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**Hong Kong Television Network Limited**  
**香港電視網絡有限公司**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*  
**(Stock Code: 1137)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO ACCEPTANCE OF THE PROPOSED  
ADDITIONAL USE TO THE CENTRE**

Further to the announcements made by the Company on 10 August 2015, 20 August 2015 and 17 February 2017 in relation to construction works of the Centre, the Board announces that, on 3 March 2017, HKMP accepted the offer of HKSTP in relation to its application for an additional use to incorporate an e-Commerce Fulfilment Centre of 5,080 square metres in the Centre.

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

The Board announces that, on 3 March 2017, HKMP accepted the offer of HKSTP in relation to HKMP's application for an additional use to incorporate an e-Commerce Fulfilment Centre of 5,080 square metres in the Centre.

**DETAILS OF THE TRANSACTION**

Parties : HKMP and HKSTP

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, HKSTP and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

- Subject Matter : Upon the application on the part of HKMP in December 2016, it was approved by HKSTP that the stipulated use of the Centre will be modified for an additional use of 5,080 square metres as an e-Commerce Fulfilment Centre for the integration of e-Commerce business with multimedia content production as described in its application, subject to certain terms and conditions as set forth below.
- Payment of Consent Fee : Payment of the Consent Fee of HK\$62,125,217.00 upon execution of the modification of agreement for lease and the modification of proposal form on or before 6 May 2017. The Consent Fee is expected to be funded by internal resources, external financing and existing banking facilities of the Group.
- Other Terms : (i) Payment of an administration fee of HK\$62,760.00 and legal costs of HK\$80,000.00 upon acceptance of HKSTP's offer.
- (ii) Carrying out a traffic circulation and management study to the satisfaction of HKSTP within three months from the execution of the modification of agreement for lease and the modification of proposal form.
- (iii) The rate of additional premium currently applied with respect to (a) delay in completion of development and installation and (b) failure to remedy breach of the agreement for lease will be upward adjusted to HK\$38,132.00 per day and HK\$19,066.00 per day respectively.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Group is principally engaged in multimedia production and content distribution and other multimedia related activities as well as operate a 24-hour “e-shopping Mall” providing a “One-stop shop” platform including entertainment, online shopping, delivery services and customer experience.

The Board believes the Transaction offers a number of benefits and opportunities, in particular, accelerating the Group to integrate its multimedia and e-commerce capabilities by leveraging the Centre, improving operational efficiency of the entire e-commerce fulfillment process, providing space for expansion and reducing the reliance on leased facilities in the long run.

The Board considers that the Transaction is consistent with the Group's business objectives and will be beneficial to the sustainable development of the Group.

The Board considers that the terms of the Transaction are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

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

## **DEFINITIONS**

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

“Board”	the board of Directors
“Centre”	the multimedia production and distribution centre, a building under construction on the land situate at Tseung Kwan O Industrial Estate at remaining portion of Section S of Tseung Kwan O Town Lot No. 39 and extensions thereto
“Company”	Hong Kong Television Network Limited, a company incorporated in Hong Kong with limited liability
“Consent Fee”	HK\$62,125,217.00, being the consent fee payable to HKSTP upon execution of the modification documents for the additional use
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKMP”	Hong Kong Media Production Company Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company
“HKSTP”	Hong Kong Science and Technology Parks Corporation
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Shareholder(s)”	the registered shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the acceptance of the offer made by HKSTP for the modification of agreement for lease and the modification of proposal form in relation to the modification of the stipulated use of the Centre

By Order of the Board  
**Hong Kong Television Network Limited**  
**Wong Wai Kay, Ricky**  
*Chairman*

Hong Kong, 3 March 2017

*As at the date of this announcement, the executive directors of the Company are Mr. Wong Wai Kay, Ricky (Chairman), Mr. Cheung Chi Kin, Paul (Vice Chairman and Chief Executive Officer), Ms. Wong Nga Lai, Alice (Chief Financial Officer); the Non-executive Director is Ms. To Wai Bing and the Independent Non-executive Directors are Mr. Lee Hon Ying, John, Mr. Peh Jefferson Tun Lu and Mr. Mak Wing Sum, Alvin.*