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CNC HOLDINGS LIMITED

中國新華電視控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 8356)

QUATERLY UPDATE ON RESUMPTION PROGRESS

The announcement is made by CNC Holdings Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) pursuant to 17.10(2)(a) and 17.26A of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the announcements of the Company dated 21 June 2022, 29 July 2022 and 15 August 2022 in relation to, among others, the delay in publication of the audited annual results of the Company for the year ended 31 March 2022 (the “**FY2022 Annual Results**”); (ii) the announcement of the Company dated 14 October 2022 in relation to, among others, the resignation of Mr. Wong Chung Yip, Kenneth, as an independent non-executive Director; (iii) the announcements of the Company dated 11 November 2022, 10 February 2023, 10 May 2023, 14 August 2023 and 14 November 2023 in relation to, among others, the Resumption Guidance and the quarterly update on the resumption progress; (iv) the announcements of the Company dated 12 December 2022, 14 February 2023, 15 February 2023, 8 March 2023 and 19 April 2023 in relation to, among others, the winding petition (the “**Winding-up Petition**”) filed by A. Plus Financial Press Limited against the Company and the withdrawal of the Winding-up Petition; (v) the announcement of the Company dated 12 January 2023 in relation to the Additional Resumption Guidance; (vi) the announcement of the Company dated 5 September 2023 in relation to, among others, the GEM Listing Committee’s decision (the “**Delisting Decision**”) on the cancellation of the Company’s listing and the review request made by the Company; (vii) the announcement of the Company dated 18 December 2023 in relation to the Listing Review Committee’s decision to overturn the Delisting Decision; (viii) the announcement dated 15 January 2024 jointly issued by the Company and Shunleetat (BVI) Limited (the “**Offeror**”) in relation to, among others, the debt restructuring proposal and the possible conditional mandatory cash offer to be made by Aristo Securities Limited for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror,

Mr. Kan and parties acting in concert with any of them); (ix) the announcement dated 5 February 2024 jointly issued by the Company and Offeror in relation to the delay in despatch of the composite offer and response document (the “**Composite Document**”) and (x) the announcement dated 5 February 2024 jointly issued by the Company and Offeror in relation to the entering into of the formal Sale and Purchase Agreement, Share Subscription Agreement, Fifth Supplemental Deed, CB Subscription Agreement A and CB Subscription Agreement B (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

QUARTERLY UPDATE ON RESUMPTION PROGRESS

As disclosed in the announcement of the Company dated 18 December 2023 in relation to the Listing Review Committee’s decision to overturn the Delisting Decision, the Listing Review Committee considered that all the Resumption Guidance have been fulfilled save and except for the Resumption Guidance 3 relating to the Company’s compliance with Rules 5.05, 5.05A, 5.28 and 5.36A of the GEM Listing Rules. The Company had executed a legally binding agreement for the appointment of an independent non-executive Director (the “**INED**”). Yet, such appointment will only become effective upon the despatch of the Composite Document in compliance with the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”). The Listing Review Committee considered that the appointment of the INED to take effect in compliance with the Takeovers Code, which is considered a procedural factor outside the Company’s control, the Company had implemented all steps that would lead to a resumption of trading, and therefore decided to extend the remedial period to 29 February 2024 for the Company to demonstrate compliance with the Resumption Guidance 3.

As disclosed in the announcement of the Company dated 5 February 2024, (i) the Vendor, as vendor, and Mr. Kan entered into the Sale and Purchase Agreement in relation to the sale and purchase of 1,188,621,377 Sale Shares for a total consideration of HK\$ 16,640,699 (the “**Acquisition**”); (ii) the Company, as issuer, and Mr. Kan, as subscriber, entered into the Share Subscription Agreement in relation to the proposed subscription of 1,666,666,667 Subscription Shares at the Share Subscription Price of HK\$0.012 per Subscription Share at a total consideration of approximately HK\$20,000,000 (the “**Share Subscription**”); (iii) the Company, as issuer, and the Vendor, as bondholder, entered into the Fifth Supplemental Deed to amend certain terms of the Existing Convertible Bonds; (iv) the Company, as issuer, and the Vendor, as subscriber, entered into the CB Subscription Agreement A in relation to the proposed subscription of the Convertible Bonds A in the principal amount of HK\$64,127,855 to set off the interests payable by the Company under the Existing Convertible Bonds of HK\$64,127,855 as at 9 December 2021; and (v) the Company, as issuer, and the Vendor, as subscriber, entered into the CB Subscription Agreement B in relation to the proposed subscription of the Convertible Bonds B in the principal amount of HK\$16,240,000 to set off part of the outstanding broadcasting fee owed to the Vendor.

As at the date of this announcement, the Acquisition and/or the Share Subscription are still in progress and yet to be completed. It is expected that the Acquisition Completion will take place on or before 23 February 2024 and the Composite Document will be dispatched around

26 February 2024. The Company will issue further announcement(s) in relation to the progress and status of the Acquisition and Share Subscription, and the fulfillment of the Resumption Guidance 3 as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 15 August 2022, and will remain suspended until the Company fulfills the Resumption Guidance and the Additional Resumption Guidance. As disclosed in the announcement of the Company dated 5 September 2023, pursuant to a letter dated 25 August 2023 from the Stock Exchange, the GEM Listing Committee has informed the Company of the Delisting Decision to cancel the Company's listing under Rule 9.14A of the GEM Listing Rules. Further, as disclosed in the announcement of the Company dated 18 December 2023, after carefully considered all the facts and evidence and submissions presented at the review hearing held on 24 November 2023, the GEM Listing Review Committee decided to overturn the Delisting Decision and instead grant an extension of the remedial period to 29 February 2024 for the Company to demonstrate compliance with the remaining condition to be fulfilled. The Company will make further announcement(s) to keep the Shareholders and potential investors of the Company informed of any progress as and when appropriate and will announce quarterly updates on its development in accordance with Rule 17.26A of the GEM Listing Rules.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
CNC Holdings Limited
Li Yong Sheng
Vice Chairman and CEO

Hong Kong, 8 February 2024

As at the date of this announcement, the Directors are Dr. Jiang Yan¹ (Chairman), Dr. Li Yong Sheng¹ (Vice Chairman and Chief Executive Officer), Mr. Liu Da Yong¹, Mr. Kan Kwok Cheung¹, Ms. Tang Li², Mr. Law Cheuk Hung², Mr. Wu Guo Ming³ and Mr. Wan Chi Keung, Aaron, BBS, JP³.

¹ *Executive Director*

² *Non-executive Director*

³ *Independent non-executive Director*

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with

regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least seven days from the date of its posting and the Company's website at <http://www.cnctv.hk>.