

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, or registered institution in securities, bank manager, solicitor, certified public accountant or other professional adviser.

If you have sold or transferred all your shares in **Asia Television Holdings Limited**, you should at once hand this circular, and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



- (1) PROPOSED SHARE CONSOLIDATION;  
(2) PROPOSED CHANGE IN BOARD LOT SIZE;  
(3) PROPOSED CAPITAL REORGANISATION INVOLVING CAPITAL  
REDUCTION OF ISSUED SHARES AND  
SUBDIVISION OF UNISSUED SHARES;  
(4) SUBSCRIPTION OF CONVERTIBLE BONDS  
UNDER SPECIFIC MANDATE;  
AND  
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING**

---

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A notice convening the EGM to be held at Studio No. 8, G/F., 33 Dai Shing Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Tuesday, 19 December 2023 at 11:00 a.m. is set out in the Notice of EGM in this circular. A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you are to attend the EGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Registrar, Tricor Investor Services Ltd. at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

23 November 2023

<b>CONTENTS</b>
-----------------

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>EXPECTED TIMETABLE</b> .....	6
<b>LETTER FROM THE BOARD</b> .....	9
<b>APPENDIX I - ADJUSTMENT MECHANISM TO THE CONVERSION PRICE OF THE CONVERTIBLE BONDS</b> .....	I-1
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....	EGM-1

## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Adjusted Shares”	ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company upon both the Share Consolidation and the Capital Reorganisation becoming effective
“Board”	the board of Directors
“Business Day(s)”	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 Capital Reduction and the Share Subdivision
“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 8,000 Consolidated Shares (or 8,000 Adjusted Shares subject to the Capital Reorganisation becoming effective)
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961) of the Cayman Islands as consolidated and revised
“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)

## DEFINITIONS

“Completion”	completion of the subscription of the Convertible Bonds in an aggregate principal amount of HK\$300,000,000 contemplated under the Subscription Agreement
“Completion Date”	within ten (10) Business Days after fulfillment of all the conditions precedent set out in the Subscription Agreement (or such other date as may be agreed between the Company and the Subscriber)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Share(s)”	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 but before the Capital Reorganisation becoming effective
“Conversion Price”	the conversion price of the Convertible Bonds of HK\$0.10 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”	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 Share Consolidation, the Capital Reorganisation, the Subscription Agreement and the transactions contemplated thereunder

## DEFINITIONS

“Existing Share(s)”	ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company prior to the Share Consolidation and 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\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a party(ies) who is independent of and not connected with the Company and its connected persons
“Latest Practicable Date”	16 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“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 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong

## DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of 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 Option(s)”	share option(s) to be granted by the Company under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 15 June 2016
“Share Subdivision”	the proposed subdivision 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
“Shareholders”	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

## DEFINITIONS

“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
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“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.*

## EXPECTED TIMETABLE

The expected timetable for the Share Consolidation, the Change in Board Lot Size and the Capital Reorganisation is set out below. Reference is made to the announcement of the Company dated 3 October 2023. The expected timetable as set out below has been further updated from the revised expected timetable in the announcement of the Company dated 9 November 2023 to reflect and clarify that the Company's current proposal may proceed with the Share Consolidation as a separate exercise prior to the completion of the Capital Reorganisation. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Share Consolidation, the Change in Board Lot Size and the Capital Reorganisation and is therefore for indicative purpose only. Any further 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 circular refer to Hong Kong local times and dates.

### Date

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, 13 December 2023

Closure of the register of members for determining  
entitlement to attend and vote at the EGM . . . . . Thursday, 14 December 2023 to  
Tuesday, 19 December 2023  
(both days inclusive)

Latest time for lodging forms of proxy for the EGM . . . . . 11:00 a.m. on  
Sunday, 17 December 2023

Record date for attending and voting at the EGM . . . . . Tuesday, 19 December 2023

Expected date and time of the EGM . . . . . 11:00 a.m. on  
Tuesday, 19 December 2023

Announcement of poll results of the EGM . . . . . Tuesday, 19 December 2023

**The following events are conditional on the fulfilment of the conditions relating to the implementation of the Share Consolidation and the Change in Board Lot Size, therefore the dates are tentative only:**

Effective date of the Share Consolidation . . . . . Thursday, 21 December 2023

First day for free exchange of existing share certificates for  
new share certificates of the Consolidated Shares . . . . . Thursday, 21 December 2023



<b>EXPECTED TIMETABLE</b>
---------------------------

**Date**

Commencement of dealings in the Consolidated Shares . . . . . 9:00 a.m. on  
 Thursday, 21 December 2023

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  
 Thursday, 21 December 2023

Temporary counter for trading in the Consolidated Shares  
 in board lots of 200 Consolidated Shares  
 (in the form of existing share certificates) opens . . . . . 9:00 a.m. on  
 Thursday, 21 December 2023

