

[For immediate release]



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

## SinoMedia Achieved Strong 2010 Interim Results

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**Revenue and net profit surged by 86% and 111% respectively**

HONG KONG, 26 August 2010 – **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 interim results for the six months ended 30 June 2010.

### **Key Performance Highlights**

- ❖ Delivered above-industry growth rate with revenue and profit attributable to owners of the Company up 86% and 111% year-on-year respectively
- ❖ The Group’s business with CCTV-7 has turned to profitability with revenue up 96% year-on-year
- ❖ Extensive media resources including approx. 6,136 of the advertisement time on CCTV-1/News Channel, CCTV-4 and CCTV-7, as well as the advertising resources of all programs on CCTV-NEWS
- ❖ Continued to maintained solid financial position and healthy balance sheet

For the six months ended 30 June 2010, SinoMedia achieved a total revenue of RMB599,339 thousand, up 86% from RMB321,598 thousand for the same period last year. Profit attributable to owners of the Company increased by 111% to RMB26,018 thousand from the corresponding period last year. The satisfactory results were attributable to the fact that sales revenue from CCTV-1 and CCTV-4 were in line with expectation, and the business with CCTV-7 has turned to profitability.

During the review period, the sales of advertisement time on CCTV-7 increased significantly with revenue up 96% from the same period last year, thanks to the Group’s year-long effort in nurturing the market and enhancing the sales strategies, coupled with a more sophisticated sales and management team. With the support of the favourable national agricultural policies, consumer markets in counties and townships have expanded rapidly, which helped the Group to gain more customer recognition in the effectiveness of placing advertisements on

CCTV-7.

Mr. Chen Xin, Chairman of SinoMedia, said, "In the first half of 2010, Chinese economy continued to record robust growth. Advertising expenditure increased drastically year-on-year by 22% in the first half of the year, while spending on TV advertisements was up 20%. On back of the favorable market dynamics, the revenue growth of SinoMedia has outpaced the overall TV advertising industry, suggesting that our market share has been expanded."

### **Business Review**

During the review period, the Group had the underwriting rights to approximately 6,136 of the advertisement time on CCTV-1/News Channel, CCTV-4 and CCTV-7, of which approximately 4,035 minutes were sold.

### **Media Resources**

#### **CCTV-1:**

The Group has the exclusive underwriting rights to the advertising resources of two high quality programs on CCTV-1, namely "News 30 (新聞 30 分)" (CCTV-1/News Channel) and "Evening News (晚間新聞)". The advertisement time of each program amounts to no less than 1.5 minute per day.

#### **CCTV-4:**

The Group has the exclusive underwriting rights to all programs during the entire prime time from 20:00 to 22:00 on CCTV-4, including "Walk Through China (走遍中國)", "Across the Strait (海峽兩岸)" and "China News Package (中國新聞套)". Effective from 1 March 2010, the Group also holds the exclusive underwriting rights to the advertisement time of CCTV-4 "All-Day Package (全天時段套)", which is divided into six time slots per day. The total advertisement time amounts to about 14 minutes per day.

#### **CCTV-7:**

Through its subsidiary Beijing Golden Bridge Senmeng Media Advertising Co., Ltd, the Group holds the exclusive underwriting rights to all the advertising resources of seven programs on CCTV-7, 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)". During the period, the abovementioned advertising resources provided more than 3,100 minutes of advertisement time available for sale.

#### **CCTV-NEWS:**

Effective from 1 March 2010, the Group holds the exclusive underwriting rights to the

advertising resources of all programs on CCTV-NEWS (English international channel of CCTV, formerly known as CCTV-9). In 2010, CCTV-9 underwent a revamp designed to place stronger emphasis on its position as a news channel. With full editorial independence, the 24-hour news channel leverages its global network of correspondents to provide hard-hitting coverage on the latest significant news developments around the world. The news channel is intended to become one of the world's most influential international news media platforms in two to three years.

***Internet advertising:***

The Group signed an agreement with Sohu Media, pursuant to which the Group has been assigned as the exclusive agency to sell advertising resources on any webpage of www.sohu.com and www.chinaren.com to clients relating to city tourism and business promotion industry in China.

***Nationwide public service advertising broadcast network:***

The Group holds the underwriting rights to the advertising resources in nationwide public service advertising broadcast network, which covers 120 local TV channels and the advertisement time of each channel covers no less than 30 seconds of evening prime time.

**Outlook**

During the first half of 2010, new sales and marketing measures, such as cross-media sales and marketing and product placement marketing, were increasingly adopted in corporate advertising in China. Internet TV advertising is also attracting growing attention.

“Looking ahead, we will step up our efforts in the strategic planning for the new media and internet advertising services in accordance with market demands. Leveraging our management strength, extensive media resources and solid business foundation, we will seek to safeguard and solidify our position as a leading advertising operator in the mainstream media, and strive to obtain larger advertising budget from customers by enhancing our ability to offer comprehensive advertising services and further strengthening our relationship with customers.” Mr. Chen Xin said.

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**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**For the six months ended 30 June 2010 - unaudited**  
*(Expressed in Renminbi)*

	<i>Six months ended 30 June</i>	
	<u>2010</u>	<u>2009</u>
	RMB'000	RMB'000
Revenue	599,339	321,598
Cost of services	<u>(528,896)</u>	<u>(284,450)</u>
<b>Gross profit</b>	<b>70,443</b>	<b>37,148</b>
Other income	5,987	4,663
Selling and marketing expenses	(18,379)	(15,043)
General and administration expenses	<u>(23,559)</u>	<u>(20,839)</u>
<b>Profit from operations</b>	<b>34,492</b>	<b>5,929</b>
Finance income	4,284	807
Finance costs	<u>(166)</u>	<u>-</u>
<b>Net finance income</b>	<b>4,118</b>	<b>807</b>
Share of loss of equity accounted investee (net of income tax)	<u>(443)</u>	<u>(132)</u>
<b>Profit before income tax</b>	<b>38,167</b>	<b>6,604</b>
Income tax expense	<u>(9,802)</u>	<u>(1,152)</u>
<b>Profit for the period</b>	<b><u>28,365</u></b>	<b><u>5,452</u></b>
<b>Attributable to:</b>		
Owners of the Company	26,018	12,358
Non-controlling interests	<u>2,347</u>	<u>(6,906)</u>
<b>Profit for the period</b>	<b><u>28,365</u></b>	<b><u>5,452</u></b>
<b>Earnings per share</b>		
Basic earnings per share (RMB)	0.046	0.022
Diluted earnings per share (RMB)	0.046	0.022