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

If you have sold or transferred all your shares in **Asiaray Media Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**CONNECTED TRANSACTION
SUBSCRIPTION OF SECOND TRANCHE OF
PERPETUAL SUBORDINATED CONVERTIBLE SECURITIES**

**Independent financial adviser to
the Independent Board Committee and Independent Shareholders of the Company**



A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 15 to page 16 of this circular. A letter from Pelican Financial Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the issue of perpetual subordinated convertible securities and the transactions contemplated thereunder is set out on pages 17 to 35 of this circular.

A notice convening the EGM to be convened at 12:30 p.m. on Tuesday, 25 June 2019 at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you plan to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for 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.

10 June 2019

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DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions have the following meanings:

“Asiaray China”	Asiaray China Media Limited, a company established in Samoa with limited liability on 11 May 1999 and is wholly owned by Mr. Lam
“associates”	has the meaning ascribed to it under the Listing Rules
“Beijing Asiaray”	北京雅仕維廣告有限公司 (Beijing Asiaray Advertising Company Limited*), a company established in the PRC with limited liability on 9 July 1998 and an indirect wholly owned subsidiary of the Company
“Billion China”	Billion China International Limited, a company established in Samoa with limited liability on 8 August 2005 and is wholly owned by Mr. Lam
“Board”	the board of Directors
“Business Day”	a day, other than a Saturday or Sunday or public holiday, on which commercial banks are generally open for normal banking business in Hong Kong
“Chairman”	the chairman of the Company
“Company”	Asiaray Media Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the First Completion or the Second Completion, as the case may be
“Conditions”	the terms and conditions of the PSCS
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	controlling shareholder(s) (which has the meaning ascribed to it under the Listing Rules) of the Company
“Conversion”	the exercise of the conversion rights attached to the PSCS and the issuance of the Conversion Shares accordingly

DEFINITIONS

“Conversion Price”	the price at which each Conversion Share(s) will be issued upon Conversion, being HKD3.54 per Conversion Share initially, and subject to adjustments which may be made pursuant to the Conditions
“Conversion Share(s)”	the new Share(s) to be issued upon Conversion
“Director(s)”	the director(s) of the Company
“Distribution”	the right to receive distribution(s) from and including the date of issue of the second tranche of the PSCS at the rate of distribution payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December each year, subject to the terms of the second tranche of the PSCS
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Subscription Agreement, the Supplemental Agreement and the transactions contemplated thereunder
“First Completion”	completion of the subscription for and issue of the PSCS in the principal amount of HKD30,000,000 in accordance with the terms and conditions of the First tranche of the PSCS on 28 December 2017
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Asiaray”	Hong Kong Asiaray Advertising Limited, a company incorporated in Hong Kong with limited liability on 31 October 1995, and an indirect wholly owned subsidiary of the Company
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Subscription Agreement, the Supplemental Agreement and the transactions contemplated thereunder

DEFINITIONS

“IFA” or “Independent Financial Adviser”	Pelican Financial Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities as defined under the SFO and the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the subscription of the second tranche of the PSCS
“Independent Shareholders”	Shareholders other than the Subscriber and its associates
“Last Trading Date”	7 May 2019, being the last full trading day in the Shares immediately before the publication of the announcement dated 7 May 2019
“Latest Practicable Date”	6 June 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lam”	Mr. Lam Tak Hing, Vincent, the Chairman, an executive Director and a Controlling Shareholder
“Parity Securities”	any instrument or security (including preference shares) issued, entered into or guaranteed by the Company which ranks or is expressed to rank <i>pari passu</i> with the PSCS
“Peaky”	Peaky Limited, a company incorporated in Hong Kong with limited liability on 29 March 2011 and is wholly owned by Mr. Lam
“Pelican Financial”	Pelican Financial Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities as defined under the SFO and the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscription and the transaction contemplated thereunder

DEFINITIONS

“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PSCS”	the perpetual subordinated convertible securities in the principal amount of HKD30,000,000 issued by the Company to Subscriber in the first tranche of the PSCS on 28 December 2017, and HKD20,000,000 to be issued by the Company to the Subscriber in the second tranche of PSCS
“Second Completion”	completion of the Subscription for and issue of the PSCS in the principal amount of HKD20,000,000 in accordance with the terms and conditions of the second tranche of the PSCS
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Asiaray”	上海雅仕維廣告有限公司 (Shanghai Asiaray Advertising Company Limited*), a company established in the PRC with limited liability on 27 April 1999 and an indirect wholly owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HKD0.10 each in the share capital of the Company
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Space Management Limited, a company incorporated under the laws of the British Virgin Islands, being a controlling shareholder of the Company holding 8.68% of the existing issued share capital of the Company, 10,000,000 Shares in non-listed derivatives and conversion rights of 8,474,576 Shares pursuant to the First Completion as at the Latest Practicable Date
“Subscription”	the subscription of the second tranche of the PSCS by the Subscriber pursuant to the terms of the Subscription Agreement and the Supplemental Agreement

DEFINITIONS

“Subscription Agreement”	the subscription agreement dated 7 September 2017 (as amended and supplemented by the Supplemental Agreement) entered into between the Company and the Subscriber in relation to the subscription of the PSCS by the Subscriber
“Supplemental Agreement”	the supplemental agreement dated 10 November 2017 entered into between the Company and the Subscriber to amend certain terms of the Subscription Agreement
“US\$”	means United States Dollars, the lawful currency of the United States of America
“Zhuhai Asiaray”	珠海雅仕維報業傳媒有限公司 (Zhuhai Asiaray Newspaper Media Company Limited*), a company established in the PRC with limited liability on 20 December 2017 and 60% of its equity interest is held by the Group
“%”	per cent

* For identification purpose only

LETTER FROM THE BOARD



Asiaray Media Group Limited
雅仕維傳媒集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1993)

Executive Directors:

Mr. Lam Tak Hing, Vincent (*Chairman*)

Mr. Lam Ka Po

Non-executive Director:

Mr. Wong Chi Kin

Independent non-executive Directors:

Mr. Ma Andrew Chiu Cheung

Mr. Ma Ho Fai *GBS JP*

Ms. Mak Ka Ling

Registered office:

Maples Corporate Services Limited

P.O. Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

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

16/F, Kornhill Plaza – Office Tower,

1 Kornhill Road

Quarry Bay

Hong Kong

10 June 2019

To the Shareholders,

Dear Sirs,

CONNECTED TRANSACTION
SUBSCRIPTION OF SECOND TRANCHE OF
PERPETUAL SUBORDINATED CONVERTIBLE SECURITIES

INTRODUCTION

Reference is made to the announcements of the Company dated 7 September 2017, 10 November 2017, and 7 May 2019 respectively and the circular dated 30 November 2017 in relation to the subscription of PSCS by the Subscriber (being a connected person) of the PSCS in the principal amount of HKD50,000,000 convertible into Conversion Shares at the initial Conversion Price of HKD3.54 per Conversion Share (subject to adjustments) in two tranches at the face value of HKD30,000,000 and HKD20,000,000 respectively.

On 7 September 2017, the Company and the Subscriber entered into the Subscription Agreement in relation to the subscription of PSCS by the Subscriber.

LETTER FROM THE BOARD

On 10 November 2017, the Company and the Subscriber entered into the Supplemental Agreement, pursuant to which the Company and the Subscriber agreed to make certain amendments to the Subscription Agreement.

On 7 May 2019, the Company proposed to call for the Subscription at the principal amount of HKD20,000,000 by the Subscriber.

For the avoidance of doubt, the Distribution shall not lead to any adjustment of the Conversion Price. Assuming the exercise in full of the conversion rights attaching to the second tranche of the PSCS at the initial Conversion Price, a total of 5,649,717 Conversion Shares will be issued. Assuming the exercise in full of the conversion rights attaching to both tranche of the PSCS at the initial Conversion Price, a total of 14,124,293 Conversion Shares will be issued.

