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SinoMedia[®]

SINOMEDIA HOLDING LIMITED

中視金橋國際傳媒控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 623)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

FINANCIAL SUMMARY

<i>RMB'000</i>	For the year ended 31 December 2016	For the year ended 31 December 2015	Change (%)
Revenue	1,299,289	1,256,871	+3%
(Loss)/Profit from operations	(31,051)	172,259	-118%
(Loss)/Profit attributable to equity shareholders of the Company	(27,066)	121,673	-122%
(Losses)/Earnings per share (<i>RMB</i>)			
— Basic	(0.050)	0.220	-123%
— Diluted	(0.050)	0.217	-123%
Proposed dividends per share (<i>HKD</i>)	—	10.58 cents	N/A

REVENUE:

<i>RMB'000</i>	For the year ended 31 December 2016	For the year ended 31 December 2015	Change (%)
TV media resources management	1,119,537	1,171,265	-4%
Integrated communication services and content operations	82,406	37,510	+120%
Digital marketing and internet media	64,028	16,833	+280%
Rental income	46,565	51,218	-9%
Sales taxes and surcharges	(13,247)	(19,955)	-34%
Revenue	<u>1,299,289</u>	<u>1,256,871</u>	

TURNOVER:

<i>RMB'000</i>	For the year ended 31 December 2016	For the year ended 31 December 2015	Change (%)
TV media resources management	1,119,537	1,171,265	-4%
Integrated communication services and content operations	1,127,646	1,069,812	+5%
Digital marketing and internet media	64,028	16,833	+280%
Rental income	46,565	51,218	-9%
Sales taxes and surcharges	(13,247)	(19,955)	-34%
Turnover	<u>2,344,529</u>	<u>2,289,173</u>	

The Board of directors (the “**Board**”) of SinoMedia Holding Limited (“**SinoMedia**” or the “**Company**”) announces the audited results and financial position of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2016, with comparative figures for previous year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2016

	<i>Note</i>	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Revenue		1,299,289	1,256,871
Cost of services		<u>(1,179,053)</u>	<u>(955,291)</u>
Gross profit		120,236	301,580
Other revenue	3	29,213	18,186
Other net income	3	3,475	—
Selling and marketing expenses		(57,638)	(44,071)
General and administrative expenses		<u>(126,337)</u>	<u>(103,436)</u>
(Loss)/Profit from operations		(31,051)	172,259
Finance income	4(a)	6,034	27,875
Finance costs	4(a)	<u>(866)</u>	<u>(9,048)</u>
Net finance income		5,168	18,827
Share of loss of an associate		<u>—</u>	<u>(325)</u>
(Loss)/Profit before taxation	4	(25,883)	190,761
Income tax	5	<u>(12,020)</u>	<u>(74,825)</u>
(Loss)/Profit for the year		<u>(37,903)</u>	<u>115,936</u>
Attributable to:			
Equity shareholders of the Company		(27,066)	121,673
Non-controlling interests		<u>(10,837)</u>	<u>(5,737)</u>
(Loss)/Profit for the year		<u>(37,903)</u>	<u>115,936</u>
Proposed dividends	6	—	48,517
(Losses)/Earnings per share	7		
Basic (losses)/earnings per share (<i>RMB</i>)		(0.050)	0.220
Diluted (losses)/earnings per share (<i>RMB</i>)		(0.050)	0.217

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	<i>Note</i>	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment	8	246,797	261,278
Investment property	8	603,906	615,151
Intangible assets		27,885	39,702
Goodwill		6,002	13,455
Interest in an associate		—	6,525
Trade and other receivables	9	2,085	1,917
Deferred tax assets		—	2,197
		<u>886,675</u>	<u>940,225</u>
Current assets			
Other current financial asset		1,537	—
Trade and other receivables	9	521,496	544,431
Pledged bank deposits		—	565
Time deposits with original maturity over three months		11,698	26,502
Cash and cash equivalents		552,531	418,098
		<u>1,087,262</u>	<u>989,596</u>
Current liabilities			
Trade and other payables	10	316,074	265,969
Bank loans	11	110,000	—
Current taxation		28,131	39,710
Deferred tax liability		26	—
		<u>454,231</u>	<u>305,679</u>
Net current assets		<u><u>633,031</u></u>	<u><u>683,917</u></u>
Total assets less current liabilities		<u><u>1,519,706</u></u>	<u><u>1,624,142</u></u>
NET ASSETS		<u><u>1,519,706</u></u>	<u><u>1,624,142</u></u>

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
CAPITAL AND RESERVES		
Share capital	510,981	510,981
Reserves	1,009,974	1,103,573
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Total equity attributable to equity shareholders of the Company	1,520,955	1,614,554
Non-controlling interests	(1,249)	9,588
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TOTAL EQUITY	1,519,706	1,624,142
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

