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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: 00623)

**MAJOR TRANSACTION
DISPOSAL OF PROPERTIES**

THE DISPOSAL

The Board is pleased to announce that on 2 June 2023 (after trading hours), the Vendor, a non-wholly owned subsidiary of the Company, and Top Resource entered into (i) the Office Unit Agreement, pursuant to which the Vendor has agreed to sell, and Top Resource has agreed to purchase the Office Unit subject to the terms and conditions thereunder, and (ii) the Car Parking Spaces Agreement, pursuant to which the Vendor has agreed to sell, and Top Resource has agreed to purchase the Car Parking Spaces subject to the terms and conditions thereunder.

On 2 June 2023 (after trading hour), the Vendor, Top Resource and the Purchaser entered into the Office Unit Supplemental Agreement and the Car Parking Spaces Supplemental Agreement pursuant to which, among other things, Top Resource shall assign and novate all its respective rights and obligations under the Office Unit Agreement and the Car Parking Spaces Agreement to the Purchaser.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 25%, but all are less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirement under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder with a material interest in the Agreements and the Disposal or his/her close associate is required to abstain from voting on resolution(s) approving the Agreements and the Disposal under the Listing Rules if the Company were to convene a general meeting for the approval of the Agreements and the Disposal. In accordance with Rule 14.44 of the Listing Rules, the Company has obtained the written approval from the following closely allied group of Shareholders, which are all controlled by Tricor Equity Trustee Limited and together are beneficially interested in an aggregate of 309,608,821 Shares, representing approximately 67.07% of the number of issued shares of the Company as at the date of this announcement, to approve the Agreements and the Disposal:

1. Golden Bridge International Culture Limited, holding 210,982,513 Shares, representing approximately 45.70% of the number of issued shares of the Company.
2. SinoMedia Investment Limited, holding 24,038,312 Shares, representing approximately 5.21% of the number of issued shares of the Company.
3. Merger Holding Service Company Limited, holding 25,921,344 Shares, representing approximately 5.62% of the number of issued shares of the Company.
4. United Marine Enterprise Company Limited, holding 27,101,344 Shares, representing approximately 5.87% of the number of issued shares of the Company.
5. Digital Finance Service Company Limited, holding 21,565,308 Shares, representing approximately 4.67% of the number of issued shares of the Company.

Accordingly, no general meeting of the Company will be convened for the purpose of approving the Agreements and the Disposal.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, details of the Disposal and the valuation report of the Properties will be despatched to the Shareholders on or before 26 June 2023, being 15 business days after the publication of this announcement.

INTRODUCTION

The Board is pleased to announce that on 2 June 2023 (after trading hours), the Vendor, a non-wholly owned subsidiary of the Company, and Top Resource entered into (i) the Office Unit Agreement, pursuant to which the Vendor has agreed to sell, and Top Resource has agreed to purchase the Office Unit subject to the terms and conditions thereunder, and (ii) the Car Parking Spaces Agreement, pursuant to which the Vendor has agreed to sell, and Top Resource has agreed to purchase the Car Parking Spaces subject to the terms and conditions thereunder.

On 2 June 2023 (after trading hour), the Vendor, Top Resource and the Purchaser entered into the Office Unit Supplemental Agreement and the Car Parking Spaces Supplemental Agreement pursuant to which, among other things, Top Resource shall assign and novate all its respective rights and obligations under the Office Unit Agreement and the Car Parking Spaces Agreement to the Purchaser.

THE OFFICE UNIT AGREEMENT

A summary of the principal terms and conditions of the Office Unit Agreement is set out below:

Date: 2 June 2023

Parties: (i) the Vendor; and
(ii) Top Resource (whose rights and obligations thereunder has been assigned and novated to the Purchaser pursuant to the Office Unit Supplemental Agreement).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and Top Resource are third parties independent of and not connected with the Company and its connected persons as at the date of this announcement.

Subject properties: The Office Unit is located at Room 2101, 21/F, Block 3, No.6A Chaoyangmenwai Avenue, Chaoyang District, Beijing, PRC. The Office Unit has a total construction area of approximately 1,085.17 square meters.

