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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)

DISCLOSEABLE AND CONNECTED TRANSACTIONS
IN RELATION TO
(1) ACQUISITION OF PROPERTIES
AND
(2) ISSUE OF PERPETUAL SUBORDINATED
CONVERTIBLE SECURITIES

(1) THE ACQUISITION

The Board is pleased to announce that on 13 December 2021 (after trading hours), the Company and the Vendor entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to purchase, the Target Properties at the Consideration of RMB30,400,000 (equivalent to approximately HK\$37,500,000). The Consideration will be satisfied by paying a sum of RMB30,400,000 (equivalent to approximately HK\$37,500,000) to the Vendor and the Vendor shall transfer the Target Properties to the Company and/or its nominee upon Completion.

(2) ISSUE OF PSCS

As one of the conditions precedent for Completion, on 13 December 2021 (after trading hours), the Company entered into the Subscription Agreement with the Vendor pursuant to which the Company has conditionally agreed to issue, and the Vendor has conditionally agreed to subscribe for, the PSCS in the principal amount of HK\$37,500,000 convertible into Conversion Shares at the initial Conversion Price of HK\$1.4 per Conversion Share (subject to adjustments). 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 PSCS at the initial Conversion Price, a total of 26,785,714 Conversion Shares will be issued, representing approximately 5.6% of the existing issued share capital of the Company and approximately 5.3% of the issued share capital of the Company as enlarged by the Conversion.

The net proceeds from the issue of the PSCS (after deduction of related expenses) will be approximately HK\$37,000,000 which is intended to be applied as general working capital of the Company.

IMPLICATIONS UNDER LISTING RULES

The transactions contemplated under the Agreement will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules as the highest applicable percentage ratio of the transactions is higher than 5% but lower than 25%, the entering into of the Agreement constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Mr. Lam is an executive Director and one of the controlling shareholders of the Company holding 61.62% of the existing issued share capital of the Company. Mr. Lam is therefore a connected person of the Company and each of the Acquisition and the Subscription 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.

GENERAL

An Independent Board Committee has been established to make recommendation to the Independent Shareholders regarding the Acquisition and the Subscription. The independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and the Subscription and the transactions contemplated thereunder.

An EGM will be held to consider and if thought fit, to approve the Acquisition and the Subscription and the transactions contemplated thereunder. Mr. Lam and his associates are required to abstain from voting on the resolutions to be proposed at the EGM.

A circular containing, amongst other things, (i) further information of the Acquisition and the Subscription; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition and the Subscription; (iii) the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and the Subscription; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 4 January 2022.

(1) THE ACQUISITION

The Board is pleased to announce that on 13 December 2021 (after trading hours), the Company and the Vendor entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to purchase, the Target Properties at the Consideration of RMB30,400,000 (equivalent to approximately HK\$37,500,000). The Consideration will be satisfied by paying a sum of RMB30,400,000 (equivalent to approximately HK\$37,500,000) to the Vendor and the Vendor shall transfer the Target Properties to the Company and/or its nominee upon Completion.

THE AGREEMENT

Principal terms of the Agreement are set out as follows:

Date: 13 December 2021 (after trading hours)

Parties: Vendor: Mr. Lam

Purchaser: The Company

Assets to be acquired

Pursuant to the Agreement, the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to purchase the Target Properties. The Target Properties are situated at Rooms 2901, 2902, 2903 & 2904, Yuhai World Financial Centre, No. 1009 Jiu Zhou Da Dao Zhong, Xiangzhou District, Zhuhai, the PRC, which are currently subject to Mortgages and will be released on or before Completion.

Consideration

The consideration for the Target Properties is RMB30,400,000 (equivalent to approximately HK\$37,500,000), which shall be settled by paying a sum of RMB30,400,000 (equivalent to approximately HK\$37,500,000) to the Vendor and the Vendor shall transfer the Target Properties to the Company or its nominee upon Completion.

The Consideration was determined by the Company and the Vendor on arm's length negotiations by reference to the preliminary valuation of the Target Properties of RMB30,400,000 (equivalent to approximately HK\$37,500,000) prepared by an independent valuer based on market approach.

