

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.



NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00282)

ENTERING INTO OF MEMORANDUMS OF UNDERSTANDING IN RELATION TO THE POSSIBLE SALE OF THE GROUP'S PRINT AND TV BUSINESS IN TAIWAN AND RESUMPTION OF TRADING

POSSIBLE SALE OF PRINT AND TV BUSINESS IN TAIWAN

On 15 October 2012, the Company, as seller, has entered into the print memorandum of understanding with Mr. Koo, as purchaser, in relation to the sale of the entire issued share capital of Amazing Sino (which is the holding company of the Group's business of *Taiwan Apple Daily* and *Taiwan Sharp Daily*) and Ideal Vegas (which is the holding company of the Group's business of *Taiwan Next Magazine Bundle*) respectively. The Company, as seller, has also entered into the TV memorandum of understanding with Mr. Koo, as purchaser, on the same date in relation to the sale of the entire issued share capital of Next TV, which is the operator of the Group's TV business in Taiwan.

The parties to the Possible Transaction intend to continue negotiation with a view to entering into formal agreements setting out detailed terms of the Possible Transaction. If formal agreements are not entered into, the Possible Transaction may not proceed. **As the Possible Transaction may or may not proceed, public investors and the Shareholders are urged to exercise caution when dealing in the Shares.**

The Possible Transaction, if materialize, will constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) in relation to the Possible Transaction will be made by the Company as and when required in accordance with the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Tuesday, 16 October 2012. The Company has applied to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on Thursday, 18 October 2012.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

POSSIBLE SALE OF THE GROUP'S PRINT AND TV BUSINESSES IN TAIWAN

Set out below is a summary of the principal terms of the MOUs:

Date

15 October 2012

Parties

- (a) the Company, as seller; and
- (b) Mr. Koo, as purchaser.

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, Mr. Koo, the purchaser, is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

POSSIBLE TRANSACTION

The Possible Transaction is contemplated to involve the possible sale by the Group to Mr. Koo of the following:

- (i) the entire issued share capital of Amazing Sino (which is the holding company of the Group's business of *Taiwan Apple Daily* and *Taiwan Sharp Daily*) and Ideal Vegas (which is the holding company of the Group's business of *Taiwan Next Magazine Bundle*) for a total cash consideration of NT\$16,000 million, equivalent to approximately HK\$4,243 million; and
- (ii) the entire issued share capital of Next TV, the operator of the Group's TV Division in Taiwan for a cash consideration of NT\$1,500 million, equivalent to approximately HK\$398 million.

The total consideration for the sale of the above (i) and (ii) amounts to NT\$17,500 million, equivalent to approximately HK\$4,641 million (the "Consideration").

Under the MOUs, the Possible Transaction includes the sale by the Group of the operations and assets of its print and TV business in Taiwan and excludes the Group's office buildings and studios currently occupied by the Group's print and TV business in Taiwan. It is agreed that after completion of the Possible Transaction, the Group will continue to lease such premises to Mr. Koo on terms to be negotiated. The Company has initially agreed to a 3 year non-competition and non-solicitation undertaking under which the Company and Mr. Lai Chee Ying, Jimmy (the chairman of the Company) will not own or control any company which engages in the business of print media and TV in Taiwan and will not solicit employees of the print media and TV business in Taiwan.

The parties concerned presently aim to finalize and enter into definitive agreements and all other necessary legal documents in relation to the Possible Transaction on 17 November 2012

and to complete the Possible Transaction on or before 17 December 2012 (or on a later date to be agreed by the parties). The MOUs set out the preliminary agreed points and certain principal terms of the Possible Transaction. The definitive agreements are expected to contain detailed terms and conditions of the Possible Transaction including commercial arrangements in relation to the print and TV business of the Group upon completion of the Possible Transaction. Upon execution of the MOUs, Mr. Koo has paid a total of NT\$1,750 million, equivalent to approximately HK\$464 million, representing 10% of the Consideration, to the Company as a refundable deposit for the Possible Transaction. It is agreed that 50% of the Consideration (inclusive of the 10% deposit already paid) will be payable upon signing of definitive agreements and the remaining 50% of the Consideration will be payable on completion of the Possible Transaction. During the period from 15 October 2012, being the execution date of the MOUs, up to the date of execution of the definitive agreements in relation to the Possible Transaction or termination of the MOUs (whichever is earlier), Mr. Koo has the exclusive right to negotiate with the Company in relation to the Possible Transaction.

Under the MOUs, Mr. Koo has been granted a right for his representatives to perform due diligence on the Group's print and TV business in Taiwan during the period from 16 October 2012 to 16 November 2012 (both days inclusive).

