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### ACELIN GLOBAL LIMITED

(a company incorporated in the British Virgin Islands  
with limited liability)

### JOINT ANNOUNCEMENT

**(1) DISCLOSEABLE TRANSACTION FOR  
EVERGRANDE REAL ESTATE GROUP LIMITED REGARDING SHARE  
PURCHASE AGREEMENT IN RELATION TO THE SALE AND  
PURCHASE OF SHARE IN NEW MEDIA GROUP INVESTMENT LIMITED;**

**(2) MAJOR AND CONNECTED TRANSACTIONS AND SPECIAL DEALS FOR  
NEW MEDIA GROUP HOLDINGS LIMITED  
IN RELATION TO THE DISPOSAL OF ENTIRE ISSUED SHARE CAPITAL AND  
SHAREHOLDER'S LOAN OF JADE TALENT HOLDINGS LIMITED  
(TOGETHER WITH A LEASEBACK) AND  
9.99% OF ISSUED SHARE CAPITAL OF  
NEW MEDIA GROUP LIMITED;**

**(3) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY  
SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF  
ACELIN GLOBAL LIMITED FOR ALL THE ISSUED SHARES IN  
NEW MEDIA GROUP HOLDINGS LIMITED (OTHER THAN THOSE  
ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND  
PARTIES ACTING IN CONCERT WITH IT);**

AND

**(4) RESUMPTION OF TRADING OF SHARES IN  
NEW MEDIA GROUP HOLDINGS LIMITED**

Financial adviser to  
Acelin Global Limited



Financial adviser to  
New Media Group Holdings Limited



Independent financial adviser to  
the Independent Board Committee and the Independent Shareholders



大有融資有限公司  
MESSIS CAPITAL LIMITED

## **BACKGROUND**

Reference is made to the joint announcement of New Media and Evergrande dated 14 November 2014 in relation to the memorandum of understanding entered into by the Selling Shareholder and Evergrande regarding the possible acquisition of the Holdco Sale Share by Evergrande (or its subsidiary) and the possible Disposals.

## **SHARE PURCHASE AGREEMENT**

On 25 November 2014, the Selling Shareholder, the Offeror and Evergrande entered into the Share Purchase Agreement (as supplemented on 23 December 2014), pursuant to which the Selling Shareholder has conditionally agreed to sell, and the Offeror has conditionally agreed to purchase, the total issued share capital of the Holdco which is the beneficial owner of all the New Media Sale Shares, being 647,950,000 Shares, representing approximately 74.99% of the total issued Shares as at the date of the Share Purchase Agreement at an aggregate consideration of HK\$950,000,000 (equivalent to approximately HK\$1.466 per New Media Sale Share), which was agreed between the Selling Shareholder, the Offeror and Evergrande after arm's length negotiations. The Share Purchase Completion is conditional upon fulfilment or waiver (if applicable) of the conditions specified in the Share Purchase Agreement and as described under the sub-section headed "Share Purchase conditions" under the section headed "The Share Purchase Agreement" below.

## **DISPOSALS AGREEMENTS**

New Media Group entered into the Property Disposal Agreement on 23 December 2014 for the disposal of the entire issued share capital of Jade Talent and the Jade Talent Sale Loan to Good Force. Pursuant to the terms of the Property Disposal Agreement, Winning Treasure, the member of the Property Group which holds the Property, shall also enter into the Leaseback Agreement with the Remaining Group in relation to the Property prior to the completion of the Property Disposal. The Leaseback Agreement shall become effective upon the Share Purchase Completion when Winning Treasure becomes independent third party of the Remaining Group.

Right Bliss has entered into the New Media 9.99% Share Disposal Agreement for the disposal of 9.99% of the total issued shares of New Media Group to Rawlings.

The Disposals Agreements will be completed simultaneously with the Share Purchase Completion.

## **POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER**

As at the Announcement Date, save for the holding of the Shares by the Selling Shareholder and the entering into of the Share Purchase Agreement, the Offeror and parties acting in concert with it are not interested in any Shares, options, derivatives, warrants or other securities which are convertible or exchangeable into the Shares. Immediately after the Share Purchase Completion, the Offeror and parties acting in concert with it will be interested in 647,950,000 Shares, representing approximately 74.99% of the total issued shares of New Media. The Offeror will be required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code upon the Share Purchase Completion.

Subject to and upon the Share Purchase Completion, Somerley Capital will, on behalf of the Offeror and in compliance with the Takeovers Code, make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For every Offer Share . . . . . HK\$1.467 in cash

As at the Announcement Date, New Media has a total of 864,000,000 Shares in issue of which 67,500,000 Shares are listed as Depository Receipts on the Taiwan Stock Exchange. Upon the Share Purchase Completion, 216,050,000 Shares will be subject to the Offer and are valued at HK\$316,945,350 based on the Offer Price.

## **LISTING RULES AND TAKEOVERS CODE IMPLICATIONS**

As one of the applicable percentage ratios (as defined in the Listing Rules) is more than 5% but less than 25%, the Share Purchase and the Offer together constitute a discloseable transaction of Evergrande under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements of the Listing Rules.

The Disposals (together with the Leaseback) constitute major and connected transactions for New Media under the Listing Rules and special deals on the part of New Media under Note 4 to Rule 25 of the Takeovers Code which requires the approval of the Independent Shareholders by way of poll and the consent of the Executive. The Executive will normally require, as a condition of his consent, an independent financial advisor publicly states that in its opinion the terms of the Disposals (together with the Leaseback Agreement) are fair and reasonable.

## **INDEPENDENT BOARD COMMITTEE**

New Media has established an Independent Board Committee comprising Ms. Hui Wai Man, Shirley, Ms. Kwan Shin Luen, Susanna and Ms. Chan Sim Ling, Irene (all of whom are non-executive Directors) to advise the Independent Shareholders in respect of the Disposals and the Offer. Messis Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection therewith. The appointment of Messis Capital has been approved by the Independent Board Committee.

## **DESPATCH OF DOCUMENTS**

A circular of New Media giving details of the Disposals and the Leaseback, the valuation report of the Property and setting out the recommendation of the Independent Board Committee and a letter of advice from Messis Capital in relation to the Disposals and the Leaseback, and incorporating a notice of the GM is expected to be despatched by New Media to the Shareholders as soon as practicable and on or before 26 January 2015 as additional time is expected to be required to finalise the information for inclusion in the circular.

As the Offer is subject to the Share Purchase Completion, application will be made for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for despatch of the Composite Document to within seven (7) days from the Share Purchase Completion. The Composite Document will set out, among other things, the terms and conditions of the Offer (including the expected timetable), the recommendation from the Independent Board Committee, the advice from the Independent Financial Adviser in respect of the Offer and a form of acceptance in respect of the Offer. Further announcement will be made by the Offeror and New Media on the timing of the despatch of the Composite Document.

## **RESUMPTION OF TRADING**

At the request of New Media, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 25 November 2014 pending the release of this joint announcement. Application has been made by New Media to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 24 December 2014.

## **WARNING**

**Shareholders and potential investors of each of Evergrande and New Media should note that the Share Purchase Completion and the Disposals Completion are subject to conditions. The Offer will only be made if the Share Purchase Completion takes place. Accordingly, the Share Purchase Completion and the Disposals Completion may or may not take place and the Offer may or may not proceed. Shareholders and potential investors of each of Evergrande and New Media are advised to exercise extreme caution when dealing in the securities of each of Evergrande and New Media, and if they are in any doubt about their position, they should consult their professional advisers.**

Reference is made to the joint announcement of New Media and Evergrande dated 14 November 2014 in relation to the memorandum of understanding entered into by the Selling Shareholder and Evergrande regarding, among other things, the possible acquisition of the Holdco Sale Share by Evergrande (or its subsidiary) and the possible Disposals.

On 25 November 2014, the Selling Shareholder, the Offeror and Evergrande entered into the Share Purchase Agreement (as supplemented on 23 December 2014), pursuant to which the Selling Shareholder has conditionally agreed to sell, and the Offeror has conditionally agreed to purchase, the total issued share capital of the Holdco which is the beneficial owner of all New Media Sale Shares, being 647,950,000 Shares, representing approximately 74.99% of the total issued Shares as at the date of the Share Purchase Agreement at an aggregate consideration of HK\$950,000,000 (equivalent to approximately HK\$1.466 per New Media Sale Share).

## **THE SHARE PURCHASE AGREEMENT**

**Date:** 25 November 2014 (after trading hours) (as supplemented on 23 December 2014 (after trading hours))

**Parties:**

- (i) AY Holdings, a company incorporated in BVI with limited liability and is beneficially owned by The Albert Yeung Discretionary Trust as at the Announcement Date, as the vendor;
- (ii) the Offeror, a company incorporated in BVI which is an indirect wholly-owned subsidiary of Evergrande, as the purchaser; and
- (iii) Evergrande, as the guarantor to the Offeror in respect of the relevant payment obligations of the Offeror.

AY Holdings is an investment holding company and is holding various investments under The Albert Yeung Discretionary Trust (of which Dr. Yeung Sau Shing, Albert is the founder) including the holding of the Holdco Sale Share and the holding of the shares (approximately 74.83% as at the Announcement Date) of Emperor International through an intermediate holding company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Offeror and parties acting in concert with it (including Evergrande but save for the Selling Shareholder) are third parties independent of New Media and its connected persons.

To the best of the knowledge, information and belief of the directors of Evergrande having made all reasonable enquiries, the Selling Shareholder and its ultimate beneficial owner(s) are third parties independent of Evergrande and its connected persons.

