

[For immediate release]



中視金橋國際傳媒控股有限公司
SinoMedia Holding Limited

SinoMedia Announces 2009 Interim Results

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*Extensive Media Resources and Improved Competitiveness
Remains Profitable Despite Challenging Business Environment*

HONG KONG, 16 September 2009 – **SinoMedia Holding Limited** (“SinoMedia” or the “Group”; stock code: 623), a leading privately-owned media advertising operator in China providing nationwide TV advertising coverage for clients on China Central Television Station (“CCTV”) and other media advertising resources, today announced its unaudited interim results for the six months ended 30 June 2009.

Key Performance Highlights

- ❖ Delivered above-industry growth rate despite the global financial crisis and challenging business environment
- ❖ Extensive media resources including approx. 12,296 minutes advertising time on 43 programmes in CCTV-1, 2, 4 & 7
- ❖ Experienced quarter-on-quarter sales rebound and business improvement for the second quarter of 2009
- ❖ Maintained a strong balance sheet; cash position as at 30 June 2009 was RMB 625 million
- ❖ Cash flow from operating activities improved to a net inflow of RMB72 million during this period from a net outflow of RMB69 million for the same period last year

For the six months ended 30 June 2009, SinoMedia achieved total revenue of RMB321,598,000, up 35% from RMB238,613,000 a year earlier. The growth was mainly attributable to a higher average selling price of advertising time of the Group’s existing businesses (i.e. advertising agency of CCTV-1, 2 and 4 programmes), as well as the income generated by CCTV-7, which the Group newly signed up.

During the period under review, profit attributable to equity shareholders of the Group amounted to RMB12,358,000, compared with RMB44,786,000 for the same period last year. The decline was mainly attributable to (1) a slight drop in gross profit of the Group’s existing

businesses in the first quarter of 2009 due to weaker performance of the overall advertising industry; (2) gross loss incurred by the new businesses at start-up stage (CCTV-7 and cctv.com), together with an additional non-cash cost of RMB11.8 million under straight-line amortization of costs over the entire contract periods of the underwriting contracts; and (3) a significant drop in non-operating income by RMB13.4 million.

Mr. Chen Xin, Chairman of SinoMedia, said, "In the first half of 2009, the media advertising industry in China was affected by poor market sentiment as a result of the global financial crisis. Despite the challenging operating environment, SinoMedia managed to stay profitable and outpace the overall TV advertising industry in revenue growth, suggesting that our market share has been expanded."

Business Review

During the period under review, the Group had the underwriting rights to approximately 12,296 minutes of the advertising time of 43 programmes and time slot belonging to CCTV-1/news channel, CCTV-2, CCTV-4 (Chinese International/ Europe and US) and CCTV-7. In addition, the Group had the exclusive underwriting rights to sell advertising resources of the news page of www.cctv.com, the only official CCTV information Internet portal.

To further enrich its media resources, the Group has also joined hands with its business partners to establish China's first and only national wide public service advertising broadcast network, providing a full range of advertising services.

CCTV-1 / News Channel

"Media Headline (媒體廣場)" is the only newspaper reading programme on CCTV-1 news channel. The advertisement time of the programme exclusively owned by the Group grew by 23% to 858 minutes in the first half of 2009, compared with 695 minutes in the same period last year.

CCTV-2

The Group has the right to sell the advertisement time of "China Finance Report (中國財經報導)" on CCTV-2. During the period under review, the Group had underwriting rights to 110 minutes of advertisement time of the program, down 17% from the previous year.

CCTV-4

SinoMedia had the rights to sell the advertisement time on more than half of CCTV-4's programmes. In the first half of 2009, the Group had underwriting rights to 8,287 minutes of

advertisement time on CCTV-4, up 6% from the same period last year.

CCTV-7

CCTV-7 is the Group's newly acquired media advertising resource since 1 January 2009. The advertising resource covers all advertising time of seven programs, including "Zhi Fu Jing (致富經)", "Daily Agricultural News (每日農經)" and "Focus on the Three Agricultural Issues (聚焦三農)", and the advertising contracts are valid for five years. As a channel of agricultural programs, CCTV-7 had a penetration rate of 78.13% in 2008, ranking the second after CCTV-1. Given the central government's growing emphasis on the "three agricultural issues", CCTV-7 is set to become one of the best platforms for businesses to tap the consumer market in different provinces and cities. During the period, the Group had underwriting rights to about 3,041 minutes of the channel.

Outlook

According to a study by CVSC-TNS Research, TV continued to be the most popular medium with advertisers during the global financial crisis, controlling 87% of the market while spending on TV advertisements was also up 19% year-on-year. Taking into account the improved outlook by leading institutions and experts, the Group is cautiously optimistic that the TV advertising market may soon recover and stage a rebound as early as the second half of 2009.

"Looking ahead, we will continue to focus on consolidating our position as a leader of advertising services for mainstream media, while at the same time diversifying into new media. Our long term relationship with CCTV, our diverse client base, our extensive management experience and strong reputation in the marketplace give us confidence that we are well positioned to seize any future growth opportunities in the industry, and create long term value for our shareholders and business partners," Mr. Chen Xin said.

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CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2009
(Expressed in Renminbi)

	Unaudited <i>Six months ended 30 June</i> 2009 RMB'000	Unaudited <i>Six months ended 30 June</i> 2008 RMB'000
Revenue	321,598	238,613
Cost of services	<u>(284,450)</u>	<u>(167,687)</u>
Gross profit	37,148	70,926
Other income	4,663	13,566
Selling and marketing expenses	(15,043)	(9,469)
General and administration expenses	<u>(20,839)</u>	<u>(21,650)</u>
Profit from operations	5,929	53,373
Finance income	<u>807</u>	<u>5,341</u>
Net finance expense	807	5,341
Share of loss of equity accounted investees (net of income tax)	<u>(132)</u>	<u>-</u>
Profit before income tax	6,604	58,714
Income tax expense	<u>(1,152)</u>	<u>(13,697)</u>
Profit for the period	<u>5,452</u>	<u>45,017</u>
Attributable to:		
Equity shareholders of the Company	12,358	44,786
Minority interests	<u>(6,906)</u>	<u>231</u>
Profit for the period	<u>5,452</u>	<u>45,017</u>
Earnings per share		
Basic earnings per share (RMB)	0.022	0.104
Diluted earnings per share (RMB)	0.022	0.100