

SinoMedia®

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

Stock Code: 0623.hk



2014 Interim Results

28 August 2014

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Content



About us

- Key **highlights** for 1H2014



Key highlights for 1H2014



Confronts with the complex market, revenue kept flat; yet net profit stably improved by 5% yoy, benefited from better costs control.



Turnover of IBC significantly increased 68% yoy, with increase in both client number and industries.



Internet media shows robust growth, and the Group enters into the field of mobile application through the debut of Playform (悅屏).

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



The exquisite video website on people's daily lives

Extensive video uploaded and brought 150million clicks 1H2014

Average daily PV hits 1 million

A brand new channel "Square Dance" was well recognised



China's most featured travel information website

1H2014 income doubled yoy with hit product – "Brand Homepage"

6 months cumulative UV and PV reached 97 and 396 million

Partnership with Google, and started to explore video marketing

Internet media and content operations



A modern agriculture information service website

Breakthrough in ad revenue and richer marketing models

“Wugu Talents” launched - an unique HR platform for agriculture

More application and marketing products are on the way



Phase I – World Cup Playform (悅屏世界杯)

300 thousand installation and 10 thousand DAU

Gained ad clients of technology, home appliance and tourism brands

Lays team and user foundation for upcoming Phase II

Internet media and content operations



Programme development and operation



Scent of a Man

Season 2
under planning with imported copyright



Creative production of advertisement and content



“Garbage Sorting”
a CCTV PSA Excellence Award winning piece

TV media resources management

The Group's traditional ascendant business with leading market share. 1H 2014, we underwrites 19,274 mins of ad resources from 51 programmes.



Integrated brand communication services

IBC comprises brand information, strategy, procurement, ad placement, data support, and PR campaigns. The service covers more integrated project basis and involves more diversified media platforms.



Financial review

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



Financial summary

Six months ended 30 June

(RMB '000)

	2014	2013	Change
Revenue	836,428	863,921	-3%
Gross profit	259,189	303,124	-14%
Gross profit margin (%)	31%	35%	-4pts
Profit from operations	249,012	239,796	+4%
Profit attributable to equity shareholders of the Company	179,214	170,310	+5%
Net profit margin (%)	21%	20%	+1pt
Basic earnings per share (RMB)	0.319	0.306	+4%

