

[For Immediate Release]



**Acquisition of Internet Video Website and Office Premises
As a Solid Foundation for the Group's Long-term Development**

(12 December 2012 – Hong Kong) – SinoMedia Holding Limited (“SinoMedia”, together with its subsidiaries, known as the “Group”; stock code: 623), a leading media corporation in China, announced today the acquisition of Hang Zhou 3G Media Company Limited (“3G Media”) – a video website operator. Pursuant to the acquisition agreements, SinoMedia will acquire equity interest of 3G Media from the original shareholders and inject capital in 3G Media. The total consideration of the transaction was RMB49.89 million. Upon the completion of the transaction, the Group will own 75.26% equity interest in 3G Media.

3G Media was established in 2006. Its principal business is the operation of an internet video website, www.boosj.com. According to iResearch data in September 2012, the website ranked 12th place among the integrated internet video websites in China. The website’s operation team 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 the interactive online community.

The acquisition is the last step of the Group to complete its “three screens” strategic layout. Subsequent to acquisitions of shares 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 acquisition is consistent with its 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, strengthening the Group’s competitiveness in mass communication, content, and creative planning, so as to meet the market demand for diversified communications.

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On the other hand, SinoMedia also announced the acquisition of office premises in the 6th to 16th floor of the Tianjie Building, situated at Block 4, 9 Guanghai Road, Chaoyang District in Beijing's downtown area, with total gross construction area of approximately 22,187 square meters, and the parking lots located on the 2nd underground floor of the building. The total consideration for the transaction was approximately RMB854 million including the acquisition consideration and the intercepting fees. Meanwhile, the Group will terminate the acquisition of the Dongdaqiao premises which commenced in September 2011 and the vendors shall repay the acquisition consideration of RMB230 million previously paid by the Group (The consideration may be used to offset part of the consideration to be paid for the acquisition of the office premise in Tianjie Building.).

The acquisition of the office premises was mainly attributable to the reason that the Dongdaqiao premises the Group originally planned to acquire is inadequate to satisfy the needs of the current business development and team expansion of the Group. Also, the present office sites of the Group are widely scattered, while the consolidation of office sites can simplify management, strengthen communication and improve operational efficiency, which will support the Group's overall development. Furthermore, the building to be acquired, which will be renamed as "Golden Bridge Tianjie Building", is located near the new CCTV building, which will give regional advantage for related business development and enhance the overall corporate image and the brand name of the Group as a domestic media operation group.

Commenting on both acquisitions, Mr. Chen Xin, Chairman of SinoMedia said, "The Group's proactive investment in the acquisition of internet video websites as well as consolidation and expansion of its office demonstrates the Group's confidence in the future development of media industry in China. The internet video industry is entering to a rapid growth period based on the development foundation in the past few years, and is gradually developing from the stage of homogeneous competition to distinguishing features, with a prosperous market outlook. We believe the Group's acquisition at this timing will create a solid foundation for the Group's long-term development and gradually achieve its strategic goal to develop into "a media corporation with video media management as its core business".

About SinoMedia

SinoMedia was founded in 1999 and listed on the Main Board of the Hong Kong Stock Exchange in 2008. SinoMedia is a member of the China Advertising Association and the International Advertising Association, a China's A Grade Advertising Company, and the director of the executive committee of the Association of Accredited Advertising Agencies of China. As a leading media corporation in China, SinoMedia has focused on building and developing its four core businesses, namely, media resources management, integrated brand communication services, creative production of advertisement and content, and new media investment and integration. Its current businesses cover CCTV media resources, public service advertising broadcast network, online portal site for agriculture, mobile media and overseas media. These businesses span from domestic to international markets and encompass both traditional and new media platforms. SinoMedia integrates the philosophy and operating system that span the entire media value chain and has provided comprehensive, professional, and high-quality brand communication services for more than 1,600 corporate clients and over 500 cities and government organisations.

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