



China Integrated Media Corporation Limited

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ASX ANNOUNCEMENT

14 May 2015

Proposed Acquisition of Business

The Directors of China Integrated Media Corporation Limited (“CIMC” or the “Company”) are pleased to announce that the Company has today entered into a Share Sale and Purchase Agreement (“SSPA”) to acquire the entire issued capital of Marvel Digital Limited (“MDL”) from Marvel Finance Limited, a company beneficially owned by the Chairman and the substantial shareholder of the Company, Dr. Herbert Ying Chiu LEE. If the transaction is approved and completed, then the Vendor becomes the controlling shareholder of CIMC, holding approximately 55% (inclusive of existing and new shares) in the enlarged share capital of the Company.

About Marvel Digital Limited

MDL is a technology company that develops (i) a proprietary digital content management system for the display of image, text and video to networked screens over the internet, (ii) 2D to 3D conversion software and (iii) autostereoscopic 3D display technology. MDL was incorporated in Hong Kong and it holds two wholly-owned subsidiary companies namely Visumotion International Limited and Marvel Digital Shenzhen Limited.

Terms and conditions of the Proposed Acquisition

The purchase consideration (“Initial Consideration”) for the 100% equity interests in MDL shall be the consolidated net asset value of the MDL which shall not be less than HKD 28,000,000 at the completion date. The Initial Consideration shall be paid by the issuance of CIMC shares at a price of AUD 20 cents per share. The expected purchase price is to be in the range of HKD 28,000,000 to HKD 33,000,000.

The Company will also pay a deferred performance fee calculated at five (5) times of the average annualized consolidated profits of MDL for the two years period from the completion date less the Initial Consideration.

The transaction is subject to a number of conditions, including obtaining shareholder approval for the proposed acquisition which, pursuant to s 611 item 7 Corporations Act will require CIMC to present to shareholders an independent expert’s report concluding the fairness and reasonableness of the acquisition.

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The Company will continue to update the market with progress and developments including the preparation of the necessary meeting materials for the shareholders' meeting to approve this proposed acquisition.

Further details of the proposed transaction are shown in Appendix A.

For further information on this announcement, please contact:

China Integrated Media Corporation Limited

Attention: Company Secretary

Email: info@chinamedia.com.au

About CIMC

CIMC is an ASX-listed company principally engaged in the development of the digital advertising platform in glasses-free 3D (autostereoscopic), distribution of the digital displays and 3D software, provision of 3D consultancy services and lottery gaming business in China.



Appendix A: Summary of Share Sale and Purchase Agreement (“SSPA”)

Parties:	China Integrated Media Corporation Limited (“CIMC” or “Purchaser”) Marvel Finance Limited (“Vendor”) Marvel Digital Limited (“MDL”)
Purchase Price/Consideration:	<p>CIMC has currently 53,220,787 shares on issue.</p> <p>To acquire 100% of the shares in MDL from the Vendor at a consideration equivalent to the consolidated net asset value of MDL at the completion date but shall not be less than HKD 28,000,000 (“Initial Consideration”). The Purchaser shall pay the Initial Consideration by issuing the number of CIMC shares at a price of AUD 20 cents per share.</p> <p>The minimum number of CIMC shares to be issued for the Initial Consideration is 22,724,800 in using the exchange rate of HKD/AUD 1:0.16232 as of 13 May 2015, which constituted approximately 42.70% of CIMC shares on issue.</p>
Deferred Consideration	The Purchaser will also pay a performance fee payment calculated at five (5) times of the average annualized consolidated profits of MDL for the two years period from the completion date less the Initial Consideration.
Warranties:	The SSPA contains representations, warrants and undertakings given by the Vendor to CIMC.
Conditions Precedent:	<p>CIMC being satisfied, in its absolute discretion, with the results of its own due diligence;</p> <p>CIMC being satisfied, in its absolute discretion, with the results of an Independent Expert’s Report required pursuant to s 611 item 7 of the Corporations Act;</p> <p>CIMC obtaining all necessary approvals, waivers and confirmations from ASX in respect of the proposed purchase of MDL, and the issuance of the shares contemplated in the SSPA and reorganization and transfer of 8,336,266 and 10,370,000 shares currently held by Dr. Herbert Ying Chiu LEE and MDL, respectively to a special purpose vehicle wholly and beneficially owned by the Vendor will not give rise to any obligation on the part of the Vendor or any of its associates to make a general offer under Chapter 6A of the Corporations Act 2001 to acquire all the shares of CIMC;</p> <p>The Vendor obtaining all necessary consents and approvals from the relevant governmental or regulatory authorities in Australia or elsewhere in respect of the proposed sale of MDL;</p>



Appendix A: Summary of Share Sale and Purchase Agreement (“SSPA”) (Continued)

Conditions Precedent (Continued):	CIMC obtaining all necessary Board, Shareholders and ASIC approvals in respect of the proposed purchase of MDL and the SSPA; Approval of CIMC shareholders under Listing Rule 7.3 and Rule 10.11 to the issue of the CIMC Shares as consideration in the SSPA; and Obtainment of any other Regulatory Approvals.
Completion:	The completion date of this transaction is expected on or before 5:00 pm on 31 July 2015 or other dates as agreed by CIMC and the Vendor after the satisfaction of the various conditions precedent to the SSPA.
Governing Law:	The Share Sale and Purchase Agreement is governed by and construed in accordance with the laws of South Australia.