INFORMATION ON AMAZING SINO, IDEAL VEGAS AND NEXT TV

Amazing Sino, an indirect wholly owned subsidiary of the Company incorporated in the British Virgin Islands, is the holding company of the Group's business of *Taiwan Apple Daily* and *Taiwan Sharp Daily*.

Idea Vegas, an indirect wholly owned subsidiary of the Company incorporated in the British Virgin Islands, is the holding company of the Group's business of *Taiwan Next Magazine Bundle*.

Next TV, an indirect wholly owned subsidiary of the Company incorporated in Taiwan, is the holder of TV licenses and operates a news channel and a variety channel via Internet Protocol.

REASONS FOR AND BENEFITS OF THE POSSIBLE TRANSACTION

The Possible Transaction allows the Group to rationalize and focus its resources on the Group's operations in Hong Kong and also in further developing its digital contents related businesses which should in turn enable the Group to improve its overall business performance in the longer term.

The Directors consider that the Possible Transaction is in the best interests of the Group and the Shareholders as a whole.

TERMINATION OF MEMORANDUM OF UNDERSTANDING WITH MR. LIEN

Reference is made to the announcement dated 1 October 2012 of the Company in relation to the entering into of a non legally binding memorandum of understanding dated 1 October 2012 amongst DGL, NMBL, Max Growth, all being wholly owned subsidiaries of the Company, as

sellers, with Mr. Lien, as purchaser, in relation to the possible sale by NMBL and Max Growth to Mr. Lien of the entire issued share capital of Next TV, which is the operator of the Group's TV Division in Taiwan. Having negotiated with Mr. Lien and with his understanding, such memorandum of understanding has been terminated by all parties by mutual consent with effect from 15 October 2012.

GENERAL

The Board wishes to emphasize that the detailed terms of the Possible Transaction are still subject to further negotiation and discussion between the parties concerned and the execution of the definitive agreements.

The Possible Transaction, if materialize, will constitute a notifiable transaction for the Company under the Listing Rules. The Company will make further announcement(s) in relation to the Possible Transaction, as and when required, in accordance with the Listing Rules.

As the Possible Transaction may or may not proceed, public investors and the Shareholders are urged to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Tuesday, 16 October 2012. The Company has applied to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on Thursday, 18 October 2012.

DEFINITIONS

In this announcement, unless the context otherwise requires, the terms below have the meanings set aside them.

“Amazing Sino”	Amazing Sino International Limited, a private company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company
“Board”	the board of directors of the Company
“Company”	Next Media Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“DGL”	Database Gateway Limited, a private company incorporated in the British Virgin Islands with limited liability and a direct wholly owned subsidiary of the Company and the holding company of Amazing Sino and Ideal Vegas

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Ideal Vegas”	Ideal Vegas Limited, a private company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company
“Mr. Koo”	Mr. Jeffery Koo, the purchaser
“Mr. Lien”	Mr. Lien Tai-sheng
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Max Growth”	Max Growth B.V., a private company incorporated in the Netherlands with limited liability, holds 45% equity interest in Next TV and is an indirect wholly owned subsidiary of the Company
“MOUs”	the two memorandums of understanding dated 15 October 2012 entered into between the Company and Mr. Koo setting out the basic understanding of the parties for the Possible Transaction
“Next TV”	壹傳媒電視廣播股份有限公司 (Next TV Broadcasting Limited)*, a private company incorporated in Taiwan with limited liability and an indirect wholly owned subsidiary of the Company
“NMBL”	壹傳媒傳訊播放股份有限公司 (Next Media Broadcasting Limited)*, a private company incorporated in Taiwan with limited liability, holds 55% of equity interest in Next TV and is an indirect wholly owned subsidiary of the Company
“NT\$”	new Taiwan dollars, the lawful currency of Taiwan
“Possible Transaction”	the possible transaction as contemplated under the MOUs involving the possible sale by the Company to Mr. Koo of the entire issued share capital of Amazing Sino, Ideal Vegas and Next TV respectively
“Shares”	the ordinary share(s) of HK\$1.00 each in the capital of the Company, or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or

reconstruction of the share capital of the Company from time to time

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan”	Republic of China

By Order of the Board
Cheung Ka Sing, Cassian
*Executive Director and
Chief Executive Officer*

Hong Kong, 17 October 2012

In this announcement, the exchange rate of HK\$1.00 = NT\$3.771 is for reference only.

** English names of entities are translated for identification purpose only.*

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

Executive Directors:

Mr. Lai Chee Ying, Jimmy (Chairman)
Mr. Cheung Ka Sing, Cassian
Mr. Ting Ka Yu, Stephen
Mr. Ip Yut Kin

Independent Non-executive Directors:

Mr. Fok Kwong Hang, Terry
Mr. Wong Chi Hong, Frank
Dr. Lee Ka Yam, Danny