Segment revenue

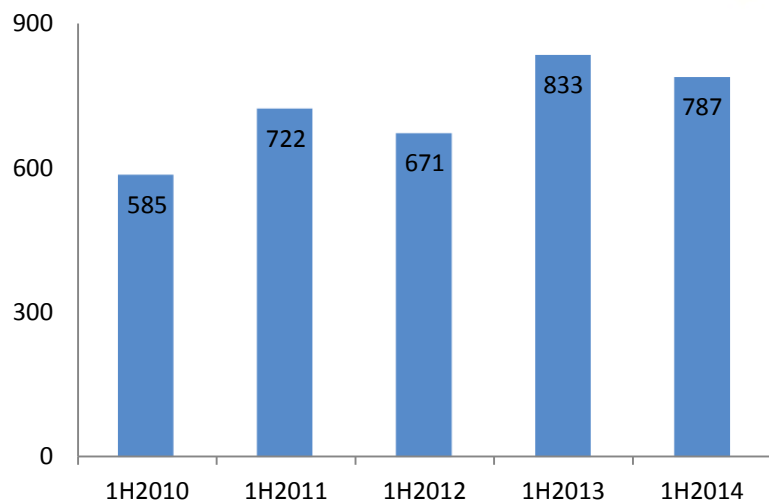
TV media resources management

Revenue remained stable amidst tough market environment

Revenue

Core CCTV TV programmes ad time

RMB Million



	2014	2013
Minutes Acquired	4,566	4,418
Minutes Sold	2,766	3,163

Segment revenue

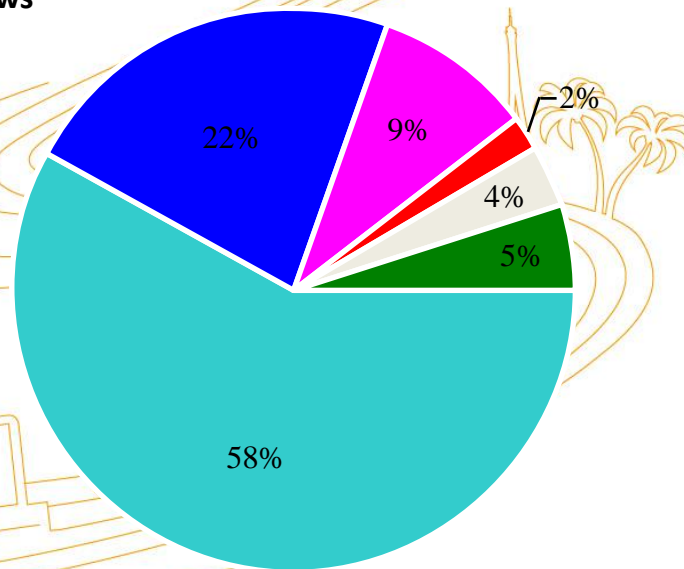
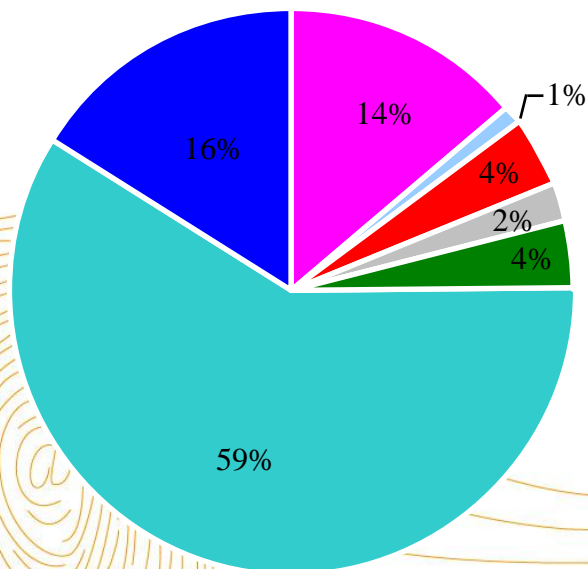
TV media resources management (cont'd)

Maintains edge in tourism, and expands to food, finance & insurance, automobile, internet and high-end consumer goods

2014 1H

2013 1H

CCTV – 1, 4, 7 & News



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

- Consumer Goods
- Health & Medical
- Finance & Insurance

Segment revenue

Integrated brand communication services

Turnover greatly increased due to clientele development in food & beverage, health product, automobile, technology, and internet.

Six months ended 30 June

<i>(RMB '000)</i>	2014	2013	Change
Turnover	1,031,986	613,318	+68%
Revenue <i>(after netting off procurement cost under IFRS)</i>	10,739	17,966	-40%