Effective date of the Change in Board Lot Size . . . . . Tuesday, 9 January 2024

Original counter for trading in the Consolidated Shares in board  
 Lots of 8,000 Consolidated Shares (in the form of  
 new share certificates) re-opens . . . . . 9:00 a.m. on  
 Tuesday, 9 January 2024

Parallel trading in the Consolidated Shares and the Existing Shares  
 (in the form of new share certificates and existing  
 share certificates) commences . . . . . 9:00 a.m. on  
 Tuesday, 9 January 2024

Designated broker starts to stand in the market to provide  
 matching services for odd lots of the Consolidated Shares . . . . . 9:00 a.m. on  
 Tuesday, 9 January 2024

Designated broker ceases to stand in the market to provide  
 matching services for odd lots of the Consolidated Shares . . . . . 4:00 p.m. on  
 Monday, 29 January 2024

Temporary counter for trading in the Consolidated  
 Shares in board lots of 200 Consolidated Shares  
 (in the form of existing share certificates) closes . . . . . 4:10 p.m. on  
 Monday, 29 January 2024

Parallel trading in the Consolidated Shares (in the form of  
 new share certificates and existing share certificates) ends . . . . . 4:10 p.m. on  
 Monday, 29 January 2024

## EXPECTED TIMETABLE

**Date**

Last day for free exchange of existing share certificates for  
new share certificates of the Consolidated Shares . . . . . 4:30 p.m. on  
Wednesday, 31 January 2024

**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, 20 March 2024

First day for free exchange of existing share certificates of  
the Consolidated Shares for new share certificates of  
the Adjusted Shares . . . . . Wednesday, 20 March 2024

Commencement of dealings in the Adjusted Shares . . . . . 9:00 a.m. on  
Wednesday, 20 March 2024

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

Pursuant to the terms of the Subscription Agreement and the expected timetable of the Share Consolidation, the Change in Board Lot Size and the Capital Reorganisation set out above, the Company expects that Completion would take place after the effective date of the Share Consolidation and the Change in Board Lot Size but before the effective date of the Capital Reorganisation.

LETTER FROM THE BOARD



**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)**

*Executive Directors:*

Mr. Liu Minbin (*Chairman*)  
Ms. Tang Po Yi  
Mr. Leong Wei Ping 梁瑋珮先生\*  
Mr. Sze Siu Bun  
Ms. Sun Tingting  
Ms. Zha Mengling

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Independent non-executive Directors:*

Ms. Han Xingxing  
Mr. Li Yu  
Mr. Lau Jing Yeung William

*Head office and principal place of business  
in Hong Kong:*

Room 515, 5/F., Tower A  
New Mandarin Plaza  
14 Science Museum Road  
Tsim Sha Tsui East  
Kowloon, Hong Kong

23 November 2023

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED SHARE CONSOLIDATION;**  
**(2) PROPOSED CHANGE IN BOARD LOT SIZE;**  
**(3) PROPOSED CAPITAL REORGANISATION INVOLVING THE  
CAPITAL REDUCTION OF ISSUED SHARES AND  
SUBDIVISION OF UNISSUED SHARES;**  
**(4) SUBSCRIPTION OF CONVERTIBLE BONDS  
UNDER SPECIFIC MANDATE;**  
**AND**  
**(5) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcements of the Company dated 28 September 2023, 3 October 2023 and 9 November 2023 in relation to, among other things, the Share Consolidation, the Capital Reduction, the Share Subdivision, the Change in Board Lot Size and the Subscription.

## LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the Share Consolidation, the Change in Board Lot Size and the Capital Reorganisation; (ii) further details of the Subscription; and (iii) a notice convening the EGM.

### **(1) PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement 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.

#### **Effects of the Share Consolidation**

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$2,000,000,000 divided into 20,000,000,000 Existing Shares of par value of HK\$0.1 each, of which 10,925,668,000 Existing Shares have been issued and are fully paid or credited as fully paid.

Immediately upon the Share Consolidation becoming effective but prior to the Capital Reorganisation becoming effective, and assuming that no further Existing Shares will be issued or repurchased from the Latest Practicable Date up to the effective date of the Share Consolidation, the authorised share capital of the Company shall become HK\$2,000,000,000 divided into 2,000,000,000 Consolidated Shares of par value of HK\$1.0 each, of which 1,092,566,800 Consolidated Shares will have been issued and will be fully paid or credited as fully paid.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

The Share Consolidation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the return of capital or cash to the Shareholders.

## LETTER FROM THE BOARD

### Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other in accordance with the Memorandum and Articles. The Share Consolidation will not result in any change in the rights of the Shareholders.

### Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:

- (i) the passing of an ordinary resolution to approve the Share Consolidation by the Shareholders at the EGM;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the laws of Cayman Islands and the Listing Rules to effect the Share Consolidation.

