

**SinoMedia**®

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

Stock Code: 0623.hk



# 2013 Annual Results

*20 March 2014*

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# Content



# About us

- Key highlights
- Updated development strategy



# Key highlights



**Net profit up 22% yoy and GP margin improved by 1pt, showing sustained growth, despite the macro slowdown**

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**Remarkable increases in revenue from (1) Internet Media & Content Operations and (2) Integrated Brand Communication Services**

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**Refined the Group's development strategy, and upgraded its overall business structure**

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# Updated development strategy

- The sustained growth of Internet media and TV media will provide opportunities for the Group's rapid and healthy development.
- The Group will maintain its advantage and stable development of its existing TV media and brand advertising agency business, and expand to Internet media platforms as well as develop and operate lifestyle video programmes.
- The Group will work on the synergy among business segments, and extend its market advantage on vertical fields of travel and agriculture.



# Business review

- Overview of business segments
- Internet media and content operations
- TV media resources management
- Integrated brand communication services



# Overview of business segments

## Internet media and content operations



## TV media resources management



## Integrated brand communication services

With the focus on consolidating an "Internet + TV" inter-screen communication marketing platform, SinoMedia actively develops 'Internet Media and Content Operations' segment, and continuously improves its 'TV Media Resources Management' and 'Integrated Brand Communication Services' businesses.



# Internet media and content operations

Occupy **the upstream** of the media industry chain, by operating **Internet media** and developing **video programmes**.

Internet media



video programmes



Commercial ad  
production

# 1. Internet media



- A leading online travel information platform
- **Top 5** travel websites in China
- UV and PV improved greatly since August 2013
- The unique product of **Brand Homepage**



- A video website focus on urban lifestyle
- Integrates **27,000 mins/week authorised content** resources from **60 TVs**
- Works with **Baidu Video** for better UV



- A modern agricultural information website
- The product channels '**Wugu Specialties**' & '**Commune**'
- Online and offline activities brought **marketing breakthroughs**

## 2. Content operations

### Scent of a Man



- A **reality show** about men and their cooking skills.
- The initial **creative production** of video programmes
- The best ratings - **top 7** of satellite TV in same timeslot

### The nationwide PSA broadcast network



- **Creative production of PSA ads**
- **Output** PSA ads for **CCTV** and other **200 local TVs**

# TV media resources management

The traditional **ascendant** business in **midstream** of media industry chain – to operate the **exclusively underwritten ad slots on CCTV**

**CCTV-1**  
(General)



“Night News”

“News 30”

**CCTV-4**  
(Chinese International, including Europe and US)



“Across the Strait”

“China News Package”

“Exposition of Chinese Culture Relics”

“China Showbiz”  
&  
two time slots packages

**CCTV-7**  
(Military and Agriculture)



“Zhi Fu Jing”

“Focus on the Three Agricultural Issues”

“Daily Agricultural News”

“The Rural World”  
&  
other time slots

**CCTV-NEWS**  
(English News)



All programs on  
CCTV-NEWS

**39,501** minutes of advertising time resources on a total of **50** programs in 4 channels.

# Integrated brand communication services

To provide **tailored marketing and communication services** for clients, this **downstream** business shaped 'SinoMedia' as a well-known brand in agency business

## Services

Brand management

Product position

Media procurement

Ad placement

Ad monitoring

Evaluation

Public Relations

## Clients

中国邮政储蓄银行  
POSTAL SAVINGS BANK OF CHINA

SUNING 苏宁电器

中国平安

CHINA LIFE  
中国人寿  
相知多年·值得托付

Baidu 百度

上品堂

汇源

Tencent 腾讯

Alibaba.com®  
Global trade starts here.™

PICC  
中国人保财险

McDonald's

360  
WWW.360.CN

vatti 華帝™

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

# Financial review

- Financial summary
- Segment revenue
- Cost under control
- Strong balance sheet
- Low trade debtors and bills receivable
- Healthy cash flows



# Financial summary

For the year ended 31 December

(RMB '000)