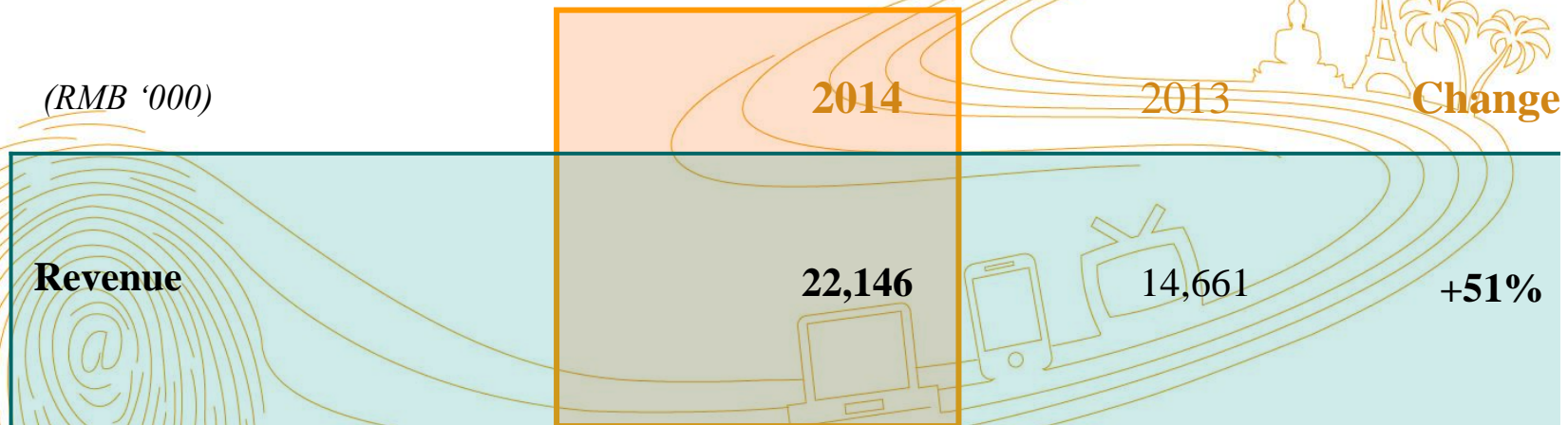
Segment revenue

Internet media and content operations

Emerging business segment delivers revenue growth with momentum

Six months ended 30 June

(RMB '000)



Stringent cost control

Six months ended 30 June

<i>(RMB '000)</i>	2014	2013
Total operating expenses as a % of revenue	9.9%	10.9%
Selling & marketing expenses (RMB'000)	27,901	31,700
<i>As a % of revenue</i>	3.3%	3.7%
General & administrative expenses (RMB'000)	54,820	62,050
<i>As a % of revenue</i>	6.6%	7.2%
	2014	2013
Included in cost of services, S&M expenses, and G&A expenses:		
- Depreciation & Amortisation	16,731	10,970
- Impairment losses on bad & doubtful accounts	(81)	9,759

Healthy balance sheet

(RMB '000)

	At 30 June 2014	At 31 December 2013
Cash and cash equivalents	596,244	1,070,106
Other bank deposits	232,980	-
Trade debtors & bills receivable (net of impairment)	138,566	70,797
Current assets	1,493,264	1,448,707
Total assets	2,525,967	2,515,312
Current liabilities	973,157	1,009,946
Net assets	1,545,159	1,505,366

Low trade debtors and bills receivable

(RMB '000)

	At 30 June 2014	At 31 December 2013
Within 3 months	76,532	45,224
3 to 6 months	52,210	16,671
6 to 12 months	8,512	8,422
Over 12 months	1,312	480
Trade debtors and bills receivable (net of impairment losses)	138,566	70,797
<i>Turnover days</i>	23	18

Cash flows under control

Six months ended 30 June

(RMB '000)

	2014	2013
Net cash used in operating activities	(372,956)	(339,860)
Net cash (used in) / generated from investing activities	(254,535)	179,791
Net cash generated from / (used in) financing activities	152,243	(119,272)
Net decrease in cash and cash equivalents	(475,248)	(279,341)
Cash and cash equivalents at 1 January	1,070,106	1,442,752
Effect of exchange rates changes	1,386	864
Cash and cash equivalents at 30 June	596,244	1,164,275

Outlook



Outlook

Market uncertainties still exist in 2H, while SinoMedia upholds to **stable and healthy** development.

Internet media and content operations

To develop more **practical, interesting, and instrumental** info website and app for better user value

TV advertising and branding services

- To explore **innovative modes** of brand communication and keep strong in vertical client sectors
- **“marketing + strategy + creativity”**