Subject to the fulfillment of the conditions of the Share Consolidation, the Share Consolidation will become effective on Thursday, 21 December 2023, being the second Business Day immediately after the date of the EGM.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

### Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, there are outstanding Share Options (the “**Outstanding Share Options**”) for subscription of 145,000,000 Shares under the Share Option Scheme. The Company may grant options to eligible participants under the Share Option Scheme and other share option schemes to subscribe for a maximum of 992,566,800 shares, being 10% of the total number of shares in issue as at the date of approval of the refreshment of the Share Option Scheme mandate limit on 21 July 2021. The Share Consolidation may lead to adjustments to the exercise price and/or the number of Shares falling to be issued upon exercise of the outstanding options in accordance with the terms and conditions of the Share Option Scheme. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

## LETTER FROM THE BOARD

Name or category of participant	Date of grant	Exercisable period (both days inclusive)	Immediately prior to the adjustments as a result of completion of the Share Consolidation		Immediately after the adjustments as a result of completion of the Share Consolidation	
			Exercise price per Existing Share <i>HK\$</i>	Number of Existing Shares to be issued under the Outstanding Share Options	Adjusted price per Consolidated Share <i>HK\$</i>	Adjusted number of Consolidated Shares to be issued under the Outstanding Share Options
<b>Executive Directors:</b>						
Mr. Leong Wei Ping 梁璋瑋先生*	21 May 2021	31 January 2022 to 20 May 2026	0.12	29,000,000	1.2	2,900,000
Ms. Sung Tingting	21 May 2021	26 June 2021 to 20 May 2026	0.12	29,000,000	1.2	2,900,000
Ms. Tang Po Yi	21 May 2021	21 May 2021 to 20 May 2026	0.12	29,000,000	1.2	2,900,000
<b>Other Employees</b>	21 May 2021	21 May 2021 to 20 May 2026	0.12	58,000,000	1.2	5,800,000
				145,000,000		
					14,500,000	

As at the Latest Practicable Date, save for the Outstanding Share Options, 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 Consolidated Shares.

## LETTER FROM THE BOARD

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

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective and the Consolidated Shares which may be issued pursuant to the exercise of the Convertible Bonds.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the Consolidated 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

## LETTER FROM THE BOARD

### **Odd lots arrangements and matching services**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Grand China Securities Limited as its agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from 9:00 a.m. on Tuesday, 9 January 2024 to 4:00 p.m. on Monday, 29 January 2024 (both days inclusive). Shareholders who wish to take advantage of this service should contact Chris Ho of Grand China Securities Limited at Room 503 Loke Yew Building, 50-52 Queen's Road Central, Central, Hong Kong or at telephone number (+852) 3979 6718 during normal office hours of such period.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

### **Exchange of share certificates for the Consolidated Shares**

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Thursday, 21 December 2023 until Wednesday, 31 January 2024 (both days inclusive) between 9:00 a.m. and 4:30 p.m. on any Business Day, submit the existing share certificates for the Existing Shares (in white colour) to the Registrar at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares (in purple colour).

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 each (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates involved is higher.

After Monday, 29 January 2024, share certificates for the Existing Shares will remain valid and effective as documents of title and may be exchanged for share certificates for the Consolidated Shares at any time but will cease to be valid for delivery, trading and settlement purposes.



## LETTER FROM THE BOARD

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

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lots of 2,000 Existing Shares. Subject to the Share Consolidation becoming effective, the Board also proposes to change the board lot size for trading in the Shares from 2,000 Existing Shares to 8,000 Consolidated Shares upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.032 per Existing Share (equivalent to the theoretical closing price of HK\$0.32 per Consolidated Share) as at the date of the Company's announcement of 9 November 2023, the value of each original board lot of the Existing Shares is HK\$64 and the theoretical market value of each new board lot of the Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$2,560.

Based on the closing price of HK\$0.029 per Existing Share (equivalent to the theoretical closing price of HK\$0.29 per Consolidated Share) as at the Latest Practicable Date, the value of each original board lot of the Existing Shares is HK\$58 and the theoretical market value of each new board lot of the Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$2,320.

### (3) PROPOSED CAPITAL REORGANISATION

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

- (i) 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
- (ii) the Share Subdivision on the basis that each of the authorised but unissued Consolidated Shares of par value of HK\$1.0 each will be subdivided into one hundred (100) Adjusted Shares of par value of HK\$0.01 each.

## LETTER FROM THE BOARD

### Effects of the Capital Reorganisation

As at the Latest Practicable Date, 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 the Share Consolidation and the Capital Reorganisation becoming effective (assuming there is no issuance of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to the effective date 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 Adjusted Shares of par value HK\$0.01 each.

A credit amount of approximately HK\$1,081,641,132 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 Latest Practicable Date, save for the Outstanding Share Options, 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.

## LETTER FROM THE BOARD

Assuming that there is no change in the number of issued Existing Shares from the Latest Practicable Date up to the effective date of the Share Consolidation and the Capital Reorganisation (as the case may be), the share capital structure of the Company will be as follows:

	As at the Latest Practicable Date	Immediately upon the Share Consolidation becoming effective but prior to the Capital Reduction and the Share Subdivision becoming effective (for illustration purpose only)	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	1,092,566,800	1,092,566,800
Amount of the issued share capital	Existing Shares HK\$1,092,566,800	Consolidated Shares HK\$1,092,566,800	Adjusted Shares 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.