Conditions Precedent

Completion is subject to the fulfillment of the following Conditions on or before the expiration of 180 days after the signing of the Agreement:

- (1) the passing of resolutions of the Board approving this Agreement and the transactions contemplated thereunder including the issue of the PSCS and allotment and issue of the Conversion Shares upon the exercise of the Conversion Rights attaching to the PSCS;
- (2) the Company having informed the Vendor or its solicitors in writing that the Company is satisfied with the results of the due diligence on all aspects of and relating to the Target Properties;
- (3) the Company having received a valuation report issued by an independent valuer approved by the Company showing the value of the Target Properties being not less than RMB30,400,000 (equivalent to approximately HK\$37,500,000) based on methodology, assumptions, criteria and other terms as may be accepted by the Company;

- (4) the Mortgages against the Target Properties having been discharged in full;
- (5) the Independent Shareholders having approved the Agreement and the transaction contemplated thereunder at the EGM;
- (6) this Agreement and the transactions contemplated thereunder having been complied with the articles of association of the Company and the requirements under the applicable laws, rules and regulations (including the Listing Rules);
- (7) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares to be issued upon the exercise of the Conversion Rights attached to the PSCS;
- (8) the representations, warranties and undertakings given by the Vendor have remained materially true and accurate at Completion as if repeated at Completion and at all times between the date of the Agreement and the Completion Date; and
- (9) the Vendor has signed the Subscription Agreement to subscribe for HK\$37,500,000 PSCS.

The Company may waive any or all of the conditions precedent above except conditions (5), (6) and (7) at any time by notice in writing to the Vendor. In the event that all the conditions precedent above shall not have been fulfilled or waived on or before the expiration of 180 days after the signing of the Agreement, the Agreement shall cease and determine and none of the parties shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

Subject to the Conditions, Completion shall take place on the Completion Date on or before 30 September 2022, or such other date as may be agreed in writing between the Vendor and the Company. At Completion, the Vendor shall deliver to the Company, amongst others, (i) all such documents relating to the Target Properties (including Land Use Permit and Property Title Certificate); and (ii) all such other documents as may be reasonably required to enable the Company or its nominee to be registered as the owner of the Target Properties and be vested with the beneficial ownership of the Target Properties free from any encumbrances. At Completion, the Company shall pay RMB30,400,000 (equivalent to approximately HK\$37,500,000) to the Vendor.

Conditions Subsequent

In the event that the subscription of the PSCS is not completed on or before the PSCS Long Stop Date:

- (a) the Target Properties shall be transferred back to the Vendor and the Vendor shall return the RMB30,400,000 (equivalent to approximately HK\$37,500,000) to the Company in full without interest. The Vendor shall bear all the costs and expenses arising from and incidental to the transfer of the Target Properties;
- (b) the subscription of the PSCS shall be terminated; and
- (c) the Agreement shall be terminated and become null and void and none of the parties shall have any claim against the other for any costs or losses (save for any antecedent breaches).

(2) ISSUE OF PSCS

As one of the conditions precedent for Completion, on 13 December 2021 (after trading hours), the Company entered into the Subscription Agreement with the Vendor pursuant to which the Company has conditionally agreed to issue, and the Vendor has conditionally agreed to subscribe for, the PSCS in the principal amount of HK\$37,500,000 convertible into Conversion Shares at the initial Conversion Price of HK\$1.4 per Conversion Share (subject to adjustments).

THE SUBSCRIPTION AGREEMENT

Date: 13 December 2021

Parties

Issuer: the Company

Subscriber: Mr. Lam

Mr. Lam is one of the controlling shareholders of the Company holding 61.62% of the existing issued share capital of the Company as at the date of this announcement.

Subscription

Subject to the fulfillment of the conditions set out below in the section headed “Conditions of the Subscription Agreement”, the Company has agreed to issue, and Mr. Lam has agreed to subscribe for, the PSCS in the principal amount of HK\$37,500,000 convertible into Conversion Shares at the initial Conversion Price of HK\$1.4 per Conversion Share (subject to adjustments) at the face value of HK\$37,500,000. For the avoidance of doubt, the Distribution shall not lead to any adjustment of the Conversion Price.

