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歡喜傳媒集團有限公司*
HUANXI MEDIA GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1003)

**PLACING OF NEW SHARES
UNDER GENERAL MANDATE**

Placing Agent

NOMURA

The Board is pleased to announce that on 27 April 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which and subject to the terms and conditions therein, the Company agreed to appoint the Placing Agent, and the Placing Agent agreed to act as placing agent for the purpose of procuring on a best efforts basis, as agent of the Company, Places to purchase up to 218,130,000 Placing Shares at the Placing Price on the terms and subject to the conditions set out in the Placing Agreement.

Assuming the maximum number of Placing Shares of 218,130,000 are fully placed, the number of the Placing Shares represents: (a) approximately 6.28% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 5.91% of the enlarged total number of Shares in issue upon the completion of the Placing (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Placing other than the issue of the Placing Shares by the Company).

* For identification purposes only

The Placing Price of HK\$2.15 per Placing Share: (i) is equivalent to the closing price of HK\$2.15 per Share as quoted on the Stock Exchange as at the date of the Placing Agreement; and (ii) represents a discount of approximately 2.01% to the average closing price of HK\$2.19 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing are expected to be approximately HK\$468,980,000 and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) will be approximately HK\$467,280,000. On this basis, the net price per Placing Share will be approximately HK\$2.14. The Company intends to apply the net proceeds from the Placing in the manner detailed in the section headed “Reasons for the Placing and Use of Proceeds” in this announcement.

The Placing Shares will be issued under the General Mandate granted to the Directors pursuant to a resolution of the Shareholders passed on 23 June 2020. As such, the allotment and issue of the Placing Shares is not subject to further Shareholders’ approval.

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

Completion of the transactions contemplated under the Placing Agreement is subject to such agreement not being terminated in accordance with the terms thereof. In addition, completion of the Placing is subject to the satisfaction and/or waiver of conditions precedent under the Placing Agreement. Therefore, the Placing may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

PLACING OF NEW SHARES

The Board is pleased to announce that on 27 April 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which and subject to the terms and conditions therein, the Company agreed to appoint the Placing Agent, and the Placing Agent agreed to act as placing agent for the purpose of procuring on a best efforts basis, as agent of the Company, Placees to purchase up to 218,130,000 Placing Shares at the Placing Price on the terms and subject to the conditions set out in the Placing Agreement. The principal terms of the Placing Agreement are summarised below:

Date: 27 April 2021

Parties: (i) the Company; and
(ii) Placing Agent

The Placing Shares

Assuming the maximum number of Placing Shares of 218,130,000 are fully placed, the Placing Shares represent (a) approximately 6.28% of the total number of Shares in issue as at the date of this announcement, and (b) approximately 5.91% of the enlarged total number of Shares in issue upon the completion of the Placing (assuming that there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Placing other than the issue of the Placing Shares by the Company). The aggregate nominal value of the Placing Shares will be HK\$2,181,300.

The Placing Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company as at the date of the Placing Agreement including the rights to all dividends and other distributions declared, made or paid at any time on or after the date of completion of the Placing.

The Placing Agent

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placees

It is expected that the Placing Shares will be placed to not less than six Placees who shall be professional, institutional or other investors (i) independent of and (ii) not connected with the Company, the connected persons of the Company and their respective associates, and who and whose ultimate beneficial owners are Independent Third Parties.

Placing Price

The Placing Price is HK\$2.15 per Placing Share, which:

- (i) is equivalent to the closing price of HK\$2.15 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) represents a discount of approximately 2.01% to the average closing price of HK\$2.19 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares, the recent trading volume of the Shares and the prospects of the Group and was negotiated on an arm's length basis between the Company and the Placing Agent. The Board (including the independent non-executive Directors) considers that the Placing Price and the terms of the Placing Agreement are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole.

Condition and Completion of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Placing Shares (and such listing and permission not subsequently being revoked prior to the completion of the Placing); and
- (ii) trading in the Shares on the Stock Exchange not being suspended for any period during any time after the publication of this announcement and prior to the date of completion of the Placing.

Subject to the fulfillment and/or waiver of the above conditions, completion of the Placing will take place on or before 5 May 2021 (or such other time and date as may be agreed between the Company and the Placing Agent). If the above conditions are not fulfilled or waived (in respect of condition (ii) only) at or prior to 8:00 a.m. (Hong Kong time) on 5 May 2021 the Placing Agreement will be terminated and the Placing Agreement will not proceed and the Placing Agent and the Company shall have no obligations or liabilities to each other under the Placing Agreement and neither the Company nor the Placing Agent shall have any claim against the other for any costs, damages, compensation or otherwise arising under the Placing Agreement save for antecedent breaches.