## LETTER FROM THE BOARD

### Conditions of the Capital Reorganisation

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

- (a) the Share Consolidation has become effective;
- (b) the passing of the necessary special resolution(s) by the Shareholders approving the Capital Reorganisation and the transactions contemplated thereunder at the EGM;
- (c) the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares in issue arising from the Capital Reorganisation;
- (d) the Court granting an order confirming the Capital Reduction;
- (e) compliance with any conditions which the Court may impose in relation to the Capital Reduction;
- (f) 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
- (g) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Capital Reorganisation.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

The Share Consolidation, the Capital Reduction and the Share Subdivision are not inter-conditional upon each other and may not be simultaneously completed as each proposed action is subject to conditions, including but not limited to obtaining the approval of the creditors of the Company and Shareholders' approval. In the event that the Share Subdivision is unable to proceed for whatever reason, it shall not prevent the Share Consolidation and the Capital Reduction from proceeding and becoming effective, such that the Company may still proceed with the necessary corporate actions thereunder to complete the Share Consolidation and/or the Capital Reduction first.

## LETTER FROM THE BOARD

### REASONS FOR THE SHARE CONSOLIDATION, THE CHANGE IN BOARD LOT SIZE AND THE CAPITAL REORGANISATION

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 the 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 Latest Practicable Date, the par value of the Existing Shares is HK\$0.1 each.

Starting from 10 January 2020, the closing prices of the Shares were trading below HK\$0.1 and were trading at under HK\$2,000 per board lot. The proposed Share Consolidation and 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.

The Company has considered other alternative ratios for the Share Consolidation and the Change in Board Lot Size. However, if the consolidation ratio is lower than the proposed ratio (i.e. consolidating every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share) or a smaller board lot size is adopted, the value per board lot may fall under the recommended value of HK\$2,000 per board lot. On the other hand, if the consolidation ratio is too high or a larger board lot size is adopted, the transaction value per board lot may be too high for the investing public and discourage them to deal in the Shares. Therefore, the Company considers that the proposed ratio of the Share Consolidation and the Change in Board Lot Size are in the best interests of the Company and its Shareholders as a whole.

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

## LETTER FROM THE BOARD

### 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 Share Consolidation and 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.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation becomes effective, the Adjusted Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

#### Free exchange of share certificates

Subject to the Capital Reorganisation becoming effective, which is expected to be on Wednesday, 20 March 2024, Shareholders may on or after Wednesday, 20 March 2024 and until Tuesday, 30 April 2024 (both dates inclusive) submit their consolidated share certificates (in purple colour) for the Consolidated 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 Consolidated 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 consolidated share certificate for the Consolidated Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher.

## LETTER FROM THE BOARD

After 4:10 p.m. on Friday, 26 April 2024, consolidated share certificates in purple colour for the Consolidated 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.

### (4) SUBSCRIPTION OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

#### **The Subscription Agreement**

On 14 May 2021 (after trading hours), the Company entered into a subscription agreement (the “**Original 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\$0.10 per Conversion Share (or HK\$1.0 per Conversion Share after the Share Consolidation and the Capital Reorganisation becoming effective). The Original Subscription Agreement was amended and supplemented by a supplemental agreement entered into between the Company and the Subscriber on 17 May 2023, which provides that notwithstanding that all the conditions precedent of the Original Subscription Agreement have been fulfilled, completion shall be conditional upon the passing by the Shareholders of a fresh ordinary resolution to approve the Original Subscription Agreement and the transactions contemplated thereunder.

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.

## LETTER FROM THE BOARD

### *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\$0.10 per Conversion Share (or HK\$1.0 per Conversion Share after the Share Consolidation and 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 thereunder, 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.



## LETTER FROM THE BOARD

Conversion Price : Initially HK\$0.10 per Conversion Share (or HK\$1.0 per Conversion Share after the Share Consolidation and 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\$0.10 per Conversion Share, a maximum of 3,000,000,000 Conversion Shares (or a maximum of 300,000,000 Conversion Shares after the Share Consolidation and 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 represents:

- (i) approximately 27.46% of the total issued share capital of the Company as at the Latest Practicable Date; 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**”).

## LETTER FROM THE BOARD

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 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.

## LETTER FROM THE BOARD

- 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\$0.10 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 244.83% over the closing price of HK\$0.029 per Existing Share (or the theoretical closing price of HK\$0.29 per Adjusted Share) as quoted on the Stock Exchange on the Latest Practicable Date; and

## LETTER FROM THE BOARD

- (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 Shares 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 Latest Practicable Date.

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 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 the approval of the same with the Listing Committee of the Stock Exchange.

