

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

August 20, 2012

Commission File Number: 001-33800

SearchMedia Holdings Limited

(Translation of registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

**Room 902 and 903, 500 Weihai Road,
Jing An District, Shanghai, China 200041**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934: Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): n/a

On August 17, 2012, SearchMedia Holdings Limited, a Cayman Islands corporation (the “Company”), entered into a stock purchase agreement (the “Stock Purchase Agreement”) with certain accredited investors (the “Investors”), pursuant to which the Company sold in a PIPE transaction (the “PIPE Transaction”) an aggregate of 6,100,000 shares of the Company’s common stock, par value \$0.0001 per share (the “Shares”), at a price per share of \$1.00. The Company received aggregate gross proceeds of \$6,100,000.00 at its first closing dated August 17, 2012. A second closing of the PIPE Transaction will be completed no later than September 30, 2012. The terms and conditions of the Stock Purchase Agreement include standard representations and warranties.

The offering and sale of the Shares were exempt from registration under Section 4(2) of the Securities Act of 1933, as amended (the “Securities Act”), and Rule 506 of Regulation D promulgated thereunder. The Shares have not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission or an applicable exemption from the registration requirements. The sale of the securities did not involve a public offering and was made without general solicitation or general advertising. The Investors represented that they are accredited investors, as such term is defined in Rule 501(a) of Regulation D under the Securities Act, and that they acquired the Shares for investment purposes only and not with a view to any resale, distribution or other disposition of the Shares in violation of the United States federal securities laws.

Also on February 17, 2012, the Company entered into certain convertible promissory notes (the “Convertible Promissory Notes”) with four investors separately. In connection with the Convertible Promissory Notes, the Company agreed to issue 3,148,833 Shares (“Conversion Shares”) upon the conversion of Convertible Promissory Notes at conversion price of \$1.00 including 148,833 Shares in accrued interest through August 17, 2012. Simultaneous with the PIPE Issuance’s first closing, the Company issued the Conversion Shares.

See also Exhibit 99.1 related to a Press Release dated August 20, 2012.

See also Exhibit 99.2 related to a Press Release dated August 20, 2012.

This Form 6-K is being incorporated by reference into the Registrant’s Form F-3 Registration Statement File No. 333-176634.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SearchMedia Holdings Limited

Date: August 21, 2012

By: Peter W. H. Tan
Name: Peter W. H. Tan
Title: Chief Executive Officer



SearchMedia Reports Unaudited Financial Results for the First Six Months of 2012

Shanghai, China, August 20, 2012 — SearchMedia Holdings Limited (“SearchMedia”) (NYSE MKT: IDI, IDI.WS), one of China’s leading nationwide multi-platform media companies, today reported unaudited financial results for the six months ended June 30, 2012

Financial Highlights for the Six Months ended June 30, 2012

- Revenue decreased 43% year-on-year from \$28.3 million to \$16.1 million.
- Operating profit increased from \$1.8 million to \$10.8 million year-on-year.
- Net profit increased from \$0.7 million to \$9.8 million year-on-year mainly attributable to one time gain on disposal of subsidiaries and gain from extinguishment of acquisition consideration.
- Acquisition consideration payable reduced from \$23.2 million at year end 2011 to \$10.1 million at June 30, 2012.
- Upon closing of the \$6.1 million equity investment and conversion of the \$3.1 million convertible notes including accrued interest announced separately today, shareholders’ equity will increase to \$7.2 million.

Unaudited Financial Results for the Six Months ended June 30, 2012

Revenue decreased 43% to \$16.1 million in the first six months of 2012 from \$28.3 million for the same period last year primarily due to the divestiture of Zhejiang Continental and Shenyang Jingli, the streamlining of Ad-Icon Shanghai’s non-profitable elevator business and the termination of our VIE structure.

Gross profit decreased year-on-year from \$8.1 million in the same period last year to \$2.6 million as a result of a decrease in revenue during the period, divestiture of Shenyang Jingli, Zhejiang Continental, and streamlining of the Ad Icon Shanghai elevator business while still incurring contracted advertising space lease costs. Gross margin decreased to 16% from 29% in the same period last year due to higher concession costs, higher network expansion cost, higher percentage of agency business in advertising revenue, and recent subsidiaries separation and elevator business streamlining.

Total operating expenses for the first six months of 2012 were \$4.8 million compared to \$6.4 million for the prior year period as a result of business streamlining and management’s continued efforts to control costs. Sales and marketing expenses decreased 49% to \$1.3 million from \$2.5 million in the prior year period, primarily reflecting a proportional decrease in sales commissions as a result of lower revenue. General and administrative expenses decreased 8% to \$3.5 million from \$3.9 million in the prior year period, reflecting a decrease in salary expense driven by business streamlining and management’s efforts in controlling costs.