The Conversion Price was arrived at after arm’s length negotiations between the Company and Mr. Lam 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 premium of approximately 7.7% to the closing price of HK\$1.30 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 7.7% to the average of the closing prices of approximately HK\$1.30 per Share for the 5 trading days of the Shares up to and including the Last Trading Day;
- (iii) a premium of approximately 8.5% to the average of the closing prices of approximately HK\$1.29 per Share for the 10 trading days of the Shares up to and including the Last Trading Day;
- (iv) a premium of approximately 7.7% to the average of the closing prices of approximately HK\$1.30 per Share for the 30 trading days of the Shares up to and including the Last Trading Day;
- (v) a premium of approximately 6.0% to the average of the closing prices of approximately HK\$1.32 per Share for the 60 trading days of the Shares up to and including the Last Trading Day;
- (vi) a premium of approximately 3.7% to the average of the closing prices of approximately HK\$1.35 per Share for the 90 trading days of the Shares up to and including the Last Trading Day;
- (vii) a premium of approximately 68.7% to the audited net asset value per Share of approximately HK\$0.83, which is calculated based on the audited net asset value of the Company of approximately HK\$397,000,000 as at 30 June 2021 as stated in its 2021 interim report divided by its total number of 475,675,676 issued Shares as at 30 June 2021.

Assuming the exercise in full of the conversion rights attaching to the PSCS at the initial Conversion Price, a total of 26,785,714 Conversion Shares may be issued, representing approximately 5.6% of the existing issued share capital of the Company and approximately 5.3% of the issued share capital of the Company as enlarged by the Conversion.

A specific mandate for the allotment and issue of the Conversion Shares will be sought by the Company from the Independent Shareholders by way of Shareholders' resolution(s) to be put forward at the EGM.

Conditions of the Subscription Agreement

Completion is conditional upon the fulfillment of the following conditions on or before 30 September 2022 (or such other date as the Company and Mr. Lam may agree):

- (a) the Independent Shareholders having approved the Subscription Agreement and the transactions contemplated thereunder in the EGM;
- (b) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares; and
- (c) completion of the Agreement.

If any of the above conditions precedent is not fulfilled on or before 30 September 2022 (or such other date as the Company and Mr. Lam may agree), the Subscription Agreement shall be terminated and become null and void and none of the parties shall have any claim against the other for any costs or losses (save for any antecedent breaches).

The Completion shall take place on or before 30 September 2022 when all the above conditions precedent (or such other date as may be agreed in writing between the Company and Mr. Lam) are fulfilled. Mr. Lam shall pay the principal amount of HK\$37,500,000 to Company for the PSCS.

Warranties and Undertakings

The Company has given customary warranties and undertakings to the Subscriber under the Subscription Agreement.

Termination

The Subscription Agreement shall terminate:

- (a) if any of the conditions precedent has not been fulfilled by 30 September 2022 (or such other date as the Company and Mr. Lam may agree); or
- (b) by agreement between the Company and Mr. Lam prior to the Completion.

PRINCIPAL TERMS OF THE PSCS

Principal terms of the PSCS are arrived at after arm's length negotiations between the Company and Mr. Lam and are summarised as follows:

- Issue price : 100% of the principal amount of the PSCS
- Form : 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 PSCS confer a right to receive distribution(s) (the “**Distribution**”) from and including the date of issue of the PSCS at the rate of distribution payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December each year (the “**Distribution Payment Date**”), subject to the terms 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 : 3.5% per annum of any outstanding principal amount of PSCS (the “**Rate of Distribution**”)
- Optional deferral of distributions : The Company may, at its sole discretion, elect to defer a Distribution pursuant to the terms 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 HK\$1.4 per Conversion Share, subject to adjustment as provided for in the terms 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 : 26,785,714 Conversion Shares will be allotted and issued by the Company upon full conversion of the PSCS at the initial Conversion Price
- Conversion period : Conversion of the PSCS into Conversion Shares may take place at any time after the date of issue of the PSCS, subject to the relevant terms as provided in the terms of the PSCS

- Restrictions on Conversion : No conversion right shall be exercised by the holder 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 PSCS, the Company will upon Conversion pay in cash a sum equal to such portion of the principal amount 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 HK\$100
- 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 PSCS, 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 PSCS duly completed and signed, to the registered office of the Company. No transfer 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 PSCS may be redeemed at the option of the Company, at 100% or 50% of the principal amount of the PSCS each time, on any Distribution Payment Date at the face value of the outstanding principal amount 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 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

Application of Listing

The Conversion Shares will be allotted and issued under the specific mandate to be approved by the Independent Shareholders at the EGM.