### **Adjustments to the Conversion Price**

Reference is made to the adjustment mechanism to the Conversion Price of the Convertible Bonds set out in Appendix I on pages I-1 to I-10 of this circular. In assessing the fairness and reasonableness of the adjustment terms of the Convertible Bonds with regard to the Conversion Price upon the occurrence of dilutive events, including consolidation or subdivision, capitalisation of profits or reserves, capital

## LETTER FROM THE BOARD

distribution, rights issue and open offer of Shares, options or warrants to subscribe for Shares and issue of securities wholly for cash, the Company took into account various factors, including but not limited to the following:

- (i) the historical market price and volatility of the Shares;
- (ii) relevant adjustment mechanisms of comparable convertible bonds at the time of the Subscription Agreement;
- (iii) provision for sufficient flexibility for the Company to carry out equity financing activity at a price more than 80% of the market price of the Shares after assessing the Group's immediate equity financing need without triggering the adjustment to the Conversion Price to further dilute the interest of the existing Shareholders; and
- (iv) protection of the Subscriber's interest from material dilution subsequent to any equity financing activity at a price less than 80% of the market price of the Shares under the adjustment mechanism of the Conversion Price so that equity financing activity in the future would not lead to material dilution to the stake of the Subscriber in the Company after exercising its conversion right attached to the Convertible Bonds.

Furthermore, the Company considers that the interests of both the Shareholders and the Subscriber will be adequately protected given that an adjustment shall be certified by either the auditors of the Company or by an approved financial adviser to be in its opinion appropriate prior to making any adjustment to the Conversion Price.

In summary, based on all of the above, the Company is of the view that the adjustment mechanism is fair and reasonable to the Company, the Subscriber and the Shareholders as a whole.

### **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 ultimate beneficial owner of the Subscriber is Mr. Wu Sonny.

## LETTER FROM THE BOARD

### **Reason 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 debt and replenish the Group's working capital; (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.

## LETTER FROM THE BOARD

As at the Latest Practicable Date, (i) the Company has no intention to carry out other corporate actions or arrangements that may affect the trading in the Shares (including share consolidation, share subdivision and change in board lot size) or which have an effect of undermining or negating the intended purpose of the Share Consolidation in the forthcoming twelve months; 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 (other than for the purpose of repayment of the remaining Debts (as defined below)) 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 that entering into 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 Subscriptions 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 ("**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 ("**Debt I**").

## LETTER FROM THE BOARD

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 (“**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 (“**Debt II**” and together with Debt I, the “**Debts**”). On 12 May 2020, the Company had reached a settlement agreement (the “**Settlement Agreement**”) with Creditor II. Pursuant to the terms and conditions of the Settlement Agreement, the Company shall pay and discharge the outstanding debts to Creditor II in accordance with the repayment schedule in the Settlement Agreement. Therefore, the aforesaid statutory demand was withdrawn by 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 Creditor II again to demand the Company to repay the outstanding debt and the accrued interests of Debt II.

As at the Latest Practicable Date, the alleged outstanding amounts and the accrued interests under Debt I and Debt II were approximately HK\$280 million and HK\$14 million, respectively. As the repayment deadlines of Statutory Demand I and 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 Subscription 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 the repayment of Debt I and Debt II, and will seek other means to raise funds such as issuing and allotting new shares for the repayment of the remaining HK\$25 million, in order to discharge Statutory Demand I and Statutory Demand II.



## LETTER FROM THE BOARD

**(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 the 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 Latest Practicable Date; and (ii) Scenario 1 – immediately after Completion and 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 Latest Practicable Date		Scenario 1	
	<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 Latest Practicable Date.

## LETTER FROM THE BOARD

### EGM

The Share Consolidation, 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 Share Consolidation, 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.

A notice convening the EGM is set out on pages EGM-1 to EGM-5 of this circular. The EGM will be held at Studio No. 8, G/F., 33 Dai Shing Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Tuesday, 19 December 2023 at 11:00 a.m. for the Shareholders to consider and, if thought fit, approve the Share Consolidation, the Capital Reorganisation, the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the issue of Convertible Bonds and the Conversion Shares, and the grant of the Specific Mandate.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Registrar, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. Delivery of an instrument appointing a proxy shall not preclude you from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed revoked. The resolution proposed to be approved at the EGM will be taken by poll and an announcement will be made by the Company after the EGM on the poll results of the EGM.

