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## **BEIJING MEDIA CORPORATION LIMITED**

### **北青傳媒股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1000)**

#### **MAJOR TRANSACTION**

#### **PROPOSED DISPOSAL OF 36.12% EQUITY INTEREST IN BQTM**

On 11 April 2016, the Company and Trans-media entered into the Equity Transfer Agreement, pursuant to which the Company has agreed to sell and Trans-media has agreed to purchase the Company's 36.12% equity interest in BQTM for cash consideration of RMB168 million. Upon completion of the proposed Equity Transfer, BQTM will cease to be an associate company of the Company and the Company will cease to hold any equity interest in BQTM.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the proposed Equity Transfer exceed 25% but are less than 75%, therefore the transaction contemplated thereunder constitutes a major transaction of the Company for the purposes of, and is subject to the requirements of reporting, announcement and shareholders' approval under Chapter 14 of the Listing Rules.

A circular containing, among other things, further details of the proposed Equity Transfer together with a notice convening the EGM of the Company is subject to review by the Hong Kong Stock Exchange and will be dispatched to the Shareholders as soon as practicable. The Company expects that the circular will be dispatched no later than 31 May 2016 to allow sufficient time to prepare indebtedness statement and other necessary information for inclusion in the circular to be issued in connection with the Equity Transfer.

## I. INTRODUCTION

On 11 April 2016, the Company and Trans-media entered into the Equity Transfer Agreement, pursuant to which the Company has agreed to sell and Trans-media has agreed to purchase the Company's 36.12% equity interest in BQTM for cash consideration of RMB168 million. Upon completion of the proposed Equity Transfer, BQTM will cease to be an associate of the Company and the Company will cease to hold any equity interest in BQTM.

## II. EQUITY TRANSFER AGREEMENT

**Date:** 11 April 2016

**Parties:** (i) the Company (as the transferor); and  
(ii) Trans-media (as the transferee)

**Target Asset:** 36.12% equity interest in BQTM owned by the Company

**Consideration:** According to the relevant PRC laws and regulations, the proposed Equity Transfer should be conducted by a public bidding and listing transfer process on the Beijing Property Rights Exchange (the "**Public Bidding Process**"), and an independent valuer, Beijing Luguang Asset Appraisal Co., Ltd. (北京魯光資產評估有限公司) was appointed by the Company to appraise the net assets of BQTM.

The consideration of the Equity Transfer, being RMB168 million was set by the Company in the Public Bidding Process with reference to, among others, the appraised value of the entire equity interest in BQTM as at the Valuation Reference Date, being RMB461.0902 million, as stated in the valuation report issued by Beijing Luguang Asset Appraisal Co., Ltd.. The Valuation was conducted through the income approach.

Trans-media participated in the Public Bidding Process and was selected as the successful bidder after completion of the Public Bidding Process.

**Payment Arrangements:** An amount of RMB1,000,000 was placed by Trans-media as a deposit in the course of the Public Bidding Process, which will be set off against the consideration under Equity Transfer Agreement receivable by the Company. The consideration under the Equity Transfer will be settled by Trans-media by instalments, of which 51% of the consideration, namely RMB85,680,000 shall be settled by Trans-media in cash within five business days upon the Equity Transfer Agreement become effective, and the remaining sum of RMB82,320,000 together with the accrued interests calculated based on the benchmark loan interest rate stipulated by the People's Bank of China prevailing over the differed payment period shall be settled by Trans-media in cash within 365 days after the Equity Transfer Agreement become effective. The remaining sum and the accrued interest shall be guaranteed by Beijing Jihe Advertising Co., Ltd. (北京集合廣告有限公司) to the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, as at the date of this announcement, Beijing Jihe Advertising Co., Ltd. and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

**Conditions Precedent:** The completion of the Equity Transfer will be conditional upon the fulfillment of, among other matters, the following conditions precedent:

- (a) the due execution of the Equity Transfer Agreement by the legal representative or authorized representative of each of the parties thereto; and
- (b) the approval of the Equity Transfer under the Equity Transfer Agreement by the board and shareholders of the parties.

### III. INFORMATION ON BQTM

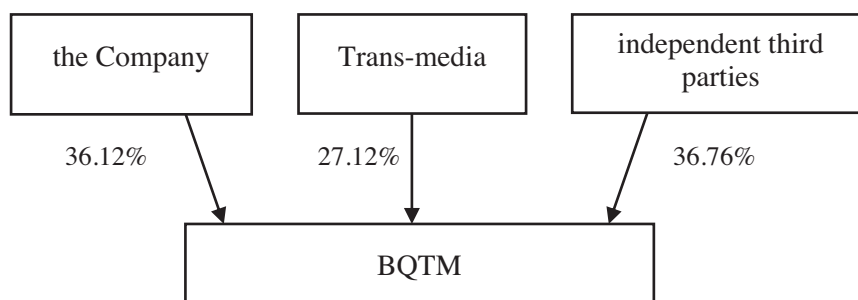
BQTM is a limited liability company incorporated in the PRC and is principally engaged in the designing, production and placement of advertisements and the related agency services.

