

[For immediate release]



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

SinoMedia Maintained Strong Performance in 2011 Interim Results

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Operating profit and net profit surged by 213% and 180% respectively

HONG KONG, 25 August 2011 – **SinoMedia Holding Limited** (“SinoMedia” or the “Group”; stock code: 623), a leading media operator in China, today announced its unaudited interim results for the six months ended 30 June 2011.

Key Performance Highlights

- ❖ Delivered above-industry growth rate with revenue and profit attributable to equity shareholders of the Company up 20% and 180% year-on-year respectively
- ❖ Maintained a robust financial position and adequate working capital. As at 30 June 2011, the Group’s cash and bank balances amounted to RMB776,187 thousand
- ❖ Set out future strategic development priorities and focused on building and developing four core businesses, namely, media resources management, new media investment and integration, creative advertisement and content production, and brand communication and media procurement services
- ❖ For media resources management, the Group had approximately 20,715 minutes of advertising time resources for a total of 36 programmes on seven channels including CCTV-1 (General)/News Channel, CCTV-2 (Finance), CCTV-4 (Chinese International, including Europe and US), CCTV-5 (Sports), CCTV-7 (Military and Agriculture) and CCTV-NEWS (English), representing a year-on-year growth of 7% in terms of total minutes of advertising time
- ❖ Revenue recorded from media resources management was up 23.4% to reach RMB721,941 thousand
- ❖ For new media investment and integration, several key strategic investments were successfully made or completed during the period, including investments in www.lotour.com, 100TV and Zhongtoushixun
- ❖ Became the advertising agency in Mainland China of MediaCorp from Singapore and CNBC, so as to expand into the international media domain in addition to providing brand communication and media procurement services in China

For the six months ended 30 June 2011, SinoMedia achieved a total revenue of RMB719,939 thousand, up 20% from RMB599,339 thousand for the same period last year. As the revenue recorded from the management of media resources grew significantly, while the cost of services and operating expenses remained at reasonable levels, profit attributable to equity shareholders of the Company rose to RMB72,708 thousand, representing a significant increase of 180% from RMB26,018 thousand in first half of 2010.

During the review period, the Group managed to promote sales by enhancing sales efforts, offering a more diversified product portfolio and strengthening regional sales and promotional initiatives. The Group also continued to enhance our professional services provided for clients from the consumer goods, finance and insurance, and tourism industries. As a result, revenue recorded from media resources management was RMB721,941 thousand, up 23.4% year-on-year.

Besides, the Group increased efforts in promoting and nurturing brand communication and media procurement services, turnover from our procurement of external media resources for clients increase by 66.4% year-on-year. In view of the order placements on hand, it is expected that the revenue of this business will continue to grow throughout the year.

Mr. Chen Xin, Chairman of SinoMedia, said, "Since 2011, according to the future strategic development priorities set out by the Board of Directors, SinoMedia has adopted an organization model aimed at maintaining rapid growth in the long run. These initiatives involve speeding up our investments in up-stream channels, content and technological platform of the value chain of the media industry, including the media applications of mobile Internet, by leveraging our leading position in operations such as media resources management and creative advertisement production. In following this strategy, we aim to become a leading media corporation in China."

Business Review

During the review period, the Group focused on building and developing four core businesses, namely, media resources management, new media investment and integration, creative advertisement and content production, and brand communication and media procurement services.

1. Media Resources Management

During the period under review, the Group renewed its current exclusive underwriting contracts and acquired additional exclusive underwriting rights, which consolidated and strengthened the Group's position as a leading China Central Television Station ("CCTV") advertising resources underwriter. The Group had approximately 20,715 minutes of advertising time resources for a total of 36 programmes on seven channels on CCTV,

representing a year-on-year growth of 7% in terms of total minutes of advertising time.

The Group's continuing operations cover the advertising resources in "Night News (晚間新聞)" on CCTV-1 (General), "News 30' (新聞 30 分)" on CCTV-1 (General)/News Channel, "China News (中國新聞)", "Across the Strait (海峽兩岸)" and "All-Day Package (全天時段套)" on CCTV-4 (Chinese International, including Europe and US), seven programmes including "Zhi Fu Jing (致富經)", "Focus on the Three Agricultural Issues (聚焦三農)" and "Daily Agricultural News (每日農經)" on CCTV-7 (Military and Agriculture), and all programmes on CCTV-NEWS (English News) in 2011.

During the review period, the Group acquired new exclusive advertising underwriting rights to "Make More Money (生財有道)" on CCTV-2 (Finance). This programme features stories of how people manage their money and create wealth, it has been one of the channel's most highly rated programmes. Two programmes, namely "Exposition of Chinese Culture Relics (國寶檔案)" and "China Showbiz (中國文藝)", were added to the Group's exclusive underwriting advertising resources, which enabled the Group to offer more flexible and higher quality advertising solutions to clients, rendering the Group a more dominant position among underwriters for CCTV-4 (Chinese International). In addition, the Group acquired the exclusive advertising underwriting rights to "Weather Forecast" during the "Sports News" programme on CCTV-5 (Sports). This programme is aired on prime time and the ratings surged when a significant sports event was aired, which is effective in enriching the Group's existing advertising resources, so that we can satisfy the advertising needs of different clients.

