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Transmit Entertainment Limited
傳遞娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1326)

UPDATE ANNOUNCEMENT ON
(1) MAJOR AND CONNECTED TRANSACTION
IN RELATION TO A DISPOSAL AND
(2) POTENTIAL CONTINUING CONNECTED TRANSACTION AND
DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement of Transmit Entertainment Limited (the “**Company**”) dated 18 January 2021 (the “**Announcement**”). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

WRITTEN SHAREHOLDERS’ APPROVAL

As disclosed in the Announcement, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 25% and all of them are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders’ approval requirements under the Listing Rules.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of the SPA, Mr. Wong, being a director of certain subsidiaries of the Company, and his associates hold 100% of the issued share capital of the Purchaser. Accordingly, the Purchaser is a connected person of the Company at the subsidiary level and the Disposal constitutes a connected transaction for the Company under Chapter 14A of the

Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, since (i) the Purchaser is a connected person at the subsidiary level, (ii) the Board has approved the Disposal, and (iii) the Directors (including the independent non-executive Directors) have also confirmed that the terms of the Disposal are fair and reasonable and the Disposal is on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Disposal is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Upon Completion, the Target Company shall become a wholly-owned subsidiary of the Purchaser, and has, therefore, become an associate of Mr. Wong and a connected person of the Company at the subsidiary level. The Management Agreement will constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the annual caps under the Management Agreement exceed 5%, the Management Agreement is subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, since (i) the Purchaser is a connected person at the subsidiary level, (ii) the Board has approved the Management Agreement, and (iii) the Directors (including the independent non-executive Directors) have also confirmed that the terms of the Management Agreement are fair and reasonable, are on normal commercial terms or better and the Management Agreement is in the interests of the Company and the Shareholders as a whole, the Management Agreement is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, the Company has received written Shareholder's approval for the SPA and the transactions contemplated thereunder in accordance with Rule 14.44 of the Listing Rules from Nice Rich Group Limited, being the Shareholder beneficially interested in 1,836,391,914 Shares, representing approximately 70.75% of issued share capital of the Company as at the date of this announcement.

Pursuant to Rule 14.44 of the Listing Rules, the written approval from Nice Rich Group Limited is accepted in lieu of holding a general meeting for approval of the SPA and the transactions contemplated thereunder. Accordingly, no general meeting will be convened for the purposes of approving the entering into of the SPA and the transactions contemplated thereunder.

DELAY IN DESPATCH OF CIRCULAR

As disclosed in the Announcement, it was expected that a circular (the “**Circular**”) containing, among other things, further details relating to the SPA and the transactions contemplated thereunder and other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 8 February 2021.

As additional time is required for the Company to prepare and finalise certain information to be included in the Circular, the Company has applied for and the Stock Exchange has granted a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and an extension of time for the despatch of the Circular to a date on or before 26 February 2021.

By order of the Board
Transmit Entertainment Limited
Zhang Liang, Johnson
Chairman

Hong Kong, 8 February 2021

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. ZHANG Liang, Johnson (Chairman), Ms. ZHAO Wenzhu and Mr. LEE Hin Kwong, Patrick; and (ii) three independent non-executive Directors, namely Mr. WANG Bo, Mr. XIANG Feng and Mr. CHANG Eric Jackson.