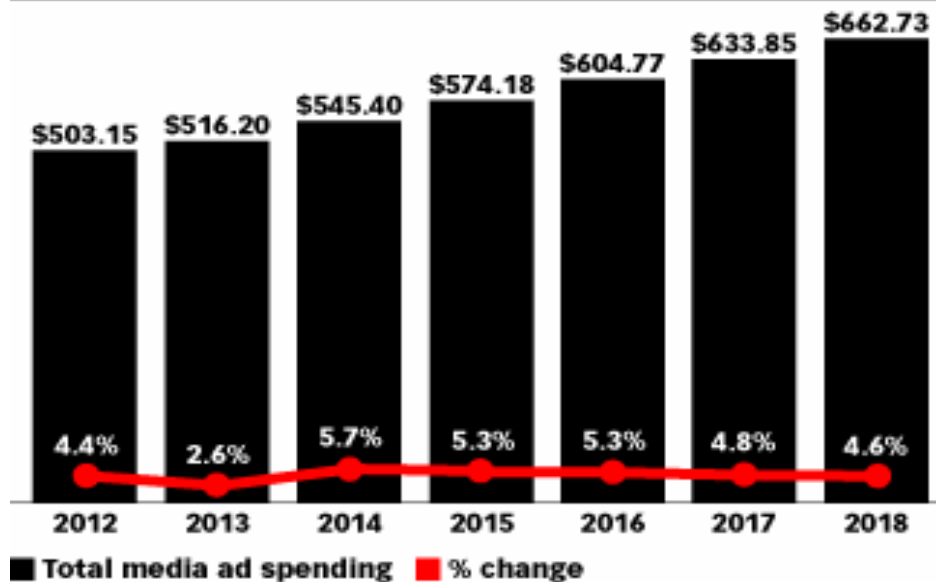
Appendix



Global media ad spending keeps to grow

Total Media Ad Spending Worldwide, 2012-2018

billions and % change



Note: includes digital (online and mobile), directories, magazines, newspapers, outdoor, radio and TV
Source: eMarketer, June 2014

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www.eMarketer.com

Multiple elements contribute the growth of 2014 global media spending, including events like the World Cup & Winter Olympic, and the bloom of online and mobile ads

China tops the list in media ad spending regionally with stable growth

Total Media Ad Spending in Asia-Pacific, by Country, 2012-2018

billions

	2012	2013	2014	2015	2016	2017	2018
China*	\$42.46	\$46.03	\$50.17	\$54.23	\$58.57	\$63.20	\$66.99
Japan	\$47.20	\$39.36	\$40.47	\$41.56	\$42.09	\$42.60	\$43.02
Australia	\$10.86	\$11.11	\$11.35	\$11.59	\$11.85	\$12.08	\$12.32
Indonesia	\$7.62	\$9.14	\$11.16	\$12.94	\$15.01	\$17.26	\$19.51
South Korea	\$9.21	\$9.41	\$9.74	\$9.99	\$10.22	\$10.42	\$10.61
India	\$5.26	\$5.79	\$6.31	\$6.75	\$7.19	\$7.66	\$8.12
Other	\$19.52	\$22.14	\$22.80	\$24.19	\$25.58	\$27.04	\$28.34
Asia-Pacific	\$142.14	\$142.99	\$152.00	\$161.26	\$170.51	\$180.27	\$188.91

Note: includes digital (online and mobile), directories, magazines, newspapers, outdoor, radio and TV; numbers may not add up to total due to rounding; *excludes Hong Kong
Source: eMarketer, June 2014