Attributable to equity shareholders of the Company

	Share Capital RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2015	500,734	25,309	90,474	(1,285)	2,308	1,051,868	1,669,408	9,912	1,679,320
Changes in equity for 2015:									
Profit for the year	—	—	—	—	—	121,673	121,673	(5,737)	115,936
Other comprehensive loss	—	—	—	(2,944)	—	—	(2,944)	—	(2,944)
Total comprehensive income	—	—	—	(2,944)	—	121,673	118,729	(5,737)	112,992
Appropriation to reserves	—	—	36,412	—	—	(36,412)	—	—	—
Acquisition of non-controlling interests	—	—	—	—	—	(5,803)	(5,803)	5,803	—
Shares issued under share option scheme	10,247	(2,671)	—	—	—	—	7,576	—	7,576
Equity-settled share-based transactions	—	(106)	—	—	—	—	(106)	—	(106)
Purchase of own shares	—	—	—	—	—	(53,402)	(53,402)	—	(53,402)
Dividends approved in respect of the previous year	—	—	—	—	—	(121,848)	(121,848)	(390)	(122,238)
Balance at 31 December 2015 and at 1 January 2016	510,981	22,532	126,886	(4,229)	2,308	956,076	1,614,554	9,588	1,624,142
Changes in equity for 2016:									
Loss for the year	—	—	—	—	—	(27,066)	(27,066)	(10,837)	(37,903)
Other comprehensive income	—	—	—	2,975	—	—	2,975	—	2,975
Total comprehensive loss	—	—	—	2,975	—	(27,066)	(24,091)	(10,837)	(34,928)
Equity-settled share-based transactions	—	1,590	—	—	—	—	1,590	—	1,590
Purchase of own shares	—	—	—	—	—	(21,665)	(21,665)	—	(21,665)
Dividends approved in respect of the previous year	—	—	—	—	—	(49,433)	(49,433)	—	(49,433)
Balance at 31 December 2016	510,981	24,122	126,886	(1,254)	2,308	857,912	1,520,955	(1,249)	1,519,706

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2016

	2016 RMB'000	2015 RMB'000
Operating activities		
(Loss)/Profit before taxation	(25,883)	190,761
Adjustments for:		
Depreciation	26,211	28,382
Amortization of intangible assets	5,055	4,833
Impairment of goodwill	7,453	4,560
Impairment of intangible assets	16,607	—
Finance costs	827	8,999
Finance income	(4,770)	(22,995)
Share of loss of an associate	—	325
Net gain on disposal of an associate	(3,475)	—
Net loss on sale of property, plant and equipment and intangible asset	728	560
Equity-settled share-based payment expenses	1,590	(106)
	<u>24,343</u>	<u>215,319</u>
Changes in working capital:		
Decrease/(Increase) in trade and other receivables	22,767	(116,231)
Increase/(Decrease) in trade and other payables	50,105	(241,423)
	<u>97,215</u>	<u>(142,335)</u>
PRC income tax paid	(21,376)	(80,697)
Net cash generated from/(used in) operating activities	<u><u>75,839</u></u>	<u><u>(223,032)</u></u>
Investing activities		
Payment for purchase of property, plant and equipment	(620)	(13,180)
Payment for purchase of intangible assets	(10,438)	(4,580)
Payment for purchase of financial asset	(1,537)	—
Proceeds from disposal of an associate	10,000	—
Refund of restricted cash	565	151,618
Received of term deposits with initial term over three months	14,804	4,190
Interest received	4,770	22,461
Net cash generated from investing activities	<u><u>17,544</u></u>	<u><u>160,509</u></u>

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Financing activities		
Proceeds from new bank loans	170,000	—
Repayment of bank loans	(60,000)	(145,152)
Payment for purchase of own shares	(21,665)	(53,402)
Proceeds from shares issued under share option scheme	—	7,576
Borrowing costs paid	(827)	(4,842)
Dividends paid to non-controlling interests	—	(540)
Dividends paid to equity shareholders of the Company	(49,433)	(121,848)
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Net cash generated from/(used in) financing activities	38,075	(318,208)
	<hr/> <hr/>	<hr/> <hr/>
Net increase/(decrease) in cash and cash equivalents	131,458	(380,731)
Cash and cash equivalents at 1 January	418,098	801,773
Effect of foreign exchange rate changes	2,975	(2,944)
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Cash and cash equivalents at 31 December	552,531	418,098
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”) and Interpretations issued by the International Accounting Standards Board (“IASB”) and the requirements of the Hong Kong Companies Ordinance. As Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong, are derived from and consistent with IFRSs, these financial statements also comply with HKFRSs. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value:

- derivative financial instruments

The IASB and HKICPA have issued a number of amendments to IFRS and HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group’s results and financial Position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 Segment reporting

In a manner consistent with the way in which information is reported internally to the Group’s most senior executive management for the purposes of resources allocation and performance assessment, the Group has determined and presented a single reportable segment to disclose information as a whole about its services, geographical areas, and major customers.

3 Other revenue and other net income

	<i>Note</i>	2016 RMB’000	2015 <i>RMB’000</i>
Other revenue			
Government grant	(i)	11,947	16,871
Tax refund		8,973	—
Others		8,293	1,315
		29,213	18,186

- (i) It is the unconditional discretionary grants received from a local government authority in recognition of the Group’s contribution to the development of the local economy.

