

[For Immediate Release]



**SinoMedia Holding Limited**  
**2012 Interim Results Announcement**

\*\*\*

**Net Profit Rises Against Market Trend**  
**Successfully Enters Internet Media and Digital Television Sectors**

***Financial Highlights***

<i>(RMB '000 unless specified otherwise)</i>	<b>For the six months ended 30 June</b>		
	<b>2012</b>	<b>2011</b>	<b>Change</b>
Revenue	<b>700,742</b>	719,939	<b>-3%</b>
Gross Profit	<b>159,936</b>	152,884	<b>+5%</b>
Profit from operations	<b>107,771</b>	107,853	<b>-</b>
Profit attributable to equity shareholders of the Company	<b>79,049</b>	72,708	<b>+9%</b>
Basic earnings per share (RMB)	<b>0.142</b>	0.128	<b>+11%</b>

(24 August 2012 – Hong Kong) – SinoMedia Holding Limited (“SinoMedia” or the “Company”, together with its subsidiaries, known as the “Group”; stock code: 623), a leading media corporation in China, is pleased to announce its interim results for the six months ended 30 June 2012. With revenue maintaining at about the same level as compared with the same period last year, as well as cost of services and operating expenses effectively under control, profit attributable to equity shareholders of the Company amounted to RMB79.05 million, representing a year-on-year increase of 9%.

The first half of 2012 was a slow half for China’s traditional media industry. According to research data released by Nielsen, total television advertising spending recorded in January and February 2012 declined by 2.97% year-on-year. After a slight rise in the second quarter, according to a report published by CTR Marketing Research, the total traditional media spending grew 3.9% year-on-year in the first half of 2012. In particular, television media spending grew by 5.3%, somewhat faster than overall growth. Despite the impact of the macroeconomic environment on the market, the Group achieved a total of revenue RMB700 million for the six months ended 30 June 2012 by enhancing sales efforts and offering a diversified product portfolio.

Commenting on the interim results, Chairman of the Company, Mr. Chen Xin said, “Although the economic downturn brought considerable challenges to the operating environment of the market and the industry, the Group still actively promoted its strategic expansion. While continuing to consolidate its market share of China Central Television (“CCTV”) and other core media resources, the Group focused on fostering and expanding integrated brand communication services. Through investments in vertical portals and digital television channels, the Group integrated television, the Internet and mobile terminals to achieve breakthroughs for simultaneous developments, moving from the midstream towards the upstream and downstream of the media industry value chain. During this process of transformation, SinoMedia strove to satisfy customers’ demand, optimise its media competitiveness as well as leverage its capital strength to accommodate industry trends which helps the Group achieve long-term development and lay a foundation for future growth.

During the period under review, before deduction of sales taxes and surcharges, revenue recorded from media resources management, was RMB671 million, down 7% from the same period last year. The drop in revenue was attributable to the tax revamp (levying of value-added taxes instead of the original sales tax) in locations where the Group's principal operating subsidiaries are registered. Due to the tax change, revenue for the first half of 2012 was excluding taxes as opposed to the pre-tax revenue last year. If the revenue were pre-tax, revenue recorded from media resources management for the first half of the year would have been similar to that of the same period last year. During the period under review, the Group consolidated its position as a leading exclusive underwriter of CCTV's program advertisements. In the first half, the Group had approximately 19,814 minutes of advertising time resources on a total of 47 programs on channels including CCTV-1 (General)/CCTV-News (Chinese), CCTV-4 (Chinese International, including Europe and the US), CCTV-5 (Sports), CCTV-7 (Military and Agriculture) and CCTV-NEWS (English).

