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SinoMedia[®]

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)

**ANNOUNCEMENT PURSUANT TO RULE 3.7 OF
THE TAKEOVERS CODE, RULE 13.09(2) OF THE LISTING
RULES AND INSIDE INFORMATION PROVISIONS
UNDER PART XIVA OF THE SECURITIES AND FUTURES
ORDINANCE**

AND

RESUMPTION OF TRADING

This announcement is made by SinoMedia Holding Limited (the “**Company**”) pursuant to Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company wishes to announce that the board of directors of the Company (the “**Board**”) was informed by Mr. Chen Xin, the controlling shareholder, chairman of the Board and an executive director of the Company, that Golden Bridge International Culture Limited, Merger Holding Service Company Limited, United Marine Enterprise Company Limited, Digital Finance Service Company Limited and Sinomedia Investment Ltd. (collectively, the “**Sellers**”) have entered into a non-legally binding memorandum of understanding (the “**MOU**”) (save for certain terms including the requirement on exclusivity set out below in this announcement) with an independent third party (the “**Independent Third Party**”) on 10 June 2015. Each of the Sellers is indirectly wholly-owned by Equity Trustee Limited, as trustee of certain discretionary trusts founded by Mr. Chen Xin and Ms. Liu Jinlan (an executive director of the Company and the spouse of Mr. Chen Xin).

The MOU contains, inter alia, the following principal terms:

Securities to be Sold

Pursuant to the MOU, the Independent Third Party or its nominee(s) (the “**Buyer**”) intends to purchase the shares in the issued share capital of the Company (the “**Shares**”) held by the Sellers as at the date of the MOU (the “**Sale Shares**”), which represent approximately 53.4% of the total issued share capital of the Company (the “**Proposed Transaction**”), comprising:

- (i) 209,941,513 Shares held by Golden Bridge International Culture Limited;
- (ii) 25,921,344 Shares held by Merger Holding Service Company Limited;
- (iii) 25,921,344 Shares held by United Marine Enterprise Company Limited;
- (iv) 21,565,308 Shares held by Digital Finance Service Company Limited; and
- (v) 21,565,312 Shares held by Sinomedia Investment Ltd.

The Sale Shares represent the entire equity interest in the Company held by the Sellers, Mr. Chen Xin and Ms. Liu Jinlan as at the date of this MOU (save for 4,400,000 share options in the Company held by Ms. Liu Jinlan).

The Sellers may, subject to further negotiation and agreement with the Independent Third Party, procure the Company to undertake an asset reorganisation before or upon completion of the Proposed Transaction (“**Asset Reorganisation**”). The exact scope of the Asset Reorganisation has not been finalized.

Proposed Consideration

It is proposed that the consideration for the Proposed Transaction shall be determined by the Buyer and the Sellers in the formal sale and purchase agreement for the Proposed Transaction (the “**Formal Agreement**”) should the parties decide to proceed with the Proposed Transaction.

Exclusivity

The Sellers undertake to procure that, during the period from the date of the MOU to the date falling on the 30th business day from the date of the MOU, the Sellers will not discuss or negotiate with any other party or entity other than the Buyer or its representatives regarding the transactions contemplated under the MOU and the Formal Agreement, or transactions of a similar nature.

Further, the Proposed Transaction, if materialised, may lead to a change in control (as defined under the Takeover Code) of the Company and a mandatory general offer under the Takeovers Code for all the issued Shares by the Buyer (other than those already owned by or agreed to be acquired by the Buyer and parties acting in concert with it).

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid discussions will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

Disclosure of dealings in the shares and relevant securities of the Company

As at the date of this announcement, the Independent Third Party does not hold any Share or other securities of the Company. The Independent Third Party has confirmed that save for the MOU, the Independent Third Party and the parties acting in concert with it have not acquired any voting rights of the Company and have not dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in the six months prior to the date of this announcement.

In compliance with Rule 3.8 of the Takeovers Code, the relevant securities of the Company in issue as at the date of this announcement comprise (i) 570,988,370 Shares and (ii) 25,248,500 outstanding options granted under the share option schemes of the Company. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

In accordance with Rule 3.8 of the Takeovers Code, associates (as defined under the Takeovers Code) of the Company (including persons who own or control 5% or more of any class of relevant securities issued by the Company) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

Shareholders and potential investors of the Company should be aware that the MOU is non-legally binding. The Company shall comply with the relevant disclosure and/or shareholders' approval requirements under the Listing Rules and the Takeovers Code where appropriate. There is no assurance that the Proposed Transaction will materialise or eventually be consummated and the discussions in relation to the Proposed Transaction set out in the MOU may or may not proceed. The Proposed Transaction is subject to, among other things, the signing of the Formal Agreement, the terms and conditions of which are yet to be agreed. The terms of the Proposed Transaction are subject to negotiations between the parties to the MOU. The final structure and terms of the Proposed Transaction, which are still subject to further negotiations between the parties, have yet to be finalised and may deviate from those set out in the MOU. As such, the discussions may or may not lead to a general offer. Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the Shares and/or other securities of the Company.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:04 a.m. on 1 June 2015 pending the release of this announcement.

Application has been made by the Company for resumption of trading in its shares on the Stock Exchange with effect from 9:00 a.m. on 12 June 2015.

By order of the Board
SinoMedia Holding Limited
CHEN Xin
Chairman

Hong Kong, 11 June 2015

As at the date of this announcement, the Board comprises Mr. Chen Xin, Ms. Liu Jinlan and Mr. Li Zongzhou as executive directors, Mr. He Hui David as non-executive director, and Mr. Qi Daqing, Mr. Lian Yuming and Ms. Wang Xin as independent non-executive directors.

All the directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.