	2016 RMB’000	2015 <i>RMB’000</i>
Other net income		
Disposal of an associate	3,475	—

4 Profit before taxation

(a) Finance income and costs

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Interest income on bank deposits	4,770	22,461
Net foreign exchange gain	1,264	4,880
Changes in fair value of derivative financial instruments	—	534
	<hr/>	<hr/>
Finance income	6,034	27,875
	<hr/>	<hr/>
Interest on bank borrowings wholly repayable within five years	(827)	(4,842)
Changes in fair value of derivative financial instruments	—	(4,157)
Others	(39)	(49)
	<hr/>	<hr/>
Finance costs	(866)	(9,048)
	<hr/>	<hr/>
Net finance income	5,168	18,827
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(b) Staff cost

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Salaries, wages and other benefits	94,946	86,462
Contributions to defined contribution retirement plan	7,497	8,022
Equity-settled share-based payment expenses	1,590	(106)
	<hr/>	<hr/>
	104,033	94,378
	<hr/> <hr/>	<hr/> <hr/>

(c) Other items

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Amortization	5,055	4,833
Depreciation	26,211	28,382
Impairment losses on assets and goodwill	23,283	7,009
Operating lease charges	5,517	6,531
Auditors' remuneration	2,980	2,980
Professional fee	3,199	5,188
Research and development costs	5,276	4,013

5 Income tax

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Current tax		
Provision for PRC income tax	9,797	70,836
Deferred tax		
Origination and reversal of temporary differences	<u>2,223</u>	<u>3,989</u>
Total income tax expense	<u>12,020</u>	<u>74,825</u>

No provision has been made for Hong Kong profits tax as the Company and its subsidiary in Hong Kong did not earn any income subject to Hong Kong profits tax during the year.

No provision has been made for Singapore income tax as the Company's subsidiary in Singapore did not earn any income subject to Singapore income tax during the year.

Pursuant to the currently applicable income tax rules and regulations of the PRC, the Group's entities in the PRC were liable to the PRC Corporate Income Tax at a rate of 25%, except that Beijing Lotour Huicheng Internet Technology Company Limited was at a preferential rate of 15% as an advanced technology-based service enterprise, during the year ended 31 December 2016.

6 Proposed dividends

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Dividends proposed after the balance sheet date:		
No dividend proposed after the end of reporting period (2015: final dividend of HKD10.58 cents, approximately RMB8.90 cents per ordinary share)	<u>—</u>	<u>48,517</u>

Pursuant to a resolution passed at the Director's meeting on 29 March 2017, no dividend proposed after the end of reporting period. (2015: final dividend of HKD10.58 cents per share, totaling HKD57,651 thousand, equivalent to approximately RMB48,517 thousand at an exchange rate of 0.84156).

7 (Losses)/Earnings per share

(a) Basic (losses)/earnings per share

The calculation of basic (losses)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB27,066 thousand (2015: profit of RMB121,673 thousand) and the weighted average of 543,216 thousand ordinary shares (2015: 551,834 thousand shares) in issue during the year, calculated as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
(Loss)/Profit attributable to ordinary equity shareholders	(27,066)	121,673
Weighted average number of ordinary shares	2016 '000	2015 '000
Issued ordinary shares at 1 January	547,915	568,215
Effect of shares repurchased	(4,699)	(19,565)
Effect of issues of ordinary shares upon exercise of share options	—	3,184
Weighted average number of ordinary shares at 31 December	543,216	551,834

(b) Diluted (losses)/earnings per share

The calculation of diluted (losses)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB27,066 thousand (2015: profit of RMB121,673 thousand) and the weighted average number of ordinary shares of 543,646 thousand shares (2015: 559,786 thousand shares) after adjusting for the effect of share options in issue, calculated as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
(Loss)/Profit attributable to ordinary equity shareholders (basic and diluted)	(27,066)	121,673
Weighted average number of ordinary shares (diluted)	2016 '000	2015 '000
Weighted average number of ordinary shares (basic)	543,216	551,834
Effect of share options in issue	430	7,952
Weighted average number of ordinary shares (diluted) at 31 December	543,646	559,786

8 Property, plant and equipment and investment property

	Buildings <i>RMB'000</i>	Fixtures, fittings and computer equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Sub-total <i>RMB'000</i>	Investment property <i>RMB'000</i>	Total <i>RMB'000</i>
Original cost						
Balance at 1 January 2015	276,189	19,317	15,282	310,788	669,258	980,046
Additions	1,809	1,226	—	3,035	—	3,035
Disposals	(493)	(4,528)	(184)	(5,205)	—	(5,205)
Balance at 31 December 2015	<u>277,505</u>	<u>16,015</u>	<u>15,098</u>	<u>308,618</u>	<u>669,258</u>	<u>977,876</u>
Balance at 1 January 2016	277,505	16,015	15,098	308,618	669,258	977,876
Additions and reclassification	16	604	—	620	3,586	4,206
Disposals and reclassification	(3,586)	(2,743)	—	(6,329)	(3,324)	(9,653)
Balance at 31 December 2016	<u>273,935</u>	<u>13,876</u>	<u>15,098</u>	<u>302,909</u>	<u>669,520</u>	<u>972,429</u>
Depreciation						
Balance at 1 January 2015	15,125	12,651	10,457	38,233	39,309	77,542
Charge for the year	8,573	2,981	2,030	13,584	14,798	28,382
Disposals	—	(4,302)	(175)	(4,477)	—	(4,477)
Balance at 31 December 2015	<u>23,698</u>	<u>11,330</u>	<u>12,312</u>	<u>47,340</u>	<u>54,107</u>	<u>101,447</u>
Balance at 1 January 2016	23,698	11,330	12,312	47,340	54,107	101,447
Charge for the year and reclassification	7,052	3,006	1,322	11,380	14,831	26,211
Disposals and reclassification	—	(2,608)	—	(2,608)	(3,324)	(5,932)
Balance at 31 December 2016	<u>30,750</u>	<u>11,728</u>	<u>13,634</u>	<u>56,112</u>	<u>65,614</u>	<u>121,726</u>
Net book value						
At 31 December 2016	<u>243,185</u>	<u>2,148</u>	<u>1,464</u>	<u>246,797</u>	<u>603,906</u>	<u>850,703</u>
At 31 December 2015	<u>253,807</u>	<u>4,685</u>	<u>2,786</u>	<u>261,278</u>	<u>615,151</u>	<u>876,429</u>

