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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)

**DISCLOSABLE TRANSACTION
SUBSCRIPTION OF EQUITY INTEREST IN TARGET COMPANY**

THE INVESTMENT AGREEMENT

The Board announces that on 22 November 2019, CTV Golden Bridge, an indirect non-wholly-owned subsidiary of the Company, entered into an Investment Agreement with the Target Company and the Existing Shareholders, pursuant to which CTV Golden Bridge has agreed to make capital contribution in the amount of RMB122 million in cash to the Target Company. Upon Completion, CTV Golden Bridge will be interested in approximately 2.85% of the registered capital of the Target Company.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios in respect of the Proposed Investment exceeds 5% but is less than 25%, the Proposed Investment constitutes a disclosable transaction of the Company, and is therefore subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 22 November 2019, CTV Golden Bridge, an indirect non-wholly-owned subsidiary of the Company, entered into an Investment Agreement with the Target Company and the Existing Shareholders, pursuant to which CTV Golden Bridge has agreed to make capital contribution in the amount of RMB122 million in cash to the Target Company. Upon Completion, CTV Golden Bridge will be interested in approximately 2.85% of the registered capital of the Target Company.

THE INVESTMENT AGREEMENT

- Date: 22 November 2019
- Parties:
- (i) CTV Golden Bridge, an indirect non-wholly-owned subsidiary of the Company
 - (ii) the Target Company
 - (iii) the Existing Shareholders

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Target Company and the Existing Shareholders and their respective ultimate beneficial owners (where applicable) is an Independent Third Party.

Capital Increase: CTV Golden Bridge has agreed to make capital contribution in the amount of RMB122 million in cash to the Target Company. Upon Completion, CTV Golden Bridge will be interested in approximately 2.85% of the registered capital of the Target Company.

Conditions precedent: Unless otherwise waived by the CTV Golden Bridge, performance of their respective obligations of Target Company and Existing Shareholders at Completion is subject to the following conditions:

- (i) the Existing Shareholders passed all resolutions in relation to the execution and completion of the transactions contemplated under the Investment Agreement, the amendment of the articles of association of the Target Company and all other relevant documents of the Proposed Investment;
- (ii) the Target Company and the Existing Shareholders have provided to the CTV Golden Bridge the duly executed Investment Agreement, the revised articles of association of the Target Company and all other relevant documents of the Proposed Investment;

- (iii) the representations, warranties and undertakings in the Investment Agreement made by the Target Company and the Existing Shareholders remain true, accurate, complete and not misleading up to the Completion Date; and
- (iv) there has been no event, condition or other circumstances that brings or would reasonably be expected to bring material adverse change to the assets, liabilities, profits prospect or normal operations of the Target Company during the period from the date of the Investment Agreement up to the Completion Date.

Unless otherwise waived by the Target Company and the Existing Shareholders, performance of its obligations of CTV Golden Bridge at Completion is subject to the following conditions:

- (i) the representations and warranties in the Investment Agreement made by the CTV Golden Bridge remain true, accurate and complete up to the Completion Date;
- (ii) the CTV Golden Bridge have provided to the Target Company the duly executed Investment Agreement, the revised articles of association of the Target Company and all other relevant documents of the Proposed Investment; and
- (iii) the CTV Golden Bridge have deposited the Capital Contribution Amount in full into the designated capital verification bank account of the Target Company.

Completion:

Completion shall take place on the date when all conditions precedent set out in the Investment Agreement are satisfied or waived (where applicable), or such other date as agreed by the parties to the Investment Agreement.

The Target Company shall complete the necessary filings with the relevant PRC authority(ies) within 60 business days from the Completion Date.

Basis of the Capital Contribution Amount

The Capital Contribution Amount was arrived at with reference to the market value of the Target Company and will be satisfied by the internal financial resources of the Group.

The Directors consider that the Investment Agreement were 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.

INFORMATION OF THE RELEVANT PARTIES

CTV Golden Bridge

CTV Golden Bridge is principally engaged in TV advertising agency, branding and content production services.

The Target Company

Target Company is a limited company established in the PRC and is principally engaged in animation content creation and production, children's toy design and marketing, and child education programme development.

Based on the unaudited consolidated financial information of the Target Company, for the year ended 31 December 2018, the revenue recorded was approximately RMB122 million (2017: RMB73 million), loss before taxation and after taxation was approximately RMB154 million (2017: RMB207 million), and the net asset value as at 31 December 2018 was approximately RMB134 million.

Upon Completion, the Target Company will not become a subsidiary or an associate company of the Company, and the financial results of the Target Company will not be consolidated in the financial statements of the Group nor be equity accounted for in the Group's consolidated financial statements as an associate company.

REASONS AND BENEFITS OF THE PROPOSED INVESTMENT

The Company is an investment holding company and its subsidiaries are principally engaged in provision of TV advertisement, creative content production and digital marketing services for advertisers and advertising agents.

The Group has been exploring to expand into the consumer goods market by leveraging on brand creative communication and content development, and laying a foundation for the medium and long term development of the Group through the development of new business growth points to continue to create value for society, clients, staff and Shareholders. The Proposed Investment provides an opportunity for the Group to intensify the core competitiveness in creative communication and content development and will further expand its business into the consumer goods market, and therefore the Board is of the view that the Proposed Investment is beneficial to the Group.

LISTING RULES IMPLICATION

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DEFINITIONS

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

“Board”	the board of Directors of the Company
“Capital Contribution Amount”	the amount of RMB122 million to be contributed by CTV Golden Bridge to the Target Company pursuant to the Investment Agreement
“Company”	SinoMedia Holding Limited, 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)
“Completion”	completion of the Proposed Investment pursuant to the terms set out the Investment Agreement
“Completion Date”	the date when all conditions precedent set out in the Investment Agreement are satisfied or waived (where applicable) or as agreed by the parties to the Investment Agreement
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“CTV Golden Bridge”	CTV Golden Bridge Advertising Company Limited* (中視金橋廣告有限公司), a limited company established in the PRC and an indirect non-wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company

“Existing Shareholder(s)”	(i) Mr. Zhu; and (ii) all other shareholders of the Target Company as at the date of this announcement which include seven individuals who are PRC residents, four limited partnership and one limited company established in the PRC
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Director’s knowledge, information and belief and having made all reasonable enquiries, are third parties independent of the Company and its connected persons pursuant to the Listing Rules
“Investment Agreement”	the investment agreement dated 22 November 2019 entered into among (i) CTV Golden Bridge; (ii) the Target Company; and (iii) the Existing Shareholders
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Zhu”	Mr. Zhu Weisong (朱偉松), a PRC resident and the majority shareholder of the Target Company, who will be interested in 68.14% of the registered capital of the Target Company upon the Completion of the Proposed Investment
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Investment”	the proposed capital contribution by CTV Golden Bridge in the amount of RMB122 million to the Target Company pursuant to the Investment Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) in the share capital of the Company

“Shareholder(s)”	holder(s) of the issued Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the same meaning as ascribed to it under the Listing Rules
“Target Company”	Shanghai Putao Technology Co., Ltd.* (上海葡萄緯度科技有限公司), a limited company established in the PRC

On behalf of the Board
SinoMedia Holding Limited
Chen Xin
Chairman

Hong Kong, 22 November 2019

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.*

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