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NEXT MEDIA LIMITED

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

DISPOSAL OF NEXT TV BEING A DISCLOSEABLE TRANSACTION AND RESUMPTION OF TRADING

On 15 April 2013, NMBL and Max Growth, as the Vendors and Mr. Lien, as the Purchaser entered into the Sale and Purchase Agreement, pursuant to which, NMBL and Max Growth have agreed to sell, and Mr. Lien has agreed to purchase the NTV Sale Shares. On the same date, NMBL, Max Growth and Mr. Lien entered into the Shareholders' Loan Assignment Agreement, pursuant to which, NMBL and Max Growth have agreed to sell, and Mr. Lien has agreed to purchase the Shareholders' Loan. The total consideration for the sale of the NTV Sale Shares and the assignment of the Shareholders' Loan amounts to NT\$1,400.0 million (equivalent to HK\$362.8 million).

As one or more of the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Disposal exceed 5% but are less than 25%, the Proposed Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Monday, 15 April 2013 pending the publication of this announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 16 April 2013.

On 15 April 2013, NMBL and Max Growth, as the Vendors and Mr. Lien, as the Purchaser entered into the Sale and Purchase Agreement, pursuant to which, NMBL and Max Growth have agreed to sell, and Mr. Lien has agreed to purchase the NTV Sale Shares. On the same date, NMBL, Max Growth and Mr. Lien entered into the Shareholders' Loan Assignment Agreement, pursuant to which, NMBL and Max Growth have agreed to sell, and Mr. Lien has agreed to purchase the Shareholders' Loan. The total consideration for the sale of the NTV Sale Shares and the assignment of the Shareholders' Loan amounts to NT\$1,400.0 million (equivalent to HK\$362.8 million).

A summary of the principal terms of the Sale and Purchase Agreement and the Shareholders' Loan Assignment Agreement are set out below.

THE AGREEMENTS

The Sale and Purchase Agreement

Date

15 April 2013

Parties

- (a) NMBL and Max Growth, as the Vendors; and
- (b) Mr. Lien, as the Purchaser.

To the best of Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Lien, the Purchaser, is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Assets to be disposed of

Next TV is owned by NMBL as to 55% (being 2,750,000 Next TV Shares) and by Max Growth as to 45% (being 2,250,000 Next TV Shares) in equity interest respectively. The NTV Sale Shares represent the entire issued share capital of Next TV and are to be sold to Mr. Lien pursuant to the terms of the Sale and Purchase Agreement. Upon completion of the Sale and Purchase Agreement, the Group will cease to have any equity interest in Next TV, and Next TV will cease to be an indirect wholly owned subsidiary of the Company.

Consideration

The consideration for the Sale and Purchase Agreement is NT\$50.0 million (equivalent to HK\$13.0 million) and is payable as follows:

- (a) as to NT\$5.0 million (representing an amount of 10% of the total consideration payable under the Sale and Purchase Agreement) as deposit (the "Sale Shares Deposit") shall be payable to NMBL and Max Growth upon signing the Sale and Purchase Agreement;
- (b) as to NT\$20.0 million (representing an amount of 40% of the total consideration payable under the Sale and Purchase Agreement) shall be payable to NMBL and Max Growth before 30 April 2013 as the second payment (the "Sale Shares Second Payment"); and
- (c) as to the remaining balance, being NT\$25.0 million (the "Sale Shares Balance Payment"), on completion of the Sale and Purchase Agreement.

The consideration for the NTV Sale Shares was determined after arm's length negotiation between NMBL, Max Growth and Mr. Lien with reference to the financial position and business performance of Next TV.

Completion

Completion of the Sale and Purchase Agreement will take place on the Completion Date (or such other date as the parties may agree). If for whatever reason the approval of the IC in relation to the sale of the NTV Sale Shares by Max Growth has not been obtained before the Completion Date, the Vendors may request Mr. Lien to complete the sale of 55% NTV Sale Shares owned by NMBL on the Completion Date first and thereafter complete the sale of 45% NTV Sale Shares owned by Max Growth upon receipt of the approval from the IC or to extend the Completion Date.

