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弘毅文化集团
HONY MEDIA GROUP

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

**(Stock Code: 419)**

# COMPLETION OF THE SUBSCRIPTION AGREEMENT I AND TERMINATION OF THE SUBSCRIPTION AGREEMENT II

Reference is made to the announcements (the **"Announcements"**) of Hony Media Group (the **"Company"**) dated 26 May 2026 and 1 June 2026 in relation to the Subscriptions of an aggregate of 137,500,000 Shares of the Company under the General Mandate. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

## COMPLETION OF THE SUBSCRIPTION AGREEMENT I

The Board is pleased to announce that as all the Conditions Precedent set out in the Subscription Agreement I have been fulfilled, the Completion took place on 15 June 2026 in accordance with the terms and conditions of the Subscription Agreement I. A total of 112,500,000 Subscription Shares, representing (i) approximately 7.59% of the total issued share capital of the Company before the Completion of the Subscription under the Subscription Agreement I, and (ii) approximately 7.06% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares under the Subscription Agreement I, have been allotted and issued to the Subscriber I pursuant to the General Mandate, at the Subscription Price of HK$0.40 per Subscription Share.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately prior to Completion of the Subscription under the Subscription Agreement I, and (ii) immediately upon Completion of the Subscription under Subscription Agreement I:

| | **Immediately prior to Completion of the Subscription under the Subscription Agreement I** | | **Immediately upon Completion of the Subscription under Subscription Agreement I** | |
|---|---|---|---|---|
| | *No. of Shares* | *Approx. %* | *No. of Shares* | *Approx. %* |
| Mr. YUEN Hoi Po *(Note 1)* (**"Mr. YUEN"**) | 239,734,010 | 16.17 | 239,734,010 | 15.03 |
| Tencent Holdings Limited *(Note 2)* | 211,625,146 | 14.28 | 211,625,146 | 13.27 |
| Mr. KO Chun Shun, Johnson *(Note 3)* (**"Mr. KO"**) | 126,200,000 | 8.51 | 126,200,000 | 7.91 |
| Hony Capital Group Limited *(Note 4)* | 59,820,538 | 4.04 | 59,820,538 | 3.75 |
| Subscriber I | - | - | 112,500,000 | 7.06 |
| Other public Shareholders | 844,774,705 | 57.00 | 844,774,705 | 52.98 |
| **Total** | **1,482,154,399** | **100.00%** | **1,594,654,399** | **100.00%** |

1. Mr. YUEN is beneficially interested in 45,931,000 Shares. Smart Concept is wholly-owned by Mr. YUEN and is beneficially interested in 193,803,010 Shares. Pursuant to the SFO, Mr. YUEN is also deemed to be interested in the Shares owned by Smart Concept.

2. Mount Qinling Investment Limited is a wholly-owned subsidiary of Tencent Holdings Limited and is beneficially interested in 211,625,146 Shares. Pursuant to the SFO, Tencent Holdings Limited is deemed to be interested in the Shares owned by Mount Qinling Investment Limited.

3. Greater Harmony Limited is wholly-owned by Mr. KO and is beneficially interested in 126,200,000 Shares. Pursuant to the SFO, Mr. KO is deemed to be interested in the Shares owned by Greater Harmony Limited.

4. Mr. ZHAO John Huan ("Mr. ZHAO") is deemed to have an interest in 119,641,076 Shares through his interest in United Strength LS Limited, a company incorporated

in the British Virgin Islands with limited liability (the **"Bondholder"**). This interest comprises 59,820,538 Shares, together with the convertible bonds with aggregate outstanding principal amount of HK$60,000,000, which is convertible into 59,820,538 Shares at the conversion price of HK$1.003 per Share. The Bondholder is a wholly-owned subsidiary of Hony HK Co-Investment, L.P., being a limited partnership formed under the laws of the British Virgin Islands, which is managed by United Strength Youthful Limited (as the general partner). United Strength Youthful Limited is a wholly-owned subsidiary of Hony Capital Group Limited, which is in turn a wholly-owned subsidiary of Hony Capital Group, L.P., being an exempted limited partnership formed under the laws of the Cayman Islands, managed by Hony Group Management Limited (as the general partner). Hony Group Management Limited is 80% owned by Hony Managing Partners Limited and 20% owned by Right Lane Limited. Right Lane Limited is wholly-owned by Legend Holdings Corporation, a company listed on the Main Board of the Stock Exchange (stock code: 3396). Hony Managing Partners Limited is a wholly-owned subsidiary of Exponential Fortune Group Limited, in which (i) Mr. ZHAO owns 49% interest; (ii) Mr. Cao Yonggang owns 25.5% interest and (iii) Mr. Xu Minsheng owns 25.5% interest.

5. The above shareholding information of the Company is based on publicly available information and to the best of the Company's knowledge and information.

Pursuant to the General Mandate granted to the Board at the AGM held on 19 May 2026, the maximum number of Shares that can be issued and allotted by the Directors under the General Mandate are 296,430,879 Shares. After the Completion of the Subscription under the Subscription Agreement I, there remains 183,930,879 new Shares that may be issued under the General Mandate.

## TERMINATION OF THE SUBSCRIPTION AGREEMENT II

The Board wishes to announce that after arm's length negotiations, the Subscriber II and the Company entered into a termination agreement (the **"Termination Agreement"**) on 15 June 2026 (after trading hours) to terminate the Subscription Agreement II. Pursuant to the Termination Agreement, the parties to the Subscription Agreement II shall be released and discharged from their respective obligations under the Subscription Agreement II and neither party shall have any claim against the other for any matters arising from or in relation to the Subscription Agreement II.

The Board considers that the termination of the Subscription Agreement II will not have any material adverse impact on the business, operation and financial position of the Group as a whole.

**USE OF PROCEEDS**

As the Subscription Agreement II has been terminated, the gross proceeds raised from the Subscription Agreement I are HK$45,000,000. After deducting the relevant costs and expenses for the Subscription of approximately HK$200,000, the net proceeds from the Subscription under the Subscription Agreement I are estimated to be approximately HK$44,800,000. On such basis, the net price of the subscription for the Subscription Shares under the Subscription Agreement I will be approximately HK$0.398 per Subscription Share.

The net proceeds from the Subscription under the Subscription Agreement I will be intended to apply for (a) approximately 40% (equivalent to approximately HK$17.92 million) for staff costs and rental expenses; (b) approximately 10% (equivalent to approximately HK$4.48 million) for statutory, compliance and professional fees; (c) approximately 20% (equivalent to approximately HK$8.96 million) for research and development expenses (such as IT and AI related cost supporting the operations and continuous upgrade of the Group's Echartnow system and other operating systems); (d) approximately 15% (equivalent to approximately HK$6.72 million) for capital expenditures (such as computer and equipment, software and intellectual properties) of the Group; and (e) approximately 15% (equivalent to approximately HK$6.72 million) for other expenses (such as insurances, travelling and investor relations expenses) and partial settlement of the Group's existing accrual and payable balances.

By Order of the Board
**Hony Media Group**
**HAU Wai Man, Raymond**
*Company Secretary*

Hong Kong, 15 June 2026

*As at the date of this announcement, the Board comprises:*

*Mr. ZHAO John Huan[2] (Chairman), Mr. CHENG Wu[1] (CEO), Mr. YUEN Hoi Po[1] (President), Mr. YUEN Kin[3], Ms. WANG Song Song[3] and Ms. PAN Min[3]*

*[1] Executive director*
*[2] Non-executive director*
*[3] Independent non-executive director*

*In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.*