approximately 104.08% over the closing price of HK\$0.049 per Existing Share (or the theoretical closing price of HK\$0.49 per Adjusted Share) as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) a premium of approximately 122.22% over the average closing price of HK\$0.045 per Existing Share (or the theoretical closing price of HK\$0.45 per Adjusted Share) as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement;
- (iii) a premium of approximately 177.77% over the closing price of HK\$0.036 per Existing Share (or the theoretical closing price of HK\$0.36 per Adjusted Share) as quoted on the Stock Exchange as at the date of this announcement; and
- (iv) a premium of approximately 263.93% over the unaudited consolidated net liabilities attributable to the Shareholders per Existing Share of approximately HK\$(0.061) (or HK\$(0.61) per Adjusted Share assuming the Capital Reorganisation had become effective), calculated based on the Group's unaudited consolidated net liabilities attributable to the Shareholders of approximately RMB(559,898,000) (equivalent to approximately HK\$(671,877,600)) as at 30 June 2023 and 10,925,668,000 Existing Shares (or 1,092,566,800 Adjusted Shares assuming the Capital Reorganisation had become effective) in issue as at the date of this announcement.

The Conversion Shares have an aggregate nominal value of HK\$300,000,000 (or HK\$3,000,000 after the Capital Reorganisation becoming effective).

The Conversion Price was arrived at after arm's length negotiation between the Company and the Subscriber with reference to, among others, the prevailing market price of the Shares. The Directors consider that the Conversion Price is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

The Company will seek the Specific Mandate from the Shareholders at the EGM for the allotment and issue of the Conversion Shares.

In July 2021, the Company obtained the conditional listing approval of the Listing Committee of the Stock Exchange in relation to, among other things, the listing of, and permission to deal in, the Conversion Shares. In view of the long lapse of time, the Company will re-file a fresh application for approval of the same with the Listing Committee of the Stock Exchange.

## **INFORMATION OF THE SUBSCRIBER**

The Subscriber is a company incorporated in Singapore with limited liability and is principally engaged in real estate management and manufacturing of nanotechnology packaging materials. The Subscriber is ultimate beneficially owned by Mr. Wu Sonny.

## **REASONS FOR THE SUBSCRIPTION**

The Group is principally engaged in four major business streams including (i) the processing, printing and sales of finished fabrics and subcontracting services and the trading of fabric and clothing business; (ii) the money lending business; (iii) the securities investment and brokerage services business; and (iv) the media, cultural and entertainment business.

The Directors consider that the Subscription represents a good opportunity for the Company to raise funds, given that (i) the Subscription can provide immediate funding to repay the Group's short term debt; (ii) the Convertible Bonds will not impose immediate dilution on the shareholding of the existing Shareholders; and (iii) if the conversion rights attaching to the Convertible Bonds are exercised, the Company's capital base will be enlarged and strengthened.

The Company has considered other financing alternatives to raise funds over the Subscription, including but not limited to, bank borrowings and equity financing. However, due to the current financial performance and position of the Group (in particular the net current liabilities position of the Group as at 31 December 2022), it would be difficult for the Group to obtain new bank borrowings. Bank borrowings may also be subject to lengthy due diligence and negotiations with the banks and the requirement to pledge certain assets of the Company acceptable to the banks. Other equity financing such as rights issue and open offer would be more time consuming and costly as compared to the Subscription. As such, the Company considers that the Subscription is the most appropriate means to raise funds at this stage.

As at the date of this announcement, the Company (i) has no intention to carry out other corporate actions or arrangements that may affect the trading in the Shares (including share consolidation, share sub-division and change in board lot size); and (ii) save for the Subscription, the Company has no plan or intention to, and is not under any negotiation to enter into any agreement to, conduct any potential fund raising activity in the forthcoming twelve months. In the event that the Company identifies any suitable fund-raising opportunities and enters into any binding agreements in respect thereof, further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

