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**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)**

**(1) SUBSCRIPTION OF NEW SHARES  
UNDER GENERAL MANDATE; AND  
(2) POTENTIAL SPIN-OFF AND SEPARATE LISTING OF  
THE SOUTHEAST ASIA, HONG KONG AND MACAU BUSINESSES OF  
THE GROUP ON A RECOGNISED STOCK EXCHANGE**



**Financial advisor of the Company**

**(1) SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 20 November 2019 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, an indirect wholly-owned subsidiary of Ant Financial, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 35,675,676 Subscription Shares at the Subscription Price of HK\$4.10 per Subscription Share.

The Subscription Shares represent (i) approximately 8.11% of the existing total number of issued Shares of 440,000,000 Shares as at the date of this announcement; and (ii) approximately 7.50% of the enlarged total number of issued Shares of 475,675,676 Shares immediately following Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and Completion.

The gross proceeds and net proceeds from the issue of the Subscription Shares are estimated to be approximately HK\$146.3 million and HK\$142.8 million, respectively. The Company intends to use the net proceeds for general working capital and for funding its projects in the PRC and Singapore.

The Subscription Shares will be allotted and issued under the General Mandate granted by the Shareholders to the Directors at the AGM.

***COMPLETION IS SUBJECT TO FULFILMENT OF THE CONDITIONS UNDER THE SUBSCRIPTION AGREEMENT. AS THE SUBSCRIPTION MAY OR MAY NOT PROCEED, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES.***

## **(2) THE POTENTIAL SPIN-OFF AND LISTING**

The Board wishes to notify the Shareholders and potential investors of the Company that the Company is currently considering the possibility of the Potential Spin-off and separate listing of the Group's media and advertising businesses in Southeast Asia, Hong Kong and Macau on a recognised stock exchange.

As at the date of this announcement, neither spin-off proposal nor listing application has been submitted to the Stock Exchange or other recognised stock exchange or other relevant regulatory authorities. Details in respect of the Potential Spin-off and Listing, including their structure and expected timetable, have not yet been finalised as at the date of this announcement.

***SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD NOTE THAT, THE POTENTIAL SPIN-OFF AND LISTING IS SUBJECT TO, AMONG OTHER THINGS, THE MARKET CONDITIONS AND APPROVALS FROM RELEVANT AUTHORITIES AND RECOGNISED STOCK EXCHANGE, INCLUDING THE STOCK EXCHANGE, THE FINAL DECISION OF THE BOARD, AND OTHER CONSIDERATION. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD BE AWARE THAT, THERE IS NO ASSURANCE THAT THE POTENTIAL SPIN-OFF AND LISTING WILL PROCEED, OR IF SO, WHEN THEY MAY TAKE PLACE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.***

## **(1) SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 20 November 2019 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, an indirect wholly-owned subsidiary of Ant Financial, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 35,675,676 Subscription Shares at the Subscription Price of HK\$4.10 per Subscription Share. The principal terms of the Subscription Agreement are set out below:

**Date:** 20 November 2019 (after trading hours)

**Parties:** (1) the Company as issuer; and  
(2) the Subscriber as subscriber

**Subscription Shares:** 35,675,676 Subscription Shares

**Subscription Price:** HK\$4.10 per Subscription Share

The Subscriber is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Ant Financial. Ant Financial is a company incorporated in the PRC dedicated to using technology to bring the world equal opportunities. Ant Financial's technologies, including blockchain, artificial intelligence, security, internet of things and computing, empower Ant Financial and its ecosystem partners to serve the unbanked and underbanked, bringing more secure, transparent, cost-effective and inclusive financial services to individuals and small and micro-sized individual customer and small businesses worldwide.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Subscriber is not interested in any Shares as at the date of this announcement; and (ii) each of the Subscriber and its ultimate beneficial owner(s) is an Independent Third Party.

Given the Subscription Shares represent approximately 7.50% of the enlarged total number of issued Shares, the Subscriber will not become a substantial shareholder of the Company immediately after the Completion.

