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XINHUA NEWS MEDIA HOLDINGS LIMITED

新華通訊頻媒控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 309)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



ASA SECURITIES LIMITED

On 31 May 2022 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to place as the Company's placing agent on a best effort basis the Placing Shares up to 360,973,000 new Shares at the Placing Price of HK\$0.063 per Placing Share.

The Placing Shares represent approximately 20% of the existing total number of issued shares of the Company as at the date of this announcement, and approximately 16.67% of the total number of issued shares of the Company as enlarged by the allotment and issue of the Placing Shares in full.

The maximum gross proceeds of the Placing will amount to approximately HK\$22,741,299. The maximum net proceeds from the Placing, after deduction of the Placing commission and other related expenses, are estimated to be approximately HK\$22,226,473.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 31 May 2022 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to place as the Company's placing agent on a best effort basis the Placing Shares up to 360,973,000 new Shares at the Placing Price of HK\$0.063 per Placing Share.

THE PLACING AGREEMENT

The principal terms and conditions of the Placing Agreement are as follows:

Date

31 May 2022 (after trading hours)

Issuer

The Company

Placing Agent and Fees

ASA Securities Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and whose ultimate beneficial owners are Independent Third Parties.

The Placing Agent has conditionally agreed to place a maximum of 360,973,000 Placing Shares on a best effort basis and it will charge the Company a placing commission of 2% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent in accordance with the terms of the Placing Agreement. The Placing commission was negotiated on an arm's length basis between the Company and the Placing Agent. Having considered the Placing Price and the terms of the Placing, the Directors are of the view that the placing commission is fair and reasonable.

Placees

Pursuant to the Placing Agreement, the Placing Agent will procure the Placing Shares to be placed to not less than six Placees, which will be individuals, institutional or professional investors on a best efforts basis. The Placing Agent will also use its reasonable endeavours to ensure that the Placees and their respective ultimate beneficial owners will be Independent Third Parties, and that none of the Placees and their respective ultimate beneficial owners will, immediately upon completion of the Placing, become a substantial shareholder of the Company.

Number of Placing Shares

The maximum number of 360,973,000 new Shares to be placed, representing (i) approximately 20% of the existing total number of issued Shares as at the date of this announcement, and (ii) approximately 16.67% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares in full.

The aggregate nominal value of all Placing Shares amounts to HK\$22,741,299.

Placing Price

The Placing Price of HK\$0.063 represents:

- (i) the same with the closing price of HK\$0.063 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a premium of approximately 8.25% to the average closing price of HK\$0.0582 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 and the recent trading volume of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The net issue price per Placing Share (after deduction of the Placing commission and other related expenses as described below) is approximately HK\$0.0616.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank pari passu in all respects with the other existing Shares in issue on the date of allotment and issue of the Placing Shares.

Condition of the Placing

Completion of the Placing is conditional upon the following conditions:

- (a) the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares;
- (b) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with its terms;
- (c) all necessary written consents and approvals (if any) from the relevant authorities in respect of the Placing having been obtained by the Company, if applicable; and
- (d) all the representations and warranties given under the Placing Agreement remaining true and accurate and not misleading at Completion as if repeated at Completion and at all times between the date of the Placing Agreement and Completion.

If the foregoing condition is not fulfilled on or prior to 16 June 2022 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

Completion of the Placing

Completion of the Placing shall take place on the second Business Day after the fulfilment of the condition of the Placing as aforesaid, or such other date as the Company and the Placing Agent shall agree.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate. Pursuant to the General Mandate, the Directors are authorized to issue and allot up to 360,973,959 Shares. The Company has not exercised the power to allot and issue new Shares pursuant to such mandate prior to the date of the Placing Agreement. Therefore, the issue of the Placing Shares is not subject to approval of the Shareholders.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares as soon as practicable.

Termination of the Placing Agreement

After consultation with the Company and in the reasonable opinion of the Placing Agent that the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by any of the following events, then the Placing Agent may terminate this Agreement without liability to the Company by giving notice in writing to the Company prior to 10:00 a.m. on the Completion Date:

- (i) any material breach of any of the representations and warranties; or
- (ii) any of the following events:
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than 5 trading days (other than in connection with the Placing and any announcement of the Company); or
 - (c) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (d) the imposition of any moratorium, suspension or material restriction on trading in

securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or

(e) a change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands or elsewhere or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or

(f) any change or deterioration in the conditions of local, national or international securities markets occurs.

