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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)

VOLUNTARY ANNOUNCEMENT
ACQUISITION OF EQUITY INTEREST

The Directors would like to announce that on 12 December 2012, the Purchaser, which is owned as to 99.7% by the Company, entered into (1) the First Agreement with the First Vendor pursuant to which the Purchaser shall acquire from the First Vendor 45% equity interest in the Target and (2) the Second Agreement with the Second Vendor pursuant to which the Purchaser shall (a) acquire from the Second Vendor 13% equity interest in the Target; and (b) then inject capital into the Target. Upon the completion of the Transactions (i.e. Acquisitions and Capital Injection), the Group will own 75.26% equity interest in the Target which will become a non-wholly owned subsidiary of the Group.

In computing the relevant applicable percentage ratios (as defined in Rule 14.04(9) of the Listing Rules) for the Transactions, the Company has aggregated the consideration of the Transactions. As the relevant applicable percentage ratios are less than 5%, the Transactions does not fall within the notifiable transaction under Chapter 14 of the Listing Rules. However, for the sake of better transparency, the Company would like to make a voluntary announcement for the Transactions.

The Directors would like to announce that on 12 December 2012, CTV Golden Bridge Culture Development (Beijing) Company Limited as the Purchaser has entered into the following agreements:

1. First Agreement with Mr. Wang, an Independent Third Party, as the First Vendor

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| (a) Equity interest to be acquired: | 45% equity interest in the Target |
| (b) Consideration for equity transfer: | The consideration for the 45% equity interest transfer is RMB14,300,000 (equivalent to approximately HK\$17,460,300) |

The Purchaser shall pay 10% of the consideration in the sum of RMB1,430,000 (equivalent to approximately HK\$1,746,030) within 10 working days after the signing of the First Agreement and the remaining balance within 10 days after the satisfaction of certain conditions precedent which are standard for acquisition of equity interest.

2. Second Agreement with Mr. Lei, an Independent Third Party, as the Second Vendor

- (a) Equity interest to be acquired: 13% equity interest in the Target at the consideration of RMB5,090,000 (equivalent to approximately HK\$6,214,890).
- (b) Capital Injection: Upon completion of the acquisition of 13% equity interest by the Purchaser from the Second Vendor, the Purchaser shall inject RMB30,500,000 (equivalent to approximately HK\$37,240,500) into the Target.
- (c) Total commitment: The total commitment to be paid by the Purchaser under the Second Agreement comprises (a) and (b) as mentioned above, totaling RMB35,590,000 (equivalent to approximately HK\$43,455,390).
- (d) Payment terms: The Purchaser shall pay by three instalments of which a sum of RMB509,000 (equivalent to approximately HK\$621,489) representing 10% of the consideration for the 13% equity interest transfer shall be paid within 10 working days after the signing of the Second Agreement and the balance of total commitment over two separate instalments will be paid within 10 days after the satisfaction of certain conditions precedent which are standard for this kind of transactions.

The consideration of the equity transfer will be paid to the Second Vendor whereas the Capital Injection will be paid to the Target.

INFORMATION ON THE TARGET

The Target is an enterprise established under the law of the PRC and the principal business of the Target Group is the operation of an Internet video website in the PRC (www.boosj.com). According to iResearch data in September 2012, the website ranked 12th place among the integrated Internet video websites in PRC. The operation team of the Target possesses mature technology in both Internet and the related Internet video content production. Apart from the general video sharing business, the website also has its own online production, such as online drama series, digital movies and online programs, and its interactive online community. Set out below are the audited consolidated financial information of the Target Group for the two financial years ended 31 December 2011 and the unaudited consolidated financial information of the Target Group for the eight months ended 31 August 2012:

	For the year ended 31 December 2010	For the year ended 31 December 2011	For the eight months ended 31 August 2012
Net loss before taxation and extraordinary items:	RMB8,117,372 (equivalent to approximately HK\$9,911,311)	RMB7,677,417 (equivalent to approximately HK\$9,374,126)	RMB8,641,831 (equivalent to approximately HK\$10,551,676)
Net loss after taxation and extraordinary items:	RMB8,103,035 (equivalent to approximately HK\$9,893,806)	RMB7,674,610 (equivalent to approximately HK\$9,370,699)	RMB8,632,053 (equivalent to approximately HK\$10,539,737)

Based on the unaudited accounts of the Target, the net asset value of the Target Group as at 31 August 2012 was RMB253,184 (equivalent to approximately HK\$309,138).