Termination

The Vendors have the right to terminate the Sale and Purchase Agreement if the Purchaser fails to rectify a breach of the Sale and Purchase Agreement within 15 days of a written notice given by the Vendors notifying of such breach. Upon termination, the Vendors shall forfeit the Sale Shares Deposit and the Sale Shares Second Payment and the Purchaser shall pay the Sale Shares Balance Payment to the Vendors as liquidated damages. Similarly, the Purchaser has the right to terminate the Sale and Purchase Agreement if the Vendors fail to rectify a breach of the Sale and Purchase Agreement within 15 days of a written notice given by the Purchaser notifying of such breach. Upon termination, the Vendors shall return the Sale Shares Deposit and the Sale Shares Second Payment to the Purchaser and pay the Sale Shares Balance Payment to the Purchaser as liquidated damages.

Lease Arrangements

Pursuant to the terms of the Sale and Purchase Agreement, NMBL, the owner of Building C, and an indirect wholly owned subsidiary of the Company, the owner of Buildings A and B, shall enter into respective lease agreements in respect of office premises and studios situated in such buildings with the Purchaser for continue use by Next TV. The lease agreements shall have a term of 10 years commencing from the Completion Date (or such other date as the parties may agree) with rental adjustments to be made with reference to the relevant compounded consumer price index at the 4th year and 7th year during the term. The aggregate monthly rental in respect of the office premises and studios shall be NT\$3.4 million (equivalent to HK\$0.9 million) which has been determined with reference to the prevailing market rates.

The Vendors shall procure the owner of Building B, being an indirect wholly owned subsidiary of the Company, to grant a first right of refusal to the Purchaser for it to purchase the Building B at the then open market value within one year period from the Completion Date if the Group decides to dispose of the Building B in the future. Such disposal shall be subject to the compliance by the Company of all applicable requirements under the Listing Rules (including if necessary, obtaining approval from the Shareholders) and further announcement will be made by the Company as and when necessary.

The Shareholders' Loan Assignment Agreement

Date

15 April 2013

Parties

- (a) NMBL and Max Growth, as the Vendors; and
- (b) Mr. Lien, as the Purchaser.

Shareholders' Loan

Pursuant to the Shareholders' Loan Assignment Agreement, NMBL and Max Growth agreed to sell and Mr. Lien agreed to purchase the Shareholders' Loan.

Consideration

The total consideration for the assignment of the Shareholders' Loan is NT\$1,350.0 million (equivalent to HK\$349.8 million) which equals to the book value of the Shareholders' Loan as at the date of this announcement and is payable as follows:

- (a) as to NT\$135.0 million (representing an amount of 10% of the total consideration payable for the assignment of the Shareholders' Loan) as deposit (the "Sale Loan Deposit") shall be payable to NMBL and Max Growth upon signing of the Shareholders' Loan Assignment Agreement;
- (b) as to NT\$540.0 million (representing an amount of 40% of the total consideration payable for the assignment of the Shareholders' Loan) shall be payable to NMBL and Max Growth before 30 April 2013 as the second payment (the "Sale Loan Second Payment") ; and
- (c) as to the remaining balance, being NT\$675.0 million (the "Sale Loan Balance Payment"), on completion of the Shareholders' Loan Assignment Agreement.

Completion

Completion of the Shareholders' Loan Assignment Agreement will take place upon receipt of 100% of the consideration for the assignment of the Shareholders' Loan on the Completion Date (or such other date as the parties may agree).

Termination

The Vendors have the right to terminate the Shareholders' Loan Assignment Agreement if the Purchaser fails to rectify a breach of the Shareholders' Loan Assignment Agreement within 15 days of a written notice given by the Vendors notifying of such breach. Upon termination, the Vendors shall forfeit the Sale Loan Deposit and the Sale Loan Second Payment and the Purchaser shall pay the Sale Loan Balance Payment to the Vendors as liquidated damages. Similarly, the Purchaser has the right to terminate the Shareholders' Loan Assignment Agreement if the Vendors fail to rectify a breach of the Shareholders' Loan Assignment Agreement within 15 days of a written notice given by the Purchaser notifying of such breach. Upon termination, the Vendors shall return the Sale Loan Deposit and the Sale Loan Second Payment to the Purchaser and pay the Sale Loan Balance Payment to the Purchaser as liquidated damages.

The Shareholders' Loan Assignment Agreement shall be terminated if the Sale and Purchase Agreement has been terminated by the parties.

