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XINHUA NEWS MEDIA HOLDINGS LIMITED

新華通訊頻媒控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 309)

DISCLOSEABLE TRANSACTION ACQUISITION OF THE PROPERTY

The Board is pleased to announce that, on 15 October 2018 (after trading hours), Sichuan Co., a subsidiary indirectly owned by the Company as to 51% entered into the Agreement with Fujian Zhichuang and the Vendor, pursuant to which Sichuan Co. has conditionally agreed to acquire, and the Vendor has conditionally agreed to transfer the Property at the Consideration of RMB19,122,768, which shall be satisfied by settling part of the trade receivables of Sichuan Co. due from Fujian Zhichuang of RMB19,122,768.

Upon Completion, the Property will be directly owned by Sichuan Co..

LISTING RULES IMPLICATIONS

As more than one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the transactions contemplated under the Agreements will constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirement but exempt from shareholders' approval requirement under chapter 14 of the Listing Rules.

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THE AGREEMENT

Date

15 October 2018 (after trading hours)

Parties to the Agreement

- (1) Sichuan Co.;
- (2) Fujian Zhichuang; and
- (3) the Vendor.

As at the date of this announcement, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, each of Fujian Zhichuang and the Vendor and their respective ultimate beneficial owners is an Independent Third Party of the Company and its connected persons.

Asset to be acquired

Building No. 11, Phase 2, Lot 2, Sun Hang Kai, Emerald City, Section 2 Lan An Road, Jiangyang District, Luzhou City, Sichuan Province, the PRC* (中國四川省瀘州市江陽區藍安路二段新恒基•翡翠城項目二號地塊二期11號樓).

Consideration and payment

The Consideration, being RMB19,122,768, representing approximately RMB7,063 per sq.m. of the Property, shall be satisfied by settling part of the trade receivables of Sichuan Co. due from Fujian Zhichuang in the sum of RMB19,122,768. Details of the trade receivables are as follows:

	Sichuan Co.
Date of the service agreement with Fujian Zhichuang	28 July 2018
Unaudited balance as at the date of the Agreement	approximately RMB30,534,000

The Consideration was arrived at after arms' length negotiations between Sichuan Co., Fujian Zhichuang and the Vendor and taken into account (i) the valuation of the Property at approximately RMB27,000,000, representing approximately RMB9,973 per sq.m., based on a draft valuation appraisal conducted on 14 October 2018 by an independent valuer commissioned by the Company and (ii) a discount to reflect a lower liquidity of fixed asset than cash.

Conditions precedent and Completion:

Completion shall be conditional upon and subject to:

- (1) no approval is required from shareholders of the Company in relation to the Acquisition;
- (2) the valuer commissioned by the Company issues a valuation report on the Property which the form and substance shall be satisfactory to the Board;
- (3) obtaining of authorisation from the Board in relation to the implementation of the Agreement and the obligations contemplated thereunder;
- (4) the PRC legal adviser commissioned by Sichuan Co. issues a due diligence report in relation to the Property which the form and substance shall be satisfactory to the Board;
and
- (5) the confirmation by Sichuan Co. and the Vendor on the content of Commodity Housing Agreement.

In the event that any of the above condition precedent is not fulfilled and/or waived by Sichuan Co., as the case may be within three months from the date of the Agreement, the Agreement shall be terminated by the parties and the parties shall be released from any obligations thereunder. The parties to the Agreement can extend the long stop date for fulfilment of the conditions precedent in writing.

INFORMATION OF THE PROPERTY

The Property is located at Sun Hang Kai, Emerald City, Section 2 Lan An Road, Jiangyang District, Luzhou City, Sichuan Province, the PRC* (中國四川省瀘州市江陽區藍安路二段新恒基·翡翠城). It is estimated to have a gross floor area of approximately 2,707.44 sq.m. (subject to adjustment). The terms of the underlying land use rights of the Property is from 1 May 2011 to 30 April 2051. Sun Hang Kai, Emerald City is approximately 1,800 acre with 20,000 sq.m. lakeside theme park. It aims to provide a large-scale ecological residential area for the population of 30,000. The Property is being constructed as at the date of the Agreement and it is expected that it will be completed on or about 31 December 2019. It is expected that it will be for commercial use, such as shopping mall and supermarket etc..

Immediately after the Completion, the Property will be directly held by Sichuan Co..

INFORMATION OF FUJIAN ZHICHUANG AND THE VENDOR

Fujian Zhichuang is a company established under the laws of the PRC and is principally engaged in real estate agency services, real estate marketing planning, real estate services, corporate marketing strategy, corporate image planning, event planning, public relations planning, etc.