The purpose of this circular is to provide you with, among other things, (i) further information regarding the Subscription; (ii) a letter from the Independent Board Committee to the Independent Shareholders regarding the Subscription; (iii) a letter from Pelican Financial containing its advice to the Independent Board Committee and Independent Shareholders regarding the Subscription; and (iv) the notice of the EGM.

A. PRINCIPAL TERMS OF THE SECOND TRANCHE OF THE PSCS

Issue price	:	100% of the principal amount of the second tranche of the PSCS
Form	:	The second tranche of the PSCS will be issued in registered form
Maturity Date	:	There is no maturity date
Status and Subordination	:	The PSCS constitutes direct, unsecured and subordinated obligations of the Company and rank pari passu without any preference or priority among themselves.

In the event of the winding-up of the Company, the rights and claims of the holder(s) of the PSCS shall:

- (a) rank ahead of those persons whose claims are in respect of any class of share capital of the Company;
- (b) be subordinated in right of payment to the claims of all other present and future senior and subordinated creditors of the Company; and
- (c) pari passu with each other and with the claims of holders of Parity Securities

LETTER FROM THE BOARD

- Distribution : The second tranche of the PSCS confer a right to receive distribution(s) from and including the date of issue of the second tranche of the PSCS at the rate of distribution payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December each year, subject to the terms of the second tranche of the PSCS. For the avoidance of doubt, no part of the Distribution shall be converted into Conversion Shares in lieu of payment
- Rate of Distribution : 5.75% per annum of any outstanding principal amount of the second tranche of the PSCS
- Optional deferral of distributions : The Company may, at its sole discretion, elect to defer a Distribution pursuant to the terms of the second tranche of the PSCS. The deferred Distribution shall be non-interest bearing. The number of times of optional deferral of Distribution by the Company is not restricted
- Conversion Price : Initially HKD3.54 per Conversion Share, subject to adjustment as provided for in the terms of the second tranche of the PSCS, including but not limited to an alteration to the nominal amount of the Shares as a result of consolidation, subdivision or reclassification, capitalization of profits or reserves, capital distributions, rights issues or issue of options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares
- Conversion Shares : 5,649,717 Conversion Shares will be allotted and issued by the Company upon full conversion of the second tranche of the PSCS at the initial Conversion Price
- Conversion period : Conversion of the second tranche of the PSCS into Conversion Shares may take place at any time after the date of issue of the second tranche of the PSCS, subject to the relevant terms as provided in the terms of the second tranche of the PSCS

LETTER FROM THE BOARD

- Restrictions on Conversion : No conversion right shall be exercised by the holder of the second tranche of the PSCS (or when it is exercised by virtue of a conversion notice having been given, the Company shall not be obliged to issue any Conversion Shares but may treat that conversion notice as invalid) if the Company will be in breach of the Listing Rules or the Codes on Takeovers and Mergers and Share Repurchases immediately following such Conversion
- Fractional Shares : Fractions of Shares will not be issued on Conversion and no cash adjustments will be made in respect thereof. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after the date of constitution of the second tranche of the PSCS, the Company will upon Conversion pay in cash a sum equal to such portion of the principal amount of the second tranche of the PSCS represented by the certificate deposited in connection with the exercise of conversion rights as corresponds to any fraction of a Share not issued as aforesaid if such sum exceeds HKD100
- Voting : The holder(s) of PSCS will not be entitled to receive notice of, attend or vote at general meetings of the Company by reason only of it being a PSCS holder
- Transferability : Subject to the terms of the second tranche of the PSCS, the second tranche of the PSCS may be transferred by delivery of the certificate issued in respect of those PSCS, with the form of transfer in the agreed form as set out in the terms of the second tranche of the PSCS duly completed and signed, to the registered office of the Company. No transfer of the second tranche of the PSCS will be valid unless and until (a) the Company has provided its written consent to the transfer (such consent shall not be unreasonably withheld); and (b) such transfer has been entered on the register of PSCS holder(s)

LETTER FROM THE BOARD

- Redemption rights : The second tranche of the PSCS may be redeemed at the option of the Company, at 100% or 50% of the principal amount of the second tranche of the PSCS each time, on any Distribution Payment Date at the face value of the outstanding principal amount of the second tranche of the PSCS to be redeemed plus 100% or 50% (as the case may be) of Distributions accrued to such date
- Listing : No application will be made for the listing of the second tranche of the PSCS on the Stock Exchange. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares converted from the second tranche of the PSCS

The Conversion Shares will be allotted and issued under the specific mandate to be obtained by the Directors by a resolution of the Shareholders passed at the Company's extraordinary general meeting to be held on 25 June 2019 pursuant to which the Directors were allowed to allot and issue up to 5,649,717 Shares upon exercise of the conversion rights attaching to the second tranche of the PSCS in accordance with the terms and conditions of the Subscription Agreement.

Conversion Price

The Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber taking into account the average closing price of the Shares for the 5 trading days, 10 trading days, 30 trading days, 60 trading days and 90 trading days prior to the date of the Subscription Agreement. The Conversion Price represents:

- (i) a discount of approximately 6.35% to the closing price of HKD3.78 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 6.84% to the average of the closing prices of approximately HKD3.80 per Share for the 5 trading days of the Shares up to and including the Last Trading Day;
- (iii) a discount of approximately 6.35% to the average of the closing prices of approximately HKD3.78 per Share for the 10 trading days of the Shares up to and including the Last Trading Day;
- (iv) a discount of approximately 5.09% to the average of the closing prices of approximately HKD3.73 per Share for the 30 trading days of the Shares up to and including the Last Trading Day;
- (v) a discount of approximately 6.60% to the average of the closing prices of approximately HKD3.79 per Share for the 60 trading days of the Shares up to and including the Last Trading Day;

LETTER FROM THE BOARD

- (vi) a discount of approximately 8.05% to the average of the closing prices of approximately HKD3.85 per Share for the 90 trading days of the Shares up to and including the Last Trading Day;
- (vii) a premium of approximately 170% to the audited net asset value per Share of approximately HKD1.31, which is calculated based on the audited net asset value of the Company of approximately HKD575,177,000 as at 31 December 2018 as stated in its 2018 annual result announcement divided by its total number of 440,000,000 issued Shares as at 31 December 2018;
- (viii) a premium of approximately 28.73% to the closing price of HKD2.75 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

Assuming the exercise in full of the conversion rights attaching to the second tranche of the PSCS at the initial Conversion Price, a total of 5,649,717 Conversion Shares may be issued, representing approximately 1.28% of the existing issued share capital of the Company and approximately 1.27% of the issued share capital of the Company as enlarged by the Conversion.

Assuming the exercise in full of the conversion rights attaching to the both tranches of the PSCS at the initial Conversion Price, a total of 14,124,293 Conversion Shares may be issued, representing approximately 3.21% of the existing issued share capital of the Company and approximately 3.11% of the issued share capital of the Company as enlarged by the Conversion.

Conditions Precedent

Second completion is conditional upon the fulfillment of the following conditions:

- (a) the Independent Shareholders having approved the Subscription and the transaction contemplated thereunder in the EGM; and
- (b) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares converted from the second tranche of the PSCS.

The Second Completion shall take place on the 7th Business Day following the date of the notice served on the Subscriber by the Company calling for the subscription of the second tranche of the PSCS at the principal amount of HKD20,000,000.