## **Subscription Shares**

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 35,675,676 Subscription Shares, representing:

- (i) approximately 8.11% of the existing total number of issued Shares of 440,000,000 Shares as at the date of this announcement; and
- (ii) approximately 7.50% of the enlarged total number of issued Shares of 475,675,676 Shares immediately following Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and Completion.

## **Subscription Price**

The Subscription Price of HK\$4.10 per Subscription Share represents:

- (i) a discount of approximately 12.77% over the closing price of HK\$4.7 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) a discount of approximately 12.47% over the average closing price of HK\$4.684 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Subscription Agreement; and
- (iii) a discount of approximately 11.20% over the average closing price of HK\$4.617 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the business and financial conditions and prospects of the Group as well as the prevailing market price of the Shares.

Taking into account the expenses of the Subscription in the amount of approximately HK\$3,500,000, the net price per Subscription Share will be approximately HK\$4.00. The aggregate nominal value of the Subscription Shares is HK\$3,567,567.6.

## **Ranking of the Subscription Shares**

The Subscription Shares shall be free from any liens, charges, encumbrances, option, warrant, pre-emptive right or security interest or third-party right whatsoever and together with all rights attaching to them as at the date of Completion, with rights which rank pari passu to the Shares in issue, including the right to receive all dividends declared, made or paid on or after the date of Completion.

## **Conditions**

Completion is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (i) approval having been obtained from the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Main Board of the Stock Exchange (and such listing and permission not subsequently revoked prior to the delivery of the definitive share certificate(s) representing allotment of the Subscription Shares to the Subscriber);
- (ii) no Governmental Authority of competent jurisdiction having enacted, issued, promulgated, enforced or entered any Law or Order which is then in effect and has the effect of restraining, enjoining, rendering illegal or otherwise prohibiting consummation of the Completion;
- (iii) each of the Company Warranties shall be true and correct as of the date of the Subscription Agreement and as of the date of Completion as though made on and as of the date of Completion, except for those Company Warranties that address matters only as of a particular date, which need only be true and correct as of such date, and the Company shall not have otherwise materially breached any Company Warranties (other than any such breach that has been remedied);
- (iv) each of the Subscriber Warranties being true and correct at and as of the date of the Subscription Agreement and at and as of the date of Completion as though made on and as of the date of Completion, and the Subscriber not having otherwise materially breached the Subscription Agreement (other than any such breach that has been remedied);
- (v) the Board having approved (i) the execution, delivery and performance by the Company of the transaction documents to which the Company is a party; and (ii) subject to the Completion, the allotment and issue of the Subscription Shares and the entry of the name of the Subscriber (or its nominee) in the register of members of the Company;

- (vi) all necessary licenses, consents, approvals, authorizations, permissions, waivers, notices, orders, exemptions and notifications of relevant Governmental Authority, which are required for the execution and performance of the Subscription Agreement or Completion by the Company having been obtained and not having been revoked;
- (vii) no Material Adverse Effect shall have occurred; and
- (viii) the Company having delivered to the Subscriber a certificate, dated the date of Completion and signed by an authorized signatory of the Company, certifying that the conditions set forth in paragraphs (iii), (v) to (vii) above have been satisfied unless otherwise waived by the Subscriber.

The Subscriber may in its sole and absolute discretion waive the conditions set out in paragraphs (iii), (v) to (vii) above. The Subscription Agreement may be terminated and abandoned at any time prior to the date of Completion:

- (i) by mutual written consent of the Company and the Subscriber;
- (ii) by either the Company or the Subscriber upon written notice to the other party, if the Completion shall not have occurred on or before the Long Stop Date, provided that the right to terminate the Subscription Agreement shall not be available to any party if the breach by such party of the Subscription Agreement has been the cause of, or resulted in, the failure of the Completion to occur on or before the Long Stop Date; or
- (iii) by the Subscriber upon written notice to the Company, in the event of any breach by the Company of any of the Company Warranties or the Company's covenants or agreements contained in the Subscription Agreement, which breach would result in any of the conditions not to be satisfied on or before the Long Stop Date, and the Company fails to cure such breach (if capable of cure) within the shorter of (i) fifteen (15) Business Days after receipt of written notice from the Subscriber requesting such breach to be cured, unless otherwise agreed between the Company and the Subscriber in writing, and (ii) the period of time that remains between the date of receipt of such written notice and the Long Stop Date; provided that the right to terminate the Subscription Agreement shall not be available to the Subscriber at any time that the Subscriber is in material breach of any of the Subscriber's representations, warranties, covenants or agreements contained in the Subscription Agreement.