Termination

The Placing Agent may, by written notice to the Company, terminate the Placing Agreement, if at any time prior to 8:00 a.m. on the date of completion of the Placing:

- (i) any change or prospective change in local or international, financial, political, military, economic or market (including stock market) conditions or currency exchange rates or exchange controls;
- (ii) any adverse announcement, determination or ruling of any governmental or other regulatory body (including delay in approval of any relevant announcement by any relevant stock exchange);
- (iii) any outbreak or escalation of hostilities or any emergency or crisis involving Hong Kong, Bermuda, the PRC, the United States of America or the European Union, or the declaration by Hong Kong, the PRC, the United States of America or the European Union of a regional or national emergency or war (as the case may be);
- (iv) any disruption or suspension of dealings in the Shares for any period whatsoever (even if such suspension is subsequently lifted prior to completion of Placing), or any cancellation of the listing of the Shares, on the Stock Exchange which would, in the opinion of the Placing Agent, be likely to prejudice the success of the Placing, to make it impracticable or inadvisable to proceed with the Placing, sale or delivery of the Placing Shares on the terms and in the manner contemplated in the Placing Agreement, or to affect the Placing Agent's ability to enforce the contracts for sale and/or Placing of the Placing Shares;
- (v) there has been imposed any banking moratorium by authorities of the United States, Bermuda, the PRC, Hong Kong or the European Union, or any moratorium, suspension or material restriction or trading in shares or securities generally on the Stock Exchange or the New York Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to completion of Placing; or
- (vi) there has occurred a material disruption in securities settlement, payment or clearance services in the United States of America, the PRC, Hong Kong or the European Union.

General mandate

The Board has been authorised to allot and issue up to a total of 630,931,081 Shares under the General Mandate granted by the Shareholders at the annual general meeting of the Company held on 23 June 2020. As at the date of this announcement, 346,626,954 Shares were allotted and issued under the General Mandate (for details please refer to the announcements of the Company dated 30 August 2020, 10 September 2020 and 21 September 2020). Accordingly, as at the date of this announcement, the Board can allot and issue 284,304,127 Shares under the General Mandate.

The Placing Shares will be issued under the General Mandate granted to the Directors pursuant to a resolution of the Shareholders passed on 23 June 2020. As such, the allotment and issue of the Placing Shares is not subject to further Shareholders' approval.

APPLICATION FOR LISTING

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

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company and film investment company and its subsidiaries are principally engaged in media and entertainment related businesses, including development and investment in films and TV drama series, as well as operation of an online video platform.

The Board considers that the Placing represents an opportunity to raise capital for the Group while broadening the Company's shareholder base and strengthening the financial position of the Group.

Assuming all the Placing Shares are fully placed, the gross proceeds and the estimated net proceeds from the Placing are approximately HK\$468,980,000 and approximately HK\$467,280,000, respectively. On this basis, the net price per Placing Share will be approximately HK\$2.14. The Company intends to use the net proceeds from the Placing as to (i) approximately HK\$367,280,000 for production of the Group's film and internet drama series and online video platform business; and (ii) approximately HK\$100,000,000 for general working capital of the Group.

The Board considers that the terms of the Placing Agreement are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there being no other changes in the share capital of the Company from the date of this announcement up to completion of the Placing, set out below is the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing.

Names of Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	No. of shares	Approximately %	No. of shares	Approximately %
Newwood Investments Limited	461,711,082 <i>(Notes 1 to 3)</i>	13.30%	461,711,082	12.51%
Numerous Joy Limited	92,342,216 <i>(Notes 1 to 3)</i>	2.66%	92,342,216	2.50%
Highrise Castle Limited	800,000 <i>(Notes 1 & 3)</i>	0.02%	800,000	0.02%
Mr. Dong Ping	36,630,000 <i>(Notes 1 to 3)</i>	1.06%	36,630,000	0.99%
Pacific Wits Limited	438,625,528 <i>(Notes 1, 2 & 4)</i>	12.64%	438,625,528	11.89%
Tairong Holdings Limited	438,625,528 <i>(Notes 1, 2 & 5)</i>	12.64%	438,625,528	11.89%
Panfaith Investments Limited	15,060,000 <i>(Note 6)</i>	0.43%	15,060,000	0.41%
Mr. Wang Hong	100,000 <i>(Note 7)</i>	0.00%	100,000	0.00%
Placees	–	0.00%	218,130,000	5.91%
Other public Shareholders	<u>1,987,598,008</u>	<u>57.25%</u>	<u>1,987,598,008</u>	<u>53.87%</u>
Total	<u><u>3,471,492,362</u></u>	<u><u>100.00%</u></u>	<u><u>3,689,622,362</u></u>	<u><u>100.00%</u></u>

Notes (defined terms contained in these notes shall apply only to these notes):