LETTER FROM THE BOARD

EFFECT ON THE SHAREHOLDING STRUCTURE

Assuming that there is no change in the issued share capital of the Company prior to the Conversion, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) upon Conversion of the second tranche of the PSCS by the Subscriber to the extent allowed; and (iii) upon full Conversion of both tranches of the PSCS by the Subscriber to the extent allowed will be as follows:

	Shareholding as at the Latest Practicable Date		Shareholding upon Conversion of the second tranche of the PSCS		Shareholding upon full Conversion of the PSCS	
	<i>Number of Shares</i>	<i>% (approx.)</i>	<i>Number of Shares</i>	<i>% (approx.)</i>	<i>Number of Shares</i>	<i>% (approx.)</i>
Substantial Shareholders						
Media Cornerstone Limited ¹	254,921,500	57.94	254,921,500	57.20	254,921,500	56.13
The Subscriber ²	38,200,000	8.68	43,849,717	9.83	52,324,293	11.52
Public						
Public Shareholders	146,878,500	33.38	146,878,500	32.97	146,878,500	32.35
	440,000,000	100.00	445,649,717	100.00	454,124,293	100.00

Notes:

- Mr. Lam is the founder of the Shalom Trust (a discretionary trust established by Mr. Lam as settlor of which UBS Trustee (BVI) Limited acts as the trustee and beneficiaries of which are Mr. Lam, certain of his family members and others persons who may be added from time to time) which indirectly holds the entire issued share capital of Media Cornerstone Limited, which holds 254,921,500 Shares.
- Mr. Lam is the sole shareholder of the Subscriber which holds 38,200,000 Shares, 10,000,000 Shares in non-listed derivatives and conversion right of 8,474,576 Shares pursuant to the First Completion and the Subscription Agreement. Mr. Lam has undertaken that upon Conversion, he would procure the Subscriber to place down the Shares to maintain the public flow of 25% in compliance with the Listing Rules.

USE OF PROCEEDS AND REASONS FOR THE SUBSCRIPTION

The Company was incorporated in the Cayman Islands with limited liability. The Company is an investment holding company and its subsidiaries are principally engaged in the development and operations of out-of-home advertising media, including advertising in airports, metro lines, billboards and building solutions in the PRC and Hong Kong.

The Group has solid financial position with sufficient financial resources for the operation of the Group. The net proceeds from the issue of the second tranche of the PSCS (after deduction of all related expenses) will be approximately HKD19,700,000, which is intended to be applied as general working capital of the Company, including funding payment of concession fees in relation to projects bid earlier in 2019, such as the Wenzhou Metro Exclusive Concession Rights Agreement as disclosed in the announcement of the Company dated 22 March 2019.

LETTER FROM THE BOARD

The Board is of the view that, since the PSCS is considered to be equity of the Company, the calling of the Subscription enables the Company to capture business opportunities by raising immediate capital for the Company and broaden the capital base of the Company without an immediate dilution effect on the shareholding of the existing Shareholders. The PSCS is fixed-for-fixed and there is no need for the PSCS to mark to market every year. Besides, even though the Company currently has sufficient financial resources (basically all short-term credit facilities), it needs long-term financial resources to match the terms of various airport and metro projects which are usually 5 to 10 years. Given the immediate dilution effect, equity financing by way of issue of new shares to third parties is not in the best interests of the Shareholders whereas the issue of PSCS provides additional financial resources without an immediate dilution effect on the shareholding of the existing Shareholders. No conversion right shall be exercised by the holder of the PSCS if the Company will be in breach of the Listing Rules or the Takeover Codes immediately following such Conversion. The Subscription provides an efficient mean to raise funds as there is no instant material cash outflow pressure on the Group before the repayment of the PSCS since the PSCS has no maturity date. Furthermore, the Company may at its sole discretion to elect to defer a Distribution pursuant to the terms of the second tranche of the PSCS, which makes the financial and cashflow management of the Group more flexible.

The Directors (excluding the independent non-executive Directors who will form their view upon considering the advice of the Independent Financial Adviser) consider that the Subscription is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY BY THE COMPANY IN THE LAST 12 MONTHS

The Company had not conducted any fund raising exercise in the past twelve months immediately before the Latest Practicable Date.

LISTING RULES IMPLICATION

The Subscriber is the controlling shareholder of the Company holding 8.68% of the existing issued share capital of the Company and the sole ultimate beneficial owner of the Subscriber is Mr. Lam, who is an executive Director and the controlling shareholder of the Company. The Subscriber is therefore a connected person of the Company and the subscription of the second tranche of the PSCS constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, which is subject to the reporting, announcement and Independent Shareholders' approval requirements.

Save for Mr. Lam, who has a material interest in the issue of the PSCS, has abstained from voting on the relevant board resolutions, no other Directors have a material interest in the transaction and have abstained from voting on the board resolutions.

Mr. Lam and his associates (beneficially interested in an aggregate of 293,121,500 Shares, representing approximately 66.62% of the entire issued share capital of the Company as at the Latest Practicable Date) shall abstain from voting on the proposed resolution to the subscription of the second tranche of the PSCS at the EGM.

LETTER FROM THE BOARD

An Independent Board Committee has been formed to advise the Independent Shareholders and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the subscription of the second tranche of the PSCS.

EGM

An EGM to be held at 12:30 p.m. on Tuesday, 25 June 2019 at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong during which ordinary resolution will be proposed to approve the Subscription and the transactions contemplated thereunder. The Subscriber and its associates are required to abstain from voting on the resolution to be proposed at the EGM.

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 and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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. Voting on the proposed resolution at the EGM will be taken by poll.

RECOMMENDATIONS

Your attention is drawn to the recommendation of the Independent Board Committee and the letter of advice from Pelican Financial Limited, both contained in this circular regarding their respective advice on the Subscription. The Independent Shareholders are advised to read these letters before deciding how to vote on the resolution in the EGM.

The Board (excluding Mr. Lam who has material interest in the Subscription) considers that the proposed ordinary resolution in relation to the Subscription is in the interests of the Company and the Shareholders as a whole and accordingly recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

Yours faithfully,
By order of the Board
Asiaray Media Group Limited
Lam Tak Hing, Vincent
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders prepared for the purpose of inclusion in this circular.



Asiaray Media Group Limited
雅仕維傳媒集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1993)

10 June 2019

To the Independent Shareholders,

Dear Sirs,

CONNECTED TRANSACTION
SUBSCRIPTION OF SECOND TRANCHE OF
PERPETUAL SUBORDINATED CONVERTIBLE SECURITIES

We refer to the circular of the Company to the Shareholders dated 10 June 2019 (the “Circular”), of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as the Independent Board Committee to consider the Subscription and the transactions contemplated thereunder (including but not limited to the issue of the second tranche of the PSCS to the Subscriber and the allotment and issue of the Conversion Shares upon the exercise of the conversion rights attached to the second tranche of the PSCS), to advise the Independent Shareholders as to the fairness and reasonableness of the Subscription and the transactions contemplated thereunder, and to recommend how the Independent Shareholders should vote at the EGM. Pelican Financial Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholder in this regard.

We wish to draw your attention to the letter from the Board and letter from the Independent Financial Advisor set out on pages 6 to 14 and pages 17 to 35 of the Circular respectively, and the additional information set out in the appendices to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the terms of the Subscription and the transactions contemplated thereunder and the principal factors and reasons considered by the Independent Financial Advisor, we concur with the view of the Independent Financial Advisor and consider that the terms of the Subscription and the transactions contemplated thereunder are not in the ordinary and usual course of business and on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favour of the resolution to be proposed at the EGM to approve the Subscription and the transactions contemplated thereunder.

Yours faithfully,

The Independent Board Committee

Mr. Ma Andrew Chiu Cheung

Mr. Ma Ho Fai *GBS JP*

Ms. Mak Ka Ling

Independent non-executive Directors

LETTER FROM PELICAN FINANCIAL

The following is the letter of advice from Pelican Financial to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



PELICAN FINANCIAL LIMITED

15/F, East Exchange Tower, 38-40 Leighton Road, Causeway Bay, Hong Kong

10 June 2019

*To the Independent Board Committee and the Independent Shareholders of
Asiaray Media Group Limited*

Dear Sirs,

CONNECTED TRANSACTION SUBSCRIPTION OF SECOND TRANCHE OF PERPETUAL SUBORDINATED CONVERTIBLE SECURITIES

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the subscription of the second tranche of the PSCS, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 10 June 2019 (the “**Circular**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the announcements of the Company dated 7 September 2017, 10 November 2017 and 7 May 2019, and the circular dated 30 November 2017 in relation to the subscription of the PSCS by the Subscriber (being a connected person) in the principal amount of HKD50,000,000 in two tranches at the face value of HKD30,000,000 and HKD20,000,000 respectively. The issuance of the first tranche of the PSCS in the principal amount of HKD30,000,000 was completed on 28 December 2017. As disclosed in the announcement of the Company dated 7 May 2019, in accordance with the terms and conditions of the Subscription Agreement, the Company proposed to call for subscription of the second tranche of the PSCS at the principal amount of HKD20,000,000 by the Subscriber. The call for the Subscriber to subscribe the second tranche of the PSCS shall be subject to the Independent Shareholders’ approval. The net proceeds from the issuance of the second tranche of the PSCS (after deduction of related expenses) will be approximately HKD19,700,000, which is intended to be applied as general working capital of the Company.