The Directors consider that the terms of the Subscription Agreement are fair and reasonable and the entering into of the Subscription Agreement is in the best interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The gross proceeds and net proceeds (after deducting all relevant expenses) from the Subscription are estimated to be approximately HK\$300 million and HK\$299 million respectively. The Company intends to apply the net proceeds from the Subscription (i) as to approximately HK\$269 million for repayment of the borrowings of the Group; and (ii) as to approximately HK\$30 million for general working capital of the Group and/or development or enhancement of the Group's existing businesses or any other possible investments in the future, when such opportunities arise. Details of the intended use of proceeds are further elaborated below:

### **(i) Repayment of the borrowings of the Group**

Reference is made to the announcements of the Company dated 21 October 2019, 24 October 2019 and 28 October 2019, in relation to, among others, the statutory demand ("**Statutory Demand I**") under section 178(1)(A) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) (the "**Ordinance**") served on the Company by a creditor (the "**Creditor I**") to demand the Company to pay the alleged outstanding debt and the accrued interest in the amount of approximately HK\$222,707,496 (the "**Debt I**").



Reference is also made to the announcements of the Company dated 7 April 2020 and 12 May 2020, in relation to, among others, a statutory demand under the Ordinance served on the Company by a creditor (the “**Creditor II**” and together with Creditor I, the “**Creditors**”) to demand the Company to pay the alleged outstanding debt and the accrued interest in the amount of approximately HK\$45,978,301.36 (the “**Debt II**”). On 12 May 2020, the Company had reached a settlement agreement (the “**Settlement Agreement**”) with the Creditor II. Pursuant to the terms and conditions of the Settlement Agreement, the Company shall pay and discharge the outstanding debts to the Creditor II in accordance with the repayment schedule in the Settlement Agreement. Therefore, the aforesaid statutory demand was withdrawn by the Creditor II with immediate effect on 12 May 2020. However, on 11 August 2020, a statutory demand (“**Statutory Demand II**”) under the Ordinance was served on the Company by the Creditor II again to demand the Company to repay the outstanding debt and the accrued interests of the Debt II.

As at the date of this announcement, the alleged outstanding amounts and the accrued interests under Debt I and Debt II were approximately HK\$280,000,000 and HK\$14,000,000, respectively. As the repayment deadlines of the Statutory Demand I and the Statutory Demand II have expired, each of the Creditors may present a winding-up petition against the Company at any time. Based on the negotiations between the Company and each of the Creditors, each of the Creditors had agreed that they would not present the winding-up petition if the Company could conduct the Subscriptions to repay the alleged outstanding debt and the accrued interest after Completion.

The Group intends to utilise the net proceeds of approximately HK\$269 million principally for repayment of the Debt I and Debt II in order to discharge the Statutory Demand I and Statutory Demand II.

**(ii) General working capital and/or development or enhancement of the Group’s existing businesses or any other possible investments in the future**

The Group intends to utilise the net proceeds of approximately HK\$30 million as to (i) approximately HK\$25 million for the working capital of the Group, including but not limited to purchase of raw materials, administrative and operating expenses and financial costs; and/or (ii) approximately HK\$5 million for development or enhancement of the Group’s existing businesses or any other possible investments in the future.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no other change to the total issued share capital of the Company, set out below are the shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after Completion assuming full conversion of the Convertible Bonds in an aggregate principal amount of HK\$300,000,000 at the initial Conversion Price:

	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate (%)</i>	<i>Number of Shares</i>	<i>Approximate (%)</i>
The Subscriber	–	–	3,000,000,000	21.54
Liu Minbin	1,837,132,000	16.81	1,837,132,000	13.19
China Special Economic Zone Development Limited	1,815,000,000	16.61	1,815,000,000	13.03
Oriental Textile Products Limited	1,100,000,000	10.07	1,100,000,000	7.90
Honghu Capital Co. Ltd.	770,084,000	7.05	770,084,000	5.53
Other public Shareholders	5,403,452,000	49.46	5,403,452,000	38.80
<b>Total</b>	<b>10,925,668,000</b>	<b>100.00</b>	<b>13,925,668,000</b>	<b>100.00</b>

## EQUITY FUND RAISING ACTIVITY DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

## **EGM**

The Capital Reorganisation and the Subscription Agreement were, among other things, approved by the Shareholders at the 2021 EGM. For details, please refer to the announcement of the Company dated 21 July 2021. Given the long lapse of time since July 2021 and the revised aggregate principal amount of the Subscription, the Company will convene and hold an EGM for the Shareholders to consider and, if thought fit, re-approve the Capital Reorganisation, the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Convertible Bonds and the Conversion Shares, and the grant of the Specific Mandate. Under the present arrangement, the Subscription will only be between the Company and the Subscriber. Mr. Deng Junjie will no longer subscribe for any convertible bonds of the Company, and the subscription agreement dated 14 May 2021 (as amended and supplemented by the supplemental agreement thereto) entered into between Mr. Deng and the Company have been terminated by the parties.