1. On 14 April 2015, the Company and nine subscribers, namely Newwood Investments Limited (“**Newwood**”), Numerous Joy Limited (“**Numerous Joy**”), Pacific Wits Limited (“**Pacific Wits**”), Tairong Holdings Limited (“**Tairong**”), Wise Dragon International Limited, Gold Shine Investment Company Limited, Dayunmony Investment Corporation, Concept Best Limited and Reorient Global Limited (collectively, the “**Subscribers**”) entered into a subscription agreement (the “**Subscription Agreement**”), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for a total of 1,701,416,556 Shares (the “**Subscription Shares**”) at an issue price of HK\$0.4 per Share (the “**Subscription**”). Details of the Subscription were set out in the Company’s circular dated 5 August 2015. The Subscription was approved by the independent Shareholders at the Company’s special general meeting held on 28 August 2015 and the Subscription Shares were allotted to the Subscribers on 2 September 2015.
2. On 14 April 2015, Mr. Dong Ping (the Chairman of the Company and an executive Director, “**Mr. Dong**”), Newwood, Pacific Wits, Mr. Ning Hao (a non-executive Director, “**Mr. Ning**”), Tairong and Mr. Xu Zheng (a non-executive Director, “**Mr. Xu**”) entered into a shareholders agreement (the “**Shareholders Agreement**”), which sets forth certain rights and obligations of each of the parties in respect of the governance of the Company following completion of the Subscription. Newwood is therefore deemed to be interested in all the Shares in which Mr. Dong, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.
3. Newwood and Numerous Joy are wholly owned by Mr. Dong. Pursuant to the Subscription Agreement, Newwood and Numerous Joy subscribed for 461,711,082 and 92,342,216 Shares respectively upon completion of the Subscription. Mr. Dong also holds 36,630,000 Shares directly and 800,000 Shares through Highrise Castle Limited. Mr. Dong, being also a party to the Shareholders Agreement, is therefore deemed to be interested in all the Shares in which Newwood, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.
4. Pacific Wits is wholly owned by Mr. Ning. Pursuant to the Subscription Agreement, Pacific Wits subscribed for 438,625,528 Shares upon completion of the Subscription. Mr. Ning and Pacific Wits, being also the parties to the Shareholders Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Tairong are interested by virtue of section 317 of the SFO.
5. Tairong is wholly owned by Mr. Xu. Pursuant to the Subscription Agreement, Tairong subscribed for 438,625,528 Shares upon completion of the Subscription. Mr. Xu and Tairong, being also the parties to the Shareholder Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Pacific Wits are interested by virtue of section 317 of the SFO.
6. Panfaith Investments Limited is ultimately wholly owned by Mr. Li Xiaolong (an independent non-executive Director).
7. These Shares are jointly held by Mr. Wang Hong (an independent non-executive Director) and his spouse.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activity for the twelve months immediately before the date of this announcement:

Date of announcement	Event	Net proceeds and intended use of net proceeds	Actual use of net proceeds
30 August 2020, 10 September 2020 and 21 September 2020	Subscription of 346,626,954 new Shares under the General Mandate	The Company intended to use approximately HK\$411,700,000 for investment in the Group's film and TV programme rights business, and approximately HK\$100,000,000 for general working capital	Approximately HK\$383,321,000 was used for investment in the Group's film and TV programme rights business and approximately HK\$75,000,000 was used for general working capital.

Save as disclosed above, the Company had not conducted any equity fund raising activity in the twelve months immediately before the date of this announcement.

Completion of the transactions contemplated under the Placing Agreement is subject to such agreement not being terminated in accordance with the terms thereof. In addition, completion of the Placing is subject to the satisfaction and/or waiver of conditions precedent under the Placing Agreement. Therefore, the Placing may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

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

“associate(s)” has the meaning ascribed to it in the Listing Rules

“Board” the board of Directors

“Business Day”	any day (excluding Saturdays) on which banks generally are open for business in Hong Kong and New York;
“Company”	Huanxi Media Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to a resolution of the Shareholders passed at the annual general meeting of the Company held on 23 June 2020 to allot, issue and deal with up to 630,931,081 Shares, representing 20% of the aggregate number of the issued Shares as at the date of such meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who is/are independent of and not connected to the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	the subscriber(s) of the Placing Shares pursuant to the Placing
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to selected Placees upon the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Nomura International (Hong Kong) Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO

“Placing Agreement”	the placing agreement dated 27 April 2021 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$2.15 per Placing Share
“Placing Shares”	218,130,000 new Shares to be allotted and issued by the Company and to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, for the purposes of this announcement, excludes Hong Kong and the Macau Special Administrative Region of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Huanxi Media Group Limited
Xiang Shaokun, Steven
Executive Director and Chief Executive Officer

Hong Kong, 27 April 2021

As at the date of this announcement, the Board comprises Mr. Dong Ping (Chairman) and Mr. Xiang Shaokun, Steven (Chief Executive Officer) as executive Directors, Mr. Ning Hao, Mr. Xu Zheng and Ms. Li Ni as non-executive Directors, and Mr. Wong Tak Chuen, Mr. Li Xiaolong and Mr. Wang Hong as independent non-executive Directors.