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Hong Kong Television Network Limited
香港電視網絡有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 1137)

**COMPLETION OF TOP-UP PLACING OF
EXISTING SHARES
SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE**

Sole Placing Agent



Reference is made to the announcement of Hong Kong Television Network Limited (the “**Company**”) dated 12 February 2020 (the “**Announcement**”) in relation to the top-up placing of the Company whereby UBS AG Hong Kong Branch (as sole placing agent) shall procure certain places to acquire 90,000,000 existing and issued shares of the Company held by Top Group International Limited (the “**Vendor**”) and the Vendor shall subscribe for 90,000,000 new shares of the Company. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The Company is pleased to announce that completion of the Placing and the Subscription took place on 14 February 2020 and 24 February 2020, respectively, in accordance with the terms and conditions of the Placing Agreement and the Subscription Agreement.

On 14 February 2020, all conditions set out in the Placing Agreement have been fulfilled and a total of 90,000,000 Placing Shares have been successfully placed at the Placing Price of HK\$5.15 per Share in accordance with the Placing Agreement. The placees and their ultimate beneficial owners (i) are independent of and not acting in concert with any of the Vendor, parties acting in concert with it, or any of the Vendor's or the Company's or its subsidiaries' directors, chief executive or substantial shareholders (as defined in the Listing Rules) or any of their respective associates (as defined in the Listing Rules); and (ii) have not become connected persons (as defined in the Listing Rules) of the Company after completion of the Placing. The Placing Shares are placed to not less than six professional investors. The Vendor has not been involved in screening or selecting the placees in connection with the Placing.

Further, following (i) the granting of the listing of, and permission to deal in, the Subscription Shares by the Listing Committee of the Stock Exchange; and (ii) the granting of a waiver by the Executive to the Vendor from the obligation to make a general offer under Rule 26 of the Takeovers Code with respect to its acquisition of the Subscription Shares, all the conditions of the Subscription have been fulfilled in accordance with the terms and conditions of the Subscription Agreement. Accordingly, completion of the Subscription took place on 24 February 2020 and a total of 90,000,000 Subscription Shares (equal to the number of the Placing Shares successfully placed under the Placing) were subscribed by the Vendor at the Subscription Price of HK\$5.15 per Subscription Share. The Subscription Shares represent approximately 9.88% of the issued share capital of the Company as enlarged by the Subscription on 24 February 2020.

The gross proceeds from the Subscription amount to approximately HK\$463.5 million. The net proceeds from the Subscription amount to approximately HK\$453.1 million. The net price per Share for the Subscription after deducting related fees and expenses is approximately HK\$5.03 per Share. The funds to be raised under the Subscription are intended to be used for (1) expansion of the eCommerce and related business of the Group; and (2) as general working capital.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the date of the Placing Agreement and the Subscription Agreement; (ii) immediately after completion of the Placing but before completion of the Subscription; and (iii) immediately after completion of the Subscription:

Shareholder	(i) Existing shareholding structure of the Company as of the Placing Agreement and the Subscription Agreement		(ii) Immediately after completion of the Placing but before completion of the Subscription		(iii) Immediately after completion of the Subscription (and taking into account the dilution effect of the Shares issued by the Company pursuant to the Subscription)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Vendor (<i>Note 1</i>)	355,051,177	43.26	265,051,177	32.29	355,051,177	38.98
Mr. Cheung Chi Kin, Paul (<i>Notes 2 and 3</i>)	51,377,763	6.26	51,377,763	6.26	51,377,763	5.64
Vendor and parties acting in concert with it	<u>406,428,940</u>	<u>49.52</u>	<u>316,428,940</u>	<u>38.55</u>	<u>406,428,940</u>	<u>44.62</u>
Ms. Wong Nga Lai, Alice	50,000	0.01	50,000	0.01	50,000	0.01
Vendor, parties acting in concert with the Vendor and directors of the Company	<u>406,478,940</u>	<u>49.52</u>	<u>316,478,940</u>	<u>38.56</u>	<u>406,478,940</u>	<u>44.63</u>
Public						
Places	0	0	90,000,000	10.96	90,000,000	9.88
Others	<u>414,334,703</u>	<u>50.48</u>	<u>414,334,703</u>	<u>50.48</u>	<u>414,334,703</u>	<u>45.49</u>
Total	<u><u>820,813,643</u></u>	<u><u>100.00</u></u>	<u><u>820,813,643</u></u>	<u><u>100.00</u></u>	<u><u>910,813,643</u></u>	<u><u>100.00</u></u>

Notes:

- The Vendor is a corporation accustomed to act in accordance with the directions of Mr. Wong Wai Kay, Ricky, Vice Chairman and Chief Executive Officer of the Company and an Executive Director on the board of the Company.
- Mr. Cheung Chi Kin, Paul, Chairman of the Company and an Executive Director on the board of the Company, is a director of the Vendor and is accordingly considered to be a party acting in concert with the Vendor.
- As at the date of this announcement, Mr. Cheung Chi Kin, Paul is interested in 51,377,763 Shares, of which 24,924,339 Shares are held by Worship Limited which is 50% owned by Mr. Cheung Chi Kin, Paul.

By Order of the Board
Hong Kong Television Network Limited
Cheung Chi Kin, Paul
Chairman

Hong Kong, 24 February 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Cheung Chi Kin, Paul (Chairman), Mr. Wong Wai Kay, Ricky (Vice Chairman and Chief Executive Officer), Ms. Wong Nga Lai, Alice (Chief Financial Officer), Mr. Lau Chi Kong (Chief Operating Officer) and Ms. Zhou Huijing (Managing Director of Shopping and eCommerce) and the independent non-executive Directors are Mr. Lee Hon Ying, John, Mr. Peh Jefferson Tun Lu and Mr. Mak Wing Sum, Alvin.

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