9 Trade and other receivables

	<i>Note</i>	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Non-Current assets			
Other receivables		<u>2,085</u>	<u>1,917</u>
Current assets			
Trade debtors and bills receivable		190,045	171,562
Less: allowance for doubtful debts		<u>(72,622)</u>	<u>(73,529)</u>
	(i)	117,423	98,033
Prepayments and deposits to media suppliers		382,987	425,765
Advances to employees		1,741	1,645
Other debtors and prepayments		29,591	29,234
Less: allowance for doubtful debts of other debtors		<u>(10,246)</u>	<u>(10,246)</u>
		<u>521,496</u>	<u>544,431</u>
		<u>523,581</u>	<u>546,348</u>

(i) As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable is as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Neither past due nor impaired	70,790	63,007
Less than 6 months past due	27,597	18,860
More than 6 months but less than 12 months past due	10,986	6,139
More than 12 months past due	<u>8,050</u>	<u>10,027</u>
Total amount past due	<u>46,633</u>	<u>35,026</u>
	<u>117,423</u>	<u>98,033</u>

Credit terms are granted to the customers, depending on credit assessment carried out by management on an individual basis. The credit terms for trade receivables are generally from nil to 90 days.

10 Trade and other payables

	<i>Note</i>	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Trade payables	(i)	15,824	4,910
Payroll and welfare expenses payables		16,879	16,044
Other tax payables		20,532	13,646
Other payables and accrued charges		37,821	38,938
Dividends payable due to non-controlling interest of a subsidiary		856	856
		91,912	74,394
Advances from customers		224,162	191,575
		316,074	265,969

(i) An ageing analysis of trade payables is as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Due within 3 months	14,657	4,024
Due after 3 months but within 6 months	776	880
Due after 6 months but within 12 months	385	6
Over 12 months	6	—
	15,824	4,910

11 Bank loans

As at 31 December 2016, the bank loans were repayable as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Within one year or on demand	110,000	—

As at 31 December 2016, the bank loans were secured as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Secured bank loans	110,000	—

At 31 December 2016, the banking facilities obtained by the Group amounted to RMB240,000 thousand for the period from 11 January 2016 to 10 January 2017 (2015:nil) were secured by its own property of Floor 6,7,12 and 13 of The Place-SinoMedia Tower on Block D, 9 Guanghua Road, Chaoyang District, Beijing, the PRC, with an aggregate carrying value of RMB282,719 thousand (2015: not applicable).

At 31 December 2016, the banking facilities were utilized by the Group to the extent of RMB110,000 thousand.

MANAGEMENT DISCUSSION AND ANALYSIS

ABOUT THE GROUP

In 2016, the age of media convergence went on, and the theme of media advertising came to multiple polymerisation, industry transformation and value reconstruction. Facing the “new normal” economy and the increasingly development of communication models arising from the new media in the industry, SinoMedia turned its pressure into the momentum of best endeavor, innovation and development. During the year under review, the Group upheld firmly the strategy of inter-screen communication with video as the core, continued to explore further the TV advertising field representing an outstanding market share, and invested in and fostered newly built projects, thus rapidly enhancing the capability of digital precision marketing, in order to meet the different demands of the client market for the communication of “three screens” of TV, computer and cellphone. In 2016, the Group concentrated its efforts on the innovation of business structure, the optimisation of management mechanism and the construction of capability while maintaining the stability of its overall scale of operation, in order to lay a solid foundation for further development.

In 2016, the growth of China’s economy continued to slow and the traditional media industry was lack of growth drive, which significantly and negatively affected the overall advertising market. The study of CTR Media Intelligence showed that the advertising market of China in 2016 fell 0.6% year-on-year, of which the traditional media declined 6% year-on-year, TV advertising spending fell 3.7% year-on-year, the volume fell 4.4% year-on-year; Meanwhile, the new media stepped into a stable period with slower growth, while internet advertising spending increased 18.5% year-on-year, thus further driving the growth of the market (Source: CTR Media Intelligence, February 2017).