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As at the Latest Practicable Date, the Subscriber is a controlling shareholder of the Company holding approximately 8.68% of the existing issued share capital of the Company, 10,000,000 Shares in non-listed derivatives and conversion rights of 8,474,576 Shares pursuant to the First Completion under the Subscription Agreement. The sole ultimate beneficial owner of the Subscriber is Mr. Lam, who is an executive Director and the controlling shareholder of the Company. The Subscriber is therefore a connected person of the Company and the subscription of the second tranche of the PSCS constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, which is subject to the reporting, announcement and Independent Shareholders' approval requirements.

The Board currently comprises of two executive Directors, one non-executive Director and three independent non-executive Directors. The Independent Board Committee, which currently comprises of all the independent non-executive Directors, Mr. Ma Andrew Chiu Cheung, Mr. Ma Ho Fai *GBS JP* and Ms. Mak Ka Ling, has been established to advise the Independent Shareholders regarding the subscription of the second tranche of the PSCS. We have been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect, and such appointment has been approved by the Independent Board Committee.

Pelican Financial Limited is not connected with the Directors, chief executive or substantial shareholders of the Company and its subsidiaries or any of their respective associates and therefore is considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. In the last two years, there was no engagement between the Company and us. Apart from normal professional fees payable to us in connection with this appointment of us as independent financial adviser, no arrangement exists whereby Pelican Financial Limited will receive any fees or benefits from the Company or the Directors, chief executive or substantial shareholders of the Company and its subsidiaries or any of their respective associates.

Our role is to provide you with our independent opinion and recommendation as to (i) whether the subscription of the second tranche of the PSCS and the transactions contemplated thereunder are in the ordinary and usual course of business and on normal commercial terms and whether the terms thereof are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the subscription of the second tranche of the PSCS and the transactions contemplated thereunder at the EGM.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Directors, the Company and its management.

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We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the management and/or the Directors of the Group nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion in respect of the subscription of the second tranche of the PSCS to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors and reasons:

1. Introduction

On 7 September 2017, the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the PSCS in the principal amount of HKD50,000,000 convertible into Conversion Shares at the initial Conversion Price of HKD3.54 per Conversion Share (subject to adjustments) in two tranches. The issuance of the first tranche of the PSCS in the principal amount of HKD30,000,000 was completed on 28 December 2017. As disclosed in the announcement of the Company dated 7 May 2019, in accordance with the terms and conditions of the Subscription Agreement, the Company proposed to call for subscription of the second tranche of the PSCS at the principal amount of HKD20,000,000 by the Subscriber. The call for the Subscriber to subscribe the second tranche of the PSCS shall be subject to the Independent Shareholders' approval. For the avoidance of doubt, the Distribution shall not lead to any adjustment of the Conversion Price. The net proceeds from the issuance of the second tranche of the PSCS (after deduction of related expenses) will be approximately HKD19,700,000, which is intended to be applied as general working capital of the Company.

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Assuming the exercise in full of the conversion rights attaching to the second tranche of the PSCS at the initial Conversion Price, a total of 5,649,717 Conversion Shares may be issued, representing approximately 1.28% of the existing issued share capital of the Company and approximately 1.27% of the issued share capital of the Company as enlarged by the Conversion.

Assuming the exercise in full of the conversion rights attaching to both tranches of the PSCS at the initial Conversion Price, a total of 14,124,293 Conversion Shares may be issued, representing approximately 3.21% of the existing issued share capital of the Company and approximately 3.11% of the issued share capital of the Company as enlarged by the Conversion.

2. Background and financial information of the Group

The Company was incorporated in the Cayman Islands with limited liability. The Company is an investment holding company and its subsidiaries are principally engaged in the development and operations of out-of-home advertising media, including advertising in airports, metro lines, billboards and building solutions in the PRC and Hong Kong.

Set out below is a summary of the audited financial information of the Group for the two years ended 31 December 2018 as extracted from the annual reports of the Company for the year ended 31 December 2018 (“**Annual Report**”).

	For the year ended	
	31 December	
	2018	2017
	<i>(HKD'000)</i>	<i>(HKD'000)</i>
	(audited)	(audited)
Revenue		
– Airports	727,700	843,500
– Metro lines & billboards	974,900	713,500
– Others	226,300	202,200
Total	1,928,900	1,759,200
Profit/(Loss) attributable to owners of the Company for the period/year	62,953	44,690

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For the year ended 31 December 2017

As set out in the annual report of the Company, revenue of the Group was approximately HKD1,759.2 million for the year ended 31 December 2017, which represented an increase of approximately 19.6% from approximately HKD1,470.8 million for the year ended 31 December 2016. The increase in the Group's revenue was mainly due to the increase in revenue in its airports media and metro media businesses, despite partially offset by the decrease in revenue in its billboard and building solution businesses. For the year ended 31 December 2017, profit attributable to owners of the Company surged by 164.5% to approximately HKD44.7 million versus approximately HKD16.9 million for the year ended 31 December 2016, which was mainly due to the net effect of the following factors: (i) the increase in gross profit of the Group; (ii) the absence of the HKD24.7 million other gain associated with the written back provision of compensation loss for the year ended 31 December 2017.

For the year ended 31 December 2018

As set out in the Annual Report, revenue of the Group for the year ended 31 December 2018 increased by 9.6% to approximately HKD1,928.9 million from approximately HKD1,759.2 million for the year ended 31 December 2017, which was mainly due to the growth of the metro and billboard business. For the year ended 31 December 2018, profit attributable to owners of the Company rose by 40.9% to approximately HKD63.0 million from approximately HKD44.7 million for the year ended 31 December 2017, which was mainly a result of the net effect of the increase in the Group's gross profit, which in turn was due to: (i) an increase in gross profit from the airport business; (ii) an increase in gross profit contributed by the metro media and billboard businesses in Hong Kong and metro media business in Beijing due to successful advertising campaigns.

Outlook

As set out in the Annual Report, in spite of the expected outlook for the global economy being filled with uncertainties as it will be affected by various issues including the US-China trade war, weaker prospects for emerging markets and geopolitical tensions, the Group is committed to capturing growth opportunities in the out-of-home ("OOH") industry and under the Belt and Road initiative. Consistent with the Group's goal to build an even stronger foundation for achieving its objectives, it has already secured several new projects in late 2018 and early 2019, including but are not limited to, the media concession rights of Beijing Capital International Airport and the new Beijing Daxing International Airport, and the exclusive concession rights of Wenzhou Metro S1, Beijing Metro Line 14, Hangzhou Metro Line 5, Haikou Meilan International Airport.

Further, the Asiaray 360 platform (<https://360.asiaray.com/en/>) has been launched during the year of 2018 and served as a media management and planning system through which customers and advertisers are able to better visualize the Group's inventory of OOH advertising solutions and their respective costs, as well as request for quotes, resulting ultimately in more prompt transactions. Going forward, the Group will leverage on this platform to better manage its media inventory, capture the interest of advertisers, and generate greater sales.

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Fund raising activity by the Company in the last 12 months

The Company had not conducted any fund raising exercise in the past twelve months immediately preceding the Latest Practicable Date.

3. The second tranche of the PSCS

3.1 *Principal terms of the second tranche of the PSCS*

Set out below are the principal terms of the second tranche of the PSCS, further details are also set out in the Letter from the Board of this Circular.