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www.eMarketer.com

Total Media Ad Spending Growth in Asia-Pacific, by Country, 2012-2018

% change

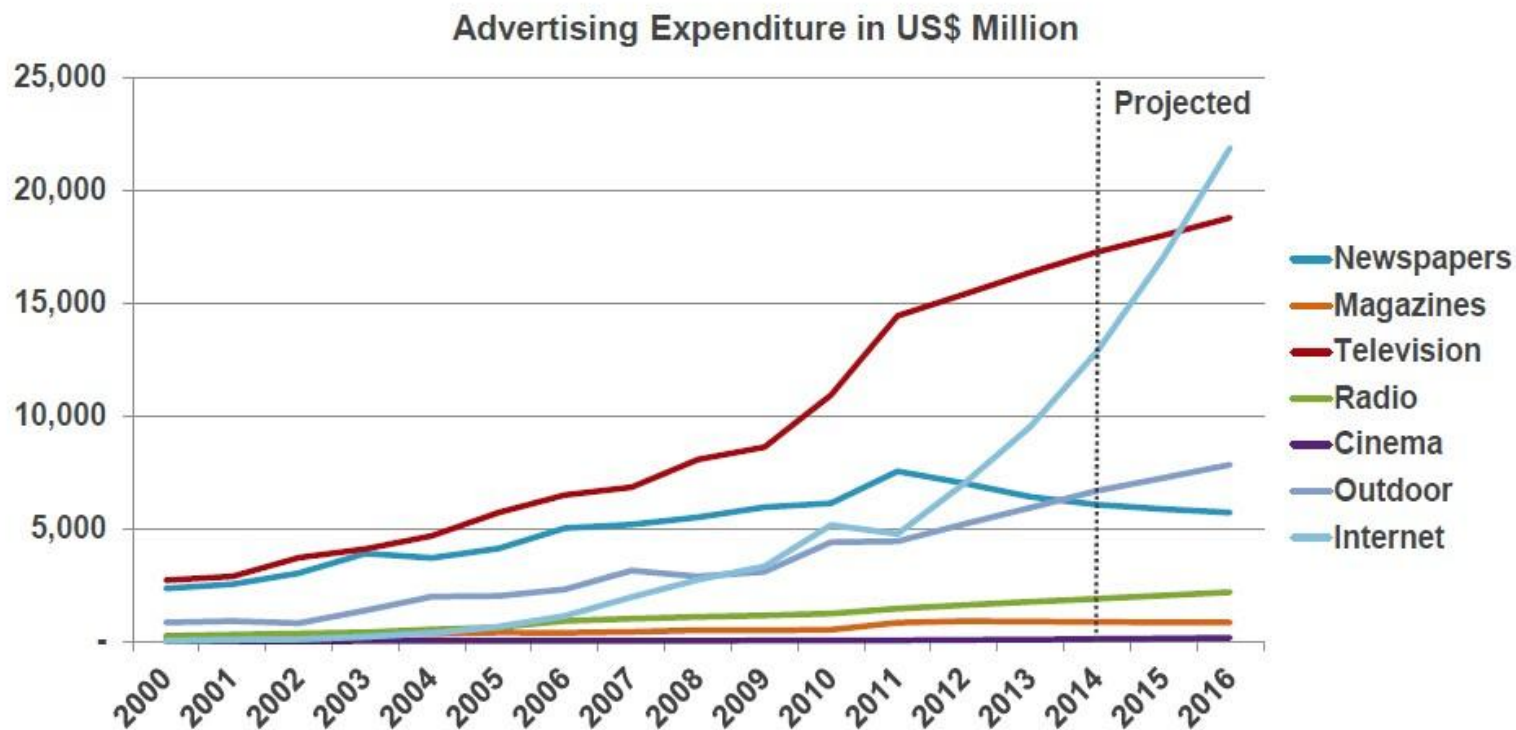
	2012	2013	2014	2015	2016	2017	2018
Indonesia	24.0%	20.0%	22.0%	16.0%	16.0%	15.0%	13.0%
India	6.0%	10.0%	9.0%	7.0%	6.5%	6.5%	6.0%
China*	8.0%	8.4%	9.0%	8.1%	8.0%	7.9%	6.0%
South Korea	2.3%	2.2%	3.5%	2.5%	2.3%	2.0%	1.8%
Japan	2.9%	-16.6%	2.8%	2.7%	1.3%	1.2%	1.0%
Australia	2.0%	2.3%	2.2%	2.1%	2.2%	2.0%	2.0%
Other	8.3%	13.4%	3.0%	6.1%	5.7%	5.7%	4.8%
Asia-Pacific	6.1%	0.6%	6.3%	6.1%	5.7%	5.7%	4.8%

Note: includes digital (online and mobile), directories, magazines, newspapers, outdoor, radio and TV; *excludes Hong Kong
Source: eMarketer, June 2014

