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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)

INSIDE INFORMATION – STRATEGIC FRAMEWORK COOPERATION AGREEMENT IN RESPECT OF ESTABLISHMENT OF A JOINT VENTURE COMPANY

This announcement is made by Asia Television Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

STRATEGIC FRAMEWORK COOPERATION AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 21 June 2018 (after trading hours), Asia Television Digital Media Limited (“**ATVDM**”), a wholly-owned subsidiary of the Company, entered into a non-legally binding strategic framework cooperation agreement (the “**Agreement**”) with Shenzhen Media Group (“**SZMG**”), in relation to the proposed establishment of a joint venture company in Qianhai of Shenzhen (the “**Proposed Joint Venture Company**”) to establish a business platform through the Proposed Joint Venture Company to jointly develop project co-operations between ATVDM and SZMG in the People’s Republic of China (the “**PRC**”) (the “**Business**”).

Based on the information provided by SZMG, SZMG is a state-owned enterprise, incorporated and domiciled in the PRC. SZMG possesses 11 TV channels and 4 sets of broadcast frequencies, and it also has more than 20 operating companies in different industries.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of SZMG and its respective ultimate beneficial owner(s) are third parties independent of the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholder or any of their respective associates (has the meaning ascribed thereto under the Listing Rules).

The Proposed Joint Venture Company

Subject to the due diligence review to be conducted by the Company and the execution of a set of definitive documentation by the parties to the Agreement for the establishment of the Proposed Joint Venture Agreement (the “**Definitive Agreements**”), ATVDM is desirous to collaborate with SZMG to establish the Proposed Joint Venture Company with SZMG to engage in the Business.

Both parties agree that the Agreement shall be valid for two (2) months (the “**Validity Period**”) from the date of execution of the Agreement (the “**Execution Date**”). If the parties have not signed the Definitive Agreements within the Validity Period, the Agreement shall be automatically terminated within two months from the Execution Date.

Save for the terms in relation to, among others, confidentiality contained in the Agreement, the Agreement is not legally binding. Details of the co-operation and the consideration for the establishment of the Proposed Joint Venture Company will be determined by the parties after further negotiations and signing of the Definitive Agreements.

REASONS AND BENEFITS FOR THE ESTABLISHMENT OF THE PROPOSED JOINT VENTURE COMPANY

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.

SZMG is a state-owned enterprise, incorporated and domiciled in the PRC. SZMG possesses 11 TV channels and 4 sets of broadcast frequencies, and it also has more than 20 operating companies in different industries.

Under the Agreement, the parties intended to establish the Proposed Joint Venture Company, whereas, SZMG will establish a ATVDM zone on the platforms of SZMG, ATVDM will make use of the geographical and resource advantages to introduce and promote ATVDM's movies and videos. SZMG will assist ATVDM to join the China United Television (the “**CUTV**”) member platform, share license resources, content resources and technical resources through the CUTV platform, reduce the construction cost and operating costs of new media, and effectively increase the competitiveness, brand influence, public credibility and advertising value of new media, together realise its own new media strategy. Subject to the due diligence review to be conducted by the Company and the execution of the Definitive Agreements, ATVDM is desirous to collaborate with SZMG and establish the Proposed Joint Venture Company with SZMG to engage in the Business.

For the reasons above, the Directors consider that the terms of the Agreement are fair and reasonable and the establishment of the Proposed Joint Venture Company is in the interests of the Company and its shareholders as a whole.

As at the date of this announcement, all terms and conditions of the establishment of the Proposed Joint Venture Company are still being negotiated and no binding agreement has been entered into. There is no assurance that the Definitive Agreements will be materialised and entered into between the parties. The Proposed Joint Venture Company may or may not constitute a notifiable transaction for the Company under the Listing Rules. Further announcement in relation to the Proposed Joint Venture Company will be made by the Company as and when appropriate in compliance with the Listing Rules.

Shareholders of the Company and other investors should note that the Proposed Joint Venture Company may or may not proceed and are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Asia Television Holdings Limited
Deng Junjie
Chairman

Hong Kong, 21 June 2018

As at the date of this announcement, the Board comprises Mr. Deng Junjie, Mr. Law Kin Fat and Mr. Sze Siu Bun as executive Directors, Mr. Li Wenfeng as non-executive Director, Ms. Han Xingxing, Mr. Cheung Ngai Lam and Mr. Li Yu as independent non-executive Directors.