- Issue price** : 100% of the principal amount of the second tranche of the PSCS
- Form** : The second tranche of the PSCS will be issued in registered form.
- Maturity Date** : There is no maturity date.
- Status and Subordination** : The PSCS constitutes direct, unsecured and subordinated obligations of the Company and rank pari passu without any preference or priority among themselves.

In the event of the winding-up of the Company, the rights and claims of the holder(s) of the PSCS shall:

- (a) rank ahead of those persons whose claims are in respect of any class of share capital of the Company;
- (b) be subordinated in right of payment to the claims of all other present and future senior and subordinated creditors of the Company; and
- (c) pari passu with each other and with the claims of holders of Parity Securities.

- Distribution** : The second tranche of the PSCS confer a right to receive distribution(s) from and including the date of issue of the second tranche of the PSCS at the rate of distribution payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December each year, subject to the terms of the second tranche of the PSCS. For the avoidance of doubt, no part of the Distribution shall be converted into Conversion Shares in lieu of payment.

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- Rate of Distribution** : 5.75% per annum of any outstanding principal amount of the second tranche of the PSCS
- Optional deferral of distributions** : The Company may, at its sole discretion, elect to defer a Distribution pursuant to the terms of the second tranche of the PSCS. The deferred Distribution shall be non-interest bearing. The number of times of optional deferral of Distribution by the Company is not restricted.
- Conversion Price** : Initially HKD3.54 per Conversion Share, subject to adjustment as provided for in the terms of the second tranche of the PSCS, including but not limited to an alteration to the nominal amount of the Shares as a result of consolidation, subdivision or reclassification, capitalization of profits or reserves, capital distributions, rights issues or issue of options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares
- Conversion Shares** : 5,649,717 Conversion Shares will be allotted and issued by the Company upon full conversion of the second tranche of the PSCS at the initial Conversion Price.
- Conversion period** : Conversion of the second tranche of the PSCS into Conversion Shares may take place at any time after the date of issue of the second tranche of the PSCS, subject to the relevant terms as provided in the terms of the second tranche of the PSCS.
- Restrictions on Conversion** : No conversion right shall be exercised by the holder of the second tranche of the PSCS (or when it is exercised by virtue of a conversion notice having been given, the Company shall not be obliged to issue any Conversion Shares but may treat that conversion notice as invalid) if the Company will be in breach of the Listing Rules or the Codes on Takeovers and Mergers and Share Repurchases immediately following such Conversion.

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- Fractional Shares** : Fractions of Shares will not be issued on Conversion and no cash adjustments will be made in respect thereof. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after the date of constitution of the second tranche of the PSCS, the Company will upon Conversion pay in cash a sum equal to such portion of the principal amount of the second tranche of the PSCS represented by the certificate deposited in connection with the exercise of conversion rights as corresponds to any fraction of a Share not issued as aforesaid if such sum exceeds HKD100.
- Voting** : The holder(s) of the second tranche of the PSCS will not be entitled to receive notice of, attend or vote at general meetings of the Company by reason only of it being the second tranche of the PSCS holder.
- Transferability** : Subject to the terms of the second tranche of the PSCS, the second tranche of the PSCS may be transferred by delivery of the certificate issued in respect of those PSCS, with the form of transfer in the agreed form as set out in the terms of the second tranche of the PSCS duly completed and signed, to the registered office of the Company. No transfer of the second tranche of the PSCS will be valid unless and until (a) the Company has provided its written consent to the transfer (such consent shall not be unreasonably withheld); and (b) such transfer has been entered on the register of PSCS holder(s).
- Redemption rights** : The second tranche of the PSCS may be redeemed at the option of the Company, at 100% or 50% of the principal amount of the second tranche of the PSCS each time, on any Distribution Payment Date at the face value of the outstanding principal amount of the second tranche of the PSCS to be redeemed plus 100% or 50% (as the case may be) of Distributions accrued to such date.
- Listing** : No application will be made for the listing of the second tranche of the PSCS on the Stock Exchange. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares converted from the second tranche of the PSCS.

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The principal terms of the second tranche of the PSCS were arrived at following arm's length negotiations between the Company and the Subscriber.

Assuming the exercise in full of the conversion rights attaching to the second tranche of the PSCS at the initial Conversion Price, a total of 5,649,717 Conversion Shares may be issued, representing approximately 1.28% of the existing issued share capital of the Company and approximately 1.27% of the issued share capital of the Company as enlarged by the Conversion.

Assuming the exercise in full of the conversion rights attaching to both tranches of the PSCS at the initial Conversion Price, a total of 14,124,293 Conversion Shares may be issued, representing approximately 3.21% of the existing issued share capital of the Company and approximately 3.11% of the issued share capital of the Company as enlarged by the Conversion.

3.2 Use of proceeds and reasons for the Subscription

The net proceeds from the issuance of the second tranche of the PSCS (after deduction of all related expenses) will be approximately HKD19,700,000, which is intended to be applied as general working capital of the Company. As set out in the Annual Report, the Company is committed to capturing growth opportunities in the OOH industry and under the Belt and Road initiative, and has already secured several new projects in late 2018 and early 2019, including but are not limited to, the media concession rights of the Beijing Capital International Airport, the new Beijing Daxing International Airport, the Wenzhou Metro Line S1, Beijing Metro Line 14, Hangzhou Metro Line 5, and two national projects – the High Speed Rail (Hong Kong Section) and the Hong Kong-Zhuhai-Macao Bridge (Zhuhai-Macao Port), all of such airport and metro projects have a duration of up to twenty years and would require long-term financial resources. According to the Annual Report, the Company is at a net cash position and as confirmed by the management, the Company has budgeted enough financial resources for its daily working capital and implementation of its existing business plans. Nonetheless, in light of the expansion of the Company's business network as mentioned above, we concur with the Directors that the issuance of the second tranche of the PSCS and the proceeds therefrom would allow the Company to allocate its financial resources more flexibly to capture business opportunities in an effective manner and would broaden the capital base of the Company without an immediate dilution effect on the shareholding of the existing Shareholders. When the Company comes across a good project, investment or imminent financing needs in the future, it has the option but not an obligation to draw on such proceeds to capture the business opportunity. Furthermore, the Company may at its sole discretion to elect to defer a Distribution pursuant to the terms of the second tranche of the PSCS, which makes the financial and cashflow management of the Group more flexible.

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As discussed with the management of the Company, the Directors have considered other fund-raising alternatives such as bank financing, rights issue and/or open offer and placing of new shares. The Company considered that assets pledge and other securities may be required for bank financing whilst such security is not required under the subscription of the second tranche of the PSCS. Also, the Rate of Distribution is competitive when compared to the prevailing interest rate of bank financing to be obtained by the Company. As such, we agree with the Directors that obtaining additional financial resources through the issuance of the second tranche of the PSCS is more favorable than through bank financing, as an increased level of the borrowings and gearing ratio may adversely affect the liquidity and business operations of the Company, including but not limited to (i) increase the Company's vulnerability under adverse economic condition; (ii) potentially limit the Company's ability to obtain further facilities of favorable terms if the gearing ratio of the Company increases, and (iii) restrict its ability to make necessary capital expenditure or develop business opportunities in the future if the Company's exposure to liquidity risk increases.

The Company has also considered a rights issue and/or an open offer. Given the thin trading volume of the Shares and costly underwriting commission and a relatively long underwriting period associated with a rights issue and/or an open offer, the Directors considered that the entering into the subscription of the second tranche of the PSCS represents an opportunity for the Company to raise immediate capital at a reasonable cost. Further, placing of new shares will result in an immediate shareholding dilution to existing Shareholders whereas the issuance of the second tranche of the PSCS provides additional financial resources to the Company without an immediate dilution effect on the shareholding of the existing Shareholders.

We also noted from our discussion with the management that all the concession fee of the Group in relation to the airports, metro lines and billboards which were classified as operating leases before 1 January 2019. As disclosed in the Annual Report, the adoption of the new accounting standard HKFRS 16 by the Group from its mandatory adoption date of 1 January 2019 will result in an increase in right-of-use assets and an increase in lease liabilities in the Company's consolidated balance sheet, as well as a reduction of the Group's overall net assets by approximately HK\$92 million. In this regard, we are of the view that the issuance of the second tranche of the PSCS will enhance the Company's position on its financial statements, as not only the proceeds from the issuance of the second tranche of the PSCS will be recognized as cash flows from financing activities, it will also be accounted for as equity in the financial statements of the Company and hence strengthen the capital base of the Company and in turn enhance the ability of the Group to obtain external financing with a lower cost in the future if it chooses to do so.