### **Subject matter**

Pursuant to the Share Purchase Agreement, the Selling Shareholder has conditionally agreed to sell, and the Offeror has conditionally agreed to purchase, the Holdco Sale Share. Holdco beneficially owns as to 647,950,000 Shares, representing approximately 74.99% of the total issued shares of New Media as at the date of the Share Purchase Agreement and the Announcement Date. Upon the Share Purchase Completion, the Selling Shareholder will not hold, whether directly or indirectly, any Shares.

### **Share Purchase consideration**

The consideration for the Holdco Sale Share is HK\$950,000,000 (equivalent to approximately HK\$1.466 per New Media Sale Share), which was agreed between the Offeror, the Selling Shareholder and Evergrande after arm's length negotiations with reference to the audited net asset value of NMG Group as at 30 June 2014, the terms of the Disposals (including the entering into of the Leaseback Agreement) and the listing status of New Media.

The consideration for the Holdco Sale Share shall be settled in cash by the Offeror upon the Share Purchase Completion.

## **Share Purchase conditions**

The Share Purchase Completion is conditional upon:

- (a) The Offeror being reasonably satisfied with the results of the due diligence review to be conducted on Holdco and each member of NMG Group and their respective businesses and operations (including but not limited to financials, corporate information, taxation, business, operations, assets and liabilities);
- (b) The Holdco Sale Share and New Media Sale Shares not being subject to any encumbrance and the Holdco not having any business (other than the holding of New Media Sale Shares) nor any liability;
- (c) The current listing of the Shares not having been withdrawn, the Shares continuing to be traded on the Stock Exchange on and prior to the Share Purchase Completion (save for any temporary suspension for no longer than ten (10) consecutive trading days in connection with transactions contemplated under the Share Purchase Agreement, or such other period or in such other circumstances as the Offeror may agree) and neither the Stock Exchange nor the SFC having indicated that it will object to such continued listing for any reason;
- (d) (i) The passing by the Independent Shareholders in the GM of resolution(s) approving the Disposals (together with the Leaseback Agreement) in accordance with the requirements of the Takeovers Code and the Listing Rules; (ii) the consent of the SFC in relation to the Special Deals under Rule 25 of the Takeovers Code having been obtained; and (iii) the Disposals (together with the Leaseback) becoming unconditional;
- (e) The warranties in the Share Purchase Agreement remaining true and accurate and not misleading at Share Purchase Completion as if repeated at Share Purchase Completion and at all times between the date of Share Purchase Agreement and the Share Purchase Completion and the Selling Shareholder having fully performed and complied with its obligations, covenants and agreements under the Share Purchase Agreement; and
- (f) There having been (i) no change, event, circumstance or other matter that has or would reasonably be expected to have, either individually or in the aggregate, a material adverse effect on the ability of the Selling Shareholder to perform its obligations under the Share Purchase Agreement or the business, operation, assets and liabilities, condition (financial or otherwise), results of operations or prospects of Holdco and NMG Group or the listing status of New Media or (ii) no occurrence of any event or series of events as would in the view of the Offeror be likely to materially and adversely prejudice dealings or the market price of the Shares in the secondary market.

Other than the condition (d) which can only be waived by the Selling Shareholder, the Offeror and Evergrande by mutual agreement, the Offeror may waive all or any of the conditions at any time by notice in writing to the Selling Shareholder.

In the event that any of the conditions shall not have been fulfilled or waived (if applicable) prior to 30 April 2015 then the parties to the Share Purchase Agreement shall not be bound to proceed with the Share Purchase Agreement and the Share Purchase Agreement shall cease to be of any effect (save in respect of claims arising out of any antecedent breach).

### **The Share Purchase Completion**

The Share Purchase Completion shall take place on the 5th Business Day following the date on which all conditions above are satisfied or waived (if applicable) (or such other date as the parties to the Share Purchase Agreement may agree in writing). If all the conditions other than condition (d) have been fulfilled or waived (if applicable), and the Selling Shareholder, the Offeror and Evergrande agree to waive condition (d), the parties to the Share Purchase Agreement may proceed with the Share Purchase Completion without the Disposals Completion and the Leaseback. In other words, if the Disposals and the Leaseback were not approved in the GM, or if the consent under Rule 25 of the Takeovers Code were not granted by the SFC, or if the other conditions to the Disposals Agreements have not been satisfied or waived (if applicable), the Selling Shareholder, the Offeror and Evergrande may, if they so agree, nonetheless elect to proceed with the Share Purchase Completion with the Property and 100% (as opposed to 90.01%) of New Media Group remaining in the NMG Group. (Alternatively, the parties to the Share Purchase Agreement may terminate the Share Purchase Agreement and not to proceed with the Share Purchase Agreement).

The Selling Shareholder has undertaken that if the consideration for the Holdco Sale Share is not paid on the Share Purchase Completion, the Selling Shareholder shall nonetheless proceed with the Share Purchase Completion whereupon the legal title to, as well as the beneficial interest in, the Holdco Sale Share will be passed to the Offeror. According to the terms of the Share Purchase Agreement, Evergrande will guarantee the payment to the Selling Shareholder of any unpaid amount of the consideration for the Share Purchase.

If the consideration is not paid on the Share Purchase Completion, the Selling Shareholder shall proceed with the Share Purchase Completion but shall reserve the right to take legal actions to claim the Offeror and/or Evergrande for any of the outstanding unpaid consideration (but not to unwind the transaction in any event after the Share Purchase Completion).

Upon the Share Purchase Completion, the Offeror and parties acting in concert with it shall own 647,950,000 Shares, representing approximately 74.99% of the entire issued share capital of New Media. Based on the aforesaid arrangement, the Selling Shareholder is presumed to be acting in concert with the Offeror as the Offeror shall be indebted to the Selling Shareholder if the consideration is not paid in full upon the Share Purchase Completion.

Upon the Share Purchase Completion, the Offeror will make an unconditional mandatory cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to the Takeovers Code, details of which are set out in the paragraph “Possible Unconditional Mandatory Cash Offer” below.

## **THE PROPERTY DISPOSAL AGREEMENT**

**Date:** 23 December 2014

**Vendor:** New Media Group, a company incorporated in BVI with limited liability and is an indirect wholly-owned subsidiary of New Media.

**Purchaser:** Good Force, a company incorporated in BVI which is a wholly-owned subsidiary of Emperor International. Emperor International is an investment holding company and its subsidiaries are principally engaged in property investments, property development and hospitality in the Greater China and overseas.

As at the Announcement Date, New Media and Emperor International are indirectly owned as to approximately 74.99% and approximately 74.83% respectively by the Selling Shareholder. As such, Good Force is a connected person of New Media under Chapter 14A of the Listing Rules (until the Share Purchase Completion when the Selling Shareholder will cease to be a substantial shareholder and a connected person of New Media).

### **Subject matter**

Pursuant to the Property Disposal Agreement, New Media Group has agreed to sell and Good Force has agreed to purchase (a) the entire equity interest of Jade Talent and (b) the Jade Talent Sale Loan.

## **Property Disposal consideration**

The consideration for the Property Disposal shall be the sum of (i) the consolidated net asset value of Jade Talent as at the completion of the Property Disposal (with the value of the Property being HK\$420 million), and (ii) the face value of the Jade Talent Sale Loan. The agreed value of the Property of HK\$420 million is determined with reference to the valuation of the Property which has been carried out by an independent valuer. The valuation report for the Property is included in this announcement. Please refer to the appendix of this announcement.

With reference to (i) the audited net asset value of Winning Treasure of approximately HK\$91 million (with the carrying value of the Property being HK\$384 million as at 30 June 2014); (ii) the shareholder's loan due from Jade Talent to New Media Group of approximately HK\$289 million as at 30 June 2014 and (iii) the carrying value of the Property of HK\$384 million be replaced by HK\$420 million based on the valuation report as set out in the appendix of this announcement, the consideration for the Property Disposal shall be approximately HK\$416 million. Based on the historical financial performance of NMG Group that there was no material fluctuation on the consolidated net asset value of NMG Group, the Directors consider that the indicative figure of HK\$416 million as the consideration for the Property Disposal is fair and reasonable and the consideration is expected to be not more than HK\$430 million. The Company will announce the finalised consideration of the Property Disposal once it is determined.

## **Property Disposal conditions**

Completion of the Property Disposal Agreement is conditional upon:

- (a) the approval of the Property Disposal Agreement and the Leaseback Agreement and the transactions contemplated thereunder by the independent shareholders of Emperor International at a special general meeting of Emperor International in accordance with the Listing Rules;
- (b) the approval of the Property Disposal Agreement and the Leaseback Agreement and the transactions contemplated thereunder by the Independent Shareholders at the GM in accordance with the Listing Rules and the Takeovers Code;
- (c) the consent of SFC in relation to the transactions contemplated under the Property Disposal Agreement and the Leaseback Agreement under Rule 25 of the Takeovers Code having been obtained;
- (d) the Leaseback Agreement having been duly signed;
- (e) the New Media 9.99% Share Disposal Agreement becoming unconditional; and

- (f) the obtaining of all necessary approvals, authorisations or consents in Hong Kong, BVI or elsewhere in relation to the transactions contemplated under the Property Disposal Agreement.

Parties to the Property Disposal Agreement agreed to use their respective best endeavours to satisfy the conditions above. In the event that any of the conditions shall not have been fulfilled prior to 30 April 2015 (or such other date as the parties to the Property Disposal Agreement may agree), then the parties to the Property Disposal Agreement shall not be bound to proceed with the Property Disposal Agreement and the Property Disposal Agreement shall cease to be of any effect (save in respect of claims arising out of any antecedent breach).

### **Property Disposal completion**

Subject to the conditions to the Property Disposal Agreement having been satisfied or waived (if applicable), the Property Disposal shall take place on the date of the Share Purchase Completion.

