

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

### **DISCLOSABLE TRANSACTION ACQUISITION OF 20% EQUITY INTEREST IN BIAC**

On 1 December 2016, the Company and Cultural Investment Group entered into the Equity Transfer Contract, pursuant to which the Company has agreed to acquire and Cultural Investment Group has agreed to dispose 20% equity interest in BIAC for cash consideration of RMB33,118.94 thousand. Upon completion of the Equity Transfer, the Company will hold 20% equity interest in BIAC, which will not be a subsidiary of the Company.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Equity Transfer exceed 5% but is less than 25%, therefore the transaction contemplated thereunder constitutes a discloseable transaction of the Company for the purposes of, and is subject to the requirements of reporting and announcement but exempt from the requirement of shareholders' approval under Chapter 14 of the Listing Rules.

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

## I. INTRODUCTION

On 1 December 2016, the Company and Cultural Investment Group entered into the Equity Transfer Contract, pursuant to which the Company has agreed to acquire and Cultural Investment Group has agreed to dispose 20% equity interest in BIAC for cash consideration of RMB33,118.94 thousand. Upon completion of the Equity Transfer, the Company will hold 20% equity interest in BIAC, which will not become a subsidiary of the Company.

## II. EQUITY TRANSFER CONTRACT

**Date:** 1 December 2016

**Parties:** (i) the Company (as the transferee); and  
(ii) Cultural Investment Group (as the transferor)

**Target Asset:** 20% equity interest in BIAC owned by Cultural Investment Group

**Consideration:** According to relevant PRC laws, regulations and policies, the Equity Transfer was put to a public bidding and listing transfer process on the Beijing Culture Equity Exchange (the “**Public Bidding Process**”), and the Independent Valuer was appointed by Cultural Investment Group to appraise the entire shareholders’ equity of BIAC.

The consideration of the Equity Transfer, being RMB33,118.94 thousand, was set by Cultural Investment Group in the Public Bidding Process with reference to, among others, the appraised value of the entire shareholders’ equity in BIAC as at the Valuation Reference Date, being RMB165.5947 million, as stated in the valuation report issued by the Independent Valuer. The Valuation was conducted through the income approach.

The Company participated in the Public Bidding Process and was selected as the successful bidder after completion of the Public Bidding Process.

**Payment Arrangements:** The consideration of the Equity Transfer, being RMB33,118.94 thousand (inclusive of a deposit of RMB6.63 million payable by the Company for the Public Bidding Process which shall set off against the consideration of the Equity Transfer), will be paid by the Company in a lump sum into the settlement account designated by the Beijing Culture Equity Exchange within five working days after the Equity Transfer Contract takes effect.

**Conditions Precedents:** The Equity Transfer Contract shall take effect upon the Equity Transfer's being approved by the competent internal organs of the Company and Cultural Investment Group and the Equity Transfer Contract's being executed or chopped by the authorized representative of the Company and Cultural Investment Group.

### III. INFORMATION ON BIAC

BIAC is a limited liability company incorporated in the PRC and is principally engaged in advertising communication, exhibitions as well as integrated marketing and new media.

The unaudited total assets and net assets of BIAC as at 30 June 2016 are RMB221,782,405.95 and RMB106,649,681.24, respectively. The net profit/loss (both before and after taxation) of BIAC for the two financial years ended 31 December 2015 and the net profit (both before and after taxation) of BIAC for the six months ended 30 June 2016 are as follows:

	<b>For the year ended 31 December 2014 (RMB)</b>	<b>For the year ended 31 December 2015 (RMB)</b>	<b>For the six months ended 30 June 2016 (RMB)</b>
Net profit/(loss) before taxation	9,581,096.75	(1,543,134.86)	1,799,257.31
Net profit/(loss) after taxation	7,387,223.84	(1,599,986.80)	1,799,257.31

### IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER CONTRACT

The Company is of the view that the Equity Transfer will (i) optimize the overall business structure of the Group and consolidate resources so as to explore new business channels; (ii) bring more rewards to the Group after BIAC records profit in the future.

As such, the Directors are of the view that the terms and conditions of the Equity Transfer Contract 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.

### V. 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 5% but is less than 25%, therefore the transaction contemplated thereunder constitutes a discloseable transaction of the Company for the purposes of, and is subject to the requirements of reporting and announcement but exempt from the requirement of shareholders' approval under Chapter 14 of the Listing Rules.

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

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

## **VI. 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.

### **Cultural Investment Group**

Cultural Investment Group is a limited liability company incorporated in the PRC and is principally engaged in investment and investment management, assets management, as well as the organization of the restructure or merger of assets of enterprises. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, as at the date of this announcement, Cultural Investment Group and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## **VII. DEFINITIONS**

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

“BIAC”	Beijing International Advertising & Communication Group Co., Ltd. (北京國際廣告傳媒集團有限公司), a limited company incorporated under the laws of the PRC
“Board”	the board of directors of the Company
“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
“Cultural Investment Group”	Beijing Cultural Investment Development Group Co., Ltd. (北京市文化投資發展集團有限責任公司), a limited company incorporated under the laws of the PRC

“Director(s)”	the directors of the Company
“Equity Transfer”	the acquisition of 20% equity interest in BIAC by the Company from Cultural Investment Group
“Equity Transfer Contract”	the equity transfer contract entered into on 1 December 2016 between the Company and Cultural Investment Group 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
“Independent Valuer”	Beijing Asia-Pacific Lianhua Assets Appraisal Co., Ltd. (北京亞太聯華資產評估有限公司)
“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
“Valuation”	the valuation of entire shareholder’s equity in BIAC as at the Valuation Reference Date as stated in the valuation report issued by the Independent Valuer based on the income approach
“Valuation Reference Date”	31 December 2015, being the reference date adopted by the Independent Valuer in the valuation report in terms of the value of entire shareholder’s equity in BIAC

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

Beijing, the PRC  
1 December 2016

*As at the date of this announcement, the Board comprises: the executive directors of the Company, Zhang Yanping, Yu Haibo, He Xiaona, Peng Liang, Duan Gang and Shang Da; the non-executive directors of the Company, Li Xiaobing, Wang Lin, Xu Xun and Liu Hong; and the independent non-executive directors of the Company, Wu Tak Lung, Cui Enqing, Chen Ji, Wu Changqi and Chow Bing Chuen.*

*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).*