We also understand that the issuance of the second tranche of the PSCS has the following benefits: (i) the second tranches of the PSCS has no maturity date and therefore there is no instant material cash outflow impact on the Group as a result of repayment of the principal amount; (ii) payments of Distribution can be deferred at the discretion of the Company, which makes the financial and cashflow management of the Group more flexible; and (iii) there is no limit as to the number of times for the deferral of distribution.

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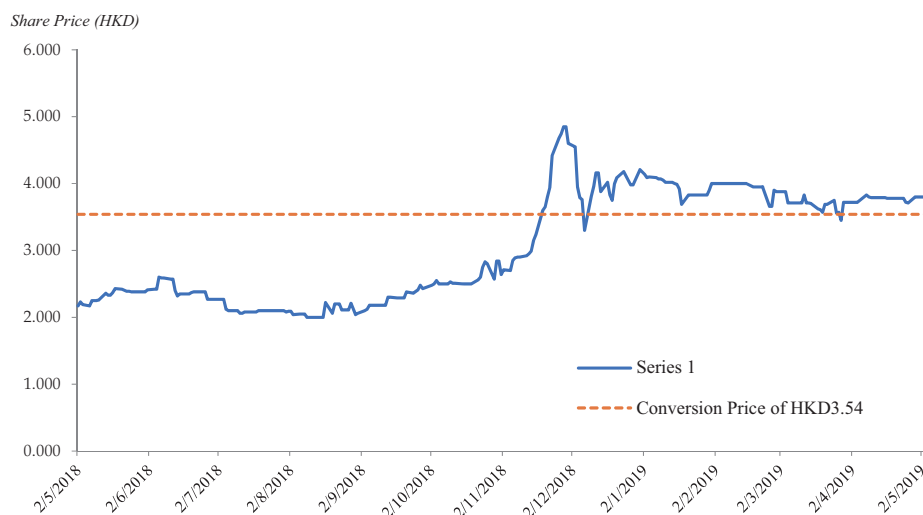
In light of the above, we are of the view that the use of proceeds and the subscription of the second tranche of the PSCS are fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

3.3 Analysis on the terms of the second tranche of the PSCS

When assessing the fairness and reasonableness of the terms of the second tranche of the PSCS, we have taken into account (i) the daily closing price of the Shares as quoted on the Stock Exchange commencing on 1 May 2018 (being approximately a 12-month period prior to the Latest Practicable Date) up to and including the Last Trading Day (the “Share Price Review Period”); and (ii) the comparison of the recent issues of perpetual convertible securities by companies listed on the Main board of the Stock Exchange.

(i) Share price movement during the Share Price Review Period

Set out below is the movement of the closing prices of the Shares during the Share Price Review Period in relation to the Conversion Price:



Source: website of Stock Exchange

As illustrated in the chart above, during the Share Price Review Period, the closing prices of the Shares ranged from HKD2.000 per Share to HKD4.850 per Share, and the average closing price of the Shares was HKD3.045. Therefore, the Conversion Price of HKD3.54 is within the range of the closing prices of the Shares and above the average closing price of the Shares during the entire Share Price Review Period, despite the Conversion Price represents a discount of approximately 6.35% over the closing price of HKD3.78 per Share as quoted on the Stock Exchange on the Last Trading Day.

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(ii) Comparison with other perpetual convertible securities

To further evaluate the fairness and reasonableness of the terms of the second tranche of the PSCS, we have made a comparison of perpetual convertible securities (transactions with put options granted to the investors/subscribers are excluded as the PSCS could only be redeemed at the option of the Company) issued by other companies listed on the Main Board of the Stock Exchange for fund raising purposes. We noted that while there are quite a number of convertible bonds/notes issued by companies listed on the Stock Exchange, they are not perpetual in nature and may not provide an insight to the major terms, in particular, the absence of maturity and fixed redemption date, of perpetual convertible securities. We are also aware that a large majority of perpetual convertible securities were issued by banks such as HSBC Holdings plc. and Standard Chartered plc., and we are of the view the facts and circumstances surrounding these issuances are very different from those of the Company. As such, we have excluded them from our list of comparable transactions and have only identified two perpetual convertible securities comparable transactions from 1 January 2016 up to the Last Trading Day (refer to collectively as the “**Comparable(s)**”).

We confirm the list of Comparables is an exhaustive list. We also consider that the review period for the perpetual convertible securities is appropriate to capture the relevant Comparables and their features as a general reference for the market practices under the prevailing market conditions and sentiments. However, given the differences amongst the Comparables and the Group in terms of business nature, financial performance, market capitalisation, financial position as well as the reasons for the issuance of the respective perpetual convertible securities by the Comparables Issuers and their respective funding requirements, we consider that the Comparables might not constitute close and representative reference to the second tranche of the PSCS, but a fair market reference on general character and terms of the second tranche of the PSCS.

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Issuer (stock code)	Date of announcement	Initial conversion price	Premium/ (Discount) to the last closing price (%)	Initial annual distribution rate (%)	Distribution terms/listing status	Perpetual convertible securities secured by assets	Redemption terms	Conversion terms
Orient Victory China Holdings Limited (265)	5-Sep-16	HKD0.128	(5.19)	6	Semi-annually, cancellable after the first anniversary/not listed	No	Redemption at the option of the Company in full, on any Distribution Payment Date, at the face value	Holders shall have the right to convert any of their perpetual convertible securities into new ordinary shares at any time after the issue date
Semiconductor Manufacturing International Corporation (981)	29-Nov-17	HKD12.78	14.1	2	Cancellable/listed on the Singapore Exchange	No	<p>Redemption for taxation reasons: Redemption at its option, at any time, on giving not less than 15 nor more than 30 days' notice to the holders, the trustee and the principal agent on the tax redemption date at a redemption price equal to the principal amount, subject to the relevant change or amendment to the taxation laws or regulations.</p> <p>Redemption for accounting reasons and/or rating event: Redemption in whole at the option, at any time, on giving not less than 15 nor more than 30 days' notice to the holders, the trustee and the principal agent on the tax redemption date at a redemption price equal to the early redemption amount or the principal amount, together with distribution accrued to the date fixed for redemption (including any arrears of distribution and any additional distribution amount), subject to the relevant accounting standard and/or relevant amendment, clarification or change of the equity credit methodology of credit rating agency.</p>	Perpetual convertible securities will be convertible by holders into shares, at any time on and after the date falling 40 days after the issue date and up to the close of business.

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Issuer (stock code)	Date of announcement	Initial conversion price	Premium/ (Discount) to the last closing price (%)	Initial annual distribution rate (%)	Distribution terms/listing status	Perpetual convertible securities secured by assets	Redemption terms	Conversion terms
		Avg	4.5	4.00				
		Max	14.1					
		Min	(5.2)	2.00				
The Company	7-May-2019	HKD3.54	(6.35)	5.75	Quarterly, deferrable/ not listed	No	Redemption at the option of the Company, at 100% or 50% of the principal amount of the second tranche of the PSCS each time, on any Distribution Payment Date at the face value of the outstanding principal amount of the second tranche of the PSCS to be redeemed plus 100% or 50% (as the case may be) of Distributions accrued to such date	Holder shall have the right to convert any of their PSCS into Conversion Shares at any time after the issue date of the second tranche of the PSCS, subject to the relevant terms as provided in the terms of the second tranche of the PSCS

Source: website of Stock Exchange

(a) Conversion Price

As shown in the table above, the conversion price of the Comparables to their last closing price ranged from a discount of approximately 5.2% to a premium of approximately 14.1%, with an average discount of approximately 4.5%. Therefore, the discount of approximately 6.35% of the Conversion Price to the closing price on the Last Trading Day is within the range of the discount of the conversion prices of the Comparables to their last closing prices and we consider the slight difference between the Company's discount to its last closing price of 6.35% and the Comparables' discount to their last closing prices of 5.2% as reasonable. In addition, as mentioned in section 3.3 (i) above, the Conversion Price is within the range of the closing prices of the Shares and above the average closing prices of the Shares during the Share Price Review Period. Taking into these two factors into account, we are therefore of the view that the Conversion Price is favourable to the Company.