Integrated brand communications services is a current and future focus for the Group. The Group provides this "one-stop" service by developing a full-range media campaign through consolidation of the client's brand communication needs, and taking charge of media procurement and execution. During the period under review, before deduction of sales taxes and surcharges, turnover recorded from integrated brand communication services amounted to RMB632 million, up 33% year-on-year. Under the International Accounting Standards, the Group's revenue is recognised on a net commission basis. Revenue from this business was RMB29.11 million, a significant increase of 341% year-on-year. This significant increase was mainly because, during the period, the Group continued to amplify its promotion efforts and develop its service capabilities for this business. The increase was also due to the periodicity of the commission income received from TV stations that caused a lag in the settlement of media accounts for the same period last year. During the first half, the Group's integrated brand communication services attracted the engagement of many big brands such as China Construction Bank Corporation, Guangzhou Wanglaoji Health Industry Company and the Nanjing Procurement Center of Suning Appliance Company. The Group also entered into an annual brand management and consultancy agreement with Jingmen City Tourism Bureau of Hubei Province, providing a series of brand management and brand communication services including communication strategy, brand consulting, creative planning and production of advertisements to promote the "Chinese Agricultural Valley" (中國農穀) brand for the city of Jingmen.

The Group continued to actively push forward its creative production of advertisement and content business. During the period, before deduction of sales taxes and surcharges, revenue from the creative production of advertisement and content reached RMB7.46 million, an increase of 47% compared with the same period last year. During the first half, outstanding video assignments produced by the Group include an image-building advertisement for the city of Tangshan, multiple advertisements for Everbright Bank and more. Furthermore, through a nationwide public service advertising broadcast network of 150 regional television channels, the Group increased its influence in the creative production sector. The Group possesses the only media asset management system in the advertising industry which provides clients with the dynamic management services of gathering, collating, editing and applying video information. This system substantially shortens the production cycles for clients' promotional videos, resulting in a more effective and systematic video promotion campaign for clients.

The Group also achieved significant progress during the first half of the year with regard to new media investment and integration. Wgool.com, an agriculture-related website, is the first Internet portal built by the Group and officially went online in February 2012. In a few short months after its official launch, the site became one of three most-visited agricultural websites in mainland China. It is currently one of the top 60,000 websites in the world and one of the top 4,000 websites in China. In addition, the Group completed its strategic investment of Super Channel (環球奇觀), a national digital pay TV channel, which represents the Group's expansion into omni-media platforms combining TV, the Internet, and mobile Internet, as well as the Group's progress in applying the upstream media development strategy of channels and content.

Looking towards the second half, Mr. Chen remarked, "Under the current economic situation, credible and authoritative media will continue to dominate the industry in the foreseeable future, and TV advertisements will still take the lead in the media market. Driven by state policies and technological development, the integration of various media platforms will be the prevailing trend. The four core businesses of the Group have persistently flourished. As customer demand for integrated brand communication rises substantially, the Group will make use of the video media platforms with the broadest coverage and provide customers with comprehensive and one-stop service that covers brand positioning, media strategy, creative and production, advertising placement, public relations activity and terminal marketing. The Group aims to become a leading media corporation both in China and internationally, as well as to continue delivering abundant returns to our investors."

— End —

### **About SinoMedia**

SinoMedia was founded in 1999 and listed on the Main Board of the Hong Kong Stock Exchange in 2008. SinoMedia is a member of the China Advertising Association and the International Advertising Association, a China's A Grade Advertising Company, and the director of the executive committee of the Association of Accredited Advertising Agencies of China. As a leading media corporation in China, SinoMedia has focused on building and developing its four core businesses, namely, media resources management, integrated brand communication services, creative production of advertisement and content, and new media investment and integration. Its current businesses cover CCTV media resources, public service advertising broadcast network, online portal site for agriculture, mobile media and overseas media. These businesses span from domestic to international markets and encompass both traditional and new media platforms. SinoMedia integrates the philosophy and operating system that span the entire media value chain and has provided comprehensive, professional, and high-quality brand communication services for more than 1,600 corporate clients and over 500 cities and government organisations.

For further information, please contact:

**iPR Ogilvy Ltd.**

Callis Lau/ Joey Ho/ Demi Lo/ Caesar Yuen

Tel: (852) 2136 6952/ 3920 7642/ 3920 7625/ 3920 7678

Fax: (852) 3170 6606

Email: callis.lau@iprogilvy.com/ joey.ho@iprogilvy.com/  
demi.lo@iprogilvy.com/ caesar.yuen@iprogilvy.com

**SinoMedia Holding Limited**

Kent Lo / Cecilia Zhang

Tel: (852) 3976 7368 / (86) 10 5918 0651

Email: ir@sinomedia.com.hk / Kent@sinomedia.com.hk / Cecilia@sinomedia.com.hk