## LETTER FROM THE BOARD

No Shareholders are required to abstain from voting on the resolutions approving the Share Consolidation, the Capital Reorganisation, the Subscription Agreement and the transactions contemplated thereunder to be proposed at the EGM.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolution will be put to vote by way of poll at the EGM. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 14 December to Tuesday, 19 December 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant Share certificates must be lodged with the Registrar at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Wednesday, 13 December 2023.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 circular misleading.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Board considers that (i) the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and (ii) the Share Consolidation, the Capital Reorganisation, the Change in Board Lot Size and the Subscription are in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant proposed resolutions for approval of the Share Consolidation, the Capital Reorganisation, the Change in Board Lot Size and the Subscription at the EGM.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

### MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

*The adjustment mechanism of the Conversion Price of the Convertible Bonds, which was negotiated and agreed upon by the Company and the Subscriber with reference to various factors, which includes among others, the Shares' historical market price and volatility, and adjustment mechanism in other comparable convertible bonds at the time of the Subscription Agreement, is set out below:*

The Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions and so that if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of sub-paragraphs (i) to (vi) inclusive of this section shall fall within the first of the applicable paragraphs to the exclusion of the remaining paragraphs:

- (a) (i) If and whenever the Shares by reason of any consolidation or subdivision become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount so that the holders of the Convertible Bonds shall be entitled to receive the number of Shares and/or other securities of the Company which it would have held or have been entitled to receive after the happening of any of the events described above had such Convertible Bonds been converted immediately prior to the happening of such event, but without prejudice to the effect of any other adjustment to the Conversion Price made with effect from the date of the happening of such event or any time thereafter. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or subdivision becomes effective.
- (ii) If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the issued Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Shares issued in such capitalisation. Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for such issue.

- (iii) If and whenever the Company shall make any Capital Distribution (as defined in section (b)) to holders (in their capacity as such) of Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the market price (as defined in section (b)) of one Share on the date on which the Capital Distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) last preceding day of the Capital Distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next day, as determined in good faith by an approved financial adviser or the auditors of the Company, of the portion of the Capital Distribution or of such rights which is attributable to one Share,

Provided that:

- (aa) if in the opinion of the relevant approved financial adviser or the auditors of the Company, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the Capital Distribution or rights; and

(bb) the provisions of this sub-paragraph (iii) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the Capital Distribution or grant.

(iv) If and whenever the Company shall offer to holders of Shares new Shares for subscription by way of rights, open offer or shall grant to holders of Shares any options or warrants to subscribe for new Shares, at a price which is less than 80 per cent. of the market price on the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the aggregate number of Shares offered for subscription or comprised in the options or warrants. Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant.

- (v) (aa) If and whenever the Company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total Effective Consideration per Share (as defined below) initially receivable for such securities is less than 80 per cent. of the market price on the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price. Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the Company determines the conversion or exchange rate or subscription price.



(bb) If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this sub-paragraph (v) are modified so that the total Effective Consideration per Share initially receivable for such securities shall be less than 80 per cent. of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price. Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of conversion or exchange terms.

For the purposes of this sub-paragraph (v), the “total Effective Consideration” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the total Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

- (vi) If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 80 per cent. of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued. Such adjustment shall become effective on the date of the issue.
- (b) Capitalised terms used in this Appendix shall have the same meanings as those defined in this circular, and for the purposes of this Appendix:

**“announcement”** shall include the release of an announcement to the press or the delivery or transmission by telephone, facsimile or otherwise of an announcement to the Stock Exchange;

**“date of announcement”** shall mean the date on which the announcement is first so released, delivered or transmitted;

**“Capital Distribution”** shall (without prejudice to the generality of that phrase) include distributions in cash or specie. Any dividend charged or provided for in the accounts for any financial period shall (whenever paid and however described) be deemed to be a Capital Distribution Provided that any such dividend shall not automatically be so deemed if it is paid out of the aggregate of the net profits (less losses) attributable to the holders of Shares for all financial periods after 31 December 2022 as shown in the audited consolidated profit and loss account of the Company and its subsidiaries for each financial period ended 31 December;

**“issue”** shall include allot;

**“market price”** means the average of the closing prices of one Share on the Stock Exchange for each of the last five Stock Exchange dealing days on which dealings in the Shares on the Stock Exchange took place ending on the last such dealing day preceding the day on or as of which the market price is to be ascertained;

“**reserves**” includes unappropriated profits;

“**rights**” includes rights in whatsoever form issued;

“**Shares**” includes, for the purposes of Shares comprised in any issue, distribution or grant pursuant to sub-paragraphs (iii), (iv), (v), (vi) or (vii) above, any such ordinary shares of the Company as, when fully paid, will be Shares;

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited.

- (c) The provisions of sub-paragraphs (ii), (iii), (iv), (v) and (vi) above shall not apply to:
- (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon exercise of any rights (including any conversion of the Convertible Bonds or any other convertible bonds of the same class as these Convertible Bonds) to acquire Shares provided that an adjustment has been made under this Appendix in respect of the issue of such securities or granting of such rights (as the case may be);
  - (ii) an issue of Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or rights to acquire, Shares to officers or employees of the Company or any of its subsidiaries pursuant to any employee or executive share scheme;
  - (iii) an issue by the Company of Shares or by the Company or any subsidiary of the Company of securities wholly or partly convertible into or rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;