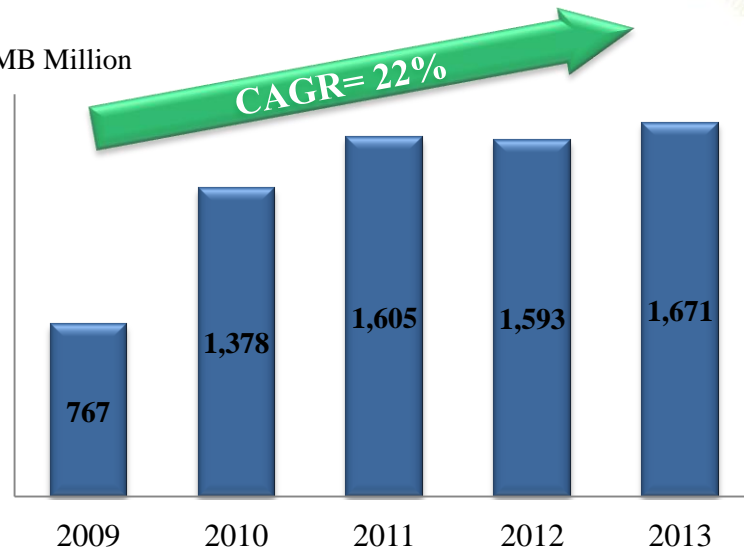
	2013	2012	Change
<b>Revenue</b>	<b>1,767,036</b>	1,642,113	+8%
<b>Gross profit</b>	<b>644,690</b>	570,717	+13%
<b>Gross profit margin (%)</b>	<b>36%</b>	35%	+1pt
<b>Profit from operations</b>	<b>506,131</b>	419,672	+21%
<b>Profit attributable to equity shareholders of the Company</b>	<b>369,108</b>	302,591	+22%
<b>Net profit margin (%)</b>	<b>21%</b>	18%	+3pts
<b>Basic earnings per share (RMB)</b>	<b>0.661</b>	0.544	+22%

# 1. TV media resources management

**Stable growth with increased sales rate and total no. of ad min sold**

Revenue

RMB Million



Core CCTV TV programmes ad time

	2013	2012
Minutes Acquired	8,863	9,057
Minutes Sold	6,998	6,904

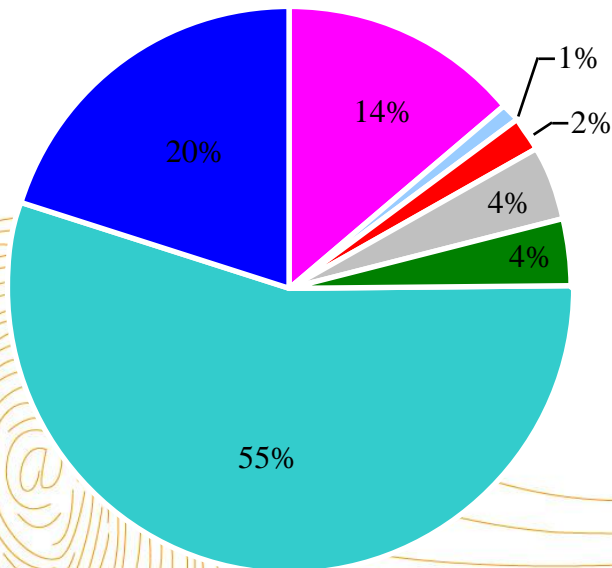


# 1. TV media resources management (cont'd)

- Diversified client base
- Improvement in client quality and volume

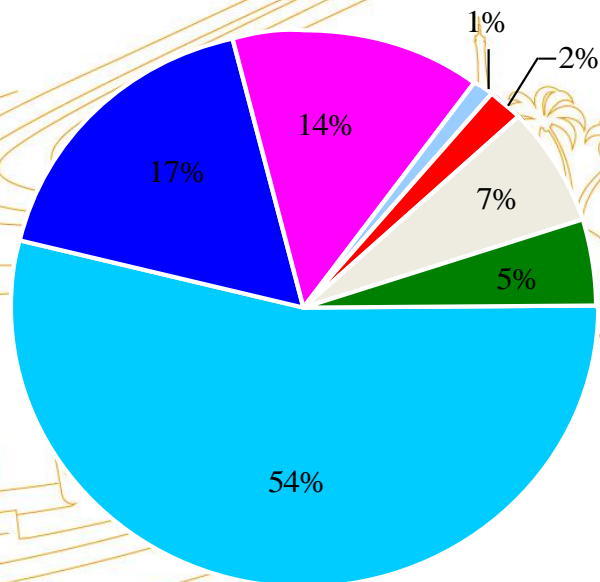
CCTV – 1, 4, 7 & News

**2013**



- Tourism & City Image; Business Promotion; Convention & Exhibition
- Automobile & Transportation
- Building Materials
- Others