If the conditions to the Property Disposal Agreement have not been satisfied on 30 April 2015 or such other later date as the contracting parties may agree, the Property Disposal together with the New Media 9.99% Share Disposal, which is inter-conditional with the Property Disposal, shall not take place accordingly. However, in such circumstances, the parties to the Share Purchase Agreement may, if they so agree, nonetheless elect to proceed with the Share Purchase Completion with the Property and 100% (as opposed to 90.01%) of New Media Group remaining in NMG Group.

### **Information of Jade Talent and the Property Group**

Jade Talent is an indirect wholly-owned subsidiary of New Media as at the Announcement Date. Jade Talent is an investment holding company solely for the purpose of holding the interests in the Property through Winning Treasure. The results of Winning Treasure represent primarily the results of the Property Group.

Below is the audited net profit (before and after taxation) of Winning Treasure for the years ended 30 June 2013 and 2014):

	<b>For the year ended 30 June 2014</b> <i>(HK\$'000,000)</i>	<b>For the year ended 30 June 2013</b> <i>(HK\$'000,000)</i>
Profit before taxation	35.9	39.9
Profit after taxation	33.9	38.0

The turnover of the Property Group consists of fair value change in Property and the rental paid by the fellow subsidiaries of NMG Group for leasing of the Property for NMG Group's daily operation.

The audited net asset value of Winning Treasure as at 30 June 2014 is HK\$91 million of which the fair value of the Property being HK\$384 million as at 30 June 2014. Information on the audited consolidated net profit (before and after taxation) of Jade Talent for the years ended 30 June 2013 and 2014 and the audited consolidated net asset value of Jade Talent as at 30 June 2014 will be included in the circular of New Media in relation to the Disposals.

Rules 14.58(6) and 14.58(7) of the Listing Rules require disclosure of the net book value as at 30 June 2014 and the net profits (both before and after taxation and extraordinary items) attributable to Jade Talent for the last two financial years in this joint announcement. In connection with this requirement, an application has been made by New Media to the Stock Exchange for a waiver from the strict compliance by New Media with the requirements of disclosing such information in this joint announcement. Details of the waiver application are set out in the section "Implication of the Disposals to New Media under the Listing Rules and the Takeovers Code".

The Property Group will cease to be the subsidiaries of New Media upon the completion of the Property Disposal.

### **Information of the Property**

The Property comprises a 10-storey industrial building located at No. 82 Hung To Road, Kwun Tong, Kowloon, Hong Kong. The Property occupies a site area of approximately 10,000 sq.ft. (929.02 sq.m.). The gross area of the Property is approximately 89,500 sq.ft. (8,314.75 sq.m.) inclusive of carpark area on the ground floor.

### **Financial impact of Property Disposal**

Rule 14.60(3)(a) of the Listing Rules requires disclosure of details of the gain or loss expected to accrue to New Media and the basis for calculating such gain or loss as a result of the Property Disposal in this joint announcement. In connection with these requirements, an application has been made by New Media to the Stock Exchange for a waiver from the strict compliance by New Media with the requirements of disclosing such information in this joint announcement. The expected gain or loss in connection to the Property Disposal will be disclosed in the circular to be despatched by New Media. Details of the waiver application are set out in the section "Implication of the Disposals to New Media under the Listing Rules and the Takeovers Code".

## **Leaseback agreement in relation to the Property**

<b>Landlord:</b>	Winning Treasure
<b>Tenant:</b>	A subsidiary of the Remaining Group
<b>Property:</b>	The Property
<b>Term:</b>	3 years from the date of the Share Purchase Completion
<b>Rent:</b>	HK\$1,225,000 per month Exclusive of government rent & rates, management fees, and other outgoings
<b>Deposit:</b>	HK\$3,675,000 which is equivalent to three months' rent

The terms of the Leaseback Agreement are arrived at after arm's length negotiation and are on normal commercial terms. The determination of rent is resulted from arm's length negotiation between the relevant parties with reference to the prevailing market rent of similar properties in the nearby locations. Pursuant to the terms of the Property Disposal Agreement, the Leaseback Agreement will be entered into prior to the completion of the Property Disposal Agreement. The Leaseback Agreement will become effective upon the Share Purchase Completion when Winning Treasure becomes independent third party of the Remaining Group. Otherwise, if the Property Disposal Agreement is not completed, the Leaseback Agreement will be terminated.

## **THE NEW MEDIA 9.99% SHARE DISPOSAL AGREEMENT**

<b>Date:</b>	23 December 2014
<b>Vendor:</b>	Right Bliss, a company incorporated in BVI with limited liability and is wholly-owned by New Media.
<b>Purchaser:</b>	Rawlings, a company incorporated in Anguilla and is wholly-owned by AY Holdings.

As at the Announcement Date, New Media is indirectly owned as to approximately 74.99% by the Selling Shareholder which is also the holding company of Rawlings. As such, Rawlings is connected person of New Media under Chapter 14A of the Listing Rules.

## **Subject matter**

Pursuant to the New Media 9.99% Share Disposal Agreement, Rawlings has conditionally agreed to purchase and Right Bliss has conditionally agreed to sell 9.99% of the issued shares of New Media Group.

### **New Media 9.99% Share Disposal consideration**

The consideration for the New Media 9.99% Share Disposal shall be 9.99% of the consolidated net assets of New Media Group as at the completion of the New Media 9.99% Share Disposal.

With reference to the audited consolidated net asset value of New Media as at 30 June 2014, the consideration for the New Media 9.99% Share Disposal shall be approximately HK\$14 million. Based on the historical financial performance of NMG Group that there was no material fluctuation on the consolidated net asset value of NMG Group, the Directors consider that the indicative figure of HK\$14 million as the consideration for the New Media 9.99% Share Disposal is fair and reasonable and the consideration is expected to be not more than HK\$16 million. New Media will provide details in the circular in relation to the consideration and will announce the finalised consideration of the Media 9.99% Share Disposal once it is determined.

### **New Media 9.99% Share Disposal conditions**

The completion of the New Media 9.99% Share Disposal Agreement is conditional upon:

- (a) the approval of the New Media 9.99% Share Disposal Agreement and the transactions contemplated thereunder by the Independent Shareholders at the GM in accordance with the Listing Rules and the Takeovers Code;
- (b) the consent of SFC in relation to the transactions contemplated under the New Media 9.99% Share Disposal Agreement under Rule 25 of the Takeovers Code having been obtained;
- (c) the Property Disposal Agreement becoming unconditional; and
- (d) the obtaining of all necessary approvals, authorisations or consents in Hong Kong, BVI or elsewhere in relation to the transactions contemplated under the New Media 9.99% Share Disposal Agreement.

Parties to the New Media 9.99% Disposal Agreement agreed to use their respective best endeavours to satisfy the conditions above. In the event that any of the conditions shall not have been fulfilled or waived (if applicable) prior to 30 April 2015 (or such other date as the parties to the New Media 9.99% Disposal Agreement may agree), then the parties to the New Media 9.99% Share Disposal shall not be bound to proceed with the New Media 9.99% Share Disposal and the New Media 9.99% Share Disposal Agreement shall cease to be of any effect (save in respect of claims arising out of any antecedent breach).

### **The New Media 9.99% Share Disposal completion**

Subject to the conditions of the New Media 9.99% Share Disposal Agreement having been satisfied or waived (if applicable), the New Media 9.99% Share Disposal shall take place on the date of the Share Purchase Completion. If the conditions to the New Media 9.99% Share Disposal Agreement have not been satisfied or waived on 30 April 2015 or such other later date as the contracting parties may agree, if applicable, the New Media 9.99% Share Disposal together with the Property Disposal, which is inter-conditional with the New Media 9.99% Share Disposal, shall not take place accordingly. However, in such circumstances, the parties to the Share Purchase Agreement may, if they so agree, nonetheless elect to proceed with the Share Purchase Completion with the Property and 100% (as opposed to 90.01%) of New Media Group remaining in the NMG Group.

### **Information of New Media Group**

New Media Group is an investment holding company of which its subsidiaries carrying on the whole operation of NMG Group. As at 30 June 2013 and 2014, NMG Group has no other companies other than New Media and New Media Group (and its subsidiaries). The net profit of NMG Group as disclosed in the annual report of New Media for the year ended 30 June 2013 and 30 June 2014 represents primarily the consolidated net profit of New Media Group for the years ended 30 June 2013 and 30 June 2014.

Below is the audited results of NMG Group for the year ended 30 June 2013 and 2014.

	<b>For the year ended 30 June 2014</b> <i>(HK\$'000,000)</i>	<b>For the year ended 30 June 2013</b> <i>(HK\$'000,000)</i>
Profit before taxation	12.9	27.4
Profit after taxation	11.0	22.3

Rules 14.58(6) and 14.58(7) of the Listing Rules require disclosure of the net book value as at 30 June 2014 and the net profits (both before and after taxation and extraordinary items) attributable to New Media Group for the last two financial years in this joint announcement. In connection with this requirement, an application has been made by New Media to the Stock Exchange for a waiver from the strict compliance by New Media with the requirements of disclosing such information in this joint announcement. Details of the waiver application are set out in the section “Implication of the Disposals to New Media under the Listing Rules and the Takeovers Code”.

Information on the audited consolidated net profit (before and after taxation) of New Media Group for the years ended 30 June 2013 and 2014 and the audited consolidated net asset value of New Media Group as at 30 June 2014 will be included in the circular of New Media in relation to the Disposals.