Consideration and payment terms:

The consideration for the sale and purchase of the Office Unit is RMB88,149,110 (equivalent to approximately HK\$98,118,774) (“**Office Unit Consideration**”), which shall be payable by the Purchaser to the Vendor in the following manner:

- (a) 10% of the Office Unit Consideration, that is RMB8,814,911 (equivalent to approximately HK\$9,811,877) shall be payable to the Vendor within 3 working days after signing of the Office Unit Agreement;
- (b) the remaining 90% of the Office Unit Consideration, that is RMB79,334,199 (equivalent to approximately HK\$88,306,897) shall be paid into an escrow bank account jointly opened and managed by the Purchaser and the Vendor for this purpose no later than 5 working days before Completion; and
- (c) within 2 working days from Completion, the Purchaser shall cooperate with the Vendor to release the balance in the escrow bank account.

The Office Unit Consideration was arrived at after arm’s length negotiations between the Vendor and Top Resource and determined with reference to the preliminary valuation of the Office Unit made by the Valuer as at 31 May 2023 and the recent transactions and market prices of comparable properties at similar locations. The full text of the valuation report prepared by the Valuer will be contained in the circular to be despatched to the Shareholders.

Completion:

Completion shall take place on or before 30 June 2023 whereupon the Purchaser and the Vendor shall complete all necessary registration with the relevant real estate registration authority in the PRC in respect of the title transfer of the Office Unit.

Completion of the sale and purchase of the Office Unit under the Office Unit Agreements and that of the Car Parking Spaces under the Car Parking Spaces Agreement is not inter-conditional with each other.

Delivery of possession Vacant possession of level 21 of the Office Unit shall be delivered to the Purchaser within 2 working days from Completion.

Vacant possession of level 21A of the Office Unit shall be delivered on or before 30 August 2023.

THE CAR PARKING SPACES AGREEMENT

A summary of the principal terms and conditions of the Car Parking Spaces Agreement is set out below:

Date: 2 June 2023

Parties: (i) the Vendor; and
(ii) Top Resource (whose rights and obligations thereunder has been assigned and novated to the Purchaser pursuant to the Car Parking Spaces Supplemental Agreement).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and Top Resource are third parties independent of and not connected with the Company and its connected persons as at the date of this announcement.

Subject Properties: The Car Parking Spaces are located at level -2, No.6A Chaoyangmenwai Avenue, Chaoyang District, Beijing, PRC and have a total construction area of 518.81 square meters.

Consideration and payment terms: The consideration for the sale and purchase of the Car Parking Spaces is RMB5,520,000 (equivalent to approximately HK\$6,144,312) ("**Car Parking Spaces Consideration**"), which shall be payable by the Purchaser to the Vendor in the following manner:

(a) 10% of the Car Parking Spaces Consideration, that is RMB552,000 (equivalent to approximately HK\$614,431) shall be payable to the Vendor within 3 working days after signing of the Car Parking Spaces Agreement;

- (b) the remaining 90% of the Car Parking Spaces Consideration, that is RMB4,968,000 (equivalent to approximately HK\$5,529,881) shall be paid into an escrow bank account jointly opened and managed by the Purchaser and the Vendor for this purpose no later than 5 working days before Completion; and
- (c) within 2 working days from Completion, the Purchaser shall cooperate with the Vendor to release the balance in the escrow bank account.

The Car Parking Spaces Consideration was arrived at after arm's length negotiations between the Vendor and Top Resource and determined with reference to the preliminary valuation of the Car Parking Spaces made by the Valuer as at 31 May 2023 and the recent transactions and market prices of comparable properties at similar locations. The full text of the valuation report prepared by the Valuer will be contained in the circular to be despatched to the Shareholders.

Completion:

Completion shall take place on or before 30 June 2023 whereupon the Purchaser and the Vendor shall complete all necessary registration with the relevant real estate registration authority in the PRC in respect of the title transfer of the Car Parking Spaces.

Completion of the sale and purchase of the Office Unit under the Office Unit Agreements and that of the Car Parking Spaces under the Car Parking Spaces Agreement is not inter-conditional with each other.

Delivery of possession:

Vacant possession of ten of the Car Parking Spaces shall be delivered to the Purchaser within 2 working days from Completion.

Vacant possession of two of the Car Parking Spaces shall be delivered on or before 30 August 2023.

INFORMATION OF THE PROPERTIES

The Properties are held by the Group for investment purpose and as at the date of this announcement, all tenancy agreements for such Properties that have been leased out have been terminated in order to deliver vacant possession to the Purchaser. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, all tenants of the aforesaid Properties are Independent Third Parties.