During the year under review, although the Group faced heavy pressure, while developing itself at due course, it still continued to optimise its internal mechanism with a focus on establishing an independent operation and development mechanism in terms of business, financial and personnel for its new projects, thus promoting the development of digital marketing and content marketing and propelling a development trend of “1+1>2” between the traditional core business and the new business.

BUSINESS REVIEW

Since its listing, leveraging the advantages of professional capability, capital strength and corporate culture, while deploying industry chain appropriately, the Group formed a business structure of SinoMedia comprehensive media operating corporation with the existing two business segments of “TV advertising and content operations” and “digital marketing and internet media” expanding from the TV advertising-focused business.

TV Advertising and Content Operations

The Group’s advantages in traditional business come to TV advertising and content operations. During the year under review, as one of the biggest advertising underwriters of CCTV, the Group continued to outperform the market and insisted on providing products and services to clients with a professional and leading high standard in order to help them enhance the influence of their brand.

I. TV Media Resources Management

During the year under review, the Group renewed approximately 11,155 minutes of advertising resources on a total of 12 programmes on channels including CCTV-1 (General)/CCTV-News, CCTV-4 (Chinese International, including Europe and the US) and CCTV-7 (Military and Agriculture), and it obtained for the first time the exclusive underwriting right of all advertising resources of CCTV-9 (Documentary). It continued to operate the advantageous programmes covering news, politics, agriculture, culture and lifestyle. Its specific media resources include the “Night News” (晚間新聞) on CCTV-1 (General), “News 30” (新聞 30 分) jointly broadcasted on CCTV-1 (General)/CCTV-News (Chinese), “Today’s Focus” (今日關注), “Across the Straits” (海峽兩岸) and “Hui Cui Tao” (薈萃套) on CCTV-4 (Chinese International, including Europe and the US), and programmes including “Zhi Fu Jing” (致富經), “Focus on the Three Agricultural Issues” (聚焦三農), “Daily Agricultural News” (每日農經) and “The Rural World” (鄉村大世界) on CCTV-7 (Military and Agriculture) as well as all advertising resources of CCTV-9 (Documentary). In response to CCTV’s “National brand campaign”, the Group further supported the promotion of underwriting channels and programmes to attract more placements from brand clients, thus witnessed the value return of the authoritative TV media and continued to maintain the leading position in the communication field of city travel through creative market strategy and product mix. As for the newly developed operations of “Documentary”, the Group set up CCTV-9 (Documentary) operating center which puts emphasis on development layout, explores the demands of clients, creates innovative product forms, and proactively expands the market in combination with the “content operations” strategy.

II. Integrated Communication Services

During the year under review, the Group continued to serve the enterprises and tourist destinations such as Wanglaoji, King’s Luck Brewery, Evergrande Group, Huaxia Life Insurance, China Life and Ping An Insurance, Tianjin Tourism Bureau, Shanxi Provincial Tourism Bureau, Anhui Provincial Tourism Bureau, Shandong Provincial Tourism Bureau, meanwhile, it also successively obtained the advertising placement and agency business from Country Garden, Feihe Dairy, China Welfare Lottery Distribution and Management Center, R & F Properties and other clients.

The Group extended its international business to Southeast Asian, European and American markets through its branches in Hong Kong and Singapore. The Group, through the strategic cooperation with international mainstream medias such as FOX Group, CNN (Cable News Network) and National Geographic Channel, had access to a platform resources covering more than 2 billion people worldwide and provided promotion service for many overseas destinations in Chinese market, which had also conducted business exploration for the “Go Global” of the Chinese brand. During the year under review, overseas clients working with the Group were: Toronto (Canada) Tourism Bureau, Ottawa (Canada) Tourism Bureau, European Tourism Commission, Swiss Open-air Museum Ballenberg, Dubai Parks and Resorts, YTL Hotels, American Best Western International Chain Hotels, Washington Tourism Board, Canada Airlines and so on.

III. Content Operations

In 2016, The Group delivered remarkable performance in the business of creative production with client industries increasingly diversified and business models also expanding from video shooting to creative production and case service, which fully reflected SinoMedia's strength and competitiveness in creative production. During the year under review, the Group had successively served the enterprises and tourist destinations such as Oriental Fashion Driving School, Anbang Insurance Group, Singapore Chinese Culture Center, China Postal Savings Bank, Agricultural Bank of China, the Department of Animal Husbandry, Ministry of Agriculture, and Publicity Department of Kunshan Municipal Party Committee.

In 2016, the public service brand operation center of SinoMedia completed a series of public service advertising videos efficiently with highly profession, of which the following key projects received widespread attention and dissemination: "Emergency passage for safety production", "Leave life no regrets — National traffic safety education series of public welfare film", Spring Festival public welfare advertisement "back home series — get together" by Country Garden, Spring Festival public welfare advertisement "Chinese New Year" by Feihe Dairy and city image publicity film by Changsha Pilot Investment Holding.

An efficient platform was entitled to competitiveness only in combination with high-quality content products. As for brand communication, an era with more emphasis on content marketing has arrived. In 2016, the Group had established a strategy of treating documentary and documentary films as the entry point, developing content production and operations by virtue of its status as the exclusive underwriter of all advertising resources of CCTV-9 (Documentary), set up the content marketing department, as well as enriched and adjusted the video program department, thus making influential exploration and construction of the Chinese documentary industry operations.