Operating profit was \$10.8 million compared to \$1.8 million due to the \$13.0 million gain on disposal of subsidiaries and extinguishment of certain acquisition consideration payable. Net profit for the first half of 2012 was \$9.8 million compared to \$0.7 million in the prior year period due to a gain on the disposal of subsidiaries and the extinguishment of certain acquisition consideration payable.

Adjusted net loss for the first half of 2012 was \$2.0 million compared with net profit of \$0.7 million after excluding non-cash items such as gain from the extinguishment of acquisition consideration payable of \$3 million, gain on disposal of subsidiaries of \$10 million, loss on abandonment of lease of \$0.5 million, loss on disposal of fixed assets of \$0.4 million, and share based compensation of \$0.3 million. Please refer to the non-GAAP reconciliation table provided at the end of the release for a period-over-period comparison of non-cash adjustments.



Upon closing of the \$6.1 million equity investment announced separately today, cash will increase to \$9.3 million. Earnout liabilities as of June 30, 2012 totaled \$10.1 million down from \$23.2 million at December 31, 2011. Additional reduction of the earnout liability is expected in third quarter of 2012. For the six months ended June 30, 2012, the Company had a weighted average number of basic and diluted shares outstanding of 18.2 million shares.

Peter W.H. Tan, Chief Executive Officer of SearchMedia remarked, "The first six months of 2012 are an important transition period for the Company. We have strategically streamlined our business by closing unprofitable offices and divesting certain subsidiaries and eliminating the underlying earnout liability in order to pursue more accretive concession opportunities. These actions resulted in reduced performance in the first half of 2012. However, as shown by the recent announcement of our nationwide concession with Home Inns & Hotel Management, Inc. ("Home Inns"), and our new Luxury Mall LCD Advertising Joint Venture we believe that we will create significant shareholder value through strategic, long term proprietary concessions with prominent partners. We have additional concessions in our pipeline and we expect additional announcements during the balance of 2012. We expect these concessions will result in SearchMedia becoming a much larger and more profitable company and we will start to see the impact in the second half of 2012 as a result of the improved cash flow and cost savings. We estimate revenue per location of approximately \$200,000 for the Luxury Mall LCD Joint Venture with a net margin of 40% and over \$120,000 in revenue per location for the Home Inns concession with net margin of 30%. The Company also eliminated its VIE structure in December 2011 in order that our shareholders have a direct interest in all of the operations and subsidiaries, in addition to improving transparency.

About SearchMedia

SearchMedia is a leading nationwide multi-platform media company and one of the largest operators of integrated outdoor billboard and in-elevator advertising networks in China. SearchMedia operates a network of high-impact billboards and one of China's largest networks of in-elevator advertisement panels in 50 cities throughout China. SearchMedia's core outdoor billboard and in-elevator platforms are complemented by its transit advertising platform, which together enable it to provide multi-platform, "one-stop shop" services for its local, national and international advertising clients. Learn more at www.searchmediaholdings.com.

Forward-Looking Statements

Any statements contained in this press release that do not describe historical facts, including statements about SearchMedia's beliefs and expectations, may constitute forward-looking statements as that term is defined by the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expect," "anticipate," "future," "intend," "plan," "believe," "estimate," "confident" and similar statements. Any forward-looking statements contained herein are based on current expectations, but are subject to a number of risks and uncertainties that may cause actual results to differ materially from expectations.

Potential risks and uncertainties include, but are not limited to: whether we will create significant shareholder value through large, long term proprietary concessions with prominent partners; whether the additional concessions in our pipeline will come to fruition and be beneficial; whether the additional concessions will allow the Company to become a larger and more profitable company resulting in improved cash flow and cost savings; whether we can achieve the projected revenue and net margin for the Luxury Mall LCD Joint Venture and Home Inns concession; and whether the elimination of the VIE structure will, among other things, improve transparency and the risks that there are uncertainties and matters beyond the control of management, and other risks outlined in the Company's filings with the U.S. Securities and Exchange Commission. SearchMedia cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. SearchMedia does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based.

