

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**ASIA TELEVISION HOLDINGS LIMITED**

**亞洲電視控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 707)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE DISPOSAL OF  
20% EQUITY INTEREST OF MILLION FEDERAL  
INTERNATIONAL LIMITED**

**THE AGREEMENT**

The Board is pleased to announce that, on 18 May 2022 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares, representing 20% of the entire issued share capital of the Target Company, at the Consideration of HK\$8 million, which shall be paid to the Vendor at the Completion Date by cash.

**THE LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that, on 18 May 2022 (after trading hours), the Vendor has entered into the Agreement with the Purchaser, pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares, representing 20% of the entire issued share capital of the Target Company, at the Consideration of HK\$8 million, which shall be paid to the Vendor at the Completion Date by cash.

## THE AGREEMENT

The principal terms of the Agreement are summarised as follows:

Date: 18 May 2022

Parties: (1) Vendor: Co-Prosperity Investment (International) Limited; and  
(2) Purchaser: Lin Yudan

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

### Sale Shares to be disposed

Pursuant to the Agreement, the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares, representing 20% of the entire issued share capital of the Target Company. As at the date of this announcement, Sincere Securities, the wholly-owned subsidiary of the Target Company, is licenced to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. Upon Completion, the Vendor will own 40% equity interest in the Target Company and thus the Target Company will cease to be a subsidiary of the Company.

Based on the financial statements of the Target Group, prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), a summary of the financial information of the Target Group for the two years ended 31 December 2019 and 2020 is as follows:

	<b>Year ended</b> <b>31 December 2019</b> <i>HK\$'000</i> <b>(Audited)</b>	<b>Year ended</b> <b>31 December 2020</b> <i>HK\$'000</i> <b>(Audited)</b>
Loss before taxation	(18,827)	(31,944)
Loss after taxation	(18,985)	(31,904)

The unaudited net asset value of the Target Group as at 31 December 2021 was approximately HK\$53,266,000.

## **Consideration**

The amount of Consideration is HK\$8 million. The Consideration shall be settled and paid by the Purchaser to the Vendor at the Completion Date by cash.

## **Determination of the Consideration**

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to, amongst others, (i) the preliminary valuation of the Sale Shares by an independent professional valuer of approximately HK\$7,929,000 and (ii) the past operation and business performance of the Target Group.

## **Completion**

Completion has taken place on the Completion Date, which is the date of signing of the Agreement. Upon Completion, the Target Company has ceased to be a subsidiary of the Company.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT**

The Group is principally engaged in four major business streams including (i) processing, printing and sales of finished fabrics and subcontracting services and the trading of fabric and clothing business; (ii) money lending business; (iii) securities investment and broker service business; and (iv) media, cultural and entertainment business.

The Group is intended to focus on the expansion of the media, cultural and entertainment business. With reference to the annual report of the Company for the year ended 31 December 2020, the Company aims to revitalise the media, cultural and entertainment business through innovation and repositioning, including but not limited to the setting up of a media platform, mainly targeted users in Hong Kong, Taiwan, Singapore and Malaysia as to boarder the Group's Asian market. The Board considers that the Disposal will align with the future development strategies of the Group and also believes that the Disposal will reflect a more appropriate corporate image and strategy of the Group.

The Board considers that the Disposal represents an opportunity for the Group to realise its investment in the Target Group and reallocate the resources to develop the media, cultural and entertainment business. It is intended that the net proceeds from the Disposal will be applied for repayment of the borrowings of the Group and/or for the general working capital of the Group.

After taking into account the above factors, the Board considers that the terms and conditions of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL IMPACT OF THE DISPOSAL**

Upon Completion, the Vendor will own 40% equity interest in the Target Company. The Target Company will become an associate of the Company and its financial results and position will be incorporated in the financial statements of the Company using the equity method of accounting. The Company expects to record a loss on disposal arising from the Disposal in the amount of approximately RMB11,514,000, calculated with reference to (i) the carrying amount of the net assets of the Target Group; (ii) the carrying amount of non-controlling interest in the Target Group; (iii) the fair value of interest in an associate to be recognised; and (iv) the Consideration. The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the determination of the net asset value of the Target Company based on the Completion Date, valuation of the fair value of interest in associate to be recognised and the final audit by the auditors of the Company.

## **THE LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

The following terms shall have the following meanings ascribed to them respectively in this announcement unless the context otherwise requires:

“Agreement”	the sale and purchase agreement dated 18 May 2022 entered into between the Purchaser and the Vendor in respect of the Disposal
“Board”	the board of Directors
“Business Day”	a day other than a Saturday or a Sunday, on which licensed banks are generally open for business in Hong Kong throughout their normal business hours

“Company”	Asia Television Holdings Limited 亞洲電視控股有限公司, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 707)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement
“Completion Date”	the date of signing of the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of HK\$8 million for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor pursuant to the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a third party independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Lin Yudan
“Sale Shares”	5,000,000 ordinary shares in the Target Company, representing 20% of the entire issued share capital of the Target Company
“Shareholder(s)”	holder(s) of the Share(s)

“SFO”	the Securities and Futures Ordinance (Chapter 571, as amended, of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Sincere Securities”	Sincere Securities Limited (訊匯證券有限公司), a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Target Company
“Vendor”	Co-Prosperity Investment (International) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Target Company”	Million Federal International Limited (萬方國際有限公司), a company incorporated under the laws of Hong Kong, which is owned as to 60% by the Vendor
“Target Group”	the Target Company together with its subsidiaries, including Sincere Securities
“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  
**Asia Television Holdings Limited**  
**Chan Wai Kit**  
*Executive Director*

Hong Kong, 18 May 2022

*As at the date of this announcement, the Board comprises Mr. Leong Wei Ping 梁瑋珮先生\*, Mr. Chan Wai Kit, Mr. Sze Siu Bun, Ms. Sun Tingting and Ms. Tang Po Yi as executive Directors, Dato’ Sri Lai Chai Suang 拿督斯里賴彩雲博士\* and Mr. Andy Yong Kim Seng 楊錦成先生\* as non-executive Directors, Ms. Han Xingxing, Mr. Li Yu, Ms. Wong Chi Yan and Mr. Lee Cheung Yuet Horace as independent non-executive Directors.*

\* For identification purpose only