Digital Marketing and Internet Media

In 2016, the Group seized the opportunity to strengthen the market expansion of digital marketing, continued to invest in technology research and development of intelligent programming advertising, and enhanced the professional capability of the internet integration services in order to adapt to a new business structure of the media market landscape in the future and demonstrate the medium and long-term value of SinoMedia as a comprehensive media operating platform, while continuously supporting the independent development of wugu.com.cn, boosj.com and lotour.com under the Group.

I. Digital Marketing

The Group's self-developed iBCP intelligent programming advertising placement platform with international technology as the standard, during the year under review, combining with its own operations and market inspections, has successfully surpassed the majority programming purchasing platforms in the domestic market in terms of various technological functions. SinoMedia iBCP has upgraded the traditional realtime bidding model, and formed an all-intelligent independent bidding placement system, which not only has a more advanced bidding algorithm, but also can make dynamic adjustment in milliseconds for the all-intelligent placement strategy. SinoMedia iBCP 2.0 as a landmark was launched in October 2016, which can realise LBS (Location Based Service) positioning placement and the functions of TV RTB (Real-time Bidding), ATD (Agency Trading Desk) and so on, access to more than 20 main internet medias, and support all the current forms of Internet advertising and the latest transmission protocol.

In 2016, during the first year of its operation, SinoMedia iBCP has dynamically recorded the real data of more than 20 million users, and accumulated the valid data of more than 6 million users with the cumulative valid view volume reaching 360 million times (Source: internal data). The Group has won the cooperation with dozens of clients within one year, including Feihe Dairy, Nippon Paint, Dazhong Electronics, Suning Group, Yangtze River Pharmaceutical Group, China Unicom, and China Life, and received a high degree of recognition and praise therefrom by virtue of the unique advantages of "rational digital technology" and "sensible brand service" from SinoMedia iBCP.

II. Internet Media

www.wugu.com.cn (吾谷網)

In 2016, the integration of wugu.com.cn and the operation team of agricultural media resources of CCTV-7 were deepened to enhance the business basis of the Agricultural Media Department. Transforming from "a communication expert of tier 3-4 market brands" to the emerging momentum for leading the exploration of "China's agricultural branding communication", the Agricultural Media Department sticks to the positioning of media operation, providing information and branding communication services for the "Three Rural" population and the enterprises in pan-agricultural field. The Agricultural Media Department, through TV + Internet, directly helps the "Three Rural" population and related enterprises to receive and exchange information more quickly, and to have a better brand building and promotion, accelerating the transition of traditional agriculture into "modern agriculture, brand agriculture and intelligent agriculture". During the year under review, the credibility and authority of wugu.com.cn as a new agricultural media had been further established; it was appraised as a "Leading Company in Agricultural Information" by Beijing Municipal Government, and the "One Village, One Product (一村一品)" project operated by wugu.com.cn was also awarded two glorious prizes, "Outstanding Achievement for New Rural Culture Development" and "Outstanding Unit for New Rural Culture Development" by China Culture Administration Association.

www.boosj.com (播視網)

In 2016, the mobile webs for the three vertical channels of boosj.com, “Square Dance”, “Talented Kid” and “Cool Generation”, were launched with iterative upgrade for Square Dance APP and addition of interactive functions for different circles. Each WeChat public accounts of the square dance and the kid dance has maintained its leading position in their respective segmented fields. Besides integrating “internet-based quality contents”, boosj.com also made extra efforts in original contents and has formed exclusive content features in vertical channels through contracted cooperation and self-generation to produce nearly 900 programmes throughout the year, totaling over 10,000 minutes. By the end of 2016, the daily average website traffic of boosj.com reached about 2.1 million, representing an increase of 70% as compared to the beginning of the year, and the revenue also recorded significant increase throughout the year (Source: internal data).

www.lotour.com (樂途旅遊網)

In 2016, lotour.com accelerated the adjustment and developed its content features and marketing highlights based on the notes of travel inspiration from professional travellers with cooperation. The number of inspirational travellers and their inspiration articles recorded an increase of over 1,600 and 15,000 respectively throughout the year. The annual PV of lotour.com realised 160 million, representing a year-on-year increase of 59% (Source: internal data). During the year under review, lotour.com successfully developed and hosted the campaign “See the Beautiful World from the Eyes of Travel Talents of Twelve Constellations”, which have made positive impact in the travel media industry. Among these activities, “See the Beautiful Guilin from the Eyes of Travel Talents of Twelve Constellations” was highly recognised by Guilin Tourism Development Committee. In addition, having won the competitive presentation, lotour.com provided network marketing services for several branded travel clients, including the annual new media marketing business for Liaoning Tourism Administration, and the winter travel in Lhasa by lotour’s talents, etc.

FINANCIAL REVIEW

Revenue and Loss Attributable to the Equity Shareholders of the Company

For the year ended 31 December 2016, the Group recorded revenue of RMB1,299,289 thousand, representing an increase of 3% from RMB1,256,871 thousand last year.

