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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)

SHARE TRANSACTION

CTV Media (Shanghai) and Beijing Senmeng Media currently owns 60% and 40% equity interest in Golden Bridge Senmeng respectively. CTV Media (Shanghai) and Beijing Senmeng Media now have come into an agreement in respect of the arrangement for acquisition of the remaining 40% interest in Golden Bridge Senmeng. This involves the signing of the Second Supplemental Agreement and the Option Agreement, each of which is part and parcel to the other. They together form the basis for calculating the consideration for the intended acquisition of the remaining 40% interest in Golden Bridge Senmeng, accordingly they are aggregated for the purpose of the Listing Rules.

The Board announces that on 17 November 2010, (a) CTV Media (Shanghai) entered into the Second Supplemental Agreement with Beijing Senmeng Media to further amend the Cooperation Agreement in respect of the acquisition of the remaining 40% interest in Golden Bridge Senmeng by CTV Media (Shanghai); and (b) the Company and Mr. Yeung, the beneficial owner of Beijing Senmeng Media, entered into the Option Agreement, pursuant to which the Company shall grant the Options to Mr. Yeung for subscription of Shares in the Company, which are to be issued pursuant to the general mandate granted to the directors at the annual general meeting of the Company held on 28 May 2010.

As the Second Supplemental Agreement and the Option Agreement together form the basis for calculating the consideration for the intended acquisition of the remaining 40% interest in Golden Bridge Senmeng, accordingly they are aggregated for the purpose of the Listing Rules. In computing the relevant applicable percentage ratios (as defined in Rule 14.04(9) of the Listing Rules) for the Transaction, the Company has also aggregated the previous acquisition of 9% interest in Golden Bridge Senmeng by CTV Media (Shanghai) under the Cooperation Agreement.

Given both Beijing Senmeng Media and Mr. Yeung (the former being a substantial shareholder of Golden Bridge Senmeng, while the latter being its 100% beneficial owner) are connected persons of the Company, the Transaction constitutes a connected transaction under the Listing Rules. However, the Transaction is exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules since it meets the requirement under Rule 14A.31(9) of the Listing Rules.

However, part of the consideration of the Transaction (i.e. those under the Option Agreement) includes securities for which listing will be sought and the relevant applicable percentage ratios for the Transaction are less than 5%, the Transaction also constitutes a share transaction under Rule 14.06 of the Listing Rules and is subject to the announcement requirement.

Reference is made to the Previous Announcement in relation to the Cooperation Agreement and the Supplemental Agreement entered into between CTV Media (Shanghai) and Beijing Senmeng Media, pursuant to which CTV Media (Shanghai) will acquire from Beijing Senmeng Media the then remaining interest of 49% in Golden Bridge Senmeng. As at the date hereof, only the first equity transaction for acquisition of 9% equity interest in Golden Bridge Senmeng as mentioned in the Cooperation Agreement has been completed. CTV Media (Shanghai) and Beijing Senmeng Media currently owns 60% and 40% equity interest in Golden Bridge Senmeng respectively. CTV Media (Shanghai) and Beijing Senmeng Media now have come into an agreement in respect of the arrangement for acquisition of the remaining 40% interest in Golden Bridge Senmeng. This involves the signing of the Second Supplemental Agreement and the Option Agreement, each of which is part and parcel to the other. They together form the basis for calculating the consideration for the intended acquisition of the remaining 40% interest in Golden Bridge Senmeng, accordingly they are aggregated for the purpose of the Listing Rules.

SECOND SUPPLEMENTAL AGREEMENT

Date: 17 November 2010

Parties: (i) CTV Media (Shanghai); and
(ii) Beijing Senmeng Media

Beijing Senmeng Media, a substantial shareholder of Golden Bridge Senmeng, is a connected person of the Company and the transaction contemplated under the Second Supplemental Agreement constitutes a connected transaction under the Listing Rules. However, the transaction is exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules since it meets the requirement under Rule 14A.31(9) of the Listing Rules.

The Second Supplemental Agreement further revises the Cooperation Agreement and sets out the details, such as the timing and consideration, for the acquisition by CTV Media (Shanghai) of the remaining 40% equity interests in Golden Bridge Senmeng.

Major Terms:

1. Acquisition of the first 20% interest in Golden Bridge Senmeng (to take place in 2010)

The acquisition shall take place within 15 days after the completion of the registration of transfer with the relevant PRC authority and the consideration is determined according to a specific formula which takes into account the audited net assets value of Golden Bridge Senmeng for 2009 and the consideration as determined is approximately RMB469,000 (equivalent to approximately HK\$537,000).