Upon termination of the Placing Agreement, none of the parties shall have any claims against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

REASONS FOR THE PLACING

The Directors (including the Independent Non-Executive Directors) are of the view that the Placing represents an opportunity to raise additional capital for the Group and to broaden its Shareholders' base, which is in the interests of the Group and the Shareholders as a whole.

The Directors (including the Independent Non-Executive Directors) consider that the terms of the Placing Agreement and the transactions contemplated thereunder (including the Placing), including the Placing Price and the Placing fees payable to the Placing Agent, are fair and reasonable based on the current market conditions, and are in the interests of the Group and the Shareholders as a whole.

USE OF PROCEEDS

The maximum gross proceeds of the Placing will amount to approximately HK\$22,741,299. The maximum net proceeds from the Placing, after deduction of the Placing commission and other related expenses, are estimated to be approximately HK\$22,226,473. The net proceeds of the Placing are intended for general working capital and future business opportunities and investment.

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Directors confirm that the Company has not conducted any fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after completion of the Placing, assuming that all of the 360,973,000 Placing Shares will be placed in full and no further Shares will be issued or repurchased before completion of the Placing.

	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>
Shareholders				
Mr. Tsui Kwok Hing (Note 1)	148,871,130	8.25%	148,871,130	6.87%
Mr. Lo Kou Hong (Note 2)	55,779,000	3.09%	55,779,000	2.58%
Mr. Wang Qi	1,367,000	0.07%	1,367,000	0.06%
Other Public Shareholders				
Places	-	-	360,973,000	16.67%
Other public Shareholders	1,598,852,666	88.59%	1,598,852,666	73.82%
	<u>1,804,869,796</u>	<u>100.00%</u>	<u>2,165,842,796</u>	<u>100.00%</u>

Notes:

1. Mr. Tsui Kwok Hing is the beneficial owner of 69,190,090 Shares and also deemed to be interested in 79,681,040 Shares through interest of his spouse, Ms. Budirahaju Lita, who personally and beneficially owned such 79,681,040 Shares.
2. Mr. Lo Kou Hong is the beneficial owner of 53,674,000 Shares and also deemed to be interested in 2,105,000 Shares through interest of his spouse, Ms. Ko Lok Ping, Maria Genoveffa, who personally and beneficially owned such 2,105,000 Shares.

DEFINITIONS

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

“Board” the board of Directors

“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for general banking business in Hong Kong
“Company”	Xinhua News Media Holdings Limited (新華通訊頻媒控股有限公司), a limited company incorporated in the Cayman Islands and whose Shares are listed on main board of the Stock Exchange (stock code: 309)
“Completion”	completion of the Placing in accordance with the Placing Agreement
“Director(s)”	the director(s) of the Company
“General mandate”	the general mandate granted to the Board by the Shareholders by ordinary resolution passed at the annual general meeting of the Company held on 24 September 2021 to allot, issue and deal with new Shares up to a maximum of 20% of the aggregate number of the issued shares of the Company as at the date thereof
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who are independent of and not connected with or acting in concert (as defined under the Codes of Takeovers and Mergers and Share Buy-backs of Hong Kong) with, the Company, any of its connected persons (as defined under the Listing Rules) or any of their respective associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee(s)”	the subscriber(s) of the Placing Shares which the Placing Agent will procure on a best effort basis pursuant to and in accordance with the Placing Agreement
“Placing”	the placing of up to a total of 360,973,000 new Shares to be allotted and issued pursuant to the terms and subject to the conditions of the Placing Agreement
“Placing Agent”	ASA Securities Limited, a licensed corporation incorporated in Hong Kong to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities for the purpose of the SFO
“Placing Agreement”	the placing agreement dated 31 May 2022 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.063 per Placing Share
“Placing Share(s)”	a maximum of 360,973,000 new Shares to be placed under the Placing and pursuant to the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Xinhua News Media Holdings Limited
Fu Jun
Chief Executive Officer and Executive Director

Hong Kong, 31 May 2022

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lo Kou Hong, Mr. Fu Jun, Mr. Tsui Kwok Hing and Mr. Leung Cheung Hang; two non-executive Directors, namely, Ms. Wang Guan and Mr. Wang Chunping; and three independent non-executive Directors, namely, Mr. Wang Qi, Mr. Yau Pak Yue and Mr. Leung Nga Tat.