Revenue details for the year under review are as follows:

- (I) Revenue recorded from TV media resources management was RMB1,119,537 thousand, representing a decrease of 4% from RMB1,171,265 thousand last year. Such decrease in revenue of this business segment was mainly attributable to the budget deduction of clients on TV advertising spending due to the sluggish growth in TV advertising industry and the slowdown in China' economic growth. In particular, the advertising placements of clients from tourism, medical care and energy refinery continued to decline as last year in various extent, especially the revenue recorded a relatively significant decrease in the first half of the year. By increasing the marketing efforts, optimising media strategies and product mix, and strengthening incentives for sales staff, the Group's revenue growth rebounded in the second half of the year and thus narrowed the decrease in revenue for the year.
- (II) Revenue from integrated communication services and content operations was RMB82,406 thousand in total, representing a significant increase of 120% from RMB37,510 thousand last year. Among which, (i) turnover recorded from integrated communication services was RMB1,090,037 thousand, an increase of 3% from RMB1,057,576 thousand last year. Under the International Accounting Standards, the Group's revenue is credited as net commission with relevant procurement costs deducted from turnover if the Group procures media resources in the capacity of an agent for clients. On this basis, revenue from this business was RMB44,797 thousand, an increase of 77% from RMB25,274 thousand last year. The commission income increased from last year due to changes in the commission settlement cycle of media suppliers; (2) the contract amount from creative production of advertisements recorded an increase of RMB25,373 thousand compared with last year, which resulted from the successful acquisition of new clients of financial insurance and transportation while maintaining existing clients.
- (III) Revenue recorded from digital marketing and internet media was RMB64,028 thousand in total, representing a significant increase of 280% from RMB16,833 thousand last year. Among which, (1) the self-developed intelligent programming advertising placement platform by the Group was in good operating condition during the year under review, and after one year's cultivation and development, digital marketing business became the new source in the revenue of this business segment and contributed revenue of RMB46,870 thousand during the year; (2) revenue from internet media was basically flat compared with last year.
- (IV) Rental income was RMB46,565 thousand, representing a decrease of 9% as compared with RMB51,218 thousand last year, mainly because part of the office premises was temporarily idled during the year.

Even though the revenue of the Group increased as compared with last year, its newly acquired exclusive underwriting TV advertising resources during the year led to an increase in cost and the gross profit margin recorded a decrease as compared with last year. Meanwhile, the operating expenses also increased from last year. The loss attributable to equity shareholders of the Company for the year ended 31 December 2016 amounted to RMB27,066 thousand, while the profit attributable to equity shareholders of the Company last year was RMB121,673 thousand.

Operating Expenses

For the year ended 31 December 2016, the Group's operating expenses were RMB183,976 thousand in aggregate, representing a year-on-year increase of 25% from RMB147,507 thousand last year, and accounted for 14.2% of the Group's revenue (year ended 31 December 2015: 11.7%). The Group continued to maintain a stable management over the budget for operating expenses. Even though both the total operating expenses and the ratio of expenses to revenue increased as compared with last year, they remained consistent as expected. The Group will continue to strictly control the overall budget on operating expenses, make efforts to enhance the marketing efficiency and strengthen the management over operating expenses.

Operating expenses include the followings:

- (I) Selling and marketing expenses amounted to RMB57,638 thousand, showing an increase of approximately RMB13,567 thousand from RMB44,071 thousand last year, and accounted for 4.5% of the Group's revenue (year ended 31 December 2015: 3.5%). The increase in selling and marketing expenses was mainly due to (1) in order to cater for the business development of the overseas markets and digital marketing segment, the Group set up the international business department and digital marketing center in the second half of 2015. At the same time, the Group set up the CCTV-9 Documentary channel operation center at the beginning of 2016 to support the development and sales of the new underwriting advertising resources, which consequently led to an increase of approximately RMB9,675 thousand in labor costs of marketing personnel as compared with last year; (2) the Group actively carried out marketing promotion and conducted media promotion activities for the new underwriting advertising resources. It also strengthened the development of clients, actively conducted client visits and participations in clients bidding. Subsequently, relevant promotion and marketing expenses increased by approximately RMB3,210 thousand as compared with last year.
- (II) General and administrative expenses amounted to RMB126,337 thousand, representing an increase of approximately RMB22,901 thousand from RMB103,436 thousand last year, and accounted for 9.7% of the Group's revenue (year ended 31 December 2015: 8.2%). The increase in general and administrative expenses was mainly due to (1) in order to meet the requirements of business development, the Group newly engaged technological research and development personnel and professionals for departments including the international business and digital marketing and consequently led to an increase in labor costs by approximately RMB3,901 thousand as compared with last year; (2) the Group made an appropriate assessment and judgment on the recoverability of receivables and commercial value of equity investment projects, based on which, the impairment loss on trade receivables recorded a decrease of approximately RMB3,226 thousand as compared with last year, and the impairment loss on goodwill and intangible assets recorded an increase of approximately RMB19,500 thousand as compared with last year.