2. Acquisition of the next 10% interest in Golden Bridge Senmeng (to take place in 2011)

The acquisition shall take place within 45 days after the completion of the audit for the financial results of Golden Bridge Senmeng for the year ended 31 December 2010. The consideration is determined according to a specific formula which takes into account the audited net profit of Golden Bridge Senmeng for 2010.

3. Acquisition of the last 10% interest in Golden Bridge Senmeng (to take place in 2014)

The acquisition shall take place in 2014 and is subject to the following condition precedents:

- (i) the exclusive advertising agency agreement of Golden Bridge Senmeng are all renewed in respect of CCTV-7 for the years from 2012 to 2014 and the relevant fees payable thereunder shall not be increased by more than a specified percentage each year; and
- (ii) the completion of the audit for the financial results of Golden Bridge Senmeng for the year ended 31 December 2013.

The consideration is determined according to a specific formula which takes into account the average of the audited net profits of Golden Bridge Senmeng from 2011 to 2013.

If Golden Bridge Senmeng suffers loss for any year from 2011 to 2013, the minimum consideration shall be applied (i.e. the consideration shall not be less than 10% of the audited net assets value of Golden Bridge Senmeng at the end of the year 2013 and it shall not be more than the aggregation of cash, deposits and notes receivables of Golden Bridge Senmeng).

If CTV Media (Shanghai) has not acquired the remaining 10% interest in 2014, it has an option to acquire such 10% interest until 31 December 2016.

INFORMATION ON THE TARGET

As Golden Bridge Senmeng was established in late 2008, the only available financial results of Golden Bridge Senmeng for the period since its incorporation are that for the financial year ended 31 December 2009. Set out below are the audited financial information of Golden Bridge Senmeng for the financial year ended 31 December 2009:

Net loss before taxation and extraordinary items: RMB26,886,000 (equivalent to approximately HK\$30,758,000)

Net loss after taxation and extraordinary items: RMB20,175,000 (equivalent to approximately HK\$23,080,000)

Based on the audited accounts of Golden Bridge Senmeng, the net book value of the assets of Golden Bridge Senmeng as at 31 December 2009 was RMB7,812,000 (equivalent to approximately HK\$8,937,000).

OPTION AGREEMENT

Date: 17 November 2010

Parties: (i) the Company; and
(ii) Mr. Yeung

Mr. Yeung is the beneficial owner of 100% interest in Beijing Senmeng Media, therefore Mr. Yeung is a connected person of the Company and the transaction contemplated under the Option Agreement constitutes a connected transaction under the Listing Rules. However, the transaction is exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules since it meets the requirement under Rule 14A.31(9) of the Listing Rules.

Major Terms:

Within 45 days after the completion of audit of the accounts of Golden Bridge Senmeng for the financial year 2010, the Company shall grant a number of the Options to Mr. Yeung and the number of the Options granted to Mr. Yeung is determined according to a specific formula which takes into account (i) the audited net assets value of Golden Bridge Senmeng for 2009; (ii) the audited net profit of Golden Bridge Senmeng for 2010; (iii) the average closing price of the Shares from 27 September 2010 to 7 October 2010 which is HK\$2.345; and (iv) the price-earning multiple of 6 times.

Each Option granted will enable Mr. Yeung to subscribe for one Share at the exercise price of HK\$0.0003125 per Share which equals the par value of the Share. The exercise period will be from the date of grant to the fifth anniversary of such grant. The Shares to be issued on exercise of the Options will be issued pursuant to the general mandate granted to the directors at the annual general meeting of the Company held on 28 May 2010.

The number of Shares to be subscribed for under the Option Agreement is estimated to be less than 4,600,000. Application will be made to the Stock Exchange for the listing of and permission to deal in the Shares issued upon the exercise of the Options granted under the Option Agreement.

REASONS FOR ENTERING INTO THE TRANSACTION

As mentioned in the Previous Announcement, Beijing Senmeng Media was one of the largest underwriters of TV advertisement time for agricultural programmes of CCTV-7, with extensive experience in the marketing strategy development and advertisement operation in Chinese rural market. The investment in Golden Bridge Senmeng will bring to the Group promising development potential for the advertising business operation in respect of CCTV-7, and facilitate the Group to provide a wider range of high quality media choices to its existing clients. Since CCTV-7 agriculture related programs are managed by the China Agriculture Film and Television Center, the Group can also diversify its supply of media resources through Golden Bridge Senmeng.

