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MAJOR TRANSACTION
FRAMEWORK AGREEMENT IN RELATION TO
(I) NOT TO PROCEED TO COMPLETION — ACQUISITION OF PROPERTY
AT DONGDAQIAO
(II) ACQUISITION OF PROPERTY AT TIANJIE BUILDING

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DEFINITIONS

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

“1st Instalment”	being part of the Consideration to be paid by the Purchaser to a designated account for the repayment of the Mortgage in a sum of RMB540,000,000 (equivalent to approximately HK\$659,340,000)
“5th Floor”	part of the 5th floor of the Tianjie Building with gross internal floor area of approximately 430 square meters and balcony area of approximately 230 square meters
“6th to 16th Floor”	the entire 6th to 16th floor of the Tianjie Building
“associate(s)”	has the meanings ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Consideration”	the consideration for the Tianjie Acquisition in the sum of RMB665,629,800 (equivalent to approximately HK\$812,733,986) payable by the Purchaser
“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”	directors of the Company
“Dongdaqiao Acquisition”	the acquisition of the Dongdaqiao Property by the Purchaser from the Dongdaqiao Vendors
“Dongdaqiao 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), comprising a total land use area of approximately 3,651 square meters
“Dongdaqiao Vendors”	Mr. Ji (吉先生), Mr. Fan (樊先生) and Shi Mao Tian Jie
“Dongdaqiao Agreement”	the framework agreement entered into among the Dongdaqiao Vendors and the Purchaser on 21 September 2011
“Framework Agreement”	the framework agreement entered into among the Vendor, the Purchaser, the Dongdaqiao Vendors and the Intercepting Agent on 12 December 2012
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Intercepting Agent”	a company incorporated under the Companies Ordinance (Cap 32 of the Laws of Hong Kong)
“Intercepting Fees”	the intercepting fees in the sum of RMB188,595,110 (equivalent to approximately HK\$230,274,629) payable by the Purchaser to the Intercepting Agent in accordance with the terms of the Framework Agreement
“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
“Latest Practicable Date”	16 January 2013, being the latest practicable date prior to the printing of this circular for the purposes of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mortgage”	the mortgage on the Tianjie Property Interests to the Agricultural Bank of China Limited Beijing Chongwen Branch (中國農業銀行股份有限公司北京崇文支行) as the mortgagor
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macao Special Administrative Region and Taiwan, for the purposes of this circular
“Parties”	the parties to the Framework Agreement
“Purchaser”	CTV Golden Bridge International Media Group Co., Ltd. (中視金橋國際傳媒集團有限公司), 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
“Refund”	the total refund payable by the Dongdaqiao Vendors to the Purchaser for the termination of the Dongdaqiao Acquisition being all the consideration paid by the Purchaser under the Dongdaqiao Agreement in the sum of RMB230,000,000 (equivalent to approximately HK\$280,830,000)
“Renaming”	the renaming of the Tianjie Building to the name “金橋天階大廈 (Golden Bridge Tianjie Building)”

DEFINITIONS

“Sale and Purchase Agreement”	the Contract on Purchase and Sale of Completed Commercial Residential Buildings with Certificates in Beijing (北京市商品房現房買賣合同) to be entered into between the Vendor and the Purchaser on or before 7 January 2013 in relation to the sale and purchase of the Tianjie Property Interests
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.0003125 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shi Mao Tian Jie”	世貿天階投資(北京)有限公司 (Shi Mao Tian Jie Investment (Beijing) Company Limited*), an enterprise established under the PRC laws
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjie Acquisition”	the acquisition of the Tianjie Property Interests
“Tianjie Building”	the building situated at Block 4, 9 Guanghua Road, Chaoyang District, Beijing, the PRC (北京市朝陽區光華路9號4號樓), comprising a total of 25 floors above ground and 3 floors underground with the 1st to 5th floor for commercial use, the 6th to 25th floor for office use, the 1st underground floor for equipment storage, the 2nd underground floor for garage and the 3rd underground floor including an area for civil air defence
“Tianjie Property Interests”	relate to the premises located at the Tianjie Building and the property interests comprise the property ownership rights and land use rights of the entire 6th to 16th floor of a total gross construction area of approximately 22,187 square meters and the property ownership rights of the 40 parking lots located on the 2nd underground floor of Tianjie Building
“Vendor”	北京奧中興業房地產開發有限公司 (Beijing Aozhong Xingye Real Estate Development Company Limited*), a company established in the PRC
“working day(s)”	a day in a week excluding Saturday and Sunday and other statutory holiday of the PRC
“%”	per cent

For the purposes of this circular, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.221 has been used, where applicable, for purposes 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.*



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)

Executive directors:

Chen Xin
Liu Jinlan
Li Zongzhou

Non-executive directors:

Zhu Jia
He Hui David

Independent non-executive directors:

Ding Junjie
Qi Daqing
Lian Yuming
Wang Xin

Registered office:

Unit 402, 4th Floor
Fairmont House
No. 8 Cotton Tree Drive
Admiralty, Hong Kong

Principal Place of Business:

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Xintian International Plaza
No. 450 Fushan Road
Pudong New District
Shanghai, PRC

21 January 2013

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
FRAMEWORK AGREEMENT IN RELATION TO
(I) NOT TO PROCEED TO COMPLETION — ACQUISITION OF PROPERTY
AT DONGDAQIAO
(II) ACQUISITION OF PROPERTY AT TIANJIE BUILDING

INTRODUCTION

References are made to the Announcement dated 12 December 2012 in relation to the Company's entering into of the Framework Agreement.

Pursuant to Rule 14.06 of the Listing Rules, the transactions contemplated under the Framework Agreement constitute a major transaction of the Company as certain relevant percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the aggregate amount payable by the Purchaser for the Tianjie Acquisition under the Framework Agreement exceeds 25% but are under 100% and is subject to the announcement requirement and the approval of the Shareholders under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

The Board confirms that as at the Latest Practicable Date, no Shareholder has a material interest in the Framework Agreement and the transactions contemplated thereunder, and none is required to abstain from voting if the Group were to convene a special general meeting for the approval of the Framework Agreement and the transactions contemplated thereunder. Moreover, a closely allied group of Shareholders which together are beneficially interested in an aggregate of 304,914,821 Shares, representing approximately 54.87% of the entire issued share capital of the Company as at the Latest Practicable Date, has given its written approval for the Framework Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules. Accordingly, such written approval will be accepted in lieu of convening an extraordinary general meeting to approve the Framework Agreement and the transactions contemplated thereunder as permitted under Rule 14.44 of the Listing Rules.

The purpose of this circular is to provide you with, inter alia, (i) further information regarding the Framework Agreement and (ii) financial and other information of the Group as required under the Listing Rules.

BACKGROUND

In order to facilitate and accommodate the future development of the Group, the Board sees the Dongdaqiao Acquisition, which has not been completed, may not be able to satisfy the Group's future expansion. The Intercepting Agent arranged the Vendor to sell to the Purchaser the Tianjie Property Interests. Thus, the Purchaser, the Vendor, the Dongdaqiao Vendors, who are the affiliates of the Vendor, and the Intercepting Agent entered into the Framework Agreement for the following matters:

- (A) not to proceed to completion of the Dongdaqiao Acquisition;
- (B) the Tianjie Acquisition; and
- (C) the settlement of the intercepting services provided to the Parties in relation to the Tianjie Acquisition.