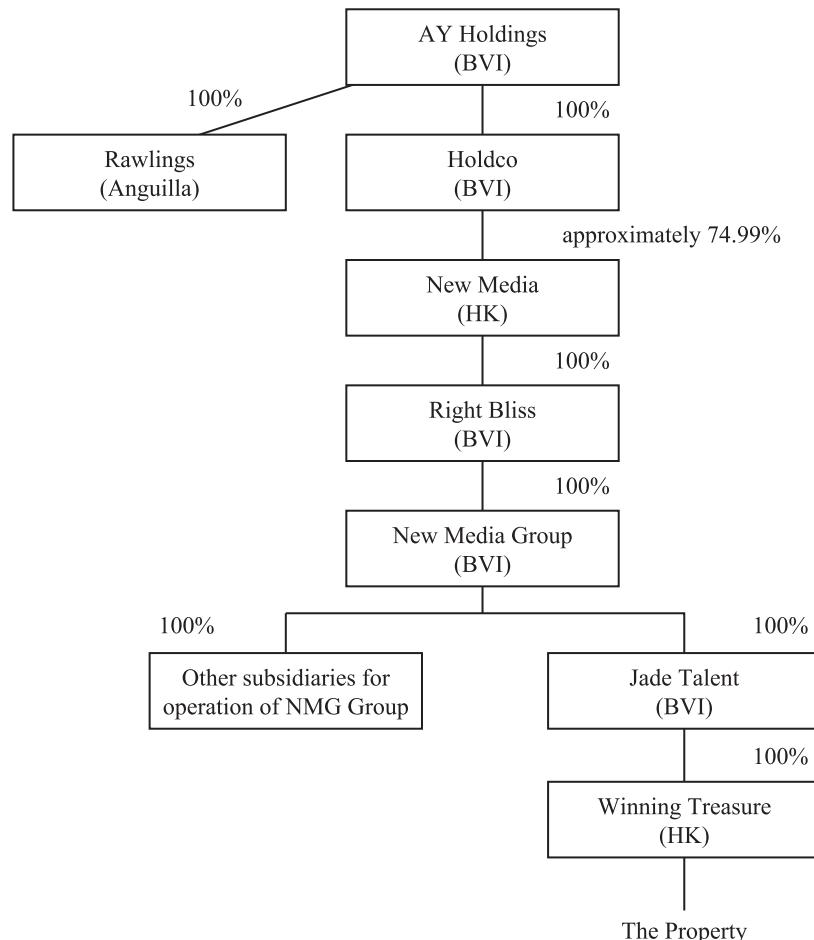
New Media Group will continue to be a subsidiary of New Media upon the completion of the New Media 9.99% Share Disposal.

### **Financial impact of New Media 9.99% Share Disposal**

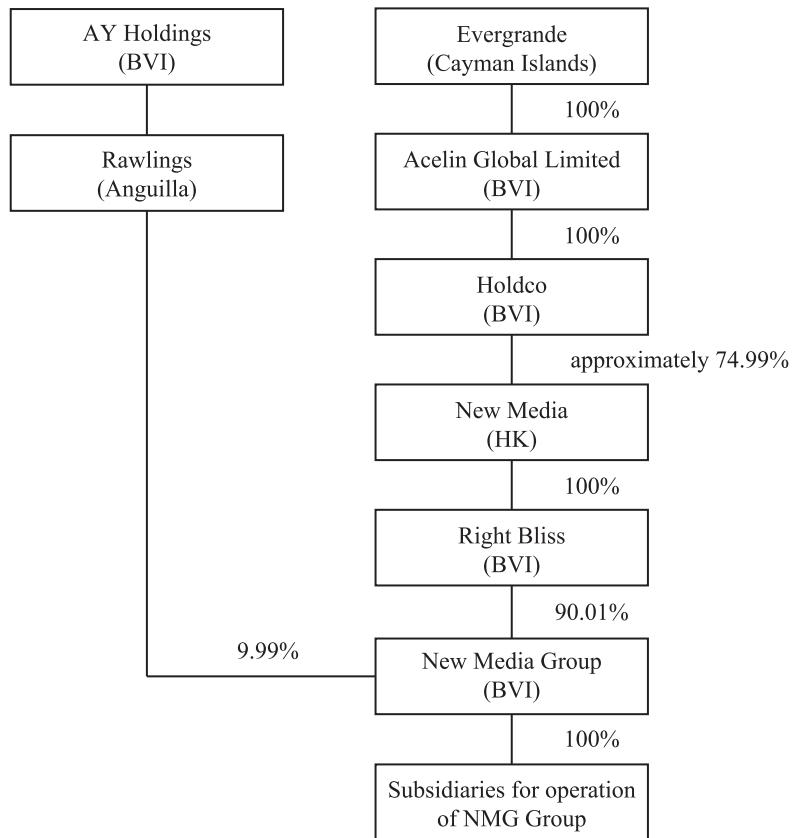
Rule 14.60(3)(a) of the Listing Rules requires disclosure of details of the gain or loss expected to accrue to New Media and the basis for calculating such gain or loss as a result of the New Media 9.99% Share Disposal in this joint announcement. In connection with these requirements, an application has been made by New Media to the Stock Exchange for a waiver from the strict compliance by New Media with the requirements of disclosing such information in this joint announcement. The expected gain or loss in connection to the New Media 9.99% Share Disposal will be disclosed in the circular to be despatched by New Media. Details of the waiver application are set out in the section “Implication of the Disposals to New Media under the Listing Rules and the Takeovers Code”.

Below is the group structure of NMG Group before and after the Share Purchase Completion and the Disposals:

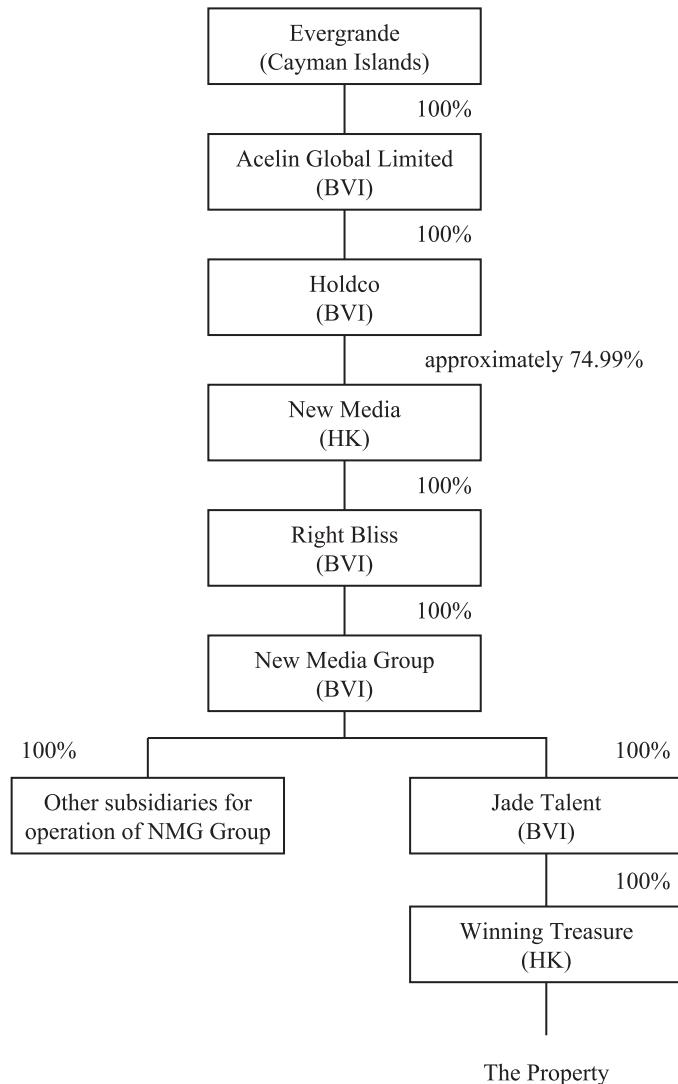
***As at the Announcement Date***



***After Share Purchase Completion and the Disposals***



## ***After Share Purchase Completion but without the Disposals***



### **Reason and use of proceed for the Disposals**

New Media is an investment holding company and its subsidiaries are principally engaged in (i) the publication and marketing of Chinese-language weekly magazines and books; and (ii) the sale of advertising spaces in the magazines and books published by NMG Group.

The Disposals shall have no effect on the daily operation of NMG Group. After the Share Purchase Completion and the completion of the Disposals, the Remaining Group will continue its existing business.

The net proceeds from the Disposals is expected to be approximately HK\$430 million. After discussions between the Directors and the Offeror, it is expected that the net proceeds from the Disposals, if materialized, will be utilised by the NMG Group primarily in the following manners:

- (1) approximately 10% will be used for investing in and expanding the NMG Group's existing business operations, including but not limited to, upgrading digital infrastructure and servers and expanding the existing multimedia production studio by acquiring an office to facilitate the business development in digital media;
- (2) approximately 85% will be utilized by the NMG Group for investment into cosmetic surgery, beauty treatment and healthcare related businesses in the PRC which may include (but not limited to) the setting up of a plastic surgery hospital in the PRC. It is envisaged by the Offeror that a significant portion of this part of the net proceeds from the Disposals may be deployed for the capital expenditure of the aforesaid hospital in the PRC. However, as at the Announcement Date, no definitive terms or timetable have been reached by the Offeror and New Media in respect of such proposed deployment of funds by the NWG Group;
- (3) the remaining 5% of the net proceeds from the Disposals for the NMG Group's general working capital purposes.

Nevertheless, the Offeror will, following the completion of the Offer, conduct a detailed review of the business operations and financial position of NMG Group for the purpose of developing more detailed and sustainable business plan or strategy for NMG Group and explore other business or investment opportunities for enhancing its future development. Subject to the result of the review and should suitable investment or business opportunities arise, the Offeror may consider diversifying the business of NMG Group which may or may not involve adjustment(s) to the application of the net proceeds from the Disposals (if materialized) above.