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

No listing of the PSCS will be sought from the Stock Exchange or any other stock exchange.

INFORMATION OF THE PARTIES

The Company

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.

Mr. Lam

Mr. Lam is the executive Director, chairman, chief executive officer and controlling shareholder of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE SUBSCRIPTION AND USE OF PROCEEDS OF THE SUBSCRIPTION

Since December 2018, the Group has been leasing the Target Properties as its office premises in Zhuhai, the PRC. Taking into account the Group's business scale, the leasing of such properties is essential to the operations of the Group. Upon Completion, the Group would no longer need to pay monthly rental expenses to the Vendor.

In addition, given that the Vendor will subscribe for HK\$37,500,000 PSCS, which has no maturity date, the Group will not face any immediate cash outflow as a result of the Acquisition, and hence would make positive impact on the Group's asset and can utilise the fund on the general working capital of the Group. The net proceeds from the issue of the PSCS (after deduction of all related expenses) will be approximately HK\$37,000,000.

No conversion right shall be exercised by the holder of the PSCS if the Company will be in breach of the Listing Rules immediately following such Conversion. Mr. Lam has also undertaken that upon Conversion, he will place down the Shares to maintain the public flow of 25% in compliance with the Listing Rules. Furthermore, the Company may at its sole discretion elect to defer a Distribution pursuant to the terms 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 terms and conditions of the Agreement and the Subscription Agreement were negotiated on an arm's length basis, agreed on normal commercial terms between the Company and the Vendor and the terms were fair and reasonable. The Agreement and the Subscription Agreement were entered into in the interests of the Company and the Shareholders as a whole.

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.

Date of announcement	Fund raising activity	Net proceeds	Proposed use of the net proceeds	Whether the proceeds are to be used according to the intention previously disclosed
16 July 2021	Issue of perpetual subordinated convertible securities	Approximately HK\$74,700,000	General working capital of the Group	Yes (Unutilised amount approximately HK\$50,000,000)

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 date of this announcement; and (ii) upon issuance of the PSCS will be as follows:

	Shareholding as at the date of this announcement		Shareholding upon issuance of PSCS	
	<i>Number of Shares</i>	<i>% (approx.)</i>	<i>Number of Shares</i>	<i>% (approx.)</i>
Substantial Shareholders				
Mr. Lam ^{1, 2}	31,465,385	5.66	58,251,099	9.99
Media Cornerstone Limited ¹	254,921,500	45.84	254,921,500	43.74
Space Management Limited ²	87,110,058	15.67	87,110,058	14.95
Public				
Public Shareholders	<u>182,554,176</u>	<u>32.83</u>	<u>182,554,176</u>	<u>31.32</u>
	<u>556,051,119³</u>	<u>100.00</u>	<u>582,836,833³</u>	<u>100.00</u>

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 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 SFO.
- Mr. Lam is the sole shareholder of Space Management Limited and deemed to be interested in all the 38,200,000 Shares and 80,375,443 Previous PSCS under the SFO. Mr. Lam has undertaken that upon Conversion, he would place down the Shares to maintain the public flow of 25% in compliance with the Listing Rules.
- Since the PSCS and the Previous PSCS is considered as an equity instrument of the Company under prevailing accounting principles upon issuance, they are included in the calculation of the total shareholdings upon issuance. For the avoidance of doubt, the Previous PSCS has been included in the calculation of public float of the Company but excluded in shareholding held by the public, and the PSCS will be included in the calculation of public float of the Company upon issuance but excluded in shareholding held by the public. As at the date of this announcement, the number of Shares issued is 475,675,676.

IMPLICATIONS UNDER THE LISTING RULES

The transactions contemplated under the Agreement will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules as the highest applicable percentage ratio of the transactions is higher than 5% but lower than 25%, the entering into of the Agreement constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Mr. Lam is an executive Director and one of the controlling shareholders of the Company holding 61.62% of the existing issued share capital of the Company. Mr. Lam is therefore a connected person of the Company and each of the Acquisition and the Subscription 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.

GENERAL

An Independent Board Committee has been established to make recommendation to the Independent Shareholders regarding the Acquisition and the Subscription. The independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and the Subscription and the transactions contemplated thereunder.