THE FRAMEWORK AGREEMENT

Date 12 December 2012

Parties

- (1) Vendor 北京奧中興業房地產開發有限公司(Beijing Aozhong Xingye Real Estate Development Company Limited*)
- (2) Purchaser CTV Golden Bridge International Media Group Co., Ltd., a sino-foreign equity joint venture enterprise which is owned as to 99.7% by the Company
- (3) Dongdaqiao Vendors Mr. Fan, Mr. Ji and Shi Mao Tian Jie; each an affiliate of the Vendor
- (4) Intercepting Agent an Independent Third Party

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

LETTER FROM THE BOARD

The major terms of the Framework Agreement in relation to the following matters are set out below:

TERMINATION OF THE DONGDAQIAO ACQUISITION

Reference is made to the announcement of the Company dated 21 September 2011 in respect of the Dongdaqiao Agreement.

The Dongdaqiao Vendors and the Purchaser being all the parties to the Dongdaqiao Agreement agreed not to proceed to completion of the Dongdaqiao Acquisition and shall absolutely and irrevocably release the other from all obligations and duties under the Dongdaqiao Agreement whatsoever and neither party shall have any claims against the other whatsoever.

It is agreed that within 180 days from the date of the Framework Agreement, the Dongdaqiao Vendors shall repay the Purchaser all the consideration paid by the Purchaser under the Dongdaqiao Agreement in the sum of RMB230,000,000 (equivalent to approximately HK\$280,830,000) (“the Refund”). It is noted that the consideration for the purchase of the Dongdaqiao Property was set at RMB258,000,000 (equivalent to approximately HK\$315,018,000). However, given only about 90% of the total consideration had been paid by the Purchaser under the Dongdaqiao Agreement, the amount to be repaid under the Framework Agreement is RMB230,000,000 (equivalent to approximately HK\$280,830,000).

The Purchaser agreed to deliver to the Dongdaqiao Vendors the Dongdaqiao Property in its current physical condition within 1 working day of the completion of the registration of transfer of the property ownership rights and land use rights of the 6th to 16th Floor to the Purchaser. So far the Purchaser had incurred RMB14,000,000 in the renovation of the Dongdaqiao Property and the Dongdaqiao Vendor agreed to pay the Purchaser such sum to be assessed and agreed by both parties in relation to the renovation done by the Purchaser on the Dongdaqiao Property which is taken up by the Dongdaqiao Vendors. The Purchaser shall remove any renovation on the Dongdaqiao Property which is not taken up by the Dongdaqiao Vendors within 60 days of the notice given by the Dongdaqiao Vendors.

The Board considers the termination of the Dongdaqiao Acquisition will not have any material adverse impact on the existing business, operation or financial condition of the Group.

TIANJIE ACQUISITION

The Vendor agreed to sell and the Purchaser agreed to purchase the Tianjie Property Interests upon the terms and conditions contained therein.

The Tianjie Property Interests:

The Tianjie Property Interests relate to the premises located in the Tianjie Building which is situated at Block 4, 9 Guanghua Road, Chaoyang District, Beijing, the PRC, and comprise a total of 25 floors above ground and 3 floors underground with the 1st to 5th floor for commercial use, the 6th to 25th floor for office use, the 1st underground floor for equipment storage, the 2nd underground floor for garage and the 3rd underground floor including an area for civil air defence.

The Tianjie Property Interests comprise the property ownership rights and land use rights of the entire 6th to 16th Floor of a total gross construction area of approximately 22,187 square meters, and the property ownership rights of the 40 parking lots located on the 2nd underground floor of the Tianjie Building.

LETTER FROM THE BOARD

The Tianjie Property Interests are currently mortgaged to Agricultural Bank of China Limited Beijing Chongwen Branch (中國農業銀行股份有限公司北京崇文支行) by the Vendor and shall be discharged within 20 working days after the 1st Instalment is paid in full by the Purchaser.

Part of the Tianjie Property Interests is subject to tenancy arrangements between the Vendor and the current tenants.

Consideration:

The Consideration for the Tianjie Property Interests is RMB665,629,800 (equivalent to approximately HK\$812,733,986) payable to the Vendor by the Purchaser in cash. The Consideration was determined after arm's length negotiations amongst the Parties on normal commercial terms and with reference to the capital value of the Tianjie Property Interests as stated in the valuation report performed by Jones Lang LaSalle as set out in Appendix IV to this circular which reflects the market value of the Tianjie Property Interests. The Directors (including the independent non-executive Directors) believe that the consideration is fair and reasonable in the interests of the Company and the Shareholders as a whole.

A valuation of the Tianjie Property Interests has been carried out by Jones Lang LaSalle, which valued the capital value of the Tianjie Property Interests in existing state on vacant possession basis at HK\$882,000,000 as at 30 November 2012. The valuation report of the Tianjie Property Interest performed by Jones Lang LaSalle is set out in Appendix IV to this circular.

Terms of Payment of the Consideration:

The Consideration shall be paid by the Purchaser in the following manners:

- (1) A sum of RMB140,000,000 (equivalent to approximately HK\$170,940,000) and a sum of RMB400,000,000 (equivalent to approximately HK\$488,400,000) will be paid by the Purchaser to a designated account for the discharge of the Mortgage respectively (i) within 1 working day after the signing of the Framework Agreement and (ii) within 1 working day after the signing of the Sale and Purchase Agreement and the online record filing of the Sale and Purchase Agreement (collectively the "**1st Instalment**");
- (2) A sum of RMB41,404,890 (equivalent to approximately HK\$50,555,371) will be paid by the Purchaser to the Vendor on the day when the Dongdaqiao Vendors complete the payment of the Refund in relation to the Dongdaqiao Property to the Purchaser in accordance with the terms of the Framework Agreement (the "**2nd Instalment**");
- (3) A sum of RMB54,224,910 (equivalent to approximately HK\$66,208,615) will be paid by the Purchaser to the Vendor (the "**3rd Instalment**") within 2 working days after the Vendor has completed the followings:
 - (i) transfers the property ownership rights and land use rights of the 6th to 16th Floor to the Purchaser; and
 - (ii) delivers possession of (a) the 5th Floor, (b) the 6th to 16th Floor and (c) the parking lots located on the 2nd underground floor and the 3rd underground floor which is scheduled to take place no later than 5 working days after the payment of the 1st Instalment for the parts not subject to tenancy and 15 working days after the payment of the 1st Instalment for the parts subject to tenancy in accordance with the terms of the Framework Agreement; and

LETTER FROM THE BOARD

- (4) A sum of RMB30,000,000 (equivalent to approximately HK\$36,630,000) will be paid by the Purchaser to the Vendor (collectively the “**4th Instalment**”) in the following manner:
- (i) RMB9,000,000 (equivalent to approximately HK\$10,989,000) will be paid within 2 working days after the Vendor transfers the property ownership rights of the 40 parking lots on the 2nd underground floor of the Tianjie Building to the Purchaser;
 - (ii) RMB5,000,000 (equivalent to approximately HK\$6,105,000) will be paid within 2 working days after the Vendor delivers possession of an area of 500 square meters on the 3rd underground floor of the Tianjie Building which is scheduled to take place no later than 9 February 2013 in accordance with the terms of the Framework Agreement;
 - (iii) RMB3,000,000 (equivalent to approximately HK\$3,663,000) will be paid within 2 working days after the Vendor delivers possession of an area of 366 square meters on the 3rd underground floor of the Tianjie Building which is scheduled to take place no later than 31 January 2014 in accordance with the terms of the Framework Agreement; and
 - (iv) RMB13,000,000 (equivalent to approximately HK\$15,873,000) will be paid by the Purchaser to the Vendor within 2 working days after the completion of the Renaming of the Tianjie Building.