Significant Investments, Acquisitions and Disposals

- (I) In December 2015, the Group reached an agreement with an independent third party and sold the Group's entire 49% of the equity investment in Guoguang Shengshi Culture and Media (Beijing) Company Limited. The total consideration of the transaction was RMB10,000 thousand. The transaction was completed in June 2016.
- (II) In July 2016, the Group made a strategic investment in K Wizdom Pte Ltd., a technological innovation company in the field of artificial intelligence in Singapore (hereinafter referred to as "**K Wizdom**"), by way of subscribing for its convertible bonds with a total investment amount of SGD300 thousand (equivalent to approximately RMB1,537 thousand). K Wizdom is a fast growing high-tech startup company in Singapore, mainly engaged in the provision of automatic marketing services based on artificial intelligence for commercial clients to improve the accuracy in internet advertising placement and optimise the input-output ratio of advertising placement. Currently, K Wizdom has provided services for corporate clients in countries including Singapore, Malaysia and Australia.

Liquidity and Financial Resources

The Group's liquidity was at a reasonable level with a stable financial position as a whole. As at 31 December 2016, cash and bank balances amounted to RMB552,531 thousand (31 December 2015: RMB418,098 thousand), of which approximately 93% was denominated in Renminbi and the remaining 7% in HK dollars and other currencies. Bank time deposits with maturity over three months held by the Group in Renminbi amounted to RMB11,698 thousand (31 December 2015: RMB26,502 thousand). During the year, details of the cash flows status were as follows:

- (I) Net cash inflow from operating activities was RMB75,839 thousand (year ended 31 December 2015: net cash outflow of RMB223,032 thousand). The net inflow was mainly attributable to: (1) a decrease of approximately RMB42,778 thousand in prepayment of media agency costs to suppliers of the Group as compared to the end of last year due to the changes in settlement cycles of media cost; (2) an increase of advertising fee in advance from clients of approximately RMB32,587 thousand as compared to the end of last year; (3) hindered by the extension of settlement cycle of advertising clients, the balance of trade debtors and bills receivable increased approximately by RMB19,390 thousand as compared to the end of last year. The Group will continue to monitor closely the current and predicted liquidity status, actively follow up on clients of overdue debts, and ensure a continual reasonable cash level to meet the Group's short-term and long-term liquidity requirements.
- (II) Net cash inflow from investing activities was RMB17,544 thousand (year ended 31 December 2015: RMB160,509 thousand), which was mainly attributable to: (1) the receipt of approximately RMB14,804 thousand of time deposits with maturity over three months which were matured; (2) the receipt of RMB10,000 thousand from the disposal of an equity investment; and (3) the spending of RMB10,438 thousand on acquisition of intangible assets.

(III) Net cash inflow from financing activities was RMB38,075 thousand (year ended 31 December 2015: net cash outflow of RMB318,208 thousand), which was mainly attributable to: (1) in order to meet the fund requirement of agency costs of the advertising resources, the Group obtained a one year period banking facilities of RMB240 million at the beginning of 2016, of which RMB170,000 thousand was utilised during the year; (2) RMB60,000 thousand was used for repayment of short-term bank borrowings; (3) approximately RMB 21,665 thousand was used for share buyback of the Company; (4) payment of final dividends for the year 2015 of approximately RMB 49,433 thousand in total.

As at 31 December 2016, the Group's total assets amounted to RMB 1,973,937 thousand, which consisted of equity attributable to equity shareholders of the Company of RMB 1,520,955 thousand and non-controlling interests of RMB -1,249 thousand. As at 31 December 2016, the Group obtained a short term bank loan of RMB 110,000 thousand.

The majority of the Group's turnover, expenses, and capital investments were denominated in Renminbi.

HUMAN RESOURCES

As at 31 December 2016, the Group had 505 employees in total, which was flat as compared to the beginning of the year. During the year under review, the Group introduced plenty of professional talents in the fields covering digital marketing, content operation and production, and technological development. This enabled the Group to have a solid team and talent pool of digital advertising and content marketing in addition to the steady development of TV advertising business, which further improved the Group's capabilities of technological research and development of digital advertising and integrated marketing and services. In addition to recruiting from the market, the Group introduced graduate and postgraduate students majored in advertising media field from famous universities in China and abroad according to the "CTV Campus Recruiting Program" implemented for three consecutive years. In the aspect of employee training, the Group designed a series of training and developing activities, including the "Marketing Proposal Interactive Challenge Competition", "City Tourism Marketing TV and Internet Interactive Salon", "Practical Training of Content Marketing and Documentary Program Marketing", etc., and undertook regular trainings relating to the products and cases of TV advertising, digital marketing and content marketing, in order to improve the employees' comprehensive knowledge and skills and product selling capabilities. In the aspect of talent incentives, during the year under review, the Group raised the basic remuneration and the level of performance-based bonus of marketing staff and provided incentives and rewards to employees with outstanding performances through periodical and specific incentive policies so as to strengthen the connection between working performance and personal interests. In the aspect of culture construction and employees' benefits, the Group strictly guaranteed the statutory holidays and benefits of all the employees and offered them benefit plans including insurance, housing provident fund and opportunities of further study. In order to align the personal interests of employees with those of shareholders, the Company granted share options to employees under the share option schemes. Share options that were granted and remained unexercised as of the end of the year totaled 24,073,000 units.

INDUSTRY AND GROUP OUTLOOK

According to the 2017 forecast report of global advertising expenses released by Magna and Zenith, China is the second largest advertising market in the world. With the steady growth and continuous development of