An EGM will be held to consider and if thought fit, to approve the Acquisition and the Subscription and the transactions contemplated thereunder. Mr. Lam and his associates are required to abstain from voting on the resolutions to be proposed at the EGM.

A circular containing, amongst other things, (i) further information of the Acquisition and the Subscription; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition and the Subscription; (iii) the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and the Subscription; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 4 January 2022.

DEFINITIONS

In this announcement, unless the contents require otherwise, the following expressions have the following meanings:

“Acquisition”	the acquisition of the Target Properties under the Agreement
“Agreement”	the agreement dated 13 December 2021 entered into among the Vendor as vendor and the Company as purchaser in respect of the Acquisition
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“Business Day(s)”	a day (excluding Saturday or Sunday) and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted or a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. on which licensed banks in Hong Kong are generally open for business
“Certificate(s)”	means a certificate to be issued in respect of the PSCS set out in the Deed Poll;
“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 (Stock Code: 1993)
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Agreement
“Completion Date”	the date on which Completion takes place, i.e. the seventh (7) Business Days after the fulfilment or waiver (as the case may be) of the Conditions or such later date as may be agreed between the Vendor and the Company

“Conditions”	the conditions precedent of the Agreement as set out in the section headed “Conditions Precedent” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB30,400,000 (equivalent to approximately HK\$37,500,000), the consideration for the Acquisition
“Conversion”	the exercise of the conversion rights attached to the PSCS and the issuance of the Conversion Shares accordingly
“Conversion Price”	the conversion price of HK\$1.4 per Conversion Share initially subject to adjustments pursuant to the Deed Poll
“Conversion Rights”	the conversion rights attaching to the PSCS to convert the principal amount or a part there of into the Conversion Shares
“Conversion Shares”	the new Share(s) to be issued upon the exercise of the Conversion Rights
“Deed Poll”	the deed poll to be executed by the Company in relation to the PSCS upon PSCS Completion
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holder(s)”	a person being registered as a holder of the PSCS
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent board committee of the Company, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the Acquisition and the Subscription
“Independent Shareholders”	shareholder(s) who are entitled to vote and not required to abstain from voting on the resolution at the EGM for approving the Agreement and the Subscription Agreement and the transactions contemplated thereunder
“Last Trading Date”	13 December 2021, being the last full trading day in the Shares immediately before the entering into the Subscription Agreement
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mortgages”	the Mortgages granted by the Vendor in favour of Zhuhai Rural Commercial Bank Company Limited in respect of the Target Properties
“Mr. Lam”	Mr. Lam Tak Hing, Vincent, an executive Director and the controlling shareholder of the Company
“PRC”	the People’s Republic of China
“Previous PSCS”	the perpetual subordinated convertible securities previously issued to Space Management Limited in the principle amount of HK\$145,000,000 in total convertible into 48,910,058 Shares under the subscription agreement dated 7 September 2017 as amended by the supplemental agreement dated 10 November 2017 and the subscription agreements signed on 4 June 2020 and 16 July 2021; and to Mr. Lam in the principle amount of approximately HK\$122,700,000 in total convertible into 31,465,385 Shares as consideration pursuant to the acquisition agreement signed on 22 January 2021

“PSCS”	the perpetual subordinated convertible securities in the principal amount of HK\$37,500,000 to be issued by the Company to the Vendor
“PSCS Completion”	completion of the subscription of the PSCS
“PSCS Long Stop Date”	30 September 2022, or such other date as may be agreed in writing between Mr. Lam and the Company
“Parity Securities”	any instrument or security (including preference shares) issued, entered into or guaranteed by the Issuer which ranks or is expressed to rank pari passu with the PSCS
“SFC”	the Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Subscription”	the subscription of the PSCS by the Vendor pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 13 December 2021 entered into between the Company and Mr. Lam in relation to the Subscription
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Properties”	office Rooms 2901, 2902, 2903 & 2904, Yuhai World Financial Centre, No. 1009 Jiu Zhou Da Dao Zhong, Xiangzhou District, Zhuhai, the PRC

“Vendor” Mr. Lam

“%” per cent.

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

Hong Kong, 13 December 2021

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

For illustrative purpose of this announcement and unless otherwise specified, conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.234.