2. New Media Investment and Integration

SinoMedia will continue to pay particular attention to developments in the new media. Several key strategic investments were successfully made or completed during the period. The Group expects to nurture the market with the project co-operators and develop the Group's integration and operation capability in the related new media sector in the next one year and a half.

www.lotour.com

In December 2010, the Group entered into an agreement with Beijing Lotour Internet Technology Co., Ltd. to establish a joint venture for the exclusive operation of www.lotour.com, the largest Internet portal for the travel industry. During the period under review, the Group successfully completed its investment in this joint venture. Integrating the respective communication advantages on TV and the Internet of the joint venture partners, this cooperation will enrich the communication channels and means for cities and tourist attractions, and enhance the Group's resources advantages in city-oriented tourism.

100TV

With the investment in FoneNet Inc. (“100TV”) completed in July 2011, the Group became the third largest shareholder of 100TV and appointed a member to join its board of directors. 100TV is one of the largest mobile TV platforms and service providers in China, focusing on the development of mobile TV technology and video players, and has obtained business licenses for telecommunications and information services and value-added telecommunications services.

Zhongtoushixun

The Group’s acquisition of 5% stake in Beijing Zhongtoushixun Cultural Media Co., Ltd. (“Zhongtoushixun”) was completed in July 2011. With the China Internet Information Center holding the controlling stake, Zhongtoushixun is a mobile TV operator that is responsible for the production of audio and visual content for CNLive’s mobile TV platform, as well as mobile TV services through the mobile communication network. The company also provides video services to its subscribers through the Internet.

3. Creative Advertisement and Content Production

The Group possesses extensive implementation experience in project planning, brand creativity, visual design and filming of advertisement. During the review period, the Group won several prestigious awards both domestically and internationally. At the same time, the Group’s total number of client and order placement had also experienced significant growth. Besides, the Group’s wholly-owned subsidiary Beijing Taihe Ruishi Culture and Media Company Limited is the only operator in China that has a nationwide public service advertising broadcast network of 140 regional television channels. With the trend of emphasizing public services for corporate branding, through the creativity, shooting and production of public service advertisements and the syndication of the advertisements to a wide range of regional television channels, this platform has attracted the interest of a large number of clients, bringing in increasing sponsorship revenue from corporate clients.

4. Brand Communication and Media Procurement Services

SinoMedia offers a full range of campaign strategy and execution services that target our clients’ brand communication needs. This business achieved significant growth in turnover during the period. Besides, the Group has become the master advertising agent for MediaCorp Pte Ltd’s TV channels in China since January 2011. In August 2011, the Group entered into a cooperation agreement with CNBC, the world’s leading finance TV channel, becoming its exclusive advertising sales representative in Mainland China. The Group actively expanded into the international media domain, also enabled Chinese clients to develop global business with effective brand and advertising exposure in overseas markets through our abundant and high quality domestic and international media resources.

Outlook

The Group maintains a positive outlook for the advertising market in 2011 and 2012. The Group's strategy of maintaining CCTV as our core resources will remain unchanged, and will also continue to explore opportunities for collaboration with well-established overseas TV channels. To provide clients with a more comprehensive range of communication services, the Group will continue to pay particular attention to and put more effort into digital media, especially the mobile Internet media, and will actively develop high quality resources in the new media industry. We believe that this will lay a solid foundation for our rapid growth in the long run.

"Looking ahead, we believe that with the continued growth of China's economy and the opportunity in the vibrant domestic media industry, the Board of Directors, the management and the Group's entire team will all aim at realizing the mission of becoming a leading media corporation in China and worldwide. With the Group's concerted effort and proactive attitude, we will continue to deliver the best investment returns to our shareholders." Mr. Chen Xin said.

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CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2011 - unaudited
(Expressed in Renminbi)

	<i>Six months ended 30 June</i>	
	<u>2011</u>	<u>2010</u>
	RMB'000	RMB'000
Revenue	719,939	599,339
Cost of services	<u>(567,055)</u>	<u>(528,896)</u>
Gross profit	152,884	70,443
Other income	6,114	5,987
Selling and marketing expenses	(25,186)	(18,379)
General and administration expenses	<u>(25,959)</u>	<u>(23,559)</u>
Profit from operations	107,853	34,492
Finance income	4,883	4,284
Finance costs	<u>(116)</u>	<u>(166)</u>
Net finance income	4,767	4,118
Share of loss of associates (net of income tax)	<u>(2,914)</u>	<u>(443)</u>
Profit before income tax	109,706	38,167
Income tax expense	<u>(35,101)</u>	<u>(9,802)</u>
Profit for the period	<u>74,605</u>	<u>28,365</u>
Attributable to:		
Equity shareholders of the Company	72,708	26,018
Non-controlling interests	<u>1,897</u>	<u>2,347</u>
Profit for the period	<u>74,605</u>	<u>28,365</u>
Earnings per share		
Basic earnings per share (RMB)	0.128	0.046
Diluted earnings per share (RMB)	0.127	0.046