For more information, please contact:
Paul Conway, 0118613918844646
ir@searchmediaholdings.com

SearchMedia

SearchMedia Holdings Limited
Condensed Statements Of Operations
In USD'000

	For Six Months Ended June 30	
	2012	2011
	Unaudited	Unaudited
Advertising service revenues	\$ 16,100	\$ 28,309
Cost of revenues	(13,492)	(20,200)
Gross profit	2,608	8,109
Sales and marketing expenses	(1,284)	(2,494)
General and administrative expenses	(3,541)	(3,858)
Gain on disposal of subsidiaries	9,963	—
Gain from extinguishment of acquisition consideration payable	3,032	—
Profit from operations	10,778	1,757
Interest income	11	8
Non-operating income	121	26
Loss on abandonment of lease	(523)	—
Loss on disposals of fixed assets	(358)	—
Foreign currency exchange loss, net	1	(4)
Profit before tax	10,030	1,787
Income tax expense	(221)	(1,103)
Net profit after tax	\$ 9,809	\$ 684

SearchMedia

SearchMedia Holdings Limited
Condensed Balance Sheets
In USD'000

	<u>June 30,</u> <u>2012</u>	<u>December</u> <u>31, 2011</u>
	<u>Unaudited</u>	<u>Unaudited</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,175	\$ 4,630
Restricted bank deposit	45	1
Accounts receivable, net	9,116	15,822
Other current assets	<u>9,802</u>	<u>12,406</u>
Total current assets	22,138	32,859
NON-CURRENT ASSETS		
Property and equipment, net	187	633
Deposits for PPE	—	31
Goodwill	<u>16,864</u>	<u>16,926</u>
Total assets	<u>\$ 39,189</u>	<u>\$ 50,449</u>
LIABILITIES & SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 8,796	\$ 14,167
Short-term borrowings	2,972	—
Acquisition consideration payable	10,132	23,238
Income taxes payable	7,126	9,524
Other current liabilities	<u>12,202</u>	<u>16,973</u>
Total current liabilities	41,228	63,902
Total liabilities	<u>\$ 41,228</u>	<u>\$ 63,902</u>
SHAREHOLDERS' EQUITY		
Common Shares – \$0.0001 par value 1,000,000,000 shares authorized, 18,241,916 shares issued and outstanding	\$ 2	\$ 2
Additional paid-in capital	124,872	123,288
Accumulated other comprehensive loss	(1,050)	(1,071)
Accumulated deficit	<u>(125,863)</u>	<u>(135,672)</u>
Total shareholders' equity	(2,039)	(13,453)
Total liabilities and shareholders' equity	<u>\$ 39,189</u>	<u>\$ 50,449</u>

SearchMedia

SearchMedia Holdings Limited
Condensed Statements Of Cash Flows
In USD'000

	For Six Months Ended June 30	
	2012	2011
	Unaudited	Unaudited
Net cash provided by / (used in) operating activities	\$ (3,169)	\$ 1,417
Net cash used in investing activities	(462)	(374)
Net cash provided by financing activities	2,307	1
Foreign currency translation adjustment	(131)	(228)
Net increase / (decrease) in cash and cash equivalents	(1,455)	816
Cash and cash equivalents at beginning of year	4,630	7,554
Cash and cash equivalents at end of year	<u>\$ 3,175</u>	<u>\$ 8,370</u>

SearchMedia Holdings Limited
Reconciliation Of Net Income To Non-GAAP Adjusted Net Income
In USD'000

	For Six Months Ended June 30	
	2012	2011
	Unaudited	Unaudited
Net income	\$ 9,809	\$ 684
Gain on disposal of subsidiaries	(9,963)	
Gain from extinguishment of acquisition consideration payable	(3,032)	
Share-based compensation	285	
Loss on abandonment of lease	523	
Loss on disposals of fixed assets	358	
Adjusted non-GAAP net income / (loss)	<u>\$ (2,020)</u>	<u>\$ 684</u>



SearchMedia Announces New Luxury Mall LCD Advertising Joint Venture; Completion of New \$6.1 Million Common Share Investment

Shanghai, China, August 20, 2012 — SearchMedia Holdings Limited (“SearchMedia” or the “Company”) (NYSE MKT: IDI, IDI.WS), one of China’s leading nationwide multi-platform media companies, today announced that it will establish a joint venture in Shanghai for a new major luxury mall concession (“LCD Joint Venture”). Additionally, the Company announced that it has entered into an agreement for a new private placement of up to 10.0 million common shares, of which the Company has closed the first tranche of 6.1 million shares, with Frost Gamma Investment Trust, an entity affiliated with Dr. Phillip Frost, our largest shareholder, TGC Partners Limited, an entity affiliated with our Chief Executive Officer, Mr. Peter W. H. Tan, TGC Media Investments II Corp., a private investment company based in Singapore, Nan Fung Group (“Nan Fung”), one of current largest investors and Titan Multi-Asset Fund SPC, a fund controlled by Yuanta Asset Management (“Titan Yuanta”).