## **Lock-up**

Unless with the prior written consent of the Company, the Subscriber shall not at any time during the period of twelve (12) months immediately following the date of Completion transfer any of the Subscription Shares other than to Affiliates of the Subscriber and shall procure any of its Affiliates shall not, if any of the Subscription Shares is/are transferred to Affiliates of the Subscriber, further transfer any of the Subscription Shares to any person that is not an Affiliate of the Subscriber within the restricted period.

## **Completion**

Completion shall take place as soon as practicable but in any event no later than ten (10) Business Days after the all the conditions have been satisfied or waived (as the case may be), or such other date as the parties to the Subscription Agreement may agree in writing.

## **GENERAL MANDATE**

The Subscription Shares will be allotted and issued by the Company pursuant to the General Mandate, which has been granted to the Directors to allot and issue up to 88,000,000 Shares, representing 20% of the total number of Shares in issue as at the date of the AGM.

As at the date of this announcement, the Company has not allotted or issued any Share under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares, and the issue of the Subscription Shares is not subject to the approval of the Shareholders.

## **APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES**

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 440,000,000 Shares in issue. Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and Completion:

Name of Shareholders	As at the date of this announcement		Immediately after Completion	
	Number of Shares	Approximate % shareholding	Number of Shares	Approximate % shareholding
Media Cornerstone Limited (note 1)	254,921,500	57.94	254,921,500	53.59
Space Management Limited (note 2)	38,200,000	8.68	38,200,000	8.03
The Subscriber	–	–	35,675,676	7.50
Public Shareholders	146,878,500	33.38	146,878,500	30.88
<b>Total:</b>	<b>440,000,000</b>	<b>100.00</b>	<b>475,675,676</b>	<b>100.00</b>

Notes:

- (1) 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 deemed to be interested in all the 254,921,500 Shares under the Securities and Futures Ordinance (“SFO”).
- (2) Mr. Lam is the sole shareholder of Space Management Limited and deemed to be interested in all the 38,200,000 Shares under the SFO.

## INFORMATION ON 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, Hong Kong, Macau and Southeast Asia.



## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS**

The Board considers that the Subscription will strengthen the capital base of the Company and broaden the shareholder base of the Company. The net proceeds of the Subscription, after deduction of the relevant expenses, are estimated to be approximately HK\$142.8 million, which is intended to be used by the Company as general working capital and for funding its projects in the PRC and Singapore. The Directors considered that the Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscriber, and that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Besides, the Group and Ant Financial will explore the opportunities for cooperation in innovative out-of-home advertising.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

Save for the fund raising activity mentioned below, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds</b>	<b>Proposed use of the net proceeds</b>
7 May 2019	Issue of perpetual subordinated convertible securities	Approximately HK\$19,700,000	General working capital of the Group

As at the date of this announcement, the Company has utilised all the proceeds from the issue of the perpetual subordinated convertible securities as disclosed in the announcement of the Company dated 7 May 2019.

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## **(2) THE POTENTIAL SPIN-OFF AND LISTING**

The Board wishes to notify the Shareholders and potential investors of the Company that the Company is currently considering the possibility of the Potential Spin-off and Listing of the Group's media and advertising businesses in Southeast Asia, Hong Kong and Macau on a recognised stock exchange.

As at the date of this announcement, neither spin-off proposal nor listing application has been submitted to the Stock Exchange or other relevant regulatory authorities or other recognised stock exchange. Details in respect of the Potential Spin-off and Listing, including their structure and expected timetable, have not yet been finalised as at the date of this announcement.

The Potential Spin-off and Listing, if materialises, is subject to the requirements under Practice Note 15 and other relevant provisions of the Listing Rules. Further, pursuant to Chapter 14 of the Listing Rules, the Potential Spin-off and Listing, if materializes and depending on its structure, may constitute a deemed disposal and/or a notifiable transaction of the Company as set out in Chapter 14 of the Listing Rules.