The net profit attributable to the Properties (the annual rental income after taking into account all related disbursements for managing the Properties both before and after taxation) for the year ended 31 December 2022 and 2021 are as follows:

	Year ended 31 December 2022 <i>RMB'000</i>	Year ended 31 December 2021 <i>RMB'000</i>
Office Unit		
Net Profit Before Tax	3,288	3,106
Net Profit After Tax	2,466	2,329
Car Parking Spaces		
Net Loss Before Tax	(39)	(56)
Net Loss After Tax	(39)	(56)

As at 30 April 2023, the net book value of the Properties was approximately RMB23,423,000 (equivalent to approximately HK\$26,072,141).

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Earning

Upon Completion of the Disposal, the Group is expected to recognise an unaudited gain of approximately RMB62.5 million (equivalent to approximately HK\$69.6 million), representing the difference between the Consideration and the net asset value of the Properties as at 30 April 2023 after deducting all estimated costs and expenses relating to the Disposal. The actual gain or loss in connection with the Disposal will be assessed after Completion and is subject to the review and audit by the auditors of the Company.

Assets and Liabilities

Upon Completion of the Disposal, the non-current assets of the Group will be reduced by approximately RMB23.4 million (equivalent to approximately HK\$26.1 million), being the net asset value of the Properties, and current assets of the Group will be increased by approximately RMB85.9 million (equivalent to approximately HK\$95.6 million), being the net proceeds from the Disposal, but it is expected that there will be no effect on current and non-current liabilities.

Proposed Use of Proceeds

Based on the Consideration and the associated cost of the Disposal of approximately RMB7.7 million (equivalent to approximately HK\$8.6 million), the Group is expected to receive an aggregate net proceed of RMB85.9 million (equivalent to approximately HK\$95.6 million) from the Disposal. The Group intends to use the net proceeds of the Disposal as general working capital for the daily operation or for future investment opportunities which the Board considers suitable and other opportunities that are in line with the Shareholders' interest should such opportunities arise. The Group expects that the net proceeds of the Disposal will be fully utilised by the Group within one year upon the receipt of the entire Consideration from the Purchaser.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board has considered the current financial position and business operation of the Group, and the overall economy and property market in the PRC, and is of the opinion that the current market presents a good opportunity for the Group and the Disposal represents a favourable opportunity to realise the value of the Properties at a reasonable price. In addition, the proceeds from the Disposal will strengthen the financial position of the Group and increase the general working capital of the Group. The Disposal will allow the Group to realise its property investment and reallocate its financial resources to other business development.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Office Unit Agreement and the Car Parking Spaces Agreement are on normal commercial terms, albeit not conducted in the ordinary course of the business of the Group, and believe that the Disposal is fair and reasonable and is in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE VENDOR AND THE GROUP

The Vendor is a limited liability company established in the PRC and a non-wholly owned subsidiary of the Company. It is principally engaged in the business of TV advertising agency, branding and content production services.

The Group is principally engaged in TV advertising, creative content production and digital marketing services.

INFORMATION OF TOP RESOURCE AND THE PURCHASER

The Purchaser is a limited liability company established in the PRC. It is principally engaged in the business of glass furnace surplus heat power generation, sales of power generation equipment and accessories, and energy technology consulting. As at the date of this announcement, the Purchaser is a wholly-owned subsidiary of Top Resource which is a joint stock company established under the laws of the PRC and principally engaged in natural gas supply and pipeline operation, water treatment engineering services, R&D, production and sales of membrane products. The shares of Top Resource are listed on the Shenzhen Stock Exchange ChiNext Board (Stock code: 300332).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser, Top Resource and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 25%, but all are less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirement under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder with a material interest in the Agreements and the Disposal or his/her close associate is required to abstain from voting on resolution(s) approving the Agreements and the Disposal under the Listing Rules if the Company were to convene a general meeting for the approval of the Agreements and the Disposal. In accordance with Rule 14.44 of the Listing Rules, the Company has obtained the written approval from the following closely allied group of Shareholders, which are all controlled by Tricor Equity Trustee Limited and together are beneficially interested in an aggregate of 309,608,821 Shares, representing approximately 67.07% of the number of issued shares of the Company as at the date of this announcement, to approve the Agreements and the Disposal:

1. Golden Bridge International Culture Limited, holding 210,982,513 Shares, representing approximately 45.70% of the number of issued shares of the Company.
2. SinoMedia Investment Limited, holding 24,038,312 Shares, representing approximately 5.21% of the number of issued shares of the Company.
3. Merger Holding Service Company Limited, holding 25,921,344 Shares, representing approximately 5.62% of the number of issued shares of the Company.
4. United Marine Enterprise Company Limited, holding 27,101,344 Shares, representing approximately 5.87% of the number of issued shares of the Company.
5. Digital Finance Service Company Limited, holding 21,565,308 Shares, representing approximately 4.67% of the number of issued shares of the Company.