Save as disclosed above and as at the Announcement Date, New Media has not identified any suitable investment opportunities and is not in discussions for any investment projects. New Media will make announcement in compliance with the requirements of the Listing Rules as and when appropriate.

## **POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER**

Save for the holding of the Shares by the Selling Shareholder and the entering into of the Share purchase Agreement, the Offeror and the parties acting in concert with it are not interested in any Shares, options, derivatives, warrants or other securities which are convertible or exchangeable into the Shares as at the Announcement Date.

Immediately after the Share Purchase Completion, the Offeror and the parties acting in concert with it will be interested in 647,950,000 Shares, representing approximately 74.99% of the total issued shares of New Media. The Offeror will be required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code upon the Share Purchase Completion.

### **Principal terms of the Offer**

Subject to and upon the Share Purchase Completion, Somerley Capital will, on behalf of the Offeror and in compliance with the Takeovers Code, make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For every Offer Share . . . . . HK\$1.467 in cash

The Offer Price of HK\$1.467 per Offer Share under the Offer is determined with reference to the purchase price per New Media Sale Share held by Holdco under the Share Purchase Agreement.

As at the Announcement Date, New Media has a total of 864,000,000 Shares in issue of which 67,500,000 Shares are listed as Depository Receipts on the Taiwan Stock Exchange. New Media has no outstanding securities, options, derivatives or warrants which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such securities, options, derivatives or warrants of New Media.

### **Comparison of value**

The Offer Price of HK\$1.467 per Offer Share represents:

- (i) a discount of approximately 67.40% to the closing price of approximately HK\$4.50 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 59.70% to the average closing price of approximately HK\$3.64 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 31.45% to the average closing price of approximately HK\$2.14 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;

- (iv) a premium of approximately 208.84% over the closing price of approximately HK\$0.475 per Share as quoted on the Stock Exchange on 13 November 2014, being the last business day (as defined in the Takeovers Code) prior to the commencement of the offer period; and
- (v) a premium of approximately 177.84% over the audited consolidated net asset value of the NMG Group of approximately HK\$0.528 per Share as at 30 June 2014, based on a total of 864,000,000 Shares in issue as at the Announcement Date and the audited consolidated net asset value of the NMG Group of approximately HK\$456,060,000 as at 30 June 2014.

### **Highest and lowest Share prices**

During the six-month period immediately preceding 14 November 2014 (being the date of commencement of the offer period pursuant to Rule 3.7 of the Takeovers Code) and the period up to and including the Last Trading Day, the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.241 per Share on 14 and 16 May 2014 and the highest closing price of the Shares as quoted on the Stock Exchange was HK\$5.58 per Share on 21 November 2014.

### **Value of the Offer**

As at the Announcement Date, New Media has a total of 864,000,000 Shares in issue of which 67,500,000 Shares are listed as Depository Receipts on the Taiwan Stock Exchange. Upon the Share Purchase Completion, 216,050,000 Shares will be subject to the Offer and are valued at HK\$316,945,350 based on the Offer Price.

### **Financial resources available for the Offeror**

The Offeror intends to finance the consideration payable by the Offeror under the Offer by its internal resources. Somerley Capital, being the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the amount of funds required for the full acceptance of the Offer.

### **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) following the date on which the relevant documents of title are received by the Offeror to render each such acceptance complete and valid.

## **Taxation advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, Evergrande and Somerley Capital and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## **Effect of accepting the Offer**

By accepting the Offer, the relevant Shareholders will sell their Shares to the Offeror free from any liens, charges and encumbrance and together with all rights attached to them, including the right to receive all dividends and distributions declared, made or paid on or after the date of the Composite Document in relation to the Offer. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

## **Overseas Shareholders**

The making of the Offer to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction. The Shareholders with registered addresses in jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements in their own jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Shareholders in respect of such jurisdictions).

Subject to applicable laws, the Offer will be indirectly extended to the holders of TDR through the custodian bank (which holds the Shares represented by the TDR from time to time as custodian) and the TDR depository in Taiwan. The TDR holders may, subject to applicable laws, instruct the TDR depositary and the custodian bank to sell the Shares represented by their TDRs under the Offer through the mechanism (and within the time limit) to be disclosed by New Media and the Taiwan depositary on the website of Market Observation Post System maintained by the Taiwan Stock Exchange.

## **Dealing and interests in New Media's securities**

Save for the entering into of the Share Purchase Agreement, none of the Offeror and parties acting in concert with it (including the Selling Shareholder) has dealt in the Shares, options, derivatives, warrants or other securities convertible or exchangeable into Shares during the six-month period prior to 14 November 2014 (being the date of commencement of the offer period pursuant to Rule 3.7 of the Takeovers Code).

## **Hong Kong stamp duty**

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the relevant Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

## **Other arrangements**

The Offeror and the Selling Shareholder confirm that, save as disclosed in this joint announcement, as at the Announcement Date,

- (i) save for the holding of the Shares by the Selling Shareholder and entering into of the Share Purchase Agreement, none of the Offeror and parties acting in concert with it (including the Selling Shareholder) owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of New Media;
- (ii) there is no outstanding derivatives in respect of the securities in New Media which has been entered into by the Offeror and parties acting in concert with it (including the Selling Shareholder);
- (iii) there is no other arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (iv) save for the Share Purchase Agreement and the transactions contemplated therein, there is no agreement or arrangement to which the Offeror and parties acting in concert with it (including the Selling Shareholder) is a party which relates to circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the Offer;
- (v) none of the Offeror and parties acting in concert with it (including the Selling Shareholder) has received any irrevocable commitment to accept the Offer; and
- (vi) none of the Offeror and parties acting in concert with it (including the Selling Shareholder) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in New Media.

## **INFORMATION OF THE HOLDCO AND NEW MEDIA**

The Holdco was incorporated in BVI and is a direct wholly-owned subsidiary of the Selling Shareholder. The principal activity of the Holdco is investment holding. Save for the Holdco's beneficial interests in 647,950,000 Shares, representing approximately 74.99% of the total issued shares of New Media as at the date of the Share Purchase Agreement and the Announcement Date, the Holdco has no other material assets and has not carried out other significant business activities since its incorporation.

The principal activity of New Media is investment holding. The subsidiaries of New Media are principally engaged in media and publishing businesses in Hong Kong and the PRC.

Set out below is a summary of the audited consolidated financial results of New Media for the financial years ended 30 June 2013 and 30 June 2014 as extracted from New Media's annual report 2013/2014:

	<b>For the financial year ended</b>	
	<b>30 June 2014</b>	<b>30 June 2013</b>
	<i>HK\$'000</i>	<i>HK'000</i>
Turnover	455,624	495,197
Profit before taxation	12,914	27,433
Profit and total comprehensive income for the year	11,019	22,275

As disclosed in the New Media's annual report 2013/2014 for the financial year ended 30 June 2014, the audited consolidated net assets value of New Media was approximately HK\$456,060,000 as at 30 June 2014.

The following table sets out the shareholding structure of New Media immediately before and after the Share Purchase Completion:

	<b>Immediately before the Share Purchase Completion</b>		<b>Immediately after the Share Purchase Completion and before the Offer</b>	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Offeror	—	—	647,950,000	74.99
Selling Shareholder	<u>647,950,000</u>	<u>74.99</u>	<u>—</u>	<u>—</u>
Sub total of the Offeror and parties acting in concert with it	647,950,000	74.99	647,950,000	74.99
Public Shareholders	<u>216,050,000</u>	<u>25.01</u>	<u>216,050,000</u>	<u>25.01</u>
Total	<u>864,000,000</u>	<u>100.00</u>	<u>864,000,000</u>	<u>100.00</u>

## **INFORMATION OF THE OFFEROR**

The Offeror is an investment holding company incorporated in BVI, which is an indirect wholly-owned subsidiary of Evergrande. Save for entering into the Share Purchase Agreement, the Offeror has not conducted any business since its incorporation.

Evergrande is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 3333). The principal business of Evergrande Group is principally engaged in the property development, property investment, property management, property construction, hotel and other businesses in the PRC.

## **REASONS FOR THE SHARE PURCHASE AND THE OFFER AND OFFEROR'S INTENTION ON NEW MEDIA**

Evergrande considers that the Share Purchase and the Offer provide an opportunity for it to invest in the media and publishing business in Hong Kong and the PRC, and another listed platform to gain access to the capital market for its business development as and when appropriate.

The Offeror intends to continue the principal business of the Remaining Group, which comprises of the media and publishing businesses in Hong Kong and the PRC immediately upon the Share Purchase Completion.

The Offeror will, following the completion of the Offer, conduct a detailed review of the business operations and financial position of NMG Group for the purpose of developing more detailed and sustainable business plan or strategy for NMG Group, and explore other business or investment opportunities for enhancing its future development, including but not limited to, possible investment into cosmetic surgery, beauty treatment and healthcare related businesses in the PRC which may include (but not limited to) the setting up of a plastic surgery hospital in the PRC. Subject to the result of the review and should suitable investment or business opportunities arise, the Offeror may consider diversifying the business of NMG Group which may or may not involve adjustment(s) to the application of the proceeds from the Disposals (if materialised) as set out in the section headed “Reason and use of proceed for the Disposals” above. However, as of the Announcement Date, no agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into NMG Group had been entered into by the Offeror.

The Offeror has no intention to terminate any employment of the employees of NMG Group or to make significant changes to any employment (except for the proposed change of Board composition as detailed in the section headed “Proposed change to the Board composition of New Media” below) or to dispose of or re-allocate NMG Group’s assets which are not in the ordinary and usual course of business of NMG Group.