The Tianjie Acquisition will be financed by internal resources of the Group.

Other Major Terms of the Tianjie Acquisition:

1. *Licence to the exclusive use of the part of the 5th floor, certain parking lots and area of the 3rd underground floor of the Tianjie Building*

The Vendor undertakes to grant a licence to the exclusive use of 16 parking lots and an area of 866 square meters on the 3rd underground floor of the Tianjie Building until 7 August 2057.

In relation to the commercial area of the 5th floor of the Tianjie Building with gross internal floor area of approximately 430 square meters and balcony area of approximately 230 square meters (the “**5th Floor Commercial Area**”), the Vendor undertakes to first let the 5th Floor Commercial Area to the Purchaser for 20 years from the date of the payment of the 1st Instalment followed by the immediate grant of licence to exclusive use of such area to the Purchaser till 7 August 2047. The Purchaser is under no obligation to pay rent during the tenancy period.

Pursuant to the Framework Agreement, the Vendor shall enter into a tenancy agreement of the 5th Floor Commercial Area with the Purchaser on the date of the Framework Agreement with the following conditions, among other things, that

- (i) the Purchaser shall not sublet or change the structure of any part of the 5th Floor Commercial Area without the consent of the Vendor; otherwise, the Purchaser shall rectify within 5 days after the receipt of the Vendor’s notice;
 - a) in case the Purchaser fails to do so, the Vendor is entitled to a compensation per day at 0.021% of the paid Consideration until such rectifications are made; and

LETTER FROM THE BOARD

- b) in case the Purchaser fails to rectify within 3 months after the receipt of the Vendor's notice, or in case the Purchaser enters into any business agreement in respect of the 5th Floor Commercial Area with any third party without the consent of the Vendor, the Vendor is entitled to withdraw the Purchaser's licence to the exclusive use of the 5th Floor Commercial Area without any compensation to the Purchaser;
- (ii) the Vendor may pledge or mortgage the 5th Floor Commercial Area but shall ensure the Purchaser that the leasehold rights and the subsequent licence right of the Purchaser would not be affected by such pledge or mortgage, otherwise the Vendor shall compensate all the damages suffered by the Purchaser.

2. *Renaming of Tianjie Building*

The Vendor is required to arrange the change of name of Tianjie Building to “金橋天階大廈 (Golden Bridge Tianjie Building)” within 1 year after the signing of the Framework Agreement and the Purchaser is responsible for the costs of relevant governmental administration and instalment of new name signs on the Tianjie Building.

3. *Discharge of the Mortgage*

The Vendor undertakes to arrange the discharge of the Mortgage within 20 working days upon the 1st Instalment is paid in full by the Purchaser.

4. *Registration of the transfer of property ownership rights and land use rights of Tianjie Property Interests*

The Vendor agrees to complete all the necessary procedures for the registration of the transfer of the property ownership rights and land use rights of the 6th to 16th Floor to the Purchaser no later than 30 working days after the payment of the 1st Instalment and the property ownership rights of the 40 parking lots on the 2nd underground floor within 1 year after the Mortgage is discharged.

5. *Tenants of the Tianjie Property Interests*

The Vendor shall notify the tenants of the 6th to 16th Floor in writing that the property ownership rights and the land use rights of the 6th to 16th Floor shall be transferred to the Purchaser and shall coordinate each of the tenants to enter into new tenancy arrangement with the Purchaser after the 1st Instalment is paid in full by the Purchaser. The Purchaser is entitled to the rent paid by the tenants of the 6th to 16th Floor from the date of payment of the 1st Instalment. The Vendor shall return such rent to the Purchaser within 15 working days upon its receipt on behalf of the Purchaser.

For those tenants of the 6th to 16th Floor who do not enter into new tenancy arrangement with the Purchaser, the Vendor shall be responsible to effect the moving out of the tenants and the costs and liabilities thereof and to deliver vacant possession of the respective property to the Purchaser at the end of such tenants' respective tenancy and in any event no later than 31 December 2015.

LETTER FROM THE BOARD

REASONS FOR THE TIANJIE ACQUISITION

The Tianjie Acquisition was mainly due to the fact that the floor area of the Dongdaqiao Property 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 existing office locations of the Group are widely scattered, while the consolidation of office locations can simplify management, strengthen communication and improve operational efficiency, which will in turn support the Group's overall development. Furthermore, the Tianjie Building, which will be renamed as "Golden Bridge Tianjie Building", is located near the new China Central Television building, and 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. The Directors are of the view that the Tianjie Acquisition would be beneficial to the Group.

Having considered to the aforesaid reasons, the Directors considered that the terms of the Framework Agreement and the transactions contemplated thereunder were fair and reasonable and on normal commercial terms, and that the entering into the Framework Agreement is in the interests of the Company and the Shareholders as a whole.

SETTLEMENT FOR THE INTERCEPTING SERVICES

The Intercepting Agent provided intercepting services for the Tianjie Acquisition in return for an Intercepting Fees in the sum of RMB188,595,110 (equivalent to approximately HK\$230,274,629).

Pursuant to the Framework Agreement, it is agreed that such Intercepting Fees shall be borne by the Purchaser and be payable in cash upon the fulfilment of the following conditions by the Vendor and/or the Dongdaqiao Vendors:

1. after 20 working days of the payment of the Refund to the Purchaser by the Dongdaqiao Vendors in accordance with the Framework Agreement; and
2. the Vendor completes the registration of the transfer of the property ownership rights and the transfer of land use rights of the 6th to 16th Floor to the Purchaser in accordance with the Framework Agreement.

In the event that the Framework Agreement or any of the agreement contemplated thereunder is terminated and that results in the Purchaser could not acquire the property ownership rights and land use rights of the 6th to 16th Floor, the Purchaser shall not be liable to pay any Intercepting Fees and any Intercepting Fees paid shall be returned to the Purchaser.