Accordingly, no general meeting of the Company will be convened for the purpose of approving the Agreements and the Disposal.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular, containing among other things, details of the Disposal and the valuation report of the Properties will be despatched to the Shareholders on or before 26 June 2023, being 15 business days after the publication of this announcement.

DEFINITIONS

Unless otherwise specified, capitalized terms not previously defined in this announcement shall have the following meanings:

“Agreements”	collectively, the Office Unit Agreement and the Car Parking Spaces Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Car Parking Spaces”	means the twelve car parking spaces located at level -2, No.6A Chaoyangmenwai Avenue, Chaoyang District, Beijing, PRC
“Car Parking Spaces Agreement”	means the sale and purchase agreement dated 2 June 2023 entered into between the Vendor and Top Resource in relation to the sale and purchase of the Car Parking Spaces
“Car Parking Spaces Supplemental Agreement”	means the supplemental agreement dated 2 June 2023 entered into among the Vendor, Top Resource and the Purchaser in relation to the assignment and novation by Top Resource of all of its rights and obligations under the Car Parking Spaces Agreement to the Purchaser
“Close Associate(s)”	has the meaning ascribed to it under the Listing Rules
“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: 00623)
“Completion”	completion of the title transfer of the Office Unit or the Car Parking Spaces (as the case may be) under the Agreements respectively
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	collectively, the Office Unit Consideration and the Car Parking Spaces Consideration
“Director(s)”	the director(s) of the Company

“Disposal”	the sale and purchase of the Properties pursuant to the terms and conditions of the Agreements
“Group”	the Company and its Subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person(s) or company(ies) which is/are independent of and not connected with any directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Office Unit”	means the office unit located at Room 2101, 21/F, Block 3, No.6A Chaoyangmenwai Avenue, Chaoyang District, Beijing, PRC
“Office Unit Agreement”	means the sale and purchase agreement dated 2 June 2023 entered into between the Vendor and Top Resource in relation to the sale and purchase of the Office Unit
“Office Unit Supplemental Agreement”	means the supplemental agreement dated 2 June 2023 entered into among the Vendor, Top Resource and the Purchaser in relation to the assignment and novation by Top Resource of all of its rights and obligations under the Office Unit Agreement to the Purchaser
“Properties”	collectively, the Office Unit and the Car Parking Spaces
“PRC”	the People’s Republic of China excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan for the purposes of this announcement
“Purchaser”	Beijing Tianhao Intelligent Residual Heat Power Generation Company Limited* (北京市天壕智慧餘熱發電有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Top Resource

“Share(s)”	ordinary share(s) in the share capital of the Company or, if there is a subdivision, reduction, consolidation, or reconstruction of the share capital of the Company, the shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary/Subsidiaries”	any entity which falls within the meaning of the term “Subsidiary” as defined in the Listing Rules and the term “Subsidiaries” shall be construed accordingly
“Supplemental Agreements”	collectively, the Office Unit Supplemental Agreement and the Car Parking Spaces Supplemental Agreement;
“Top Resource”	Top Resource Conservation and Environment Corp. (天壕環境股份有限公司), a joint stock company established under the laws of the PRC, the share of which are listed on the Shenzhen Stock Exchange ChiNext Board (Stock code: 300332)
“Valuer”	Jones Lang LaSalle Corporate Appraisal & Advisory Ltd., a property valuer and an Independent Third Party
“Vendor”	CTV Golden Bridge International Media Group Company Limited (中視金橋國際傳媒集團有限公司), a limited liability company established in the PRC and a non-wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By order of the Board
SinoMedia Holding Limited
Chen Xin
Chairman

Hong Kong, 2 June 2023

The English translation of Chinese names or words in this announcement, where indicated by “”, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.1131 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in RMB or HK\$ has been, could have been or may be converted as such a rate.

As at the date of this announcement, the Board comprises Mr. Chen Xin, Ms. Liu Jinlan, Mr. Li Zongzhou and Ms. Liu Zhiyi as executive Directors, and Mr. Qi Daqing, Ms. Ip Hung, Dr. Zhang Hua and Dr. Tan Henry as independent non-executive Directors.