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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)

CLARIFICATION ANNOUNCEMENT
IN RELATION TO
CONNECTED TRANSACTION RELATING TO GRANT
OF AWARDED SHARES TO A CONNECTED PERSON
UNDER THE SHARE AWARD SCHEME

Reference is made to the announcement of Hong Kong Television Network Limited (the “**Company**”) dated 31 March 2021 (the “**Announcement**”) in relation to the adoption of the Scheme and the grant of Awarded Shares to a connected person under the Scheme. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company would like to make the following clarifications in relation to the Announcement:

Alignment with Shareholders’ interest

The paragraph under this subheading shall be amended as follows:

“Furthermore, based on the Growth Performance Condition for the vesting of the Connected Award Shares, in order for Mr. Wong to have the Connected Award Shares to vest in full, the Share price has to reach approximately 24% over the Target Price during each of relevant Measurement Periods. Accordingly, the Award and the economic benefits of the Connected Award Share are dependent on the improvement in the price of the Shares and hence Mr. Wong can only benefit when all the Shareholders are also in a position to benefit from the increase in Share price. In addition, as the Award of the Connected Award Shares will vest over a period of five years, Mr. Wong’s interests will be further aligned with that of the Shareholders in increasing the value of the Company and price of the Shares over a sustained period.”

Dilution effect not material

The second and third paragraph under this subheading shall be amended as follows:

“Meanwhile, the Share price has to reach approximately 24% over the Target Price for each tranche of Connected Award Shares to be vested in full. Overall, the shareholding of the public Shareholders will be diluted from approximately 55.6% to approximately 53.0% in 5-years’ time. Accordingly, in the circumstances Mr. Wong were to be allotted the maximum number of Connected Award Shares, hypothetically, the public Shareholders will be able to enjoy a cumulative appreciation in the price of the Shares of approximately 2 times at a “cost” of dilution of only 2.6% in a period of approximately five years.”

EFFECT ON THE ISSUE OF THE CONNECTED AWARD SHARES ON SHAREHOLDING STRUCTURE

The total number of Shares in issue as at the date of the Announcement set out in the first paragraph under this heading should be “915,985,743”.

Save as stated above, all other information in the Announcement remains unchanged.

By Order of the Board
Hong Kong Television Network Limited
Cheung Chi Kin, Paul
Chairman

Hong Kong, 1 April 2021

As at the date of this announcement, the executive Directors of the Company are Mr. Cheung Chi Kin, Paul (Chairman), Mr. Wong Wai Kay, Ricky (Vice Chairman and Group Chief Executive Officer), Ms. Wong Nga Lai, Alice (Group Chief Financial Officer), Mr. Lau Chi Kong (Chief Executive Officer (International Business)) and Ms. Zhou Huijing (Chief Executive Officer (Hong Kong)) and the independent non-executive Directors of the Company are Mr. Lee Hon Ying, John, Mr. Peh Jefferson Tun Lu and Mr. Mak Wing Sum, Alvin.