DUE PERFORMANCE OF THE FRAMEWORK AGREEMENT BY THE VENDOR

Shi Mao Tian Jie, 北京奧中基業房地產開發有限公司 (Beijing Aozhong Jiye Property Development Limited*) and 北京奧中世貿物業管理有限公司 (Beijing Aozhong Shi Mao Property Management Limited*) shall jointly guarantee the due performance of the Vendor's obligations under the Framework Agreement in relation to the sale of the property ownership rights and land use rights of the 6th to 16th Floor to the Purchaser up and until the date of completion of the transfer of the property ownership rights and the transfer of land use rights of the 6th to 16th Floor to the Purchaser. Pursuant to the Framework Agreement, Shi Mao Tian Jie, 北京奧中基業房地產開發有限公司 (Beijing Aozhong Jiye Property Development Limited*), 北京奧中世貿物業管理有限公司 (Beijing Aozhong Shi Mao Property Management Limited*) and the Vendor shall enter into a guarantee agreement on the date of the Framework Agreement in favour of the Purchaser.

LETTER FROM THE BOARD

TERMINATION OF THE FRAMEWORK AGREEMENT

In case of default or delay of the Vendor in respect of any of its obligations under the Framework Agreement, for each day of such default or delay the Purchaser is entitled to 0.021% of the paid Consideration as compensation and entitled to delay payment of any parts of the unpaid Consideration until such obligations are fulfilled. In case the default or delay of the Vendor in respect of any of its obligations under the Framework Agreement exceeds 30 days, 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 within 15 working days after the receipt of the termination notice and a compensation per day at 0.021% of the paid Consideration if in default; and (b) a compensation representing an interest at 10% per annum of the Consideration paid from the day of actual payment of the Consideration until the actual repayment.

In case of default or delay of the Purchaser in respect of any of its obligations under the Framework Agreement, for each day of such default or delay the Vendor is entitled to 0.021% of the unpaid Consideration as compensation until such obligations are fulfilled. In case the default or delay of the Purchaser in respect of its obligations under the Framework Agreement exceeds 30 days, the Vendor is entitled to terminate the Framework Agreement.

Upon such termination, (a) the Purchaser shall pay the Vendor a compensation representing 10% of the unpaid Consideration within 30 working days after the receipt of the termination notice from the Vendor and a compensation per day at 0.021% of the unpaid Consideration if in default; and (b) the Vendors shall repay to the Purchaser all the Consideration paid by the Purchaser under the Framework Agreement.

In case the Vendor sells the Tianjie Property Interests to a party other than the Purchaser, the Vendor shall compensate the Purchaser in the sum equals to 20% of the Consideration within 10 working days after the receipt of the compensation notice issued by the Purchaser.

FINANCIAL EFFECT OF THE TIANJIE ACQUISITION AND THE TERMINATION OF THE DONGDAQIAO ACQUISITION

Earnings:

Part of the Tianjie Property Interests is subject to tenancy agreements with expiry dates ranging from 31 January 2013 to 31 December 2015. The Tianjie Property Interests will derive rental income from these tenants and there will be rental savings after the Group moves from various office locations into the Tianjie Building. Therefore, the Tianjie Acquisition and the termination of the Dongdaqiao Acquisition will have positive effects on the earnings of the Group.

LETTER FROM THE BOARD

Assets and Liabilities:

The Tianjie Acquisition will be financed by internal resources of the Group. Following the Tianjie Acquisition, the property, plant and equipment of the Group is expected to increase by approximately RMB854,224,910 (equivalent to approximately HK\$1,043,008,615) being the sum of the Consideration and the Intercepting Fees, while the cash balances of the Group will decrease by the same amount. On the other hand, upon the termination of the Dongdaqiao Acquisition, the Dongdaqiao Vendors shall refund to the Group all consideration paid relating to the Dongdaqiao Acquisition, i.e. RMB230,000,000 (equivalent to approximately HK\$280,830,000). Thus, the Tianjie Acquisition and the termination of the Dongdaqiao Acquisition would result in an increase in property, plant and equipment and a decrease in cash balances and prepayment for acquisition of a property of the Group.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 14.06 of the Listing Rules, the transactions contemplated under the Framework Agreement constitute a major transaction of the Company as certain relevant percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the aggregate amount payable by the Purchaser for the Tianjie Acquisition under the Framework Agreement exceeds 25% but are under 100% and is subject to the announcement requirement and the approval of the Shareholders under Chapter 14 of the Listing Rules.

The Board confirms that as at the Latest Practicable Date, no Shareholder has a material interest in the Framework Agreement and the transactions contemplated thereunder, and none is required to abstain from voting if the Group was to convene an extraordinary general meeting for the approval of the Framework Agreement and the transactions contemplated thereunder. Moreover, the following closely allied group of Shareholders who together are beneficially interested in an aggregate of 304,914,821 Shares, representing approximately 54.87% of the entire issued share capital of the Company as at the Latest Practicable Date, has given its written approval for the Framework Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules:

1. Golden Bridge International Culture Limited, holding 209,941,513 Shares (representing approximately 37.79% of the issued share capital of the Company), is a wholly-owned subsidiary of Golden Bridge Int'l Advertising Holdings Limited, which is wholly owned by CLH Holding Limited. CLH Holding Limited is wholly owned by Equity Trustee Limited as trustee of CLH Trust, a discretionary trust set up by Chen Xin and Liu Jinlan.
2. SinoMedia Investment Limited, holding 21,565,312 Shares (representing approximately 3.88% of the issued share capital of the Company), is a wholly-owned subsidiary of DFS Management Limited, which is wholly owned by Equity Trustee Limited as trustee of DFS (No. 2) Trust, a discretionary trust set up by Liu Jinlan.
3. Merger Holding Service Company Limited, holding 25,921,344 Shares (representing approximately 4.66% of the issued share capital of the Company), is a wholly-owned subsidiary of MHS Holding Limited, which is wholly owned by Equity Trustee Limited as trustee of the MHS Trust, a discretionary trust set up by Chen Xin.
4. United Marine Enterprise Company Limited, holding 25,921,344 Shares (representing approximately 4.66% of the issued share capital of the Company), is a wholly-owned subsidiary of UME Holding Limited, which is wholly owned by Equity Trustee Limited as trustee of the UME Trust, a discretionary trust set up by Liu Jinlan.

LETTER FROM THE BOARD

- Digital Finance Service Company Limited, holding 21,565,308 Shares (representing approximately 3.88% of the issued share capital of the Company), is a wholly-owned subsidiary of DFS Holding Limited, which is wholly owned by Equity Trustee Limited as trustee of the DFS (No. 1) Trust, a discretionary trust set up by Chen Xin.

Accordingly, such written approval will be accepted in lieu of convening an extraordinary general meeting to approve the Framework Agreement and the transactions contemplated thereunder as permitted under Rule 14.44 of the Listing Rules.

GENERAL INFORMATION OF THE PARTIES

The Company is principally engaged in media advertising business.

The Vendor is an enterprise established under the PRC laws which is the 100% legal and beneficial owner of the Tianjie Property Interests. Based on the information provided by the Vendor, its principal business activity is property development, construction projects management and services and property management.

One of the Dongdaqiao Vendors, Shi Mao Tian Jie, is an enterprise established under the PRC laws and is principally engaged in property development, construction projects management and services and property management.