- (iv) an issue of Shares pursuant to a scrip dividend scheme where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value of such Shares is not more than 120 per cent. of the amount of dividend which holders of the Shares could elect to or would otherwise receive in cash, for which purpose the “**market value**” of a Share shall mean the average of the closing prices for such Stock Exchange dealing days on which dealings in the Shares took place (being not less than five such days) as are selected by the directors of the Company in connection with determining the basis of allotment in respect of the relevant scrip dividend and which fall within the period of one month ending on the last day on which holders of Shares may elect to receive or (as the case may be) not to receive the relevant dividend in cash; or
  - (v) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon exercise of any rights to acquire Shares where such rights were granted prior to the issue of the Convertible Bonds.
- (d) Any adjustment to the Conversion Price shall be made to the nearest one tenth of a cent so that any amount under half of one tenth of a cent shall be rounded down and any amount of half of one tenth of a cent or more shall be rounded up and in no event shall any adjustment (otherwise than upon the consolidation of Shares into Shares of a larger nominal amount) involve an increase in the Conversion Price. In addition to any determination which may be made by the directors of the Company every adjustment to the Conversion Price shall be certified either (at the option of the Company) by the auditors of the Company for the time being or by an approved financial adviser.
- (e) Notwithstanding anything contained herein, no adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of this Appendix would be less than one tenth of a cent and any adjustment that would otherwise be required then to be made shall not be carried forward.

- (f) If the Company or any subsidiary of the Company shall in any way modify the rights attached to any share or loan capital so as wholly or partly to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire, Shares, the Company shall appoint an approved financial adviser or the auditors of the Company to consider whether any adjustment to the Conversion Price is appropriate (and if such approved financial adviser or the auditors of the Company shall certify that any such adjustment is appropriate, the Conversion Price shall be adjusted accordingly and the provisions of section (d), (e) and (h) shall apply).
- (g) Notwithstanding the provisions above, in any circumstances where the directors of the Company shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided for under the provisions, the Company may appoint an approved financial adviser or the auditors of the Company to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved financial adviser or the auditors of the Company shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner including without limitation, making an adjustment calculated on a different basis) and/or the adjustment shall take effect from such other date and/or time as shall be certified by such approved financial adviser or the auditors of the Company to be in its opinion appropriate.

- (h) Whenever the Conversion Price is adjusted as herein provided the Company shall give notice to the holders of the Convertible Bonds forthwith that the Conversion Price has been adjusted (setting forth the event giving rise to the adjustment, the adjustment Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof) and shall at all times thereafter so long as the Convertible Bonds remain outstanding make available for inspection at its principal place of business in Hong Kong a signed copy of the said certificate of the auditors of the Company or (as the case may be) of the relevant approved financial adviser or the auditors of the Company and a certificate signed by a director of the Company setting forth brief particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof and shall, on request, send a copy thereof to the holders of the Convertible Bonds.
- (i) If application of any of the provisions of this Appendix would but for this sub-paragraph result in the Conversion Price being reduced to less than the nominal value of the Share, then the Conversion Price shall be adjusted to an amount equal to the nominal value of the Share.

## NOTICE OF EXTRAORDINARY GENERAL MEETING



### 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)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Asia Television Holdings Limited (the “Company”) will be held at Studio No. 8, G/F., 33 Dai Shing Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Tuesday, 19 December 2023 at 11:00 a.m. to consider and, if thought fit, approve, with or without modifications, the following resolutions as a special resolution and/or ordinary resolutions:

### ORDINARY RESOLUTION

1. “THAT:

subject to: (i) The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, the Consolidated Shares (as hereinafter defined) upon the Share Consolidation (as defined below) becoming effective; and (ii) the compliance with the relevant procedures and requirements under the applicable laws of Cayman Islands and the Rules Governing the Listing of Securities on the Stock Exchange to effect the Share Consolidation, with effect from the second business day after the date on which this resolution is passed by the shareholders of the Company (the “Shareholders”):

- (a) every ten (10) issued and unissued ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company (the “Existing Shares”) be consolidated into one (1) ordinary share of par value of HK\$1.0 each (the “Consolidated Shares”) (the “Share Consolidation”);
- (b) Immediately upon the Share Consolidation becoming effective the authorised share capital of the Company will be changed from HK\$2,000,000,000 divided into 20,000,000,000 Existing Shares to HK\$2,000,000,000 divided into 2,000,000,000 Consolidated Shares;

## NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the Directors be and are hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to or in connection with the matters contemplated in this resolution;
- (d) the conditional subscription agreement (the “**Subscription Agreement**”) dated 14 May 2021 entered into between the Company as issuer and Nanotechnology Singapore Pte. Ltd. (the “**Subscriber**”) as subscriber (as amended and supplemented by a supplemental agreement dated 17 May 2023 entered into between the Company and the Subscriber) in relation to the issue of unlisted convertible bonds (the “**Convertible Bonds**”) in an aggregate principal amount of HK\$300,000,000 at the conversion price of HK\$0.1 per conversion share (subject to adjustments) and the transactions contemplated thereunder (including but not limited to the issue of the Convertible Bond and the allotment and issue of the conversion shares (the “**Conversion Shares**”) upon exercise of conversion rights attaching to the Convertible Bonds) be and are hereby approved, confirmed and ratified;
- (e) the Directors be and are hereby granted a specific mandate to allot and issue the Conversion Shares upon exercise of the conversion rights attached to the Convertible Bonds in accordance with the terms and conditions of the Convertible Bonds; and
- (f) any one Director of the Company be and is hereby authorised to do all such acts and things as he/she in his/her sole and absolute discretion deems necessary, desirable or expedient to implement, give effect to and/or complete the Share Consolidation and Subscription Agreement including without limitation the issue of the Convertible Bonds and the issue and allotment of the Conversion Shares from time to time upon exercise of the conversion rights pursuant to the terms of the Convertible Bonds and to agree to any variation, amendment or waiver of terms of the Subscription Agreement as are, in the opinion of such Director, in the interest of the Company provided that such variation, amendment or waiver shall not be fundamentally different from the terms as provided in the Subscription Agreement.”



## NOTICE OF EXTRAORDINARY GENERAL MEETING

### SPECIAL RESOLUTION

2. **“THAT** subject to: (i) The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) granting the listing of, and permission to deal in, the Adjusted Shares (as hereinafter defined) in issue arising from the Capital Reorganisation (as hereinafter defined); and (ii) the compliance with the relevant procedures and requirements under the applicable laws of Cayman Islands and the Rules Governing the Listing of Securities on the Stock Exchange to effect the Capital Reorganisation, with effect from the one clear business day after the date on which this resolution is passed by the shareholders of the Company (the **“Shareholders”**):
- (a) the issued share capital of the Company be reduced from par value of HK\$1.0 each to par value of HK\$0.1 each (the **“Issued Adjusted Shares”**) by cancelling the paid-up capital of the Company thereon to the extent of HK\$0.99 on each of the issued Consolidated Shares (the **“Capital Reduction”**);
  - (b) immediately following the Capital Reduction, each authorised but unissued Consolidated Share (including those arising from the Capital Reduction) be subdivided into one hundred (100) ordinary shares of par value of HK\$0.01 each (together with the Issued Adjusted Shares, the **“Adjusted Shares”**) (the **“Share Subdivision”**, together with the Share Consolidation and the Capital Reduction, the **“Capital Reorganisation”**);
  - (c) the amount of the issued share capital of the Company cancelled pursuant to the Capital Reduction be made available for the issue of the Adjusted Shares so that immediately following the Capital Reorganisation, the authorised share capital of the Company shall be HK\$2,000,000,000 divided into 200,000,000,000 Adjusted Shares of par value of HK\$0.01 each;

## NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) the credits arising from the Capital Reduction be transferred to the contributed surplus account of the Company and the directors of the Company (the “**Directors**”) or a committee thereof be and are hereby authorised to use the amount then standing to the credit of the contributed surplus account of the Company to eliminate or to set off the accumulated losses of the Company and/or to eliminate or to set off the other accumulated losses of the Company which may arise from time to time and/or to pay dividend and/or to make any other distribution out of the contributed surplus account of the Company from time to time without further authorisation from the shareholders of the Company and/or to use the credit in such other manner as may be permitted under the bye-laws of the Company in effect from time to time and all applicable laws without any further authorisation from the shareholders of the Company and all such actions in relation thereto be and are approved, ratified and confirmed;
- (e) all fractional Adjusted Shares resulting from the Capital Reorganisation will not be issued to holders of the same but all such fractional entitlements of the Adjusted Shares will be aggregated and sold for the benefit of the Company in such manner and on such terms as the Directors may think fit; and
- (f) the Directors be and are hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to or in connection with the matters contemplated in this resolution.”

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

Hong Kong, 23 November 2023

## NOTICE OF EXTRAORDINARY GENERAL MEETING

*Registered office:*  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Principal place of business in Hong Kong:*  
Room 515, 5/F., Tower A  
New Mandarin Plaza  
14 Science Museum Road  
Tsim Sha Tsui East  
Kowloon  
Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint in written form one or, if he is the holder of two or more shares (the “**Shares**”) of the Company, more proxy(ies) to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy must be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised to sign the same, and must be delivered to the office of the Hong Kong share registrar and transfer office of the Company (the “**Registrar**”), Tricor Investor Services Ltd. at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the EGM (i.e. by 11:00 a.m. on Sunday, 17 December 2023) or any adjournment thereof.
3. For determining the entitlement of the shareholders of the Company to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 14 December 2023 to Tuesday, 19 December 2023, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Registrar at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 13 December 2023.
4. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the EGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning or “extreme conditions after super typhoons” announced by the Government of Hong Kong is/are in effect any time after 7:00 a.m. on the date of the EGM, the meeting will be postponed. The Company will publish an announcement on the website of the Company at [www.atvgroup.com.hk](http://www.atvgroup.com.hk) and on the website of the Stock Exchange at <http://www.hkexnews.hk> to notify Shareholders of the date, time and venue of the rescheduled meeting.