## **PROPOSED CHANGE TO THE BOARD COMPOSITION OF NEW MEDIA**

The Offeror intends to nominate new Directors to the Board with effect from the earliest time permitted under the Takeovers Code. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made as and when appropriate.

## **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF NEW MEDIA**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer and will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares. New Media and the Offeror will issue a separate announcement as and when necessary regarding the decision of any such placing down if the circumstances warrant.

**The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to New Media, being 25%, of the Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.**

## **DEALING DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined under the Takeovers Code and including a person who owns or controls 5% or more of any class of relevant securities) of New Media and the Offeror are hereby reminded to disclose their dealings in the securities of New Media pursuant to the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

### ***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that cooperation.”*

## **IMPLICATIONS OF THE SHARE PURCHASE AND THE OFFER TO EVERGRANDE UNDER THE LISTING RULES**

As one of the applicable percentage ratios (as defined in the Listing Rules) is more than 5% but less than 25%, the Share Purchase and the Offer together constitute a discloseable transaction of Evergrande under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements of the Listing Rules.

## **IMPLICATIONS OF THE DISPOSALS TO NEW MEDIA UNDER THE LISTING RULES AND THE TAKEOVERS CODE**

As one of the applicable percentage ratios in respect of the Disposals is between 25% and 75%, the Disposals constitute major transactions for New Media pursuant to the Listing Rules. The purchaser of the Property Disposal, Good Force, is indirectly controlled by the Selling Shareholder and thus the Property Disposal (together with the Leaseback) also constitutes a connected transaction of New Media pursuant to the Listing Rules. The purchaser of the New Media 9.99% Share Disposal is a wholly-owned subsidiary of the Selling Shareholder and thus the New Media 9.99% Share Disposal also constitutes a connected transaction of New Media pursuant to the Listing Rules. The Disposals (together with the Leaseback) are subject to the approval of the Independent Shareholders at the GM.

Rules 14.58(6) and 14.58(7) of the Listing Rules require disclosure in this joint announcement the book value as at 30 June 2014 and the net profits (both before and after taxation and extraordinary items) for the years ended 30 June 2013 and 30 June 2014 of the target companies under the Property Disposal Agreement and New Media 9.99% Share Disposal Agreement (collectively the “Required Financial Information”). Rule 14.60(3)(a) of the Listing Rules requires disclosure of details of the gain or loss expected to accrue to New Media and the basis for calculating such gain or loss as a result of the Property Disposal and New Media 9.99% Share Disposal (collectively called the “Financial Effect”) in this joint announcement. The Required Financial Information and Financial Effect currently available to the Company are unaudited figures and if disclosed in this joint announcement will constitute profit forecasts within the meaning of Rule 10 of the Takeovers Code, which would need to be reported on or reviewed by an auditor and financial adviser of New Media prior to its release. It would be burdensome for New Media to withhold this joint announcement until such financial information has been reported on in order to comply with Rule 10 of the Takeovers code. As such, an application has been made by New Media to the Stock Exchange for a waiver from the strict compliance by New Media with disclosing the Required Financial Information and Financial Effect in this joint announcement. The audited Required Financial Information and the Financial Effect will be disclosed in the circular to be despatched by New Media in relation to the Disposals and in an announcement of New Media upon the despatch of the circular.

The Disposals (together with the Leaseback) constitute special deals on the part of New Media under Note 4 to Rule 25 of the Takeovers Code and require the consent of the Executive. Such consent, if granted, will be subject to the Independent Financial Adviser publicly stating that in its opinion the terms of the Special Deals are fair and reasonable; and the approval of the Special Deals by the Independent Shareholders by way of poll at the GM. Shareholders including (i) AY Holdings and parties acting in concert with it (including Holdco) (ii) the Offeror and parties acting in concert with it

and (iii) any Shareholders who are involved in or interested in the Special Deals or any transactions contemplated therein will abstain from voting on the proposed resolutions in respect of the Special Deals at the GM.

New Media will make an application to the Executive for his consent under Note 4 to Rule 25 of the Takeovers Code in relation to the Special Deals.

### **Independent Board Committee**

New Media has established an Independent Board Committee comprising Ms. Hui Wai Man, Shirley, Ms. Kwan Shin Luen, Susanna and Ms. Chan Sim Ling, Irene (all of whom are non-executive Directors) to advise the Independent Shareholders in respect of the Disposals (together with the Leaseback) and the Offer. Mesis Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection therewith. The appointment of Mesis Capital has been approved by the Independent Board Committee.

### **DESPATCH OF DOCUMENTS**

It is the intention of the Offeror and the Board that the offer document and the offeree board circular be combined in a Composite Document.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among other things, the terms and conditions of the Offer (including the expected timetable), the recommendation from the Independent Board Committee, the advice from the Independent Financial Adviser in respect of the Offer and accompanying a form of acceptance in respect of the Offer, should normally be posted to the Shareholders by or on behalf of the Offeror within 21 days of the Announcement Date. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of the general offer is subject to prior fulfillment of certain conditions precedent and the conditions precedent cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. Given that the Offer is subject to Independent Shareholders approval to the Disposals, it is expected that the Offer will not take place within 21 days from the Announcement Date. As such, an application will be made to the Executive in respect of Note 2 to Rule 8.2 of the Takeovers Code for his consent to extend the date of posting of the Composite Document to a date falling within seven (7) days from the Share Purchase Completion.

A circular of New Media containing, among other things, (i) details of the Disposal Agreements (including the Leaseback Agreement); (ii) the letter of recommendation from the Independent Board Committee in respect of the Special Deals; (iii) the letter of advice from the Independent Financial Adviser in respect of the Special Deals; (iv) the valuation report of the Property; and (v) a notice convening the GM will be sent to

the Shareholders as soon as practicable and on or before 26 January 2015 as additional time is expected to be required to finalise the information for inclusion in the circular (in particular the Required Financial Information and Financial Effect).

## **GM**

The GM will be convened before the Share Purchase Completion to approve the Disposals Agreements (together with the Leaseback Agreement) and the transactions contemplated thereunder by Independent Shareholders.

## **RESUMPTION OF TRADING**

At the request of New Media, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 25 November 2014 pending the release of this joint announcement. Application has been made by New Media to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 24 December 2014.

## **WARNING**

**Shareholders and potential investors of each of Evergrande and New Media should note that the Share Purchase Completion and the Disposals Completion are subject to conditions. The Offer will only be made if the Share Purchase Completion takes place. Accordingly, the Share Purchase Completion and the Disposals Completion may or may not take place and the Offer may or may not proceed. Shareholders and potential investors of each of Evergrande and New Media are advised to exercise extreme caution when dealing in the securities of each of Evergrande and New Media, and if they are in any doubt about their position, they should consult their professional advisers.**

## **DEFINITIONS**

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement Date”	23 December 2014
“AY Holdings” or “Selling Shareholder”	Albert Yeung Holdings Limited, a company incorporated in BVI, the ultimate controlling shareholder of New Media and Emperor International

“Board”	the board of Directors from time to time
“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which banks in Hong Kong are open for normal banking business
“BVI”	the British Virgin Islands
“Composite Document”	composite offer and response document to be jointly issued by Offeror and New Media, which sets out among others, details of the Offer in accordance with the Takeovers Code
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of New Media from time to time
“Disposals”	the Property Disposal and the New Media 9.99% Share Disposal pursuant to the terms of the Disposals Agreements constituting Special Deals according to Takeovers Code
“Disposals Agreements”	the Property Disposal Agreement and the New Media 9.99% Share Disposal Agreement
“Disposals Completion”	completion of the Disposals Agreements
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Emperor International”	Emperor International Holdings Limited, an exempted company incorporated in Bermuda with limited ability, the shares of which are listed on the main board of the Stock Exchange (stock code: 163)
“Evergrande”	Evergrande Real Estate Group Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 3333)
“Evergrande Group”	Evergrande and its subsidiaries

“GM”	the general meeting of New Media to be convened and held to consider and, if thought fit, approve, among others, the proposed Disposals (including the Leaseback) and the respective transactions contemplated thereunder
“Good Force”	Good Force Investments Limited, a company incorporated in BVI and a wholly-owned subsidiary of Emperor International
“HK\$”	Hong Kong dollar(s)
“Holdco”	New Media Group Investment Limited, a company incorporated in BVI. Holdco is a direct wholly-owned subsidiary of the Selling Shareholder and is the beneficial owner of all New Media Sale Shares
“Holdco Sale Share”	being one issued share of Holdco, representing the entire issued share of the Holdco as at the date of the Share Purchase Agreement and as at the Share Purchase Completion
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Financial Adviser”/“Mesis Capital”	Mesis Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and/or the Independent Shareholders in respect of the Disposals (including the Leaseback) and the Offer
“Independent Board Committee”	the independent committee of the Board comprising all the non-executive Directors established to advise the Independent Shareholders in respect of the terms of the Disposals and the Offer
“Independent Shareholders”	Shareholders other than the Selling Shareholder, the Offeror and parties acting in concert with any of them (including Holdco) and those who are interested in or involved in the Disposals (including the Leaseback) and/or the Offer