Reference is made to the announcements of the Company dated 18 May 2018 and 28 August 2018 in relation to the strategic cooperation framework agreement entered into between Xinhua News Media Limited, a wholly owned subsidiary of the Company and Fujian Zhichuang for the provision of media promotion, marketing strategy and media operation services for real estate development projects.

The Vendor is a company established under the laws of the PRC and is principally engaged in land development, project management and marketing planning.

As at the date of this announcement, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, each of Fujian Zhichuang and the Vendor and their respective ultimate beneficial owners is an Independent Third Party of the Company and its connected persons.

INFORMATION OF THE GROUP AND SICHUAN CO.

The Group is principally engaged in the provision of cleaning and related services, the provision of medical waste treatment service, the provision of waste treatment service and the provision of television screen broadcast business. The Group also intends to (i) refine, expand and diversify the Company's television screen broadcast business into a wider service chain, namely the advertising media business, in which its scope is likely to include media strategy, planning and management, product launching, brand building, event marketing as well as the development and operations of advertising media; (ii) develop new business opportunities in properties investment and property agency business; and (iii) develop new business opportunities in technology, media and telecommunication.

Sichuan Co., a subsidiary indirectly owned by the Company as to 51%, was established under the laws of the PRC. It is principally engaged in media strategy, planning and management, product launching brand building, event marketing, advertisement design, as well as property agency and sales services, property investment and property management advisory services.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors believe that the Acquisition would mark a milestone to implement one of the Group's business strategies.

The Acquisition offers the Group an invaluable property investment opportunity for capital preservation, capital appreciation and stable rental income in the future, at a discounted price compared to the market value of the Property as stated in the draft valuation appraisal.

In view of the foregoing, the Directors consider that the terms of the Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As more than one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the transactions contemplated under the Agreements will constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirement but exempt from shareholders' approval requirement under chapter 14 of the Listing Rules.

As the Completion is subject to the fulfilment and/or waiver, of the conditions precedent set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the use of capitalised terms in this announcement shall have the following meanings:

“Acquisition”	the acquiring of the Property by Sichuan Co. in accordance with the terms of the Agreement
“Agreement”	the agreement dated 15 October 2018 entered into between Sichuan Co., Fujian Zhichuang and the Vendor in relation to the Acquisition
“Board”	the board of Directors
“Commodity Housing Agreement”	the agreement to be entered into between Sichuan Co. and Fujian Zhichuang in relation to sale and purchase of the Property within three days upon the Completion
“Company”	Xinhua News Media Holdings Limited (新華通訊頻媒控股有限公司), a limited company incorporated in the Cayman Islands and whose Shares are listed on Main Board (stock code: 309)
“Completion”	completion of the Agreement

“Consideration”	the consideration for the Acquisition, being RMB19,122,768
“Director(s)”	the director(s) of the Company
“Fujian Zhichuang”	Fujian Province Zhi Chuang Zhi Yuan Marketing Planning Company Limited* (福建省智創致遠營銷策劃有限公司), a company established under the laws of the PRC
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who are independent of and not connected with or acting in concert (as defined under the Codes of Takeovers and Mergers and Share Buy-backs of Hong Kong) with, the Company, any of its connected persons (as defined under the Listing Rules) or any of their respective associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Property”	Building No. 11, Phase 2, Lot 2, Sun Hang Kai, Emerald City, Section 2 Lan An Road, Jiangyang District, Luzhou City, Sichuan Province, the PRC* (中國四川省瀘州市江陽區藍安路二段新恒基 • 翡翠城項目二號地塊二期11號樓), being constructed and owned by the Vendor as at the date of the Agreement
“RMB”	Reminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Sichuan Co.”	Sichuan Chuang Fu Hai Cultural Broadcast Limited* (四川創富海文化傳播有限公司), a company established under the law of the PRC and is a subsidiary indirectly owned by the Company as to 51%
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Luzhou City Jiangyang District Lantian Land Organisation and Development Company Limited* (瀘州市江陽區藍田土地整理開發有限公司), a company established under the laws of the PRC
“%”	per cent.

By order of the Board
Xinhua News Media Holdings Limited
Chan Chun Wo
Co-Chairman & Executive Director

Hong Kong, 15 October 2018

As at the date of this announcement, the Board comprises six executive Directors, namely, Mr. Lo Kou Hong, Mr. Chan Chun Wo, Mr. David Wei Ji, Mr. Huang Wen Kai, Ms. Chen Ming and Mr. Li Bing; and four independent non-executive Directors, namely, Mr. Wang Qi, Mr. Tsang Chi Hon, Mr. Ho Hin Yip and Ms. Lee Suen.

* *For identification purpose only*