INFORMATION ON NEXT TV

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.

Set out is a summary of the key audited financial information of Next TV for the two financial years ended 31 March 2011 and 2012, which has been prepared in accordance with the accounting policies in compliance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants:

	For the year ended 31 March	
	2011	2012
	HK\$'000	HK\$'000
Net loss (before taxation and extraordinary items)	320,037	543,373
Net loss (after taxation and extraordinary items)	320,037	543,373

Based on the audited financial statements of Next TV, its audited net liabilities as at 31 March 2012 was NT\$3,371.2 million (equivalent to HK\$873.6 million).

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

As disclosed in the Company's announcement dated 28 March 2013, the Company has considered options regarding the operation of Next TV including the viability of the business and continues to explore opportunities in disposing of the Group's TV business in Taiwan.

The Proposed Disposal allows the Group to rationalize and focus its resources on the Group's profitable operations which should in turn enable the Group to improve its overall business performance.

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

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL

As result of the Proposal Disposal, the Group is expected to record an unaudited loss on the Proposed Disposal of HK\$522.8 million, which is calculated on the basis of a comparison between the total consideration under the Sale and Purchase Agreement and the Shareholders' Loan Assignment Agreement and the unaudited net assets value (net of the Shareholders' Loan) of Next TV as at 31 March 2013. The actual financial impact of the Proposed Disposal to the Group will be subject to the review by the Company's independent auditor and reflected in the financial year in which the completion of the Proposed Disposal takes place.

Upon completion of the Proposed Disposal, the Company will cease to have any interests in Next TV and Next TV will cease to be an indirect wholly owned subsidiary of the Company.

The financial results of Next TV will not be consolidated in the consolidated financial statements of the Company.

USE OF PROCEEDS

It is presently intended that the estimated net proceeds from the Proposed Disposal of HK\$362.5 million will be used for general working capital purposes.

LISTING RULES IMPLICATIONS

As one or more of the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Disposal exceed 5% but are less than 25%, the Proposed Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Monday, 15 April 2013 pending the publication of this announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 16 April 2013.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Building A”	台灣台北市內湖區行愛路141巷36號、38號、40號及42號 (No. 36, 38, 40 and 42, Lane 141, Xingai Road, Neihu District, Taipei City, Taiwan)
“Building B”	台灣台北市內湖區行愛路141巷42之1號、46號、48號及50號 (No. 42-1, 46, 48 and 50, Lane 141, Xingai Road, Neihu District, Taipei City, Taiwan)
“Building C”	台灣台北市內湖區行愛路141巷39號 (No. 39, Lane 141, Xingai Road, Neihu District, Taipei City, Taiwan)
“Company”	Next Media Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Completion Date”	1 June 2013
“Directors”	the directors of the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IC”	the Investment Commission of the Ministry of Economic Affairs of Taiwan
“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
“Mr. Lien”	Mr. Lien Tai-sheng, the Purchaser
“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% equity interest in Next TV and is an indirect wholly owned subsidiary of the Company
“NTV Sale Shares”	5,000,000 ordinary shares in the share capital of Next TV which represent the entire issued share capital of Next TV
“NT\$”	new Taiwan dollars, the lawful currency of Taiwan
“Proposed Disposal”	the proposed disposal of the NTV Sale Shares pursuant to the Sale and Purchase Agreement and the assignment of Shareholders’ Loan pursuant to the Shareholders’ Loan Assignment Agreement
“Purchaser”	Mr. Lien
“Sale and Purchase Agreement”	the sale and purchase agreement dated 15 April 2013 entered into amongst NMBL, Max Growth and Mr. Lien in respect of the sale and purchase of the NTV Sale Shares
“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
“Shareholders’ Loan”	the shareholders’ loan in the amount of NT\$1,350.0 million (equivalent to HK\$349.8 million) owed by Next TV to NMBL and Max Growth as at the date of this announcement
“Shareholders’ Loan Assignment Agreement”	the shareholders’ loan assignment agreement dated 15 April 2013 entered into amongst NMBL, Max Growth and Mr. Lien in respect of the assignment of the Shareholders’ Loan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan”	Republic of China
“Vendors”	NMBL and Max Growth

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

Hong Kong, 15 April 2013

In this announcement, the exchange rate of HK\$1.00 = NT\$3.859 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