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www.eMarketer.com

Rank only after TV, online and mobile ads are booming*

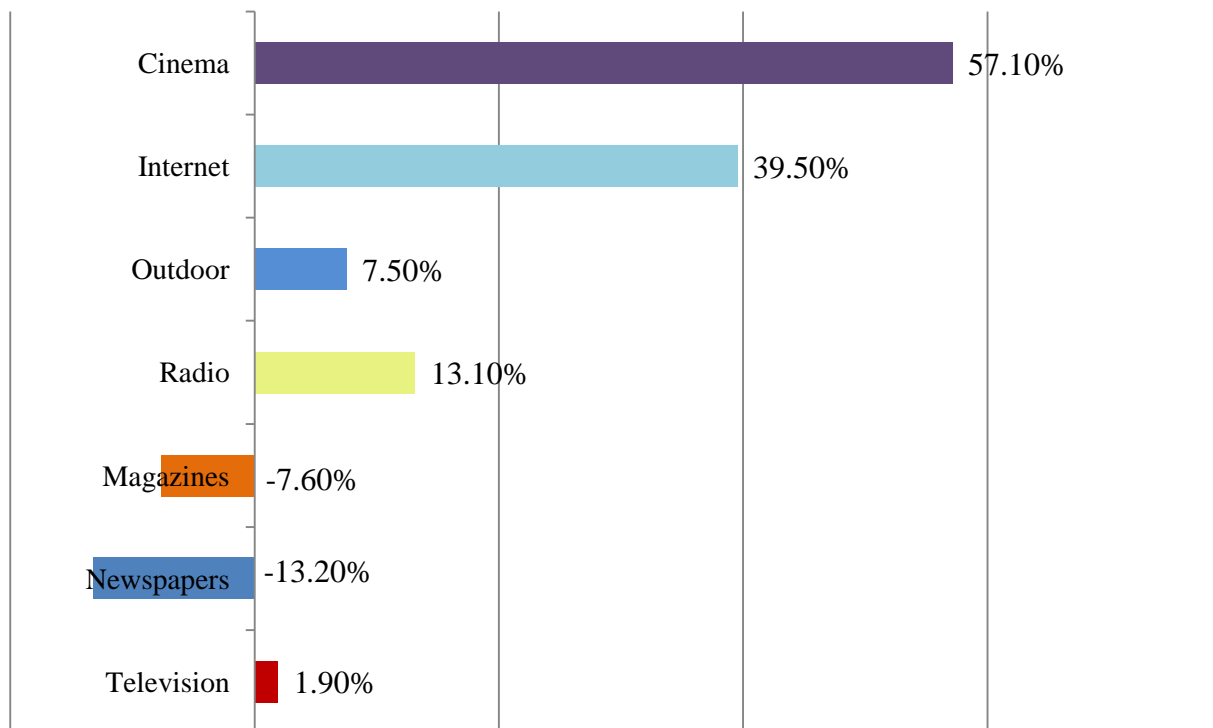


* Mainland China

Source: comScore, August 2014

4.1% growth of 1H2014 China ad spending

Change in media ad spending



Source: CTR market research, August 2014

CCTV remains influential in TV ad market in China



1H2014 China TV ad
spending increased by

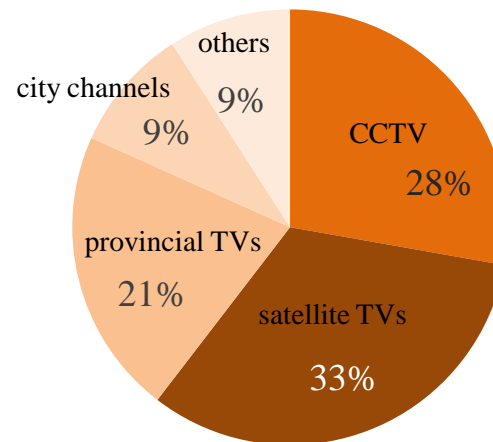
1.90%



CCTV remained **stable**
of ad spending yoy

1H2014 CCTV ad

resources took **28%**
of the entire TV market



Source: CTR market research, August 2014