**2012**



- Consumer Goods
- Health & Medical
- Finance & Insurance

## 2. Integrated brand communication services

### Steady development with improved GP

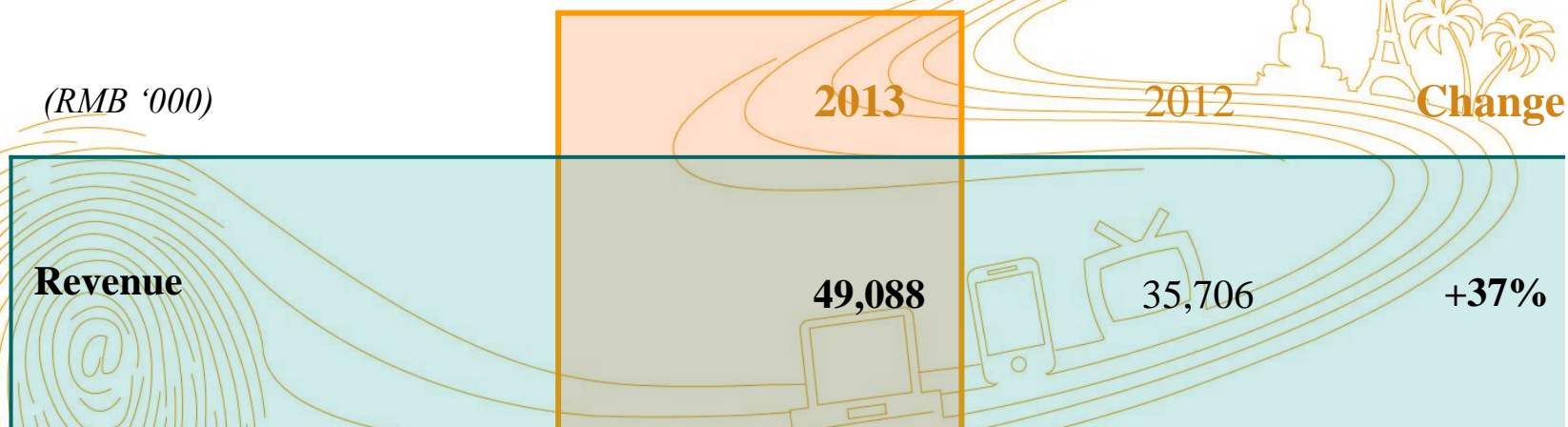
For the year ended 31 December

<i>(RMB '000)</i>	2013	2012	Change
<b>Turnover</b>	<b>1,206,902</b>	1,232,114	<b>-2%</b>
<b>Revenue</b> <i>(after netting off procurement cost under IFRS)</i>	<b>49,820</b>	39,276	<b>+27%</b>

### 3. Internet media and content operations

- Constant achievement with increased contract value & volume in creative production of commercial ads
- Internet platforms provided new sources of revenue

For the year ended 31 December



# Cost under control

For the year ended 31 December

<i>(RMB '000)</i>	2013	2012
<b>Total operating expenses as a % of revenue</b>	<b>10.5%</b>	<b>10.8%</b>
<b>Selling &amp; marketing expenses (RMB'000)</b>	<b>65,799</b>	<b>68,216</b>
<i>As a % of revenue</i>	<i>3.7%</i>	<i>4.2%</i>
<b>General &amp; administrative expenses (RMB'000)</b>	<b>119,685</b>	<b>108,459</b>
<i>As a % of revenue</i>	<i>6.8%</i>	<i>6.6%</i>