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In addition, the Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber taking into account the average closing price of the Shares for the 5 trading days, 10 trading days, 30 trading days, 60 trading days and 90 trading days prior to the date of the Subscription Agreement. The Conversion Price represents:

- (i) a discount of approximately 6.35% to the closing price of HKD3.78 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 6.84% to the average of the closing prices of approximately HKD3.80 per Share for the 5 trading days of the Shares up to and including the Last Trading Day;
- (iii) a discount of approximately 6.35% to the average of the closing prices of approximately HKD3.78 per Share for the 10 trading days of the Shares up to and including the Last Trading Day;
- (iv) a discount of approximately 5.09% to the average of the closing prices of approximately HKD3.73 per Share for the 30 trading days of the Shares up to and including the Last Trading Day;
- (v) a discount of approximately 6.60% to the average of the closing prices of approximately HKD3.79 per Share for the 60 trading days of the Shares up to and including the Last Trading Day;
- (vi) a discount of approximately 8.05% to the average of the closing prices of approximately HKD3.85 per Share for the 90 trading days of the Shares up to and including the Last Trading Day;
- (vii) a premium of approximately 170% to the audited net asset value per Share of approximately HKD1.31, which is calculated based on the audited net asset value of the Company of approximately HKD575,177,000 as at 31 December 2018 as stated in the Annual Report divided by its total number of 440,000,000 issued Shares as at 31 December 2018;
- (viii) a premium of approximately 28.73% to the closing price of HKD2.75 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

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As noted above, whilst the Conversion Price represents a slight discount to closing price of the Shares on the Last Trading Day as well as to the average closing prices of the Shares for the 5, 10, 30, 60 and 90 trading days prior to the date of the Subscription Agreement, the discounts were above the average discount of the conversion prices of the Comparables to their last closing prices. Also, the Conversion Price is above the average closing prices of the Shares during the Share Price Review Period.

(b) Rate of Distribution

The second tranche of the PSCS confers a right for the its holder(s) to receive distribution from and including the date of issue of the second tranche of the PSCS at the Rate of Distribution of 5.75% per annum, subject to the optional deferral of distributions. The rate of distribution of the Comparables ranged from 2.0% to 6.0%, with an average distribution rate of approximately 4.0%. The Rate of Distribution therefore is within the range of the rate of distribution offered by the Comparables. Further, we noted that the bank loans of the Group carry an interest rate of up to approximately 5.88% per annum. Therefore, the Rate of Distribution of 5.75% per annum is below the interest rate currently incurred by the Group. In addition, the second tranche of the PSCS has the following benefits when compared to the Group's current bank loans: (i) no maturity date; and (ii) flexibility for the Company to defer a Distribution at its discretion without limit; and (iii) does not require any collaterals.

(c) Conversion

The second tranche of the PSCS can be freely converted into Conversion Shares at any time after issuance at the sole discretion of their holders. Therefore, it gives the holders an option and the flexibility to convert the second tranche of the PSCS into Conversion Shares depending on the market situation and the holders' own preference. With reference to the terms of the Comparables above, we noted that both two Comparables are freely convertible by the holders. As such, the free conversion feature of the second tranche of the PSCS is in line with market practice.

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(d) Redemption

Since the Company has the option, but not obligation, to redeem in whole or in part of the principal amount of the second tranche of the PSCS, there is no instant material cash outflow impact on the Group as a result of repayment of the principal amount and therefore we are of the view such redemption rights are in the interests of the Company. Further, we note that the second tranche of the PSCS has similar redemption rights as the two Comparables.

Having considered that (i) the Conversion Price is priced within the range of and above the average closing price of the Shares during the entire Share Price Review Period; (ii) the slight discount of the Conversion Price to the closing price of the Shares on the Last Trading Day and the average closing price of the Shares for the 5, 10, 30, 60 and 90 trading days prior to the date of the Subscription Agreement were within the range of the discount of the conversion prices of the Comparables to their last closing prices; (iii) the Rate of Distribution is within the range of the rate of distribution offered by the Comparables; (iv) the Rate of Distribution is below the interest rate currently incurred by the Group, (v) the free conversion feature of the second tranche of the PSCS is in line with market practice; and (vi) there is no instant material cash outflow impact on the Group as a result of the repayment of the principal amount as the PSCS has no maturity date, we are of the view that the terms of the second tranche of the PSCS are fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

(iii) Potential dilution effect on the interests of public Shareholders

As at the Latest Practicable Date, the issued share capital of the Company is 440,000,000 Shares of which the Subscriber is interested in 38,200,000 Shares (approximately 8.68% of the issued share capital of the Company) and Media Cornerstone Limited is interested in 254,921,500 Shares (approximately 57.94% of the issued share capital of the Company) whilst the remaining are held by the public Shareholders (approximately 33.38% of the issued share capital of the Company).

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Assuming the exercise in full of the conversion rights attaching to the second tranche of the PSCS at the initial Conversion Price, a total of 5,649,717 Conversion Shares may be issued. Under such a scenario, the total issued share capital of the Company will be 445,649,717 Shares and the public Shareholders will hold approximately 32.97% of the issued share capital of the Company.

Assuming the exercise in full of the conversion rights attaching to both tranches of the PSCS at the initial Conversion Price, a total of 14,124,293 Conversion Shares may be issued. Under such a scenario, the total issued share capital of the Company will be enlarged to 454,124,293 Shares and the public Shareholders will hold approximately 32.35% of the issued share capital of the Company.

The dilution effect in shareholding of the public Shareholders is minimal as the shareholding of the public Shareholders would decrease from approximately 33.38% to approximately 32.97% upon the Conversion of the second tranche of the PSCS, and approximately 32.35% upon the Conversion of both tranches of the PSCS, representing a dilution of approximately 0.41% and 1.03% respectively. In addition, although any dilution of shareholdings itself is not favourable to the public Shareholders, the public Shareholders should note that the Company will be benefited from the Subscription as a whole having considered (i) the intended use of proceeds as discussed above; (ii) the financing alternatives considered by the Directors; (iii) the benefits in issuing the second tranche of the PSCS (i.e., no maturity date, deferral of Distribution and the second tranche of the PSCS will be accounted for as equity in the financial statement of the Company); and (iv) the terms of the second tranche of the PSCS are fair and reasonable as discussed above. In view of the above, we consider that the dilution effect acceptable.

RECOMMENDATIONS

Having considered the principal factors discussed above and in particular the following:

- (i) the benefits in issuing the second tranche of the PSCS (i.e., no maturity date, deferral of Distribution and the second tranche of the PCSC will be accounted for as equity in the financial statements of the Company which will strengthen the capital base of the Company);
- (ii) the financing alternatives considered by the Directors;
- (iii) the terms of the second tranche of the PSCS were determined after arm's length negotiations;

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- (iv) the Conversion Price is priced within the range of the closing prices of the Shares and above the average closing price of the Shares during the entire Share Price Review Period;
- (v) the slight discount of the Conversion Price to the closing price of the Shares on the Last Trading Day and the average closing prices of the Shares for the 5, 10, 30, 60 and 90 trading days prior to the date of the Subscription Agreement, were within the range of the discount of the conversion prices of the Comparables to their last closing prices;
- (vi) the Rate of Distribution as well as the conversion and redemption features of the second tranche of the PSCS are in line with market practice; and
- (vii) the dilution effect from the Conversion of the second tranche and both tranches of the PSCS is minimal,

we consider that while the subscription of the second tranche of the PSCS and the transactions contemplated thereunder may not be in the ordinary and usual course of business and on normal commercial terms, the terms of the second tranche of the PSCS are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to approve the subscription of the second tranche of the PSCS and the transactions contemplated thereunder at the EGM. We also recommend the Independent Shareholders to vote in favour of the resolution(s) to approve the subscription of the second tranche of the PSCS and the transactions contemplated thereunder at the EGM.

