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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
ACQUISITION OF AUTOMATION SYSTEM

On 28 September 2017, HKTVS entered into the Contract with SSI, pursuant to which HKTVS will acquire from SSI the Automation System for an aggregate consideration of EUR14,407,927.00 plus HK\$8,374,526.00 (equivalent to approximately HK\$140,877,027.00).

As the applicable percentage ratios under the Listing Rules in respect of the Acquisition are greater than 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The principal terms of the Contract are as follows:

Date : 28 September 2017

Parties : (1) HKTVS
(2) SSI

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, SSI and its ultimate beneficial owner are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Subject matter : Pursuant to the Contract, HKTVS will acquire the Automation System from SSI. The Automation System comprises a conveying system, an automatic picking system, an automatic storage and retrieval system and tote handling systems including the software for the material flow control and automatic management.

Consideration : The Consideration for the Acquisition is EUR14,407,927.00 plus HK\$8,374,526.00 (equivalent to approximately HK\$140,877,027.00).

The Consideration for the Acquisition shall be payable to SSI in cash in accordance with the terms of the Contract, in the manner described below:

1. EUR9,220,233.00 plus HK\$5,328,122.00 payable for Phase 1
2. EUR5,187,694.00 plus HK\$3,046,404.00 payable for Phase 2

The consideration is expected to be funded by internal resources and existing banking facilities available to the Group.

The Consideration for the Acquisition was determined after arm's length negotiations between HKTVS and SSI with reference to, among other things, the prospect as elaborated in the section headed "REASONS FOR AND BENEFIT OF THE ACQUISITION".

REASONS FOR AND BENEFIT OF THE ACQUISITION

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 that the Automation System to be installed in the Centre will significantly improve the operational efficiency and enhance the order handling capacity to meet the increasing demand of the growing online shopping market.

The Board considers that the Acquisition 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 Acquisition 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 under the Listing Rules in respect of the Acquisition are greater than 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the 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:

“Acquisition”	the acquisition of the Automation System pursuant to the terms of the Contract
“Automation System”	the Automation System comprises a conveying system, an automatic picking system, an automatic storage and retrieval system and tote handling systems including the software for the material flow control and automatic management to be supplied by SSI under the Contract
“Board”	the board of Directors
“Centre”	HKTVMultimedia and Ecommerce Centre, No.1 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong
“Company”	Hong Kong Television Network Limited, a company incorporated in Hong Kong with limited liability
“Consideration”	the total consideration in the sum of EUR14,407,927.00 plus HK\$8,374,526.00 (equivalent to approximately HK\$140,877,027.00) payable by HKTVM to SSI for the Acquisition as described under the Contract
“Contract”	the Contract dated 28 September 2017 entered into between HKTVM and SSI in relation to the Acquisition
“Director(s)”	director(s) of the Company
“EUR”	Euro, the lawful currency of the European Union
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKTVM”	Hong Kong TV Shopping Network Company Limited, a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the registered holder(s) of the Shares

“SSI” Schaefer Systems International Ltd.

“%” per cent.

For illustrative purpose only, amounts denominated in EUR have been translated into HK\$ at the rate of EUR1.00=HK\$9.1965 in this announcement, unless otherwise stated. No representation is made that any amount in EUR or HK\$ has been, could have been or could be converted at the above rate or any other.

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

Hong Kong, 28 September 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.