The revised timing and consideration for acquisition of the remaining 40% interest in Golden Bridge Senmeng as contemplated under the Second Supplemental Agreement will better fit into the Group's current development plan. In particular, with the grant of Option as part of the revised deal structure, the Group can spare the cash payable for the acquisition as originally contemplated under the Supplemental Agreement and use it for other business development. The transaction can also encourage the shareholders of Golden Bridge Senmeng to devote to enhancing the overall value of the Company and the Shareholders. Further, the Option arrangement will help broaden the Shareholders' base and the capital base of the Company. The Directors consider that the terms and conditions of the Second Supplemental Agreement and the Option Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

LISTING RULES REQUIREMENTS

As the Second Supplemental Agreement and the Option Agreement together form the basis for calculating the consideration for the intended acquisition of the remaining 40% interest in Golden Bridge Senmeng, they are aggregated for the purpose of the Listing Rules. In computing the relevant applicable percentage ratios (as defined in Rule 14.04(9) of the Listing Rules) for the Transaction, the Company has also aggregated the previous acquisition of 9% interest in Golden Bridge Senmeng by CTV Media (Shanghai) under the Cooperation Agreement.

Given both Beijing Senmeng Media and Mr. Yeung (the former being a substantial shareholder of Golden Bridge Senmeng while the latter being its 100% beneficial owner) are connected persons of the Company, the Transaction constitutes a connected transaction under the Listing Rules. However, the Transaction is exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules since it meets the requirement under Rule 14A.31(9) of the Listing Rules.

However, part of the consideration of the Transaction (i.e. those under the Option Agreement) includes securities for which listing will be sought and the relevant applicable percentage ratios for the Transaction are less than 5%, the Transaction also constitutes a share transaction under Rule 14.06 of the Listing Rules and is subject to the announcement requirement.

GENERAL INFORMATION ON THE PARTIES

The Company is principally engaged in media advertising business.

Beijing Senmeng Media is principally engaged in the business of advertising agency, design and publication.

DEFINITIONS

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

“Beijing Senmeng Media”	北京森盟傳媒廣告有限公司 (Beijing Senmeng Media Advertising Co., Ltd.), a limited liability company established in the PRC and a third party independent of the Company
“Board”	the board of Directors
“CCTV-7”	Channel 7 of China Central Television Station
“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)
“Cooperation Agreement”	the agreement dated 9 January 2009 entered into between CTV Media (Shanghai) and Beijing Senmeng Media in relation to Golden Bridge Senmeng and supplemented by the Supplemental Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CTV Media (Shanghai)”	CTV Golden Bridge International Media Co., Ltd. (中視金橋國際傳媒有限公司), a sino-foreign equity joint venture enterprise which is owned as to 99.7% by the Company
“Directors”	the directors of the Company
“Golden Bridge Senmeng”	北京金橋森盟傳媒廣告有限公司 (Beijing Golden Bridge Senmeng Media Advertising Co., Ltd.), a limited liability company established in the PRC on 6 November 2008
“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

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Yeung”	the legal owner of 51% equity interest and the beneficial owner of 100% equity interest in Beijing Senmeng Media
“Option”	the option to be granted pursuant to the Option Agreement which entitles Mr. Yeung in accordance with the terms thereof to subscribe for the shares in the Company
“Option Agreement”	the option agreement dated 17 November 2010 entered into between the Company and Mr. Yeung pursuant to which the Company will grant the Options to Mr. Yeung
“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
“Previous Announcement”	an announcement of the Company dated 14 January 2009
“RMB”	Renminbi, the lawful currency of PRC
“Second Supplemental Agreement”	the agreement dated 17 November 2010 entered into between CTV Media (Shanghai) and Beijing Senmeng Media in relation to certain further amendments to the Cooperation Agreement
“Share(s)”	share(s) of HK\$0.0003125 each in the capital of the Company
“Shareholder(s)”	registered holder(s) of the shares in the Company
“Supplemental Agreement”	the agreement date 13 January 2009 entered into between CTV Media (Shanghai) and Beijing Senmeng Media in relation to certain amendments to the Cooperation Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transactions contemplated under the Second Supplemental Agreement and the Option Agreement
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.144 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, 17 November 2010

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.