The new LCD Joint Venture has been formed with Shanghai’s Symbol Media Corporation (“Symbol Media”) to build a new network of large format LCD screens at prominent entry points of high end shopping centers located at major central business district locations in Shanghai, mainly located along the Huai Hai Road and Nanjing West Road vicinity. SearchMedia shall own 51% of the Joint Venture with its local partner Symbol Media and its affiliates owning the remaining 49%. SearchMedia will also have the option to acquire the remaining 49% of the LCD Joint Venture starting in 2014.

Screens for the network are approximately 70 inches in length, allowing advertisers to promote their brands with large digital billboards in high impact locations with prominent street level views. Advertisements are broadcast in intervals which attract more attention to the screens while allowing a higher revenue yield per location. In addition, many of the screen locations are located adjacent to subway stations and busy intersections, providing an even wider consumer reach.

The LCD Joint Venture intends to acquire the rights to many prestigious high end shopping centers in prime locations in Shanghai including CITIC Plaza, Cloud Nine Mall, Grand Gateway Mall, Hong Kong Plaza, Jiu Guang Emporium, K11 New World Malls, Metro City, Printemps China, Raffles City, The 6th Goods Shopping Mall and Xin Tian Di.

Peter W.H. Tan, Chief Executive Officer of SearchMedia, remarked, “We are very excited for our new LCD Joint Venture which will give us a very strong presence in heavily trafficked, Grade A shopping centers. Advertisers strongly desire access to these prominent locations with high scarcity value, especially since our LCD displays are very close to the point of purchase. Approximately 40% of all global luxury sales are now generated in China, with much of the sales from Grade A luxury shopping centers. We believe this new agreement will allow us to provide a very attractive long term advertising solution for many of our international, national and local advertisers, especially luxury good brands. We anticipate that the network will be built out first within Shanghai and then expanded to other Tier I and Tier II cities throughout China. As evidenced through this new concession and our recently announced new nationwide concession with Home Inns & Hotel Management Inc. (“Home Inns”), we expect to continue to add new concessions with prominent partners that will accelerate our growth and create value for our shareholders.”

The Company has also closed the first tranche of a new common share private placement of \$6,100,000 at a price of \$1.00 per share to primarily finance our investment of the new LCD Joint Venture and the previously announced new concession with Home Inns. As part of this new investment, all of our investors in the Convertible Note Offering completed in February 2012 have agreed to also convert their Convertible Notes (including accrued interest) into common shares. The private placement contemplates a second tranche of an additional 3.9 million shares to be completed by September 30, 2012. Proforma for the new \$6.1 million private placement and conversion of the Company’s existing Convertible Notes, the Company will have basic and diluted shares outstanding of 27.5 million shares.



Among those investors in the private placement, Nan Fung is a privately held group of companies and has grown into one of Hong Kong's and China's most established property developers which is principally engaged in the business of property development, property investment, construction, property management, investment and financing. Titan Yuanta, a fund managed by a subsidiary of Yuanta Financial Holdings which is a comprehensive financial investment services firm. Yuanta remains a leader in securities-related businesses in Taiwan, and offers a full range of additional complementary services through its various subsidiaries. In addition to securities brokerage and securities financing, it also provides products and services in banking, futures, investment trust, investment consulting, venture capital, and asset management. Yuanta maintains a distribution network of 141 securities branches and 88 banking branches combined with 7,600 professionals providing clients with diversified financial services.

Peter W. H. Tan commented, "We are pleased by the additional capital commitment and support from our investors and a new strategic investor, which allows us to further capture the attractive market opportunities within China's media industry. Dr. Frost and the members of the Frost Group have been and continue to be very supportive of the Company, including strategic, operational and financial support and we intend to continue a very close relationship with them. We are also pleased to have Nan Fung participating in this equity raise. As one of the most prominent property developers and fund managers in Greater China, we look forward to continuing to cooperate with Nan Fung on different opportunities in the future. We are also proud to have added Titan Yuanta as a new shareholder. As mentioned in previous announcements, we are very focused in expanding our investor base throughout China and Asia and the addition of Titan Yuanta as a hallmark investor is the first step in that strategy. This capital raise also both strengthens our capitalization and simplifies our capital structure as we now have converted all of our outstanding Convertible Notes to common shares.

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For more information, please contact:
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