Yours faithfully,
For and on behalf of
Pelican Financial Limited
Charles Li*
Director

* *Charles Li is a responsible person registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity for Pelican Financial Limited and has over 30 years of experience in the accounting and financial services industry.*

1. 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 Group. 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.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATION

- (a) As at the Latest Practicable Date, the following directors of the Company had interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange:

Long positions of the Directors' interests in the Shares and underlying Shares of the Company:

Name of Directors	Capacity/Nature of interest	Number of Shares	Equity derivative and options	Total number of Shares and underlying Shares	Approximate percentage of issued share capital of the Company
Lam Tak Hing, Vincent	Founder of a discretionary trust and interest in a controlled corporation	293,121,500	18,474,576	311,596,076 ⁽¹⁾	70.82%
	Beneficial owner	NIL	4,400,000	4,400,000	1.00%
Lam Ka Po	Beneficial owner	NIL	1,278,000	1,278,000	0.29%
Ma Andrew Chiu Cheung	Beneficial owner	NIL	100,000	100,000	0.02%
Ma Ho Fai <i>GBS JP</i>	Beneficial owner	NIL	100,000	100,000	0.02%

Notes:

1. Mr. Lam is the sole shareholder of the Subscriber which holds 38,200,000 Shares, 10,000,000 Shares in no-listed derivatives and conversion rights of 8,474,576 Shares pursuant to the First Completion and the Subscription Agreement. In addition, Mr. Lam is the founder of the Shalom Trust (a discretionary trust established by Mr. Lam as settlor of which UBS Trustee (BVI) Limited acts as the trustee and beneficiaries of which are Mr. Lam, certain of his family members and other persons who may be added from time to time) which indirectly holds the entire issued share capital of Media Cornerstone Limited ("**Media Cornerstone**") which holds 254,921,500 Shares. By virtue of the SFO, he is deemed to be interested in the Shares in which the Subscriber and Media Cornerstone are interested.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Save as disclosed above, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date.

3. ARRANGEMENTS AFFECTING DIRECTORS AND DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

Save for (i) the tenancy agreements between Shanghai Asiaray, an indirect wholly-owned subsidiary of the Company, as tenant, and Asiaray China, as landlord, to lease the office in Shanghai for a term of three years from 1 July 2017 to 30 June 2020 (both days inclusive); and Beijing Asiaray, an indirect wholly-owned subsidiary of the Company, as tenant, entered into the a tenancy agreement with Billion China, as landlord, to lease the office in Beijing for a term of three years from 1 July 2017 to 30 June 2020 (both days inclusive) as disclosed in the announcement of the Company dated 30 June 2017; and (ii) the tenancy agreements between Genesis Printing, an indirect wholly-owned subsidiary of the Company, as tenant, and Peaky, as landlord, to lease the warehouse premise in Hong Kong on 1 September 2017 for a term of two years and ten months from 1 September 2017 to 30 June 2020 (both days inclusive); and Hong Kong Asiaray, an indirect wholly-owned subsidiary of the Company, as tenant, and Peaky, as landlord, to lease the warehouse in Hong Kong on 1 February 2016 for a term of two years from 1 March 2018 to 30 June 2020 (both days inclusive), as disclosed in the announcement of the Company dated 1 March 2018; and (iii) the tenancy agreement between Zhuhai Asiaray, a company with 60% of its equity interest held by the Group, as tenant, and Mr. Lam, as landlord, to lease an office in PRC on 1 March 2018 for a term of two years and four months from 1 March 2018 to 20 June 2020 (both days inclusive), as disclosed in the announcement of the

Company dated 1 March 2018, all of which Mr. Lam was interested in, as at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have since 31 December 2018 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group.

4. QUALIFICATIONS AND CONSENT OF EXPERT

The following are the qualifications of the expert who has given its opinions and advice which are included in this circular:

Name	Qualification
Pelican Financial Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

Pelican Financial has given and has not withdrawn its written consent to the issue of this circular with inclusion of its letter or reports and the references to its name in the form and context in which they respectively appear.

Pelican Financial did not have any interests in any Shares or shares in any member of the Group, or any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of the Group as at the Latest Practicable Date.

As at the Latest Practicable Date, Pelican Financial did not have any direct or indirect interests in any assets which have since 31 December 2018 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to or by any member of the Group, or was proposed to be acquired or disposed of by or leased to or by any member of the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest audited financial statements of the Group were made up.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group, which is not determinable by the relevant employing member of the Group within one year without payment of compensation (other than statutory compensation).

7. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business which competes or may compete with the businesses of the Group either directly or indirectly.

8. GENERAL

- (a) The registered office of the Company is Maples Corporate Services Limited, P.O. Box 309 Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (b) The share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The secretary of the Company is Mr. Ip Pui Sum ("**Mr. Ip**"). Mr. Ip obtained a Higher Diploma in Accountancy from the Hong Kong Polytechnic University and a Master Degree of Business Administration from Henley Management College and Brunel University. Mr. Ip is a Certified Public Accountant (practising) in Hong Kong, a fellow member of the Chartered Association of Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants, the Chartered Institute of Management Accountants, the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries.
- (d) The English text of this circular and the accompanying form of proxy shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (public holidays excepted) at the registered office of the Company in Hong Kong at 16/F, Kornhill Plaza – Office Tower, 1 Kornhill Road, Quarry Bay, Hong Kong, Asiaray Media Group Limited, up to and including the date of the EGM:

- (a) the Subscription Agreement;
- (b) the Supplemental Agreement; and
- (c) this circular.

NOTICE OF EGM



Asiaray Media Group Limited 雅仕維傳媒集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1993)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Asiaray Media Group Limited (the “**Company**”) will be held at 12:30 p.m. on Tuesday, 25 June 2019 at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution, which will be proposed as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the subscription of the second tranche of perpetual subordinated convertible securities in the principal amount of HKD20,000,000 (the “**Second Tranche Subscription**”), under the subscription agreement dated 7 September 2017 entered into between the Company and Space Management Limited (the “**Subscriber**”) as amended and supplemented on 10 November 2017 (the “**Subscription Agreement**”) in relation to the issue of the perpetual subordinated convertible securities in the principal amount of HKD50,000,000 convertible into Conversion Shares at the initial Conversion Price of HKD3.54 per Conversion Share (subject to adjustments) (a copy of the subscription agreement dated 7 September 2017 and the supplemental agreement dated 10 November 2017 have been produced to the meeting and marked “A” and “B” respectively, and initialed by the Chairman of the meeting for identification purpose) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the board of directors of the Company be and is hereby granted a specific mandate to allot and issue new shares of HK\$0.10 each in the share capital of the Company (the “**Conversion Shares**”) upon exercise of the conversion rights attaching to the PSCS and the issuance of the Conversion Shares in accordance with the terms and conditions of the Subscription Agreement; and

NOTICE OF EGM

- (c) any one director of the Company be and is hereby authorized to execute on behalf of the Company all such documents (to affix the common seal thereon, if necessary), take such actions and do such things he deems necessary, desirable or expedient for the implementation of, giving effect to or otherwise in connection with the Second Tranche Subscription and the transactions contemplated thereunder.”

By order of the Board
Asiaray Media Group Limited
Lam Tak Hing, Vincent
Chairman

Hong Kong, 10 June 2019

Notes:

- (1) Any member of the Company entitled to attend and vote at the above meeting convened by this notice is entitled to appoint one or, if he/she is the holder of two or more shares of the Company, more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy needs not be a shareholder of the Company.
- (2) To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time for holding the above meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) In the case of joint holders of a share of the Company, 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 to if more than one of such joint holders are present at the above 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. 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.
- (5) For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from 20 June 2019 to 25 June 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the extraordinary general meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 19 June 2019.