	2013	2012
<b>Included in cost of services, S&amp;M expenses, and G&amp;A expenses:</b>		
<b>- Depreciation &amp; Amortisation</b>	<b>25,226</b>	<b>7,243</b>
<b>- Operating lease charges</b>	<b>10,692</b>	<b>10,119</b>
<b>- Staff costs</b>	<b>96,838</b>	<b>78,383</b>
<b>- Impairment losses</b>	<b>8,245</b>	<b>20,801</b>

# Strong balance sheet

At 31 December

(RMB '000)

	2013	2012
<b>Cash and cash equivalents</b>	<b>1,070,106</b>	1,442,752
<b>Trade debtors &amp; bills receivable (net of impairment)</b>	<b>70,797</b>	108,850
<b>Current assets</b>	<b>1,448,707</b>	1,911,697
<b>Total assets</b>	<b>2,515,312</b>	2,839,156
<b>Current liabilities</b>	<b>1,009,946</b>	1,593,014
<b>Net assets</b>	<b>1,505,366</b>	1,233,700

# Low trade debtors and bills receivable

(RMB '000)

	2013	2012
Neither past due nor impaired	45,224	84,391
Less than 6 months past due	25,032	24,212
More than 6 months but less than 12 months past due	268	247
More than 12 months past due	273	-
<b>Trade debtors and bills receivable (net of impairment losses)</b>	<b>70,797</b>	<b>108,850</b>
<i>Turnover days</i>	18	23
<b>Impairment loss on trade debtors</b>	<b>6,743</b>	<b>6,921</b>

# Healthy cash flows

For the year ended 31 December

(RMB '000)

	2013	2012
Net cash (used in)/ generated from operating activities	(262,428)	1,197,847
Net cash generated from / (used in) investing activities	10,607	(567,611)
Net cash used in financing activities	(120,866)	(101,390)
Net change in cash and cash equivalents	(372,687)	528,846
Cash and cash equivalents at 1 January	1,442,752	913,179
Effect of exchange rate changes	41	727
Cash and cash equivalents at 31 December	1,070,106	1,442,752

# Outlook





# Outlook

Responds in a **prudent** manner to the **'stable with slight decline'** macro

**Generally optimistic** of its **upgraded business segments** in the coming 2 years

Foresees a **multi-screen** integration era, and continues the **input** on its **Internet** media

The communication demand in **travel and agriculture industries** will grow rapidly and stimulate the growth of its **Lotour and Wugu**

Produces **1-2 additional entertaining/lifestyle programmes** on the top satellite TVs and video websites

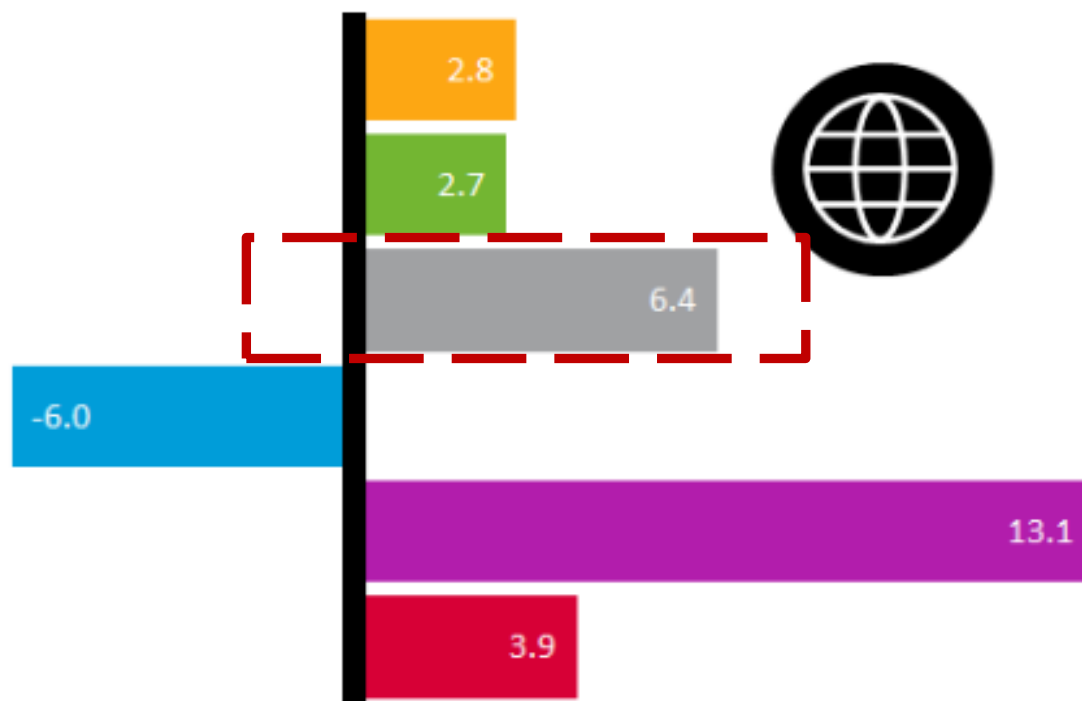
Keep improving its **foundation** for strategic upgrade – **TV media resources management & integrated brand communication services**