“Jade Talent”	Jade Talent Holdings Limited, a company incorporated in BVI and an indirect wholly-owned subsidiary of New Media
“Jade Talent Sale Loan”	the shareholder’s loan due from Jade Talent to New Media Group as at the date of completion of the Property Disposal Agreement
“Last Trading Day”	24 November 2014, being the last trading day of the Shares immediately prior to the suspension in trading on the Stock Exchange pending the release of this joint announcement
“Leaseback”	the lease of the Property from Winning Treasure to the Remaining Group immediately after the completion of the Property Disposal
“Leaseback Agreement”	the tenancy agreement to be entered into between Winning Treasure and a subsidiary of the Remaining Group in relation to the Leaseback
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Media”	New Media Group Holdings Limited, a company incorporated in Hong Kong, the Shares of which are listed on the main board of the Stock Exchange (stock code: 708)
“New Media Group”	New Media Group Limited (formerly known as New Media Enterprise Investment Limited), a company incorporated in BVI, and an indirect wholly-owned subsidiary of New Media
“New Media Sale Shares”	being 647,950,000 issued Shares, representing approximately 74.99% of the total issued shares of New Media
“New Media 9.99% Share Disposal”	the sale of 9.99% issued share capital of New Media Group by Right Bliss to Rawlings pursuant to the New Media 9.99% Share Disposal Agreement;

“New Media 9.99% Share Disposal Agreement”	the agreement dated 23 December 2014 between Right Bliss and Rawlings in relation to the sale and purchase of 999 shares of New Media Group, representing 9.99% of its issued share capital
“NMG Group”	New Media and its subsidiaries
“Offer”	subject to the Share Purchase Completion, the mandatory unconditional cash offer to be made by Somerley Capital on behalf of the Offeror to acquire all the Offer Share(s) in accordance with the Takeovers Code
“Offer Price”	HK\$1.467 per Offer Share
“Offer Share(s)”	Share(s) not already owned or agreed to be acquired by the Offeror or parties acting in concert with it
“Offeror”	Acelin Global Limited, a company incorporated in BVI and an indirect wholly-owned subsidiary of Evergrande
“PRC”	the People’s Republic of China excluding, for the purpose of this joint announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	the building located at Kwun Tong Inland Lot No. 646, No. 82 Hung To Road, Kowloon, Hong Kong
“Property Disposal”	the disposal of 100% equity interests in the Property Group and the Jade Talent Sale Loan
“Property Disposal Agreement”	the sale and purchase agreement dated 23 December 2014 entered into between the New Media Group as vendor and Good Force as purchaser in relation the Property Disposal
“Property Group”	Jade Talent and Winning Treasure
“Rawlings”	Rawlings Limited, a company incorporated in Anguilla and a wholly-owned subsidiary of AY Holdings
“Remaining Group”	the NMG Group immediately after the Disposals Completion

“Right Bliss”	Right Bliss Limited, a company incorporated in BVI and a wholly-owned subsidiary of New Media
“Selling Shareholder”	AY Holdings
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of New Media
“Share Purchase”	the purchase of the Holdco Sale Share by the Offeror from the Selling Shareholder in accordance with the terms and conditions of the Share Purchase Agreement
“Share Purchase Agreement”	the sale and purchase agreement dated 25 November 2014 (as supplemented on 23 December 2014) between the Selling Shareholder, the Offeror and Evergrande in relation to the sale and purchase of Holdco Sale Share
“Share Purchase Completion”	completion of the Share Purchase Agreement
“Shareholder(s)”	holder(s) of Share(s)
“Somerley Capital”	Somerley Capital Limited, a corporation licensed under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities, and the financial adviser to the Offeror
“Special Deals”	the Disposals (including the Leaseback Agreement) which constitute special deals for New Media under Rule 25 of the Takeovers Code
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong issued by the SFC
“TDR”	the Taiwan depositary receipts of the New Media listed on the Taiwan Stock Exchange

“Winning Treasure”      Winning Treasure Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of Jade Talent

“%” per cent.

By order of the board of directors of  
**Evergrande Real Estate Group Limited**

Hui Ka Yan

### *Chairman*

By order of the board of directors of  
**New Media Group Holdings Limited**  
**Percy Hughes, Shirley**  
*Executive Director and Chief Executive Officer*

By order of the sole director of  
**Acelin Global Limited**

# Huang Xiangui

## *Director*

Hong Kong, 23 December 2014

The directors of Evergrande and the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to NMG Group, the Selling Shareholder, the Holdco, Emperor International and parties acting in concert with any of them (save for Evergrande and the Offeror)) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

*As at the Announcement Date, the sole director of the Offeror is Mr. Huang Xiangui.*

*As at the Announcement Date, the executive directors of Evergrande are Mr. Hui Ka Yan, Mr. Xia Haijun, Ms. He Miaoling, Mr. Tse Wai Wah, Mr. Xu Wen and Mr. Huang Xiangui; and the independent non-executive directors are Mr. Chau Shing Yim, David, Mr. He Oi and Ms. Xie Hongxi.*

*As at the Announcement Date, the executive directors of New Media are Ms. Percy Hughes, Shirley, Mr. Lee Che Keung, Danny, Mr. Wong Chi Fai and Ms. Fan Man Seung, Vanessa; and the independent non-executive directors are Ms. Hui Wai Man, Shirley, Ms. Kwan Shin Luen, Susanna and Ms. Chan Sim Ling, Irene.*

The Directors of New Media jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it (save for the Selling Shareholder)) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

*The English text of this joint announcement shall prevail over its Chinese text.*

**THE APPENDIX**  
**VALUATION REPORT ISSUED BY CUSHMAN**  
**& WAKEFIELD VALUATION ADVISORY SERVICES (HK) LIMITED**

The following is the text of a letter, summary of values and a valuation certificate, prepared for the purpose of incorporation in this announcement received from Cushman & Wakefield Valuation Advisory Services (HK) Limited, an independent valuer, in connection with its valuation as at 25 November 2014 of the property interests of the New Media Group Holdings Limited.

**Cushman & Wakefield Valuation Advisory Services (HK) Limited**  
9/F St George's Building  
2 Ice House Street, Hong Kong  
Tel: (852) 2956 3888  
Fax:(852) 2956 2323



[www.cushmanwakefield.com](http://www.cushmanwakefield.com)

23 December 2014

The Directors

**New Media Group Holdings Limited**  
New Media Tower,  
No. 82 Hung To Road,  
Kwun Tong,  
Kowloon, Hong Kong

Dear Sirs,

**Preliminary** In accordance with your instructions to value the Property located at No. 82 Hung To Road, Kwun Tong, Kowloon, Hong Kong (“the Property”) in which New Media Group Holdings Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) have interests in Hong Kong. We confirm that we have carried out physical inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 25 November 2014 (the “valuation date”).

<b>Basis of Valuation</b>	Our valuations of the property interests represent the “market value” which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.
	The valuation has been prepared in accordance with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; The Code on Takeovers and Mergers and Share Buybacks issued by Securities and Futures Commission (March 2014 Edition) and; The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors effective from 1 January 2013.
<b>Valuation Assumptions</b>	Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.
	As the Property is held under long term leasehold interests, we have assumed that the owner has free and uninterrupted rights to use the Property for the whole of the unexpired term of the leasehold interests.
	No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.
	We have not carried out detailed site measurements to verify the correctness of the site area in respect of the Property but have assumed that the site area shown on the documents and/or registered plans are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

**Site Inspection**

We have inspected the exterior and the interior of the Property on 25 November 2014. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

We are unaware of any adverse ground conditions affecting the Property and have not had sight of a ground and soil survey. We have not carried out investigations on site to determine the suitability of the ground conditions and service etc. for any future development (if any). Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

Upon our recent inspection, the Property is connected with electricity, fresh and flush water. In addition, central air-conditioning, fire services installations such as automatic sprinkler system, CCTV and access control system are also provided within the Property. Please note that no tests have been carried out to any of the building services.

**Valuation  
Methodology**

In determining the market value of the Property as at the valuation date, Direct Comparison Approach is adopted as the principal valuation methodology, which is universally considered the most accepted valuation approach for valuing most forms of real estate. This involves the analysis of recent market sales and rental evidences of similar properties to compare with the premises under valuation. Each comparable is analyzed on the basis of its unit rate; each attribute of the comparable is then compared with the subject and where there is a difference, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as location, building quality, access, and so on.

**Source of  
Information**

We have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as approved building plans, area schedule, identification of the Property and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

<b>Title</b>	We have caused searches to be made at the Land Registry.
<b>Investigations</b>	However, we have not searched the original documents to verify the existing titles to the property interests and any material encumbrances that might be attached to the Property.
<b>Currency</b>	Unless otherwise stated, all monetary sums stated in this report are in Hong Kong Dollars (HKD). Our valuation is summarised below and the valuation certificate is attached.

Yours faithfully,  
for and on behalf of

**Cushman & Wakefield Valuation Advisory Services (HK) Limited**  
**Vincent K. C. Cheung**  
*Registered Professional Surveyor (GP)*  
*BSc(Hons) MBA MRICS MHKIS*

*Executive Director and Head of Valuation & Advisory, Greater China*

*Note:* Mr. Vincent K. C. Cheung holds a Master of Business Administration and he is a Registered Professional Surveyor with over 17 years' experience in real estate industry and assets valuations sector. His experience on valuations covers Hong Kong, Macau, Taiwan, South Korea, Mainland China, Vietnam, Cambodia and other overseas countries. Mr. Cheung is a member of The Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. Mr. Cheung is one of the valuers on the "list of property valuers for undertaking valuation for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers" as well as a Registered Business Valuer of the Hong Kong Business Valuation Forum.