The consideration for the Acquisitions was arrived at with reference to the market value of comparable companies. The Directors consider that the Transactions were entered into after arm's length negotiations and on normal commercial terms and that the terms are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

REASONS FOR THE TRANSACTIONS

The Acquisitions are the last step of the Group to complete its "three screens" strategic layout. Subsequent to acquisitions of equity interests in the digital pay TV channel — Super Channel, and the mobile TV platform — 100TV, the acquisition of the third "screen" — the Internet video platform, is of utmost importance for the Group to implement its strategic layout of "TV+Internet+mobile" and develop into a media corporation with video media management as its core business. Moreover, the Acquisitions are consistent with the Group's 5-year strategic plan to develop the upstream media business and harness the synergistic effect of "channel+content".

The Group will consolidate its comprehensive media marketing services including multi-channel content production and channel promotion, so as to strengthen the Group's competitiveness in mass communication, content, and creative planning and to meet the market demand for diversified communications.

The total commitment of the Purchaser under the First Agreement and the Second Agreement in the sum of RMB49,890,000 (equivalent to approximately HK\$60,915,690) will be paid from the Purchaser's internal resources.

IMPLICATIONS UNDER THE LISTING RULES

In computing the relevant applicable percentage ratios (as defined in Rule 14.04(9) of the Listing Rules) for the Transactions, the Company has aggregated the consideration of the Transactions. As the relevant applicable percentage ratios are less than 5%, the Transactions does not fall within the notifiable transaction under Chapter 14 of the Listing Rules. However, for the sake of better transparency, the Company would like to make a voluntary announcement for the Transactions.

GENERAL

The Company is principally engaged in media advertising business.

The Purchaser is principally engaged in provision of Internet-related services and content production and distribution.

Target Company is principally engaged in the operation of Internet video website.

DEFINITION

“Acquisitions”	the acquisition by the Purchaser of 45% and 13% equity interest in the Target under the First Agreement and the Second Agreement respectively
“Board”	the board of directors of the Company
“Capital Injection”	the capital injection by the Purchaser into the Target of RMB30,500,000 (equivalent to approximately HK\$37,240,500)
“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)
“Directors”	the directors of the Company

“First Agreement”	an equity acquisition agreement dated 12 December 2012 entered into between the Purchaser and the First Vendor in relation to the acquisition by the Purchaser from the First Vendor of the 45% equity interest in the Target, subject to the terms and conditions contained therein
“First Vendor”	Mr. Wang, who owns 45% equity interest in the Target immediately before the Acquisitions
“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”	party independent of and not connected with any of the Directors, supervisors, chief executive, the substantial shareholders (within the meaning of the Listing Rules) of the Company or any of its subsidiaries or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macao Special Administrative Region and Taiwan for the purposes of this announcement
“Purchaser”	中視金橋文化發展(北京)有限公司 (CTV Golden Bridge Culture Development (Beijing) Company Limited*), which is owned as to 99.7% by the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Second Agreement”	an equity acquisition and capital injection agreement dated 12 December 2012 entered into between the Purchaser and the Second Vendor in relation to (i) the acquisition by the Purchaser from the Second Vendor of the 13% equity interest in the Target; and (ii) the Capital Injection by the Purchaser to the Target of RMB30,500,000 (equivalent to approximately HK\$37,240,500)
“Second Vendor”	Mr. Lei, who owns 55% equity interest in the Target immediately before the Acquisitions
“Shareholders”	the shareholders of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	杭州三基傳媒有限公司 (Hangzhou 3G Media Company Limited*), an enterprise established under the laws of the PRC, which is principally engaged in the operation of an Internet video website (www.boosj.com) (播視網)
“Target Group”	the Target and its subsidiaries
“Transactions”	the Acquisitions and Capital Injection contemplated under the First Agreement and the Second Agreement
“working day(s)”	a day in a week excluding Saturday and Sunday and other statutory holiday of the PRC

For the purposes 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. The English translation of names which are marked with “” is for identification purposes only.*

On behalf of the Board
SinoMedia Holding Limited
Chen Xin
Chairman

Hong Kong, 12 December 2012

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, Mr. Lian Yuming and Ms. Wang Xin as independent non-executive directors.