The Intercepting Agent is a company incorporated under the Companies Ordinance (Cap 32 of the Laws of Hong Kong) and is principally engaged in provision of advisory and consultation services in relation to property.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
SinoMedia Holding Limited
Chen Xin
Chairman

1. FINANCIAL INFORMATION

The financial information of the Group (i) for the six months ended 30 June 2012 and (ii) for the two financial years ended 31 December 2011 and 31 December 2010 are disclosed respectively on page 12 to 25 of the interim report of the Company published on 13 September 2012 and on page 49 to 138 and page 45 to 126 respectively of the annual reports of the Company published on 18 April 2012 and 13 April 2011, all of which can be accessed on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.sinomedia.com.hk).

2. WORKING CAPITAL

In the absence of any unforeseen circumstances, the Directors, after due and careful enquiry, are of opinion that, following the completion of the Tianjie Acquisition and the termination of the Dongdaqiao Acquisition, the Group will have sufficient working capital for its requirement for at least 12 months from the date of this circular.

3. INDEBTEDNESS STATEMENT

Apart from intra-group liabilities, the Group did not have, as at the close of business of 16 January 2013, any debt securities issued and outstanding or authorized or otherwise created but unissued, term loans, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

4. FINANCIAL AND TRADING PROSPECTS

As disclosed on page 12 to 25 of the interim report of the Company for the six months ended 30 June 2012 published on 13 September 2012 which can be accessed on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.sinomedia.com.hk), the slowing down of the economy growth of the PRC brought considerable challenges to the operating environment of the market and the advertising industry. Nevertheless, the Group achieved decent growth in net earnings as compared to the same period last year by maintaining similar level of revenue and keeping its cost of services and operating expenses under effective control, despite the impact of the macroeconomic environment on the market.

The Group would actively promote its strategic expansion to achieve long-term development, accommodating industry trends by satisfying customer demand and leveraging its competitive edges in media resources. While continuing to consolidate its market share of China Central Television and other core media resources, the Group focused on fostering and expanding integrated brand communication services. Also, through investments in vertical portals and digital television channels, the Group integrated television, the Internet and mobile terminals to achieve breakthroughs for simultaneous developments, moving from the midstream towards the upstream and downstream of the media industry value chain.

PROFIT AND LOSS STATEMENT OF THE TIANJIE PROPERTY INTERESTS

In accordance with Rule 14.67(6)(b)(i) of the Listing Rules, a profit and loss statement of the Tianjie Property Interests for the three financial years ended 31 December 2011 (the “Relevant Financial Years”) and for the six-month period ended 30 June 2012 are required to be included in this circular. The Group was provided with copies of tenancy agreements (the “Tenancy Agreements”) for the Tianjie Property Interests, which cover only part of the Relevant Financial Years. Other than such Tenancy Agreements, despite requests made by the Group, the Group is unable to gain full access to the underlying books and records or other financial information of the Vendor regarding the direct costs and other expenses for the preparation of the financial information of the property for the Relevant Financial Years in strict compliance with the requirements of Rule 14.67(6)(b)(i) of the Listing Rules. The Company has therefore applied to the Stock Exchange for a waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, such that the following information be disclosed instead. The financial information of the Tianjie Property Interests for each of the relevant financial periods set out below has been prepared by the Directors solely based on the Tenancy Agreements provided by the Vendor. Accordingly, it may not give a true picture of the performance of the Tianjie Property Interests during the relevant financial periods. Capitalised terms used herein shall have the same meanings as those defined in this circular, unless the context requires otherwise.

	For the 11 months ended 30 November 2012 RMB'000	For the year ended 31 December 2011 RMB'000	For the year ended 31 December 2010 RMB'000
Gross rental income	23,888	25,677	24,065

Notes:

- The gross rental income for the above financial periods is derived from the Tenancy Agreements. It may not give a true picture of the profit attributable to the Tianjie Property Interests for the relevant financial periods since no books of accounts are available for inspection to ensure that the rental income has been received and that it is a complete record of the rental income.
- Based on the statutory tax rates of the PRC, business tax and surcharges property tax and stamp duty paid and payable in respect of the Tenancy Agreements is estimated to be approximately RMB3,853,790, RMB3,954,018, and RMB3,863,742 in total for the 11 months ended 30 November 2012, the year ended 31 December 2011, and the year ended 31 December 2010 respectively. Management fees and utilities expenses of those portions of the Tianjie Property Interests that had been leased out were borne by the tenants, while management fees and utilities expenses of those portions not leased out were borne by the landlord and are estimated to be RMB344,925, RMB159,377, and RMB117,193 in aggregate for 11 months ended 30 November 2012, the year ended 31 December 2011 and the year ended 31 December 2010 respectively.
- Save for the Tenancy Agreements and other publicly available information such as the applicable tax rates, the Directors do not have access to other financial information in relation to the Tianjie Property Interests. Due to the limited information available to them, the Directors are unable to ascertain the amount of any other expenses, if any, in relation to the property. Accordingly, no other expenses such as depreciation and finance costs (if any) were included in the above financial information. The financial information in relation to the Tianjie Property Interests set out above is prepared using accounting policies which are materially consistent with those of the Company.
- In accordance with paragraph 14.67(6)(b)(i) of the Listing Rules, the Directors engaged KPMG, the auditor of the Company, to conduct certain agreed upon procedures in respect of the Tenancy Agreements, in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The procedures have been determined by and are the responsibility of the Directors. The auditors of the Company performed the procedures as summarised below:
 - The auditor of the Company requested the management of the Company to provide them the schedule setting out the floor, tenant, rental area, rental period, rental-free period, unit rental charges, monthly rental charges, actual monthly rental charges and gross rental income for the two financial years ended 31 December 2010 and 2011 and for the 11-months ended 30 November 2012 (the “Summary of the Gross Rental Income Statement for Tianjie Property Interest”). The Summary of the Gross Rental Income Statement for Tianjie Property Interest was prepared by and the sole responsibility of the Directors.

- (2) The auditor of the Company recalculated for each lease the amounts of monthly rental charges and gross rental income for each of the periods presented based on the formulae set out in the Summary of the Gross Rental Income Statement for Tianjie Property Interest.
- (3) The auditor of the Company checked the arithmetic accuracy of the total gross rental income of the Summary of the Gross Rental Income Statement for Tianjie Property Interest for each of the periods presented.
- (4) The auditor of the Company compared the rental period, rental-free period and monthly rental charges in the agreement shown in the Summary of the Gross Rental Income Statement for Tianjie Property Interest to the respective tenancy agreements.

Based on the information and documents made available to the auditor of the Company, their findings are:

- (a) With respect to item (1), the auditor of the Company obtained from the management of the Company the Summary of the Gross Rental Income Statement for Tianjie Property Interest.
- (b) With respect to item (2), the auditor of the Company recalculated the amounts of actual monthly rental charges and gross rental income as set forth in the Summary of the Gross Rental Income Statement for Tianjie Property Interest and found the amounts to be arithmetically accurate.
- (c) With respect to item (3), the auditor of the Company checked the total gross rental income as set forth in the Summary of Gross Rental Income Statement for Tianjie Property Interest and found the amounts to be arithmetically accurate.
- (d) With respect to item (4), the auditor of the Company compared the rental period, rental-free period and monthly rental charges in the agreement shown in the Summary of the Gross Rental Income Statement for Tianjie Property Interest to the respective tenancy agreements and found them to be in agreement.

