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SINOMEDIA HOLDING LIMITED
中視金橋國際傳媒控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 623)

CONTINUING CONNECTED TRANSACTION
NEW XINZHOU LEASE

Reference is made to the announcement of the Company dated 30 March 2009 in relation to the lease of certain premises located at Haidian District in Beijing which is due to expire on 31 January 2010.

The Board announces that due to corporate relocation, the lease is now taken up by the Tenant with slight reduction in area leased. Accordingly, the Original Xinzhou Lease was terminated and the New Xinzhou Lease was entered into between the Landlord and the Tenant.

The Landlord is a Director and therefore a connected person of the Company under the Listing Rules.

Based on the five test calculations set out in Rule 14.07 of the Listing Rules, the Relevant Ratios in respect of the New Xinzhou Lease are more than 0.1% but less than 2.5% and accordingly the New Xinzhou Lease is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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Date: 28 September 2009

Parties: (i) Ms. Liu Jinlan (劉矜蘭女士) (as the Landlord)
(ii) Beijing Golden Bridge Senmeng Media Advertising Company Limited, an indirect non-wholly owned subsidiary of the Company (as the Tenant)

Premises: An area of 1,024.34 square meters situated at Rooms 603-606, Xinzhou Commercial Building, 58 Fucheng Road, Haidian District, Beijing, PRC (the “Premises”).

Rental and Payment Terms: About RMB972,099 (equivalent to approximately HK\$1,103,332) per year (exclusive of management and other utilities fees), based on daily rental of RMB2.6 (equivalent to approximately HK\$2.95) per square meter and the total rental area of 1,024.34 square meters.

The rental for the lease period ending on 31 December 2009 amounting to about RMB298,288 (equivalent to approximately HK\$338,557) shall be payable in advance by the Tenant to the Landlord upon signing of the agreement. The rental for the remaining period shall be payable in advance half-yearly.

Term: Three years from 11 September 2009, the date on which the Tenant started occupying the Premises.

After the expiration of the initial term, the Tenant may extend the New Xinzhou Lease by giving three months’ prior written notice to the Landlord with rental to be agreed.

Termination: The Tenant may terminate the New Xinzhou Lease by giving the Landlord 30 business days prior written notice.

Usage: Office

PROPOSED ANNUAL CAPS FOR THE NEW XINZHOU LEASE

The Company proposes that the annual caps for the transaction under the New Xinzhou Lease be as follows:

	Proposed annual amount for the financial year ending 31 December			
	2009	2010	2011	2012
Amount in RMB	298,288	972,099	972,099	676,474
Equivalent to approximately HK\$	338,557	1,103,332	1,103,332	767,798

In respect of the proposed annual caps for the financial year ending 31 December 2012, the Company will re-comply with the relevant requirements set out in Chapter 14A of the Listing Rules when required.

The rental under the New Xinzhou Lease was determined after arm's length negotiations between the parties with reference to the prevailing market rental for similar properties in vicinity.

The terms of the New Xinzhou Lease was only finalized by the parties on 28 September 2009. The rental for the period from 11 September 2009 (the date of occupation) to 28 September 2009 (the date of the New Xinzhou Lease) in the sum of about RMB47,939 (equivalent to approximately HK\$54,411) was below the threshold under 14A.33(3) of the Listing Rules.

REASONS FOR ENTERING INTO THE NEW XINZHOU LEASE

The Premises have been occupied and used by another subsidiary of the Company as office since 1 February 2008. Taking into account of the practical needs of the Tenant, the Company considered that the continued use of the Premises as office of the Tenant would general benefits to the Group as a whole.

The Board (including the independent non-executive Directors) are of the opinion that the New Xinzhou Lease and the transaction thereunder are (i) in the ordinary and usual course of business of the Group and (ii) on normal commercial terms after arm's length negotiations between the parties, and consider that the terms of the New Xinzhou Lease and the proposed annual caps therefor are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES REQUIREMENTS

The Landlord is a Director and therefore a connected person of the Company under the Listing Rules.

Based on the five test calculations set out in Rule 14.07 of the Listing Rules, the Relevant Ratios in respect of the New Xinzhou Lease are more than 0.1% but less than 2.5% and accordingly the New Xinzhou Lease is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL INFORMATION ON THE PARTIES

The Company is principally engaged in media advertising business.

The Tenant is a company established in the PRC, whose 60% interest is owned by the Group. Its principal business is the provision of nationwide advertising coverage and campaign planning and advertisement production services for advertisers and advertising agents.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Board”	the board of Directors;
“Company”	SinoMedia Holding Limited (中視金橋國際傳媒控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 623);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“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;
“Landlord”	Ms. Liu Jinlan (劉矜蘭女士), an executive Director;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Xinzhou Lease”	the lease entered into between the Landlord and the Tenant dated 28 September 2009 in relation to lease of the Premises;
“Original Xinzhou Lease”	the lease entered into between the Landlord and a subsidiary of the Company as renewed on 27 March 2009 in relation to lease of certain premises located at Haidian District in Beijing;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement;
“Relevant Ratio”	any ratio applicable to the New Xinzhou Lease set out in Rule 14.07 of the Listing Rules (in the present case the profits ratio is not applicable);
“RMB”	Renminbi, the lawful currency of PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Tenant” Beijing Golden Bridge Senmeng Media Advertising Company Limited (北京金橋森盟傳媒廣告有限公司) a company established in the PRC, whose 60% interest is owned by the Group;

“%” per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.135 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

On behalf of the Board
SinoMedia Holding Limited
Chen Xin
Chairman

Hong Kong, 28 September 2009

As at the date of this announcement, the Board comprises Mr. Chen Xin, Ms. Liu Jinlan and Mr. Li Zongzhou as executive directors, Mr. Zhu Jia and Mr. Huang Jingsheng as non-executive directors and Mr. Ding Junjie, Mr. Qi Daqing and Mr. Chen Tianqiao as independent non-executive directors.