## **GENERAL**

A circular containing, among other things, (i) further details of the Capital Reorganisation and the Change in Board Lot Size; (ii) further details of the Subscription; and (iii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

## **EXPECTED TIMETABLE**

The expected timetable for the Capital Reorganisation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Capital Reorganisation and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

### **Date**

Publication of the announcement ..... Thursday, 28 September 2023

Expected date of despatch of the circular,  
proxy form and the notice of the EGM ..... Thursday, 9 November 2023

Latest date and time for lodging transfer documents  
in order to qualify for attendance and voting at the EGM . . . . . 4:30 p.m. on Wednesday,  
29 November 2023

Closure of the register of members for determining  
the entitlement to attend and vote at the EGM . . . . . Thursday, 30 November 2023 to  
Tuesday, 5 December 2023  
(both days inclusive)

Latest date and time for lodging proxy forms  
for the EGM . . . . . 11:00 a.m. on Friday, 1 December 2023

Record date for attending and voting at the EGM. . . . . Tuesday, 5 December 2023

Expected date and time of the EGM . . . . . 11:00 a.m. on Tuesday, 5 December 2023

Announcement of poll results of the EGM . . . . . Tuesday, 5 December 2023

**The following events are conditional on the results of the EGM and compliance with any requirements imposed by the Court in order for it to be able to confirm the Capital Reduction. It may take approximately three months for the Company to obtain hearing dates before the Court which will be subject to the availability of the Court over which the Company has no control, therefore the dates are tentative only:**

Effective date of the Capital Reorganisation . . . . . Wednesday, 6 March 2024

First day for free exchange of existing share  
certificates for new share certificates of  
the Adjusted Shares . . . . . Wednesday, 6 March 2024

Commencement of dealings in the Adjusted Shares . . . . . 9:00 a.m. on Wednesday,  
6 March 2024

Original counter for trading in the Existing Shares  
in board lots of 2,000 Existing Shares  
(in the form of existing share certificates) temporarily closes . . 9:00 a.m. on Wednesday,  
6 March 2024

Temporary counter for trading in the Adjusted Shares  
in board lots of 200 Adjusted Shares  
(in the form of existing share certificates) opens . . . . . 9:00 a.m. on Wednesday,  
6 March 2024

Original counter for trading in the Adjusted Shares  
in board lots of 6,000 Adjusted Shares  
(in the form of new share certificates) re-opens ..... 9:00 a.m. on Wednesday,  
20 March 2024

Parallel trading in the Adjusted Shares and  
the Existing Shares (in the form of new share  
certificates and existing share certificates) commences ..... 9:00 a.m. on Wednesday,  
20 March 2024

Designated broker starts to stand in the market  
to provide matching services for odd lots of  
the Adjusted Shares ..... 9:00 a.m. on Wednesday,  
20 March 2024

Designated broker ceases to stand in the market  
to provide matching services for odd lots of  
the Adjusted Shares ..... 4:00 p.m. on Tuesday,  
9 April 2024

Temporary counter for trading in the Adjusted  
Shares in board lots of 200 Adjusted Shares  
(in the form of existing share certificates) closes ..... 4:10 p.m. on Tuesday,  
9 April 2024

Parallel trading in the Adjusted Shares  
(in the form of new share certificates and  
existing share certificates) ends ..... 4:10 p.m. on Tuesday,  
9 April 2024

Last day for free exchange of existing share  
certificates for new share certificates of  
the Adjusted Shares ..... 4:30 p.m. on Thursday,  
11 April 2024

Pursuant to the terms of the Subscription Agreement, the Company expects that Completion  
will take place before the implementation of the Capital Reorganisation.