## SUMMARY OF VALUE

### PROPERTY INTERESTS OWNED AND OCCUPIED BY THE GROUP IN HONG KONG

Property	Market Value in existing state as at 25 November 2014	Interest attributable to the Group	Market Value in existing state as at 25 November 2014
	HKD	Attributable to the Group	HKD
No. 82 Hung To Road, Kwun Tong, Kowloon, Hong Kong	420,000,000	100%	420,000,000
Total:	<u><b>420,000,000</b></u>		<u><b>420,000,000</b></u>

## VALUATION CERTIFICATE

### **PROPERTY INTERESTS OWNED AND OCCUPIED BY THE GROUP IN HONG KONG**

<b>Property</b>	<b>Description and tenure</b>	<b>Particulars of occupancy</b>	<b>Market Value in existing state as at 25 November 2014 HKD</b>																																					
No. 82 Hung To Road, Kwun Tong, Kowloon, Hong Kong	The Property comprises a 10-storey industrial building erected on a site with a registered site area of approximately 10,000 sq.ft. (circa 929.02 sq.m.) as per plan attached to the Government Lease of KIL 646. The Property was completed in 1970.	The Property is currently owner-occupied.	420,000,000 (Four Hundred and Twenty Million)																																					
Kwun Tong Inland Lot No. 646 (“KIL 646”)	<p>As per our site inspection, 5th Floor, 9th Floor and the southeastern external façade of the Property are currently under renovation, whereas the renovation work of the remaining portion of the Property was completed between 2011 and 2012 per Company’s information. According to the registered consent letter dated 26 April 2010 registered vide Memorial No. 10042901810046, 2 spaces for the parking, loading and unloading of goods vehicles, 5 spaces for the parking of motor vehicles and 1 space for the parking of motor vehicles by disabled persons are provided on the Ground Floor.</p> <p>KIL 646 is held under a Government Lease for a term of 99 years commencing on 1 July 1898 and statutorily renewed until 30 June 2047 without premium but at a revised annual Government rent at 3% of the prevailing Ratable Value of the Property.</p> <p>As per our scaled-off measurement of the latest approved building plans dated 30 June 2009 and 11 November 2011 for “Alterations and Additions” works, the Property has a total saleable area of approximately 69,817 sq.ft. (6,486.16 sq.m.) or thereabout. The Saleable Area breakdown is listed as below:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 30%;">Level</th> <th colspan="2" style="text-align: center; width: 40%;">Saleable Area (sq.ft.)</th> <th style="text-align: center; width: 30%;">(sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Store Rooms on Ground Floor</td> <td style="text-align: right;">399</td> <td style="text-align: right;">37.07</td> <td></td> </tr> <tr> <td>1st to 3rd Floor</td> <td style="text-align: right;">8,958</td> <td style="text-align: right;">832.22</td> <td></td> </tr> <tr> <td>4th Floor</td> <td style="text-align: right;">7,082</td> <td style="text-align: right;">657.93</td> <td></td> </tr> <tr> <td>5th to 8th Floor</td> <td style="text-align: right;">7,084</td> <td style="text-align: right;">658.12</td> <td></td> </tr> <tr> <td>9th Floor</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">7,126</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">662.02</td> <td></td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">69,817</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">6,486.16</td> <td></td> </tr> </tbody> </table> <p>Loading capacity and floor-to-floor height of each floor of the Property is summarized as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 30%;">Level</th> <th style="text-align: center; width: 20%;">Loading Capacity (lbs./sq.ft.)</th> <th style="text-align: center; width: 50%;">Floor-to-floor height (ft.)</th> </tr> </thead> <tbody> <tr> <td>Ground Floor</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">15.0</td> </tr> <tr> <td>1st to 9th Floor</td> <td style="text-align: center;">150</td> <td style="text-align: center;">11.5</td> </tr> </tbody> </table>	Level	Saleable Area (sq.ft.)		(sq.m.)	Store Rooms on Ground Floor	399	37.07		1st to 3rd Floor	8,958	832.22		4th Floor	7,082	657.93		5th to 8th Floor	7,084	658.12		9th Floor	7,126	662.02		Total	69,817	6,486.16		Level	Loading Capacity (lbs./sq.ft.)	Floor-to-floor height (ft.)	Ground Floor	N/A	15.0	1st to 9th Floor	150	11.5		
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*Notes:*

1. The valuation of the Property was prepared by Mr. Vincent K. C. Cheung.
2. The Property was inspected by Mr. Vincent K. C. Cheung, Ms. Michelle S. F. Man and Ms. Christy L. Y. Wong on 25 November 2014. Mr. Vincent K. C. Cheung is a Member of the Royal Institution of Chartered Surveyors (RICS), Member of the Hong Kong Institute of Surveyors (HKIS) as well as Registered Professional Surveyors (General Practice Division), with over 17 years' experience in real estate valuations. Ms. Michelle S. F. Man is a Member of the Royal Institution of Chartered Surveyors (RICS) and Member of the Hong Kong Institute of Surveyors (HKIS), with over 6 years' experience in real estate valuations. Ms. Christy L. Y. Wong has over 1 year experience in real estate valuations with a Bachelor of Science degree in Surveying.
3. Pursuant to our land search record dated 24 November 2014, the current owner of the Property, Winning Treasure Limited is registered vide Memorial No. 11051601200064 dated 28 April 2011.
4. Pursuant to the abovementioned land search record, the Property is subject to a mortgage in favour of Chong Hing Bank Limited with a consideration of All Moneys registered vide Memorial No. 11051601200073 dated 28 April 2011. As advised by the Company, the aforesaid mortgage has been fully repaid and the net proceeds from the Property Disposal will not be used to repay any debts secured by the said mortgage.
5. The Property is subject to a modification letter dated 26 April 2010 registered vide Memorial No. 10042901810037 issued by the Lands Department to acknowledge the existing canopy and external wall projecting outside the site boundary of the subject site onto Hung To Road subject to that no part of the projected external wall shall be erected between the ground level of the subject site and the level of 2.5 metres above the ground level of the subject site. In addition, no part of the projected external wall shall project outside the boundary of the subject site by 200mm onto Hung To Road.
6. The Property is subject to a consent letter dated 26 April 2010 registered vide Memorial No. 10042901810046 issued by the Lands Department to permit the alteration of layout of Ground Floor carpark for the lifetime of the Property.
7. Pursuant to the abovementioned land search record, there is no registered tenancy agreement in relation to the Property. Furthermore, we are advised by the Company that the Property is currently owner-occupied.
8. The Property currently lies within an area zoned "Other Specified Uses (Business)" under Kwun Tong South Outline Zoning Plan No. S/K14S/19 gazetted on 18 July 2014.

According to the Notes of the OZP, this zone is intended primarily for general business uses. A mix of information technology and telecommunications industries, non-polluting industrial, office and other commercial uses are always permitted in new "business" buildings. Less fire hazard-prone office use that would not involve direct provision of customer services or goods to the general public is always permitted in existing industrial or industrial-office buildings.

No new development, or addition, alteration and/or modification to or redevelopment of an existing building shall result in a total development and/or redevelopment in excess of a maximum plot ratio of 12 and maximum building heights of 100 metres above Principal Datum (mPD), or the plot ratio and the height of the existing building, whichever is the greater.

9. Pursuant to the Government Lease of KIL 646, the use of the subject site is restricted for industrial and or godown purposes and the height of the building erected or to be erected on the site is restricted to one hundred and seventy feet above Principal Datum.
10. As per our on-site inspection and with reference to the latest approved building plans for “Alterations and Additions” works, the two alteration works are as below.
  - a. Portion of parking area on Ground Floor is enclosed and used as a store room so that the original store room area has been enlarged. A cockloft is also erected inside the enlarged store room.
  - b. A gift redemption centre is erected near the carpark entrance facing Hung To Road on Ground Floor.

In our valuation, we have assumed that the configuration and layout of the Property are in compliance with the latest approved building plans including those plans for “Alterations and Additions” works, but we have not taken into account the concerning reinstatement costs.

11. As advised by the Company, the purchaser of the Property under the Property Disposal Agreement (as defined in the announcement of the Company dated 23 December 2014) has no present plan to dispose or change the use of the Property after completion.
12. As per Company’s information, there is a draft leaseback agreement (the “Agreement”) in relation to the Property. According to the Agreement, the Property will be leased to New Media Group Publishing Limited by Winning Treasure Limited for 3 years immediately after the Share Purchase Completion, at a monthly rent of HKD1,225,000, exclusive of rates, management fees and all other outgoings.

As advised by the Company, the terms of the Leaseback Agreement are arrived at after arm's length negotiation and are on normal commercial terms. Also, the determination of rent is resulted from arm's length negotiation between the relevant parties with reference to the prevailing market rent of similar properties in the nearby locations.

With reference to the current market rent of similar type of properties in the vicinity, we consider that the proposed monthly rent of HKD1,225,000 is fair and reasonable for the time being.

13. A general description of the surrounding environment of the Property and market information is summarised as below:

Location:	The Property is located at Hung To Road in Kwun Tong, Kowloon. The area was one of the major industrial areas in Hong Kong and is now undergoing transition to a commercial area. The immediate neighbourhood of the Property is dominated by aged industrial and godown buildings scattered with some contemporary office developments and hotels establishments.
Transportation:	The accessibility of the subject area is well-served by MTR Kwun Tong Line and various franchised bus and mini-bus routes to other parts of Hong Kong. The Kwun Tong MTR Station is in 10 minutes' walking distance from the Property.
Market Yield in the vicinity (En Bloc transactions):	Approximately 2.7%–3.9%
Monthly Market Rental in the vicinity (Strata-title industrial property):	HKD15.4 to HKD19.6 per sq.ft.
Market Price in the vicinity (Strata- title industrial property):	HKD5,700 to HKD7,200 per sq.ft.

14. In respect of the potential tax liability which is required to be disclosed under Rule 11.3 of The Codes on Takeovers and Mergers and Share Buy-backs, the profits tax is likely to be charged by the Inland Revenue Department if the Property is disposed in the nature of trade and the current tax rate is 16.5% although the likelihood of such potential tax liability being crystallised from a disposal of the Property is remote.