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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 11 November 2010, the Purchaser, a sino-foreign equity joint venture enterprise which is owned as to 99.7% by the Company, entered into the First Equity Transfer Agreement and the Second Equity Agreement with the First Vendor and the Second Vendor respectively, pursuant to which the Purchaser shall acquire from the First Vendor and the Second Vendor 43% and 12% equity interest in the Target respectively. Upon the completion of the Transfer, the Target will become a wholly owned subsidiary of the Purchaser.

As the Purchaser has controlled the composition of the board of directors of the Target prior to the Transfer, the Target is considered as an indirect subsidiary of the Company. Therefore, the First Vendor and the Second Vendor, both being the substantial shareholders of the Target, are connected persons of the Company under the Listing Rules and the Transfer constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. However, the Transfer is exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules since it meets the requirement under Rule 14A.31(9) of the Listing Rules.

In computing the relevant applicable percentage ratios (as defined in Rule 14.04(9) of the Listing Rules) for the Transfer, the Company has aggregated the acquisition under the First Equity Transfer Agreement and the Second Equity Transfer Agreement. As the relevant applicable percentage ratios are less than 5%, the Transfer 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 Transfer.

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EQUITY TRANSFER AGREEMENTS

1. First Equity Transfer Agreement

- (a) Vendor: 北京太合瑞視傳媒廣告有限公司, the First Vendor
- (b) Purchaser: CTV Golden Bridge International Media Co., Ltd., the Purchaser
- (c) Equity interest to be acquired: 43% equity interest in the Target
- (d) Consideration: The consideration is determined according to a specific formula which takes into account the audited net profit of the Target for 2010 and a price earnings ratio of approximately 7.

The Purchaser shall pay a sum of RMB9,240,000 (equivalent to approximately HK\$10,571,000) to the First Vendor within 15 days after the transfer of the 43% equity interest in the Target has been approved by the relevant PRC authority. The remaining balance will be paid to or returned from the First Vendor within 45 days after the completion of the audit of accounts of the Target for 2010 when the amount of the consideration is finalized.

Such consideration will be paid from the Purchaser's internal resources.

2. Second Equity Transfer Agreement

- (a) Vendor: 北京大聖視野文化傳播有限公司, the Second Vendor
- (b) Purchaser: CTV Golden Bridge International Media Co., Ltd., the Purchaser
- (c) Equity interest to be acquired: 12% equity interest in the Target
- (d) Consideration: The consideration is determined according to a specific formula which takes into account the audited net profit for the Target in 2010 and a price earnings ratio of approximately 7.

The Purchaser shall pay a sum of RMB2,580,000 (equivalent to approximately HK\$2,952,000) to the Second Vendor within 15 days after the transfer of the 12% equity interest in the Target has been approved by the relevant PRC authority. The remaining balance will be paid to or returned from the Second Vendor within 45 days after the completion of the audit accounts of the Target for 2010 when the amount of the consideration is finalized.

Such consideration will be paid from the Purchaser's internal resources.

INFORMATION ON THE TARGET

The Target is an enterprise established under the laws of the PRC and its principal business is the operation of a nationwide public service advertising broadcast network of over 120 local television stations in the PRC. As the Target was established in late 2008, the only available financial results of the Target for the period since its incorporation are that for the financial year ended 31 December 2009. Set out below are the audited financial information of the Target for the financial year ended 31 December 2009:

Net loss before taxation and extraordinary items:	RMB900,000 (equivalent to approximately HK\$1,030,000)
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Net loss after taxation and extraordinary items:	RMB1,088,000 (equivalent to approximately HK\$1,245,000)
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Based on the audited accounts of the Target, the net book value of the assets of the Target as at 31 December 2009 was RMB1,774,000 (equivalent to approximately HK\$2,029,000).

REASONS FOR THE ACQUISITION OF THE EQUITY INTERESTS IN THE TARGET

The Group is confident of the prospects of the Target and believes that acquisition of further equity interest in the Target may help the Group generate better profit and diversify the Group's revenue base into local television stations. Further, after the completion of the Transfer, the Target will become a wholly owned subsidiary of the Purchaser. This will help streamline decision making process and increase operational efficiency and profitability of the Target.

The Directors consider that the Transfer was 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.

IMPLICATIONS UNDER THE LISTING RULES

As the Purchaser has controlled the composition of the board of directors of the Target prior to the Transfer, the Target is considered as an indirect subsidiary of the Company. Therefore, the First Vendor and the Second Vendor, both being the substantial shareholders of the Target, are connected persons of the Company under the Listing Rules and the Transfer constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. However, the Transfer is exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules since it meets the requirement under Rule 14A.31(9) of the Listing Rules.

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GENERAL

The Company is principally engaged in media advertising business.

Both of the First Vendor and the Second Vendor are principally engaged in the design, production and agency of advertisements and the provision of organizing cultural events services.

DEFINITION

“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
“Equity Transfer Agreements”	the First Equity Transfer Agreement and the Second Equity Agreement
“First Equity Transfer Agreement”	an equity transfer agreement dated 11 November 2010 entered into between the Purchaser and the First Vendor in relation to the acquisition of the 43% equity interest in the Target by the Purchaser from the First Vendor, subject to the terms and conditions contained therein
“First Vendor”	北京太合瑞視傳媒廣告有限公司 (Beijing Taihe Ruishi Media Advertising Company Limited), an enterprise established under the laws of the PRC, which owns 43% equity interest in the Target immediately before the Transfer
“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
“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”	CTV Golden Bridge International Media Co., Ltd. (中視金橋國際傳媒有限公司), a sino-foreign equity joint venture enterprise which is owned as to 99.7% by the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Second Equity Transfer Agreement”	an equity transfer agreement dated 11 November 2010 entered into between the Purchaser and the Second Vendor in relation to the acquisition of the 12% equity interest in the Target by the Purchaser from the Second Vendor, subject to the terms and conditions contained therein
“Second Vendor”	北京大聖視野文化傳播有限公司 (Beijing Dasheng View Culture Broadcasting Company Limited), an enterprise established under the laws of the PRC, which owns 12% equity interest in the Target immediately before the Transfer
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Beijing Taihe Ruishi Culture and Media Company Limited (北京太合瑞視文化傳媒有限公司), an enterprise established under the laws of the PRC
“Transfer”	the transfer of equity interest in the Target as contemplated under the Equity Transfer Agreements

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.144 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

On behalf of the Board
SinoMedia Holding Limited
Chen Xin
Chairman

Hong Kong, 11 November 2010

As at the date of this announcement, the Board comprises Mr. Chen Xin, Ms. Liu Jinlan and Mr. Li Zongzhou as executive directors, Mr. Zhu Jia and Mr. Huang Jingsheng as non-executive directors and Mr. Ding Junjie, Mr. Qi Daqing and Mr. Chen Tianqiao as independent non-executive directors.