**Shareholders and potential investors should note that the Capital Reorganisation and the Change in Board Lot Size are subject to the satisfaction of the conditions. Accordingly, the Capital Reorganisation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

**Shareholders and potential investors should also note that Completion is subject to the fulfillment of the conditions precedent as set out in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Adjusted Share(s)”	ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company upon the Capital Reorganisation becoming effective
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday) on which banks in Hong Kong are generally open for business throughout their normal business hours
“Capital Reduction”	the proposed reduction of the issued share capital of the Company whereby the nominal value of each of the issued Consolidated Shares will be reduced from HK\$1.0 each to HK\$0.01 each by cancelling the paid up capital to the extent of HK\$0.99 on each issued Consolidated Share
“Capital Reorganisation”	the Share Consolidation, the Capital Reduction and the Share Sub-division
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Change in Board Lot Size”	the change in board lot size of Shares for trading on the Stock Exchange from 2,000 Existing Shares to 6,000 Adjusted Shares
“Company”	Asia Television Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 707)
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961), of the Cayman Islands as consolidated and revised
“Completion”	completion of the subscription of the Convertible Bonds in an aggregate principal amount of HK\$300,000,000 contemplated under the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Shares”	ordinary share(s) of HK\$1.0 each in the issued and unissued share capital of the Company immediately after the Share Consolidation becoming effective
“Conversion Price”	the conversion price of the Convertible Bonds of HK\$0.1 per Conversion Share (or HK\$1.0 per Conversion Share after the Capital Reorganisation becoming effective), subject to adjustments
“Conversion Share(s)”	new Share(s) to be issued upon the exercise of the conversion rights attached to the Convertible Bonds
“Convertible Bonds 2020”	HK\$400,000,000 6% convertible bonds issued by the Company on 17 December 2019 and 29 September 2020, of which an aggregate principal amount of HK\$50,000,000 remains outstanding as at the date of this announcement
“Convertible Bonds”	convertible bonds in an aggregate principal amount of HK\$300,000,000 to be issued by the Company, and subscribed by the Subscriber, pursuant to the Subscription Agreement

“Court”	the Grand Court of the Cayman Islands
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approving, among other things, the Capital Reorganisation, the Subscription Agreement and the transactions contemplated thereunder
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong dollars
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a party(ies) who is independent of and not connected with the Company and its connected persons
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange



“Memorandum and Articles”	the memorandum and articles of association of the Company, as amended from time to time
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Ltd. at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Share Consolidation”	the proposed share consolidation of every ten (10) issued and unissued Existing Shares of par value of HK\$0.1 each into one (1) Consolidated Share of par value of HK\$1.0 each
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s) and/or the Adjusted Share(s), as the case may be
“Share Sub-division”	the proposed sub-division of each authorised but unissued Consolidated Share of par value of HK\$1.0 each into 100 Adjusted Shares of par value of HK\$0.01 each
“Shareholder(s)”	the holder(s) of Share(s)
“Specific Mandate”	the specific mandate to allot and issue the Conversion Shares to be sought from the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Nanotechnology Singapore Pte. Ltd., a company incorporated in Singapore with limited liability
“Subscription”	the subscription of the Convertible Bonds by the Subscriber pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 14 May 2021 entered into between the Company and the Subscriber in relation to the Subscription, as amended and supplemented by the supplemental agreement dated 17 May 2023 entered into between the Company and the Subscriber

“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“2021 EGM”	the extraordinary general meeting of the Company held on 21 July 2021
“%”	per cent.

*Unless specified otherwise, conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 to HK\$1.2. The exchange rates has been used, where applicable, for the purpose of illustration only and do not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

By order of the Board  
**Asia Television Holdings Limited**  
**Tang Po Yi**  
*Executive Director*

Hong Kong, 28 September 2023

*As at the date of this announcement, the Board comprises Mr. Liu Minbin, Ms. Tang Po Yi, Mr. Leong Wei Ping 梁瑋珩先生\*, Mr. Sze Siu Bun, Ms. Sun Tingting and Ms. Zha Mengling as executive Directors; and Ms. Han Xingxing, Mr. Li Yu and Mr. Lau Jing Yeung William as independent non-executive Directors.*

\* *For identification purpose only*