



SINOMEDIA HOLDING LIMITED
中視金橋國際傳媒控股有限公司

2016 Interim Results Announcement

Decrease in revenue of TV advertising resulted in interim loss
Digital business and content marketing progressed simultaneously

Financial Summary

<i>(RMB'000)</i>	For the six months ended 30 June		
	2016	2015	Change (%)
Revenue	581,876	619,010	-6%
(Loss)/Profit from operations	(71,888)	49,172	-246%
(Loss)/Profit attributable to equity shareholders of the Company	(56,465)	35,433	-259%
(Losses)/Earnings per share (RMB)			
— Basic	(0.103)	0.062	-266%
— Diluted	(0.103)	0.061	-269%

(29 August 2016 — Hong Kong) **SinoMedia Holding Limited** (“**SinoMedia**” or the “**Company**”, together with its subsidiaries, collectively known as the “**Group**”, stock code: 623), a leading media corporation in China, announces its interim results for the six months ended 30 June 2016. The slowdown of economic growth in China and the sluggish advertising market put temporary pressure on the Group’s overall performance, resulted in a year-on-year decrease in revenue and gross profit as well as a consolidated net loss. Notwithstanding, the Group controlled properly its operating expenses and maintained a healthy financial position. As at 30 June 2015, the Group’s cash and bank balances amounted to RMB530 million, its total assets and net assets amounted to RMB2.00 billion and RMB1.51 billion, respectively.

The situation in the first half of 2016 was grim as the economic growth continued to slow down, the downward pressure was not significantly relieved and the size of the advertising market continued to shrink. The most recent research data of CTR Media Intelligence indicated that in April 2016, the advertising market (excluding Internet) recorded a year-on-year decrease of 4.9%, of which the traditional media, the spending on TV advertising and the volume of resources saw a year-on-year decrease of 6.9%, 3.3% and 1.9%, respectively (source: CTR Media Intelligence, June 2016). Though facing pressure and challenges, the Group, as a leading media corporation in China, resolutely developed in the field of TV advertising business, in which it has advantageous market shares, and implemented the pre-determined strategies, developed and cultivate in an intensive way in the field of digital media business. In the meantime, it continued to track market and client demands, and will explore the field of content marketing at due time.

During the period under review, the TV Business which accounts for an important proportion of the revenue structure of the Group was significantly affected. In particular, revenue recorded from media resources management was RMB503 million, representing a decrease of 16% year on year. Turnover recorded from integrated brand communication services was RMB538 million, representing a decrease of 9% year on year. In spite of the market pressure, the Group aimed to build an overall and broad client relations and actively participate in the preparation and execution of clients' communication program, which in turn would further promoted the sales of its exclusive underwriting TV resources. Regarding to the exclusive resources of CCTV-9 (Documentary) newly obtained in 2016, during the initial cultivation period, the Group succeeded in gathering popularity and attention by the national tour of "Film Viewing Meeting". Meanwhile, the Group endeavored to expand the business in promotion of overseas tourist destinations, and SinoMedia was widely recognized by more domestic and overseas clients for its competence as a communication expert in tourist destinations.

Depend on the attentive arrangements and active cultivations by the Group, the Digital Business grew well during the period under review and recorded an aggregate revenue of RMB24 million, representing an increase of 193% year-on-year. The Group actively acquired new clientele resources through bidding while maintaining its existing clientele. As a result, revenue from creative production of commercial advertisements rose significantly as compared with the same period last year. The overall operation of the self-developed intelligent programming advertising placement platform iBCP of the Group progressed smoothly, DSP, privatized transaction market, native ads and TV-RTB functions were fully realized during the period under review, and efforts were made to access quality media platforms including Alibaba, Tencent and ifeng App. The current daily ad traffic technologically available for SinoMedia iBCP has reached 24 billion (source: internal data), ranking the first tier in the industry. In addition, the internet of the Group continued in-depth development in their segmented areas, with a view to improve the quality of website content and the experience of users as top priority. Specifically, www.wugu.com.cn (吾谷網) demonstrated its value as a website of agricultural "information" and began to undertake promotion projects for overseas clients. www.lotour.com (樂途旅遊網) continuously introduce PGC by using its extensive user base and diversified promotion model, and receiving recognition from clients for publicity and exposure effect. The value-based building on the concept of "Livelihoods" and the main theme of "Health" under www.boosj.com (播視網) was in steady progress. As of 30 June 2016, the traffic of www.boosj.com totaled 370 million, representing 75% of the annual traffic of last year (source: internal data).

Looking forward to the second half of the year, Mr. Chen Xin, Chairman of the Group, said: "As a leading media corporation in China, SinoMedia is always market-oriented as well as value-creation and service-providing for clients. SinoMedia is steadily stepping into the fields of content marketing and digital marketing while maintaining the ongoing development of TV Business. We will discover the demand of clients in respect of digital marketing and content marketing and strive to provide a complete service chain of TV ad, content placement, buzzmarketing, socialization communication and programming placement. Eventually, we will formulate a competitive serving system of inter-screen communication with SinoMedia characteristics, to serve clients with creative brand communication solutions in step with the era of convergence media."

— The End —

About SinoMedia

SinoMedia was founded in 1999 and listed on the Main Board of the Hong Kong Stock Exchange in 2008. As a leading media corporation in China, SinoMedia has focused on consolidating a “TV + Internet + Mobile Internet” inter-screen communication marketing platform, by actively developing digital business segment, and continuously strengthening TV business segment. Its current businesses cover intelligent programmatic advertisement placing platform — iBCP, Internet media platforms including www.lotour.com (樂途旅遊網), www.boosj.com (播視網) and www.wugu.com.cn (吾谷網), innovative production of advertisement and contents, operation of CCTV media resources, public service advertising broadcast network, mobile media and overseas media. These businesses span from domestic to international markets and encompass both traditional and new media platforms. SinoMedia enjoys the marketing advantage in vertical fields of tourist destinations and agriculture. It integrates the philosophy and operating system that span the entire media value chain and has provided comprehensive, professional and high-quality brand communication services to over 3,000 clients worldwide. SinoMedia was one of the sponsor units of the Association of Accredited Advertising Agencies of China (China 4A).

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