The above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA. Consequently, no assurance is provided by the auditor on the unaudited financial information of the Tianjie Property Interests disclosed in the Circular and the Summary of the Gross Rental Income.

Had the auditor performed additional procedures or had the auditor performed an assurance engagement in respect of the unaudited financial information of the Tianjie Property Interests and the Summary of the Gross Rental Income in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, other matters might have come to the auditor's attention that would have been reported to the Directors.

1. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP

Introduction to the unaudited pro forma statement of assets and liabilities:

Capitalised terms used herein shall have the same meanings as those defined in this circular, unless the context requires otherwise.

The following is an illustrative and unaudited pro forma statement of assets and liabilities of the Group which has been prepared on the basis of the notes set out below for the purposes of illustrating the effect of the Tianjie Acquisition and the termination of the Dongdaqiao acquisition as if the acquisition and the termination had taken place on 30 June 2012.

This unaudited pro forma statement of assets and liabilities of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the acquisition and the termination been completed as at 30 June 2012 or at any future date.

	The Group as at 30 June 2012	Pro forma adjustments	Pro forma total of the Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	53,720	162,831	216,551
Investment property	3,833	729,142	732,975
Prepayment for acquisition of a property	244,000	(230,000)	14,000
Prepayment for acquisition of equity-accounted investee	10,000	—	10,000
Investments in equity-accounted investees	43,347	—	43,347
Other non-current financial assets	26,016	—	26,016
Deferred tax assets	1,803	—	1,803
Total non-current assets	<u>382,719</u>	<u>661,973</u>	<u>1,044,692</u>
CURRENT ASSETS			
Other current financial asset	907	—	907
Other current asset	—	13,146	13,146
Trade and other receivables	469,939	—	469,939
Cash and cash equivalents	1,198,144	(675,119)	523,025
Total current assets	<u>1,668,990</u>	<u>(661,973)</u>	<u>1,007,017</u>
Total assets	<u><u>2,051,709</u></u>	<u><u>—</u></u>	<u><u>2,051,709</u></u>

	The Group as at 30 June 2012 <i>RMB'000</i> <i>(Note 1)</i>	Pro forma adjustments <i>RMB'000</i> <i>(Note 2)</i>	Pro forma total of the Group <i>RMB'000</i>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	172	—	172
Reserves	1,005,315	—	1,005,315
Equity attributable to equity shareholders of the Company	1,005,487	—	1,005,487
Non-controlling interests	7,477	—	7,477
Total equity	<u>1,012,964</u>	<u>—</u>	<u>1,012,964</u>
NON-CURRENT LIABILITIES			
Other non-current financial liability	12,283	—	12,283
Deferred tax liability	3,483	—	3,483
Total non-current liabilities	15,766	—	15,766
CURRENT LIABILITIES			
Trade and other payables	974,322	—	974,322
Current taxation	48,657	—	48,657
Total current liabilities	<u>1,022,979</u>	<u>—</u>	<u>1,022,979</u>
Total liabilities	<u>1,038,745</u>	<u>—</u>	<u>1,038,745</u>
Total equity and liabilities	<u>2,051,709</u>	<u>—</u>	<u>2,051,709</u>
Net current assets	<u>646,011</u>	<u>—</u>	<u>646,011</u>
Total assets less current liabilities	<u>1,028,730</u>	<u>—</u>	<u>1,028,730</u>

Notes:

- The figures are extracted from the unaudited condensed consolidated balance sheet of the Group as at 30 June 2012, as set out in the published interim report of the Company for the six months ended 30 June 2012.
- The adjustments represent (i) the Consideration, Intercepting Fees and taxations (the taxations include value added tax, deed tax, stamp duty, withholding tax and surcharges, total of RMB50,893,728.70 (equivalent to approximately HK\$62,141,242.75)) to be paid by the Group for the Tianjie Acquisition. It is expected that the Consideration, Intercepting Fees, and taxations will be settled by cash balances of the Group; and (ii) the Refund of RMB230,000,000 (equivalent to approximately HK\$280,830,000) to be made by the Dongdaqiao Vendors to the Group upon the termination of the Dongdaqiao Acquisition. The registration fees and legal costs directly relating to the Tianjie Acquisition and printing and mailing costs of this circular are expected to be insignificant to the financial statements of the Group.

2. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP

The following is the full text of a report, prepared for the purpose of inclusion in this circular, received from the independent reporting accountants of the Company, KPMG, Certified Public Accountants, Hong Kong. As described in the section headed "Documents for inspection" in Appendix V, a copy of this report is available for inspection.

The Board of Directors
Sinomedia Holding Limited

21 January 2013

Dear Sirs,

Sinomedia Holding Limited ("the Company")

We report on the unaudited pro forma financial information ("the Pro Forma Financial Information") of the Company and its subsidiaries ("the Group") set out on pages 17 to 18 in Appendix III of the Company's circular dated 21 January 2013 ("the Circular"), in connection with an agreement dated 12 December 2012 entered into between CTV Golden Bridge International Media Group Co., Ltd., a 99.7% owned subsidiary of the Company, Beijing Aozhong Xingye Real Estate Development Company Limited (the "Vendor") and Mr. Ji Zenghe, Mr. Fan Xianyong, Shi Mao Tian Jie Investment (Beijing) Company Limited (the "Dongdaqiao Vendor") in relation to the acquisition of the entire 6th to 16th floor, 40 parking lots on the 2nd underground floor and licence to the exclusive use of the part of the 5th floor and certain parking lots and area of the 3rd underground floor of the building located in Block 4, 9 Guanghua Road, Chaoyang District, Beijing, the PRC (北京市朝陽區光華路9號4號樓) from the Vendor (the "Acquisition") and the termination of the acquisition of the land and building located at 12 Dongdaqiao Road, Chaoyang District, Beijing, the PRC (中國北京市朝陽區東大橋路12號) from the Dongdaqiao Vendor (the "Termination"), which has been prepared by the directors of the Company solely for illustrative purposes to provide information about how the Acquisition and the Termination might have affected the financial information presented. The basis of preparation of the unaudited Pro Forma Financial Information is set out in Appendix III on pages 17 to 18 of the Circular.

Responsibilities

It is the responsibility solely of the directors of the Company to prepare the unaudited Pro Forma Financial Information in accordance with Paragraph 4.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements (“HKSIR”) 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited Pro Forma Financial Information with the directors of the Company. The engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or review performed in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 June 2012 or any future date.

Opinion

In our opinion:

- a) the unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the unaudited Pro Forma Financial Information as disclosed pursuant to Paragraph 4.29(1) of the Listing Rules.

Yours faithfully

Certified Public Accountants
Hong Kong

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer and consultant, in connection with its valuation as at 30 November 2012 of the property interest to be acquired by the Company.



Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place 1 Queen's Road East Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No: C-030171

21 January 2013

The Board of Directors
SinoMedia Holding Limited
Unit 402, 4th Floor
Fairmont House
No. 8 Cotton Tree Drive
Admiralty, Hong Kong

Dear Sirs,

Re: Valuation of a property at Tianjie Building (Block 4 of the Place) located at No. 9 Guanghua Road, Chaoyang District, Beijing, the People's Republic of China (the "PRC")

CTV Golden Bridge International Media Group Co., Ltd. ("Media Group" or the "Purchaser"), a 99.7% owned subsidiary of SinoMedia Holding Limited (the "Company"), intends to purchase the captioned property. Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("Jones Lang LaSalle" or "we") is instructed by the Company to provide valuation service on the captioned property for disclosure purpose. We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the capital value of the property interest as at 30 November 2012 (the "date of valuation").

Pursuant to a Framework Agreement dated 12 December 2012 entered into between Media Group, and Beijing Aozhong Xingye Real Estate Development Company Limited (北京奧中興業房地產開發有限公司, the "Vendor") and relevant parties, the Vendor agreed to sell and the Purchaser agreed to purchase the captioned property which comprises the entire 6th to 16th floors with a total gross floor area of approximately 22,187.66 sq.m., and 40 car parking spaces on the 2nd underground floor of Tianjie Building.

Our valuation of the property interest represents the market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We have valued the property by the comparison method assuming sale of the property in its exiting state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the subject property.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation — Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and the Vendor, and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including a State-owned Land Use Rights Certificate and a Building Ownership Certificate relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers — Zhong Lun Law Firm, concerning the validity of the property interest in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

The site inspection was carried out on 27 September 2012 and 8 October 2012 by Echo Li, who has obtained a master degree from University of International Business and Economics with major subjects including real estate development and has 6 years' experience in the valuation of properties in the PRC.

We have no reason to doubt the truth and accuracy of the information provided to us by the Company and the Vendor. We have also sought confirmation from the Company and the Vendor that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

All monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Eddie T. W. Yiu
MRICS MHKIS RPS (GP)
Director

Note: Eddie T. W. Yiu is a Chartered Surveyor who has 19 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

VALUATION CERTIFICATE

Property interest held by the Vendor and to be acquired by the Purchaser in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state on vacant possession basis as at 30 November 2012 RMB
The entire 6th to 16th floors and 40 car parking spaces on the 2nd underground of Tianjie Building No. 9 Guanghua Road Chaoyang District Beijing The PRC	<p>Tianjie Building, also known as Block 4 of The Place, was completed in 2007. It comprises a total of 25 floors aboveground and 3 floors underground with the 1st to 5th floors for commercial use, the 6th to 25th floors for office use, the 1st underground floor for equipment storage, the 2nd underground floor for garage and the 3rd underground floor for civil air defense shelters.</p> <p>The property comprises the entire 6th to 16th floors of Tianjie Building with a total gross floor area of approximately 22,187.66 sq.m and 40 car parking spaces on the 2nd underground of the building.</p> <p>The land use rights of the property have been granted for terms expiring on 7 August 2057 for office and car parking uses and 7 August 2047 for commercial use.</p>	The property was occupied by various tenants as at the date of valuation for office and car parking purposes except for the 7th floor which was vacant. (Refer to note 6)	882,000,000

Notes:

1. Tianjie Building is the Block 4 of a large famous complex project named The Place. It is located at the northern part of the Central Business District ("CBD") of Beijing, approximately 6km away from Tian'anmen Square (center of Beijing).
2. Pursuant to a Building Ownership Certificate – X Jing Fang Quan Zheng Chao She Wai Zi Di No. 524317, Block 4 of The Place with a gross floor area of approximately 57,733.61 sq.m. (including the subject property) is owned by the Vendor.
3. Pursuant to a State-owned Land Use Rights Certificate – Jing Chao Guo Yong (2007 Chu) Di No. 0428, the land use rights of a parcel of land, on which Block 4 of The Place is erected, with a site area of approximately 4,848.31 sq.m have been granted to the Vendor with terms expiring on 7 August 2057 for office and car parking uses and 7 August 2047 for commercial use.
4. Pursuant to a Mortgage Agreement dated 25 December 2007 and its relevant Loan Agreement entered into between the Vendor and Chongwen Branch of Agricultural Bank of China Limited, Tianjie Building (including the subject property) is subject to a mortgage for a loan of RMB400,000,000 for a term expiring on 7 February 2022.

5. Pursuant to a Mortgage Agreement dated 11 December 2009 and its relevant Loan Agreement entered into between the Vendor and Chongwen Branch of Agricultural Bank of China Limited, Blocks 1, 3 and 4 (including the subject property) and portions of Block 2 of The Place are subject to a mortgage for a loan of RMB300,000,000 for a term expiring on 7 February 2022.
6. Pursuant to various Tenancy Agreements, portions of the property with a total gross floor area of approximately 20,170.6 sq.m were leased to various tenants for terms with the expiry dates between 30 November 2012 and 31 December 2015 at a total monthly rent of RMB2,318,185.6 exclusive of management fee. Details of the Tenancy Agreements are listed as below:

Floor (portion)	Gross Floor Area (sq.m.)	From	To	Monthly Rent (RMB) (exclusive of management fee)
F6 (east)	398.04	2010-01-01	2015-12-31	20,518.96
F6 (east)	300.00	2009-12-01	2013-01-31	27,630.00
F6 (east)	203.04	2009-12-01	2013-01-31	18,699.98
F6 (west)	1,115.98	2009-11-01	2012-11-30	108,752.25
F8-F10	6,051.18	2011-01-14	2014-01-14	677,732.16
F11 (east)	970.69	2010-08-15	2013-08-14	97,991.16
F11 (west)	1,046.37	2012-03-01	2013-08-14	221,830.44
F12-F15	8,068.24	2010-08-15	2013-08-14	814,488.83
F16 (A)	1,117.24	2010-08-15	2013-08-14	112,785.38
F16 (B)	899.82	2012-10-01	2013-08-14	217,756.44
Total:	20,170.60			2,318,185.60

As instructed and confirmed by the Company, we carry out our valuation on the basis of vacant possession without considering the current leases.

7. Pursuant to the Framework Agreement entered into between Media Group, and the Vendor and relevant parties, (i) Media Group would obtain a license to the exclusive use of 16 car parking spaces and an area of 866 sq.m. on the 3rd underground floor of the Tianjie Building until 7 August 2057, the expiry date of the land use rights of car parking spaces; and (ii) the Vendor would lease a commercial area of approximately 430 sq.m. on the 5th floor of Tianjie Building to Media Group for 20 years from the date of the payment of the 1st installment followed by the immediate grant of license to exclusive use of the commercial area to Media Group till 7 August 2047, the expiry date of the land use rights of the commercial part. Media Group is under no obligation to pay rent during the tenancy period.
8. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
- a. the Vendor legally owns the land use rights and building ownership rights of the property and has the rights to occupy, use, transfer, lease, mortgage and otherwise dispose of it in accordance with the prescribed land use term stated in the title certificates; and the Vendor should obtain the written consent from the mortgagee before transferring, leasing and otherwise disposing of the property within the mortgage period; and
 - b. the Vendor legally built the civil air defense shelters on 3rd underground floor of Tianjie Building and Beijing Aozhong Shi Mao Property Management Limited (the management company of Tianjie Building) could legally use the area in accordance with the prescribed term (from 2 February 2008 to 1 February 2013) and usage (for garage) stated in the Use Permit of Civil Air Defense Shelters – Jing (Chao) Fang Yong Zi No. B02-022.

