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ONEMEDIAGROUP
ONE MEDIA GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 426)

**(1) ANNOUNCEMENT PURSUANT TO
RULE 13.09 OF THE LISTING RULES AND
RULE 3.7 OF THE TAKEOVERS CODE AND
INSIDE INFORMATION PROVISIONS UNDER
THE SECURITIES AND FUTURES ORDINANCE
AND
(2) RESUMPTION OF TRADING OF
SHARES OF THE COMPANY**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of One Media Group Limited (the “**Company**”) dated 12 January 2016 and 12 February 2016 respectively (the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Company wishes to update the Shareholders that the Board has been informed by the Vendor that the latter had, outside trading hours on 4 March 2016, entered into a memorandum of understanding (the “**MOU**”) regarding the Possible Disposal with an independent third party, Qingdao West Coast Holdings (Internation) Limited (青島西海岸控股(國際)有限公司) (the “**Potential Purchaser**”), whose ultimate controlling shareholder is a PRC State-Owned Enterprise (an “**SOE**”).

As an SOE is required by PRC law to obtain the prior approval of the National Development and Reform Commission (“**NDRC**”) before making any outbound investment in an industry of a sensitive nature such as news and media, and the business of the Group falls within this industry, the parties have entered into the MOU, among other things, to facilitate the Potential Purchaser and/or its holding companies to apply for the requisite approval from the NDRC for the Possible Disposal.

Under the MOU, the parties undertake to each other to use their respective reasonable endeavours to procure all necessary regulatory and/or governmental approvals in relation to the Possible Disposal on a timely basis, including but not limited to those of the NDRC, the Securities and Futures Commission, and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), if necessary.

The Possible Disposal, if it materialises, will lead to a change in control of the Company and a mandatory unconditional general offer under Rule 26.1 of the Takeovers Code. Accordingly, the Company will comply with the relevant requirements of the Takeovers Code and the Listing Rules and make further announcement(s) as and when appropriate.

PRINCIPAL TERMS OF THE MOU IN RESPECT OF THE POSSIBLE DISPOSAL

Transfer of Shares under the Possible Disposal

Subject to a formal binding share transfer agreement (the “**Share Transfer Agreement**”) being entered into between the parties, it is the parties’ intention that:

- (1) the Potential Purchaser shall acquire all of the 292,700,000 Shares currently held by the Vendor, representing approximately 73.01% of the entire issued share capital of the Company (the “**Target Shares**”) as at the date of the MOU; and
- (2) from the date of the signing of the MOU to and including 15 April 2016 (the “**Exclusivity Period**”), the parties shall negotiate in good faith with one another with a view to entering into the Share Transfer Agreement as soon as possible, and in any event within the Exclusivity Period.

Earnest Money

Pursuant to the MOU, the Potential Purchaser shall place with the Potential Purchaser’s legal counsel, as escrow agent, a sum of HK\$6,000,000 as earnest money (the “**Earnest Money**”) within seven (7) days of the date of the execution of the MOU. The Earnest Money shall be refunded to the Potential Purchaser within seven (7) business days, upon the earlier occurrence of the following events: (i) the expiry of the Exclusivity Period; and (ii) the receipt by the Vendor of a written notice served by the Potential Purchaser requesting the refund of the Earnest Money and indicating that the Potential Purchaser has decided not to proceed with the negotiation of the Possible Disposal, in which case, the Exclusivity Period shall automatically lapse upon the receipt by the Potential Purchaser of the Earnest Money.

Exclusivity

During the Exclusivity Period:

- (1) the Vendor shall not, and shall procure that none of its direct and indirect holding companies, controlling shareholders and their respective directors shall, without the prior consent of the Potential Purchaser, enter into any discussion, negotiation or agreement with any third party with respect to the disposal of any Target Shares; and

- (2) the Potential Purchaser shall not, and shall procure that none of its direct and indirect holding companies shall, without the prior written consent of the Vendor, enter into any discussion, negotiation or agreement with any third party in respect of any acquisition of any shares, securities, or equity interests of any companies whose business is similar to the Company or whose shares are listed on the Stock Exchange.

Upon the receipt by the Vendor of a written notice served by the Potential Purchaser requesting the refund of the Earnest Money and indicating that the Potential Purchaser has decided not to proceed with the negotiation of the Possible Disposal, the Exclusivity Period shall expire and lapse, and neither party shall continue to be bound by its obligations under the Exclusivity clause.

Due Diligence

The parties agree that each of the parties and their respective advisers and agents shall be entitled to conduct due diligence reviews on the other party for the purposes consummating the transactions contemplated under the Share Transfer Agreement (the “**Due Diligence Review**”). The parties shall be entitled to refuse any due diligence review request upon the expiry of the Exclusivity Period.

Legal Effect of the MOU

Save for the provisions described above under the heading “Transfer of Shares under the Possible Disposal” and “Earnest Money”, the provisions of the MOU are legally binding on the parties.

The MOU shall remain in effect from the date of the MOU until the earlier of (a) the execution of the Share Transfer Agreement; and (b) the expiry of the Exclusivity Period (save for the provisions relating to confidentiality and each party’s responsibility for bearing its own costs and expenses in connection with the preparation, negotiation, execution and performance of the MOU and the Share Transfer Agreement.)

MONTHLY UPDATE

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid discussions will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made.

Shareholders and potential investors should be aware that the Possible Disposal by the Vendor may or may not proceed. Hence, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s). Further announcement(s) will be made by the Company as and when appropriate in accordance with the Takeovers Code and the Listing Rules.

RESUMPTION OF TRADING OF SHARES OF THE COMPANY

At the request of the Company, trading in the Shares was suspended with effect from 1:00 p.m. on 4 March 2016 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 7 March 2016.

By order of the Board
One Media Group Limited
TIONG Kiew Chiong
Director

Hong Kong, 4 March 2016

As at the date of this announcement, the Board comprises Tan Sri Datuk Sir TIONG Hiew King, being non-executive director; Mr. TIONG Kiew Chiong and Mr. LAM Pak Cheong, being executive directors; and Mr. YU Hon To, David, Mr. Victor YANG and Mr. LAU Chi Wah, Alex, being independent non-executive directors.

All the directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.