# Appendix



# Global advertising market

## REGIONS - YEAR ON YEAR % CHANGE

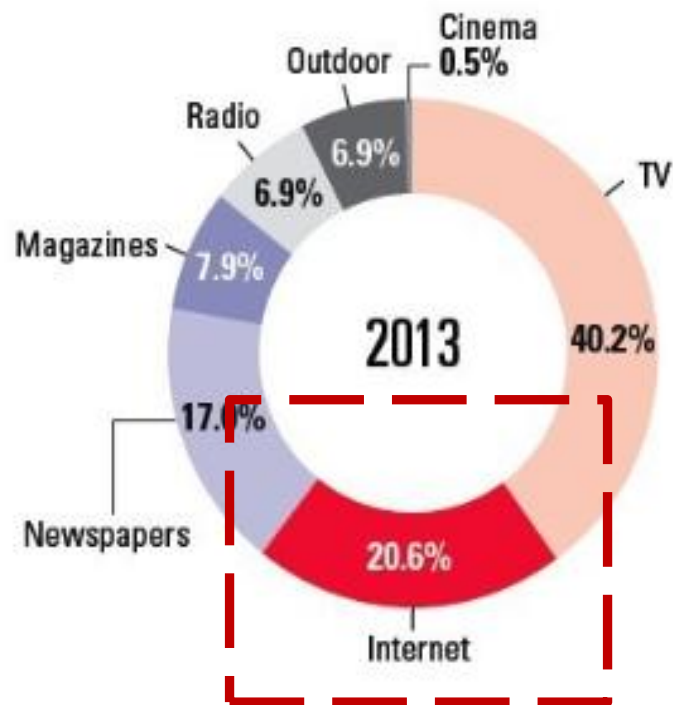
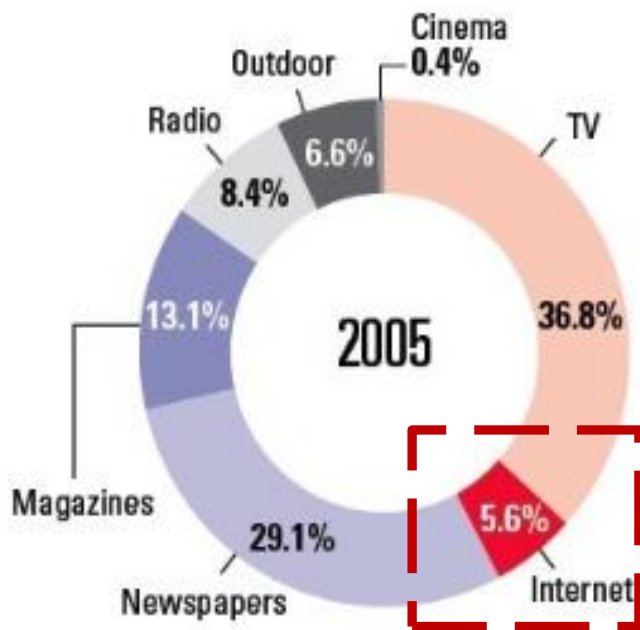


Source: Nielsen, Oct 2013

# Traditional media vs. the Online



# Internet is still growing



Source: Zenith, Dec 2013