

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

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



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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent to the Company



THE PLACING

On 7 June 2024 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent agreed to place, on a best effort basis, up to 218,512,000 Placing Shares to not less than six independent Placees at a price of HK\$0.16 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the 218,512,000 Placing Shares under the Placing represent (i) approximately 20% of the existing issued share capital of the Company of 1,092,566,800 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be HK\$2,185,120.

The Placing Price of HK\$0.16 per Placing Share represents: (i) a discount of approximately 12.57% to the closing price of HK\$0.183 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 17.53% to the average closing price of approximately HK\$0.194 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The gross proceeds from the Placing will be approximately HK\$35.0 million. The net proceeds from the Placing will amount to approximately HK\$34.1 million which is intended to be used (1) approximately 58.7% (approximately HK\$20.0 million) for repayment of debts; and (2) approximately 41.3% (approximately HK\$14.1 million) for the general working capital of the Group. The net proceeds raised per Placing Share will be approximately HK\$0.156 per Share.

Shareholders and potential investors should note that the Placing is subject to conditions under the Placing Agreement to be fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

7 June 2024 (after trading hours)

Issuer

The Company

Placing Agent

Kingston Securities Limited

The Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 218,512,000 Placing Shares to independent Placees. The Placing Agent will receive a placing commission of 2% of the aggregate amount equal to the Placing Price multiplied by the actual number of Placing Shares successfully placed by the Placing Agent. The terms of the Placing Agreement were arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market condition. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its associates are Independent Third Parties. As at the date of this announcement, Mrs. Chu Yuet Wah, the ultimate beneficial owner of the Placing Agent, is interested in 200,000 Shares, representing approximately 0.02% of the total issued share capital of the Company.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares to currently expected not less than six Placees (who are independent professional, institutional or other investors), who and whose ultimate beneficial owner(s) (if applicable) are Independent Third Parties.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the 218,512,000 Placing Shares under the Placing represent (i) approximately 20% of the existing issued share capital of the Company of 1,092,566,800 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be HK\$2,185,120.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.16 per Placing Share represents: (i) a discount of approximately 12.57% to the closing price of HK\$0.183 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 17.53% to the average closing price of approximately HK\$0.194 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

General Mandate

The Placing Shares will be issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM, subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders. Under the General Mandate, the Company is authorised to issue up to 218,513,360 new Shares. Up to the date of this announcement, no Shares have been issued under the General Mandate.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares; and
- (ii) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained.

Completion of the Placing

Completion of the Placing, in any event, will take place within four business days after the fulfillment of the conditions as set out in paragraph headed “Conditions of the Placing Agreement” above or such other date to be agreed between the Company and the Placing Agent in writing (the “**Completion Date**”). If the above conditions are not satisfied and/or waived (other than condition (i) above, which cannot be waived) in whole or in part by the Placing Agent on or before 5:00 p.m. on 27 June 2024 or such later date to be agreed between the Company and the Placing Agent in writing, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties under the Placing Agreement will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches thereof).

Termination and force majeure

The Placing Agent may terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events:

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the Completion Date;

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under this Placing Agreement; or
- (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days; or
- (c) the Placing Agent becomes aware that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated, the Placing Agent shall determine whether such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole, or will otherwise likely to have a material prejudicial effect on the Placing; or
- (d) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (e) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole,

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement, save for any antecedent breaches under the Placing Agreement prior to such termination.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Shareholders and potential investors should note that the Placing is subject to conditions under the Placing Agreement to be fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The principal activities of the Group are (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.

Assuming that all the Placing Shares are successfully placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$35.0 million. The net proceeds from the Placing will amount to approximately HK\$34.1 million which is intended to be used (1) approximately 58.7% (approximately HK\$20.0 million) for repayment of debts; and (2) approximately 41.3% (approximately HK\$14.1 million) for the general working capital of the Group. The net proceeds raised per Placing Share will be approximately HK\$0.156 per Share.

