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A8 New Media Group Limited

A8新媒體集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 800)

(1) GRANT OF WHITEWASH WAIVER; AND (2) COMPLETION OF ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

GRANT OF WHITEWASH WAIVER

The Executive granted the Whitewash Waiver on 6 February 2017, subject to (i) the issue of the new Shares being approved by a vote of the Independent Shareholders at the EGM, to be taken on a poll; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by the Subscriber and parties acting in concert with it between the Announcement and the Completion.

The Subscription, the Specific Mandate and the Whitewash Waiver have been approved by the Independent Shareholders at the EGM held on 13 February 2017 by way of poll.

COMPLETION OF ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that all the conditions precedent to the Subscription have been fulfilled and Completion took place on 20 February 2017 in accordance with the terms and conditions of the Subscription Agreement.

Immediately before Completion, the Company had 1,835,192,628 Shares in issue. Upon Completion, 931,800,000 new Shares, representing approximately 33.68% of the issued share capital of the Company as at the date of this announcement (as enlarged by the allotment and issue of the Subscription Shares), have been duly allotted and issued as fully paid to the Subscriber at the Subscription Price of HK\$0.41 per Subscription Share. Accordingly, immediately after Completion, there are 2,766,992,628 Shares in issue.

Reference is made to the circular of A8 New Media Group Limited (“**Company**”) dated 25 January 2017 (“**Circular**”) in relation to (1) connected transaction – issue of new Shares under Specific Mandate; and (2) application for the Whitewash Waiver. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

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The gross proceeds and the net proceeds from the Subscription are approximately HK\$382.0 million and HK\$380.5 million respectively. The net price of each Subscription Share is approximately HK\$0.408.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately after Completion:

	Immediately prior to Completion		Immediately after Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
The Subscriber and parties acting in concert with it (<i>Note 1</i>)	617,713,398	33.66	1,549,513,398	56.00
The Subscriber (<i>Note 1</i>)	144,571,095	7.88	1,076,371,095	38.90
Prime Century (<i>Note 1</i>)	379,496,303	20.68	379,496,303	13.72
Grand Idea (<i>Note 1</i>)	87,880,000	4.79	87,880,000	3.18
Mr. Liu (<i>Note 1</i>)	5,766,000	0.31	5,766,000	0.21
Mr. Chan Yiu Kwong (<i>Note 2</i>)	105,000	0.01	105,000	(<i>Note 3</i>)
Public Shareholders	<u>1,217,374,230</u>	<u>66.33</u>	<u>1,217,374,230</u>	<u>44.00</u>
	<u>1,835,192,628</u>	<u>100.00</u>	<u>2,766,992,628</u>	<u>100.00</u>

Notes:

- Mr. Liu, the chairman of the Board and an executive Director, is the founder of a family trust which is owned by HSBC International Trustee Limited as trustee of such discretionary trust. These 1,549,513,398 Shares (representing approximately 56.00% of the issued share capital of the Company immediately after Completion) comprised (i) 1,455,867,398 Shares (representing approximately 52.62% of the issued share capital of the Company immediately after Completion) interested or deemed to be interested by the various companies controlled by such family trust, of which 379,496,303 Shares (representing approximately 13.72% of the issued share capital of the Company immediately after Completion) and 1,076,371,095 Shares (representing approximately 38.90% of the issued share capital of the Company immediately after Completion) are directly held by Prime Century and the Subscriber respectively; (ii) 5,766,000 Shares (representing approximately 0.21% of the issued share capital of the Company immediately after Completion) directly held by Mr. Liu; and (iii) 87,880,000 Shares (representing approximately 3.18% of the issued share capital of the Company immediately after Completion) directly held by Grand Idea which is interested or deemed to be interested by an associate of Mr. Liu. As at the date of this announcement, Mr. Liu has Share Options to subscribe for an aggregate of 21,914,910 Shares granted by the Company under the Share Option Scheme.
- Mr. Chan Yiu Kwong is an independent non-executive Director.

3. The Shares held by Mr. Chan Yiu Kwong represent approximately 0.0038% of the issued share capital of the Company immediately after Completion.
4. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

On behalf of the Board
A8 New Media Group Limited
Chairman & Executive Director
Liu Xiaosong

Hong Kong, 20 February 2017

As at the date of this announcement, the Board of the Company comprises:

- (1) Executive Directors namely Mr. Liu Xiaosong and Mr. Liu Pun Leung; and*
- (2) Independent Non-Executive Directors namely Mr. Chan Yiu Kwong, Ms. Wu Shihong and Mr. Li Feng.*

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Subscriber and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Subscriber and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The sole director of the Subscriber, namely Mr. Liu Xiaosong, accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Directors and the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.