The consolidate audited total assets and net assets of BQTM as at 31 December 2015 were RMB822,232,756.67 and RMB405,790,761.09, respectively. The net loss (both before and after taxation) of BQTM for the two financial years ended 31 December 2015 are as follows:

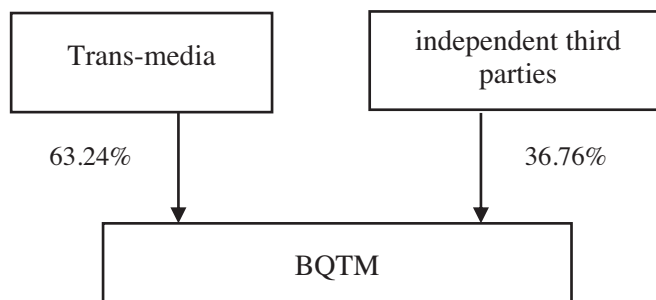
	For the year ended 31 December 2014 (RMB)	For the year ended 31 December 2015 (RMB)
Net loss before taxation	75,600,372.68	<b>69,397,831.28</b>
Net loss after taxation	76,945,688.65	<b>69,105,579.87</b>

The shareholding structure of BQTM before and after the completion of the Equity Transfer is set out below:

#### Before Completion



#### After Completion



#### IV. FINANCIAL IMPACT ON THE GROUP

Based on the existing information available to the Company, the Directors estimate that the Group's gains from the proposed Equity Transfer without deducting relevant taxes are expected to be approximately RMB34,950,000 based on the carrying amount of 36.12% equity interest in BQTM as at 31 March 2016.

## **V. APPLICATION OF CONSIDERATION UNDER THE EQUITY TRANSFER**

The total consideration under the Equity Transfer, being RMB168 million, to be received by the Group will be applied as, among others, general working capital of the Group for (i) its sustainable development and general corporate purposes; and (ii) further strengthening the cash flow of the Group.

## **VI. REASONS FOR AND BENEFIT OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT**

The Company is of the view that the Equity Transfer will (i) optimise the overall optimize the general business structure of the Company and minimize or eliminate the adverse factors in the Group's result; and (ii) recover the cash investment and generate higher returns for the Group in the future.

As such, the Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreement was entered into on normal commercial terms, and although the Equity Transfer is not in the ordinary and usual course of business of the Company, the terms and conditions therein are fair and reasonable and in line with the overall development strategy of the Group as well as in the interests of the Company and its shareholders as a whole.

## **VII. LISTING RULES IMPLICATIONS**

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Equity Transfer exceed 25% but are less than 75%, therefore the transaction contemplated thereunder constitutes a major transaction of the Company for the purposes of, and is subject to the requirements of reporting, announcement and shareholders' approval under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, and save as disclosed above, there is no other transaction which would be, together with the aforesaid transactions, aggregated under Rule 14.22 of the Listing Rules.

None of the Directors are deemed to have material interest in the proposed Equity Transfer, and thus have been required to abstain from voting on the relevant resolution at the Board meeting.

## VIII. GENERAL INFORMATION ON THE PARTIES TO THE TRANSACTIONS

### **The Company**

The Company is a leading media company in the PRC and is principally engaged in production of newspapers and magazines, printing and trading of print-related materials.

### **Trans-media**

Trans-media is a limited liability company incorporated in the PRC and is principally engaged in designing, production and placement of advertisements. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, as at the date of this announcement, Trans-media and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## IX. GENERAL INFORMATION

A circular containing, among other things, further details of the proposed Equity Transfer together with a notice convening the EGM of the Company is subject to review by the Hong Kong Stock Exchange and will be dispatched to the Shareholders as soon as practicable. The Company expects that the circular will be dispatched no later than 31 May 2016 to allow sufficient time to prepare indebtedness statement and other necessary information for inclusion in the circular to be issued in connection with the Equity Transfer.

## X. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“associate(s)”	has the meaning ascribed under the Listing Rules
“Board”	the board of directors of the Company
“BQTM”	Beiqing Transmedia Co., Ltd. (北青航媒科技傳播有限公司), a limited company incorporated under the laws of the PRC, and an associate company owned as to 36.12% by the Company as at the date of this announcement

“Company”	Beijing Media Corporation Limited (北青傳媒股份有限公司), a joint stock limited company incorporated under the laws of the PRC and whose H shares are listed and traded on the Hong Kong Stock Exchange
“Director(s)”	the directors of the Company
“EGM”	the extraordinary meeting of the Company to be convened for the Shareholders to consider and, if thought fit, to approve, among others, the Equity Transfer
“Equity Transfer”	the disposal of 36.12% equity interest in BQTM by the Company to Trans-media
“Equity Transfer Agreement”	the equity transfer agreement entered into on 11 April 2016 between the Company and Trans-media in respect of the Equity Transfer
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Trans-media”	Beijing Trans-media Co., Ltd (北京終端廣告傳媒有限責任公司), a limited company incorporated under the laws of the PRC

“Valuation”	the valuation of entire equity interest in BQTM as at the Valuation Reference Date as stated in the valuation report issued by Beijing Luguang Asset Appraisal Co., Ltd. based on the income approach and basis and assumptions as agreed by the parties
“Valuation Reference Date”	30 June 2015, being the reference date adopted by Beijing Luguang Asset Appraisal Co., Ltd. in the valuation report in terms of the value of entire equity interest in BQTM

By Order of the Board  
**Beijing Media Corporation Limited**  
**Zhang Yanping**  
*Chairman of the Board*

Beijing, the PRC  
11 April 2016

*As at the date of this announcement, the Board comprises: the executive directors of the Company, Zhang Yanping, Yu Haibo and He Xiaona, the non-executive directors of the Company, Li Shiheng, Liu Han, Wu Peihua, Li Xiaobing, Wang Lin, Xu Xun and Liu Hong, and the independent non-executive directors of the Company, Song Jianwu, Cui Baoguo, Wu Tak Lung, Cui Enqing and Chen Ji.*

*Please also refer to the published version of this announcement on the Company’s website at [www.bjmedia.com.cn](http://www.bjmedia.com.cn).*