Although the economy gradually recovering from the impact of the COVID-19 pandemic, there are still uncertainties that post constraints on the overall economic recovery. Despite these challenges, the Company is committed to seizing every opportunity to optimise the business operations and enhance shareholders value. As disclosed in the financial statements of the Company for the year ended 31 December 2023, the Group's total assets amounted to approximately RMB126.9 million, which were financed by current liabilities of approximately RMB814.8 million and non-current liabilities of approximately RMB2.9 million. The gearing ratio, which represents the ratio of borrowings (comprising leases liabilities, bond payables, convertible bonds, bank loans, loans from other financial institutions, and other borrowings) to total assets, stood at 280% as at 31 December 2023. The aforementioned financial position highlights the need for the Company to raise funds.

The Directors consider that the Placing can strengthen the financial position of the Group and providing funding to the Group to repay indebtedness and interest expenses of the Group and finance its working capital needs. The Placing also represents a good opportunity to broaden the shareholders base and capital base of the Company.

The Board has considered other alternative fund-raising methods such as debt financing, rights issue or open offer. The Board considered that debt financing may incur further interest burden on the Group and may be subject to lengthy due diligence and negotiations with the banks with reference to the Group's financial position and the then financial market condition and it may be relatively uncertain and time-consuming. On the other hand, rights issue or open offer may also involve relatively substantial time and cost to complete as compared to the equity financing through issue of the new Shares under General Mandate.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Placing Agreement are fair and reasonable and are on normal commercial terms and the Placing is in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Except for the equity fund raising activities as mentioned below, there has not been any other equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
19 December 2023	Issue of convertible bonds in the principal amount of HK\$300 million	HK\$299 million	To be utilised for (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.	N/A (<i>Note</i>)

Note: As at the date of this announcement, completion of the issue of the convertible bonds have yet to take place.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the Placing Shares are placed in full and there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing) is set out as below:

Shareholders	As at the date of this announcement		Immediately upon the completion of the Placing	
	<i>No. of Shares</i>	<i>Approximately %</i>	<i>No. of Shares</i>	<i>Approximately %</i>
Mr. Liu Minbin (<i>note 1</i>)	183,713,200	16.81	183,713,200	14.01
China Special Economic Zone Development Limited (<i>note 2</i>)	181,500,000	16.61	181,500,000	13.84
Oriental Textile Products Limited (<i>note 3</i>)	110,000,000	10.07	110,000,000	8.39
Honghu Capital Co., Ltd. (<i>note 4</i>)	77,008,400	7.05	77,008,400	5.87
The Placees	–	–	218,512,000	16.67
Other public shareholders	<u>540,345,200</u>	<u>49.46</u>	<u>540,345,200</u>	<u>41.22</u>
Total	<u>1,092,566,800</u>	<u>100.00</u>	<u>1,311,078,800</u>	<u>100.00</u>

Notes:

1. Mr. Liu Minbin is an executive Director and the co-Chairman of the Board.
2. China Special Economic Zone Development Limited (“CSEZD”) is an investment holding company incorporated under the laws of Hong Kong. It is wholly owned by Build Rise Capital Group Limited (“Build Rise”). Build Rise, a company incorporated in Republic of Seychelles, is wholly-owned by Mr. Ma Fai.
3. Oriental Textile Products Limited is an investment holding company incorporated under the laws of Hong Kong. It is wholly owned by Mr. Zhang Jingyuan.
4. Honghu Capital Co., Ltd. is wholly-owned and beneficially owned by Mr. Deng Junjie.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

TERMS AND DEFINITIONS

In this announcement, unless the context otherwise required, the following words and expressions shall have the meaning ascribed to them below:

“AGM”	annual general meeting of the Company held on 28 June 2024 to approve the General Mandate
“Board”	the board of Directors
“Company”	Asia Television Holdings Limited, incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	Third party(ies) independent of, not connected or acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with any directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries and their respective associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of 218,512,000 Placing Shares pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 7 June 2024 in relation to the Placing
“Placing Price”	HK\$0.16 per Placing Share
“Placing Share(s)”	up to 218,512,000 new Shares to be placed pursuant to the Placing Agreement
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

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

Hong Kong, 7 June 2024

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

* *For identification purpose only*