1. RESPONSIBILITY OF THE DIRECTORS

This circular includes particulars given in compliance with the Listing Rules for the purposes of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Interests in the Company — Long Positions

Name of Director	Nature of interest	Number of Shares held	Number of underlying Shares held under equity derivatives	Total	Approximate % of issued share capital of the Company
Liu Jinlan	Founder of discretionary trust, beneficiary of trust and beneficial interest	257,428,169 (Note 1)	4,400,000	261,828,169	47.12%
Chen Xin	Founder of discretionary trust, beneficiary of trust	257,428,165 (Note 2)	—	257,428,165	46.33%
Li Zongzhou	Beneficial interest	—	2,500,000	2,500,000	0.45%
He Hui David	Beneficial interest	—	600,000	600,000	0.11%
Qi Daqing	Beneficial interest	—	260,000	260,000	0.05%
Ding Junjie	Beneficial interest	—	200,000	200,000	0.04%
Lian Yuming	Beneficial interest	—	200,000	200,000	0.04%
Wang Xin	Beneficial interest	—	200,000	200,000	0.04%

Notes:

- Liu Jinlan is deemed to be interested in 257,428,169 Shares. These Shares are held by three discretionary trusts, namely UME Trust, DFS (No. 2) Trust and CLH Trust, all founded by Liu Jinlan. In respect of 209,941,513 Shares therein held by CLH Trust, Liu Jinlan is also a beneficiary of the trust.
- Chen Xin is deemed to be interested in 257,428,165 Shares. These Shares are held by three discretionary trusts, namely MHS Trust, DFS (No. 1) Trust and CLH Trust, all founded by Chen Xin. In respect of 209,941,513 Shares therein held by CLH Trust, Chen Xin is also a beneficiary of the trust.

(b) Interests in associated corporations of the Company — Long Positions

Name of Director	Name of associated corporation	Nature of interest	Approximate % of issued share capital of the associated corporation
Liu Jinlan	CLH Holding Limited	Founder of discretionary trust	100%
	Golden Bridge International Culture Limited	Corporate interest	100%
	Golden Bridge Int'l Advertising Holdings Limited	Corporate interest	100%
	CTV Golden Bridge International Media Group Co., Ltd.	Corporate interest	0.3%
Chen Xin	CLH Holding Limited	Founder of discretionary trust	100%
	Golden Bridge International Culture Limited	Corporate interest	100%
	Golden Bridge Int'l Advertising Holdings Limited	Corporate interest	100%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at the Latest Practicable Date, so far as was known to any Directors or chief executive of the Company, the following persons, other than a Director or the chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Substantial shareholder	Nature of interest	Total number of Shares held	Approximate % of issued share capital of the Company
Equity Trustee Limited	Trustee (<i>Note 1</i>)	304,914,821	54.87%
CLH Holding Limited	Corporate interest (<i>Note 2</i>)	209,941,513	37.78%
Bain Capital CTVGB Holding L.P.	Corporate interest (<i>Note 3</i>)	86,624,579	15.59%

Notes:

- Equity Trustee Limited is deemed to be interested in 304,914,821 Shares as it is the trustee of CLH Trust (shares held by Golden Bridge International Culture Limited), MHS Trust (shares held by Merger Holding Service Company Limited), UME Trust (shares held by United Marine Enterprise Company Limited), DFS (No. 1) Trust (shares held by Digital Finance Service Company Limited) and DFS (No. 2) Trust (shares held by SinoMedia Investment Ltd.).
- These shares are directly held by Golden Bridge International Culture Limited which is a wholly owned subsidiary of Golden Bridge Int'l Advertising Holdings Limited which in turn is a wholly owned subsidiary of CLH Holding Limited. CLH Holding Limited is deemed to be interested in 209,941,513 Shares held by Golden Bridge International Culture Limited.
- These shares are directly held by Bain Capital CTVGB Holding Ltd. which is a wholly owned subsidiary of Bain Capital CTVGB Holding L.P. Bain Capital CTVGB Holding L.P. is deemed to be interested in 86,624,579 Shares held by Bain Capital CTVGB Holding Ltd.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company was aware of any other person, other than a Director or the chief executive of the Company, who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. MATERIAL ADVERSE CHANGES

The Directors confirm that, as at the Latest Practicable Date, they are not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2011, being the date of the latest audited consolidated financial statements of the Group were made up.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

6. INTEREST IN CONTRACTS AND ASSETS

Save as disclosed herein, none of Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of Directors or proposed Directors was interested, directly or indirectly, in any assets which had since 31 December 2011 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. EXPERT'S QUALIFICATION, CONSENT AND INTEREST

The following is the qualification of the expert who has given its opinion or advice on the information contained in this circular:

Name	Qualification
KPMG Jones Lang LaSalle	Certified Public Accountants Valuer

Each of KPMG and Jones Lang LaSalle has given and has not withdrawn its written consent to the issue of this circular with its report and references to its name included in the form and context in which they are included.

As at the Latest Practicable Date, each of KPMG and Jones Lang LaSalle:

- (a) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) was not interested, directly or indirectly, in any assets which had since 31 December 2011 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claim of material importance, and no such litigation or arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

9. MATERIAL CONTRACTS

No contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the date of this circular, which are or may be material.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Unit 402, 4th Floor, Fairmont House, No. 8 Cotton Tree Drive, Admiralty, Hong Kong during the normal business hours from 9:00 a.m. to 5:00 p.m. on any business day for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the annual report of the Company for the financial year ended 31 December 2010;
- (c) the annual report of the Company for the financial year ended 31 December 2011;
- (d) the interim report of the Company for the six months ended 30 June 2012;
- (e) the unaudited financial information of the Tianjie Building as set out in Appendix II to this circular;
- (f) the report issued by KPMG relating to the unaudited pro forma financial information on the Group as set out in Appendix III to this circular;
- (g) the Property Valuation Report as set out in Appendix IV to this circular;
- (h) the written consent referred to in the paragraph headed “Expert’s Qualification, Consent and Interest” in this Appendix; and
- (i) this circular.

11. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of them had interests in any business which competes or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

12. GENERAL

- (a) The company secretary of the Company is Mr. Chan Oi Nin Derek who is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants;
- (b) The Company's share registrar and transfer office is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong;
- (c) The registered office of the Company is Unit 402, 4th Floor, Fairmont House, No. 8 Cotton Tree Drive, Admiralty, Hong Kong;
- (d) The head office and principal place of business of the Company is at Unit 15D, Xintian International Plaza, No. 450 Fushan Road, Pudong New District, Shanghai, PRC;
- (e) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.