Further announcement(s) will be made by the Company in relation to the Potential Spin-off and Listing as and when appropriate in compliance with the relevant requirements of the Listing Rules.

***SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD NOTE THAT, THE POTENTIAL SPIN-OFF AND LISTING IS SUBJECT TO, AMONG OTHER THINGS, THE MARKET CONDITIONS AND APPROVALS FROM RELEVANT AUTHORITIES AND RECOGNISED STOCK EXCHANGE, INCLUDING THE STOCK EXCHANGE, THE FINAL DECISION OF THE BOARD, AND OTHER CONSIDERATION. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD BE AWARE THAT, THERE IS NO ASSURANCE THAT THE POTENTIAL SPIN-OFF AND LISTING WILL PROCEED, OR IF SO, WHEN THEY MAY TAKE PLACE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.***

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Affiliate(s)”	with respect to any person, another person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first person.
“AGM”	the annual general meeting of the Company convened on 25 June 2019
“Ant Financial”	浙江螞蟻小微金融服務集團股份有限公司 (Ant Small and Micro Financial Services Group Co., Ltd.*), a company incorporated in the PRC
“Ant Financial Services Group”	Ant Financial and its subsidiaries
“Board”	the board of directors of the Company
“Business Day”	means a day (other than a Saturday or Sunday or days on which a tropical cyclone warning Number 8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9am and 5pm) on which banks in Hong Kong, Singapore and the PRC are open for the transaction of normal banking business
“Company”	Asiaray Media Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 1993)
“Company Warranties”	means the Company’s warranties and representations set out in the Subscription Agreement
“Completion”	completion of the Subscription

“Control”	possession, directly or indirectly, of the power to direct or cause the direction of the operations and management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and Controlled, Controls and Controller shall be construed accordingly.
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot and issue up to 88,000,000 Shares, being 20% of the total number of Shares in issue as at the date of the AGM
“Governmental Authority”	any governmental, regulatory or supervisory body or court or arbitral tribunal of competent jurisdiction
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong Dollars, the lawful currency in Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules
“Law”	any foreign, national, supranational, federal, state, municipal or local law (including common law), statute, rule, code, policy, directive, standard, license, treaty, regulation or ordinance or any order or permit of, or any settlement agreement entered into with, a Governmental Authority
“Listing”	the separate listing of the Group’s media and advertising businesses in Southeast Asia, Hong Kong and Macau on a recognised stock exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling nine (9) months after the date of the Subscription Agreement or such other date as the Company and the Subscriber may agree in writing
“Material Adverse Effect”	any event, change, circumstance, effect, development or state of facts that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the business, assets, liabilities, properties, operations, condition (financial or otherwise), cash flows or prospects of the Group
“Mr. Lam”	Mr. Lam Tak Hing, Vincent, the chairman of the Board and an executive Director
“Order”	any writ, judgment, decree, injunction, award or similar order of any Governmental Authority (in each case whether preliminary or final)
“Potential Spin-off”	the possibility of a spin-off of the Group’s media and advertising businesses in Southeast Asia, Hong Kong and Macau
“PRC”	People’s Republic of China
“Shares”	ordinary shares of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Antfin (Hong Kong) Holding Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Ant Financial
“Subscriber Warranties”	the Subscriber’s warranties and representations set out in the Subscription Agreement

“Subscription”	subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 20 November 2019 entered into between the Company as issuer and the Subscriber as the subscriber for the subscription of the Subscription Shares at the Subscription Price
“Subscription Price”	HK\$4.10 per Subscription Share with nominal value of HK\$0.10 each
“Subscription Shares”	an aggregate of 35,675,676 Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement
“%”	per cent

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

Hong Kong, 20 November 2019

*As at the date of this announcement, the executive Directors are Mr. Lam Tak Hing, Vincent and Mr. Lam Ka Po; the non-executive Director is Mr. Wong Chi Kin; and the independent non-executive Directors are Mr. Ma Andrew Chiu Cheung, Mr. Ma Ho Fai GBS JP and Ms. Mak Ka Ling.*

\* *For identification purpose only*