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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)**

**DISCLOSEABLE TRANSACTION — FRAMEWORK AGREEMENT  
IN RELATION TO ACQUISITION OF PROPERTY**

To facilitate the future development of the Group, the Board sees the need of acquiring the Property as office premises. The Property is currently legally and beneficially owned by the Vendor Company, which in turn is owned by the Vendors. The acquisition involves the Restructuring since the Vendor Company holds the Property as well as other assets and liabilities. The acquisition also involves the Required Property Modifications so that the Property will be in a state suitable for the intended use of the Group.

On 21 September 2011, the Purchaser entered into the Framework Agreement with the Vendors and the Vendor Company, whereby the Parties set out the framework for the Restructuring and the Required Property Modifications. Ultimately, the Group will hold the entire interest in the Target Company which in turn will hold the Property.

Pursuant to Rule 14.06 of the Listing Rules, the Framework Agreement constitutes a discloseable transaction of the Company as certain relevant percentage ratio(s) under Rule 14.07 of the Listing Rules exceeds 5% but are under 25%.

**THE FRAMEWORK AGREEMENT**

**Date** 21 September 2011

**Parties**

(1) Vendors Mr. Ji; and  
Mr. Fan

(2) Vendor Company Shi Mao Tian Jie Investment (Beijing) Company Limited

(3) Purchaser CTV Golden Bridge International Media Co., Ltd., a sino-foreign equity joint venture enterprise which is owned as to 99.7% by the Company

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Vendors and the Vendor Company is an Independent Third Party.

## **BACKGROUND**

To facilitate the future development of the Group, the Board sees the need of consolidating current office locations of various subsidiaries and departments and preparing office for new project operation, thus acquiring the Property as office premises. The Property is currently legally and beneficially owned by the Vendor Company, which in turn is owned by Mr. Ji and Mr. Fan. The acquisition involves the Restructuring since the Vendor Company holds the Property as well as other assets and liabilities. The acquisition also involves the Required Property Modifications so that the Property will be in a state suitable for the intended use of the Group. The Framework Agreement sets out the framework for the Restructuring and the Required Property Modifications. Ultimately, the Group will hold the entire interest in the Target Company which holds the Property.

## **VENDORS' AND THE VENDOR COMPANY'S OBLIGATIONS**

Under the Framework Agreement, the Vendors and the Vendor Company are obliged to perform the Restructuring and the Required Property Modifications within the specified time limit.

### **1. Restructuring**

The Vendors and the Vendor Company are required to complete the necessary procedures for effecting (i) the establishment of the Target Company under the laws of PRC; (ii) the spin-off of other assets and liabilities of the Vendor Company such that all the assets and liabilities not related to the Property will be carved out and injected into the Vendor Sub-Company whereas those related to the Property will be maintained by the Target Company; (iii) the signing by the Vendors and the Vendor Company of all necessary agreements to have the entire interest in the Target Company be transferred to the Purchaser free from any charge or encumbrances. Such procedures including the obtaining of the new business registration licence of the Target Company and all the aforesaid must be completed within 2 years from the date of signing the Framework Agreement.

### **2. Required Property Modifications**

#### **(i) *Land-use Confirmation***

The Vendors and the Vendor Company are required to complete all the procedures for effecting the Land-use Confirmation to ensure that the Property can serve as office premises within 2 years from the date of signing the Framework Agreement.

#### **(ii) *Basic Utilities Reconstruction***

The Vendors and the Vendor Company are required to complete the Basic Utilities Reconstruction of the Property within 1 year from the date of signing the Framework Agreement.

***(iii) Renovation of the Property***

The Vendors and the Vendor Company are required to have (i) acquired the necessary permissions for the Renovation from the relevant PRC regulatory authorities in respect of, inter alia, inner structure and fire safety, (ii) completed the Renovation pursuant to such permissions and (iii) made necessary filings to relevant PRC regulatory authorities after the completion of such Renovation, within 1 year from the date of signing the Framework Agreement. All expenses arising from such renovation of the Property, the amount of which shall be previously agreed by the Purchaser, shall be paid by the Purchaser.

## **COMPLETION**

Completion shall take place upon the completion by the Vendor to the satisfaction of the Purchaser of the Restructuring and the Required Property Modifications in accordance with the terms of the Framework Agreement. The Vendor shall deliver up the Property to the Purchaser within 60 days from the Completion.

## **CONSIDERATION**

The Consideration of RMB258,000,000 (equivalent to approximately HK\$315,018,000) was determined after arm's length negotiations between the Parties on normal commercial terms and with reference to the estimate market value of the Property. It is intended that the Consideration comprises (i) the consideration for the transfer of the equity interest in the Target Company from the Vendors to the Purchaser; (ii) the fees for obtaining the necessary approvals and permits from the relevant PRC regulatory authority for the intended use of the Property; and (iii) the expenses related to the Basic Utilities Reconstruction.

The Consideration shall be settled by the Purchaser in cash in two instalments, among which, about 90% of the Consideration shall be paid to the Vendors by the Purchaser within 7 days from the date of signing the Framework Agreement whereas the remaining Consideration shall be paid within 15 working days after Completion.

The acquisition will be financed by internal resources of the Group.

## **TERMINATION**

In case of (a) any of representations and warranties made by the Vendors and/or the Vendor Company in the Framework Agreement is found to be untrue or incorrect, or (b) default of the Vendors and/or the Vendor Company in respect of their obligations to complete (i) the Restructuring or (ii) the Basic Utilities Reconstruction and/or the Land-use Confirmation after completing the Restructuring, within the specified time, the Purchaser is entitled to terminate the Framework Agreement.

Upon such termination, (a) the Vendors shall repay to the Purchaser all the Consideration paid by the Purchaser under the Framework Agreement and an interest at 10% per annum within 15 working days after the receipt of the termination notice; (b) the Vendors and/or the Vendor Company shall refund to the Purchaser all expenses in relation to the Renovation paid by the Purchaser; and (c) the Purchaser shall deliver up the Property (if the Property has been delivered to the Purchaser) back to the Vendor Company.

## **INFORMATION ON THE TARGET COMPANY**

Golden Bridge Tianjie Investment Company Limited, a company to be established under the laws of PRC after the Restructuring of the Vendor Company, which is to have the Property as its only asset.

## **INFORMATION ON THE PROPERTY**

The Property is located at 12 Dongdaqiao Road, Chaoyang District which is at the heart of Beijing, PRC. It has an aggregate land use right area of approximately 3,651 square meters on which erected a building with a total gross floor area of approximately 5,722 square meters.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group intends to use the Property as its office with a view to facilitate its future development. Moreover, the Board believes that the Property is of good quality and can potentially be of high commercial value.

The terms of the Framework Agreement were arrived at after arm's length negotiation amongst the Purchaser, the Vendors and the Vendor Company. The Board, including the independent non-executive Directors, considers the terms of the Framework Agreement to be fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

Pursuant to Rule 14.06 of the Listing Rules, the Framework Agreement constitutes a discloseable transaction of the Company as certain relevant percentage ratio(s) under Rule 14.07 of the Listing Rules exceeds 5% but are under 25%.

The Board wishes to confirm that no Director has any material interest in the said transaction and therefore none of them is required to abstain from voting on the board resolution for approving the said transaction.

## **GENERAL INFORMATION OF THE PARTIES**

The Company is principally engaged in media advertising business.

The Vendor Company is an enterprise established under the PRC laws which is the 100% legal and beneficial owner of the Property.

The Vendors are PRC residents and Independent Third Parties to the Group. Mr. Ji and Mr. Fan currently holds 50% and 50% of the Vendor Company respectively.

## **DEFINITION**

“associate(s)”	has the meanings ascribed thereto under the Listing Rules
“Basic Utilities Reconstruction”	the renovation and reconstruction of the existing basic utilities facilities in the Property including but not limited to electricity, water, heat and gas supply
“Board”	the board of Directors
“Consideration”	the amount of RMB258,000,000 being the total consideration for the sale and purchase of the entire equity interest of the Target Company
“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)
“Completion”	the completion of Restructuring and Required Property Modifications upon the Purchaser’s notice of satisfaction
“Directors”	directors of the Company
“Framework Agreement”	the framework agreement entered into among the Vendors, the Vender Company and the Purchaser on 21 September 2011
“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 People’s Republic of China
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are not connected with (within the meanings of the Listing Rules) any Directors, chief executive or substantial shareholders (within the meanings of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
“Land-use Confirmation”	the confirmation of the Property being suitable for commercial use

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the parties to the Framework Agreement
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macao Special Administrative Region and Taiwan, for the purposes of this announcement
“Property”	the land and building situated at 12 Dongdaqiao Road, Chaoyang District, Beijing, the PRC ( 中國北京市朝陽區東大橋路 12 號 )
“Required Property Modifications”	collectively the Land-use Confirmation, the Basic Utilities Reconstruction and the Renovation
“Purchaser”	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
“RMB”	Renminbi, the lawful currency of the PRC
“Renovation”	certain renovation and refurbishing work specified by the Purchaser in the Framework Agreement to be carried out by the Vendors and the Vendor Company
“Restructuring”	has the meaning ascribed to it under the paragraph heading “Restructuring” in this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	initially to be named Golden Bridge Tianjie Investment Company Limited ( 金橋天階投資有限公司 ), a company to be formed after the Restructuring of the Vendor Company, which is to have the Property as its only asset
“Vendors	Mr. Ji ( 吉先生 ) and Mr. Fan ( 樊先生 )
“Vendor Company”	Shi Mao Tian Jie Investment (Beijing) Company Limited ( 世貿天階投資(北京)有限公司 ), an enterprise established under the PRC laws
“Vendor Sub-Company”	a company to be formed pursuant to the Restructuring, which is to have all the assets and liabilities of the Vendor Company that is not related to the Property

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.221 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, 21 September 2011

*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. He Hui David as non-executive directors and Mr. Ding Junjie, Mr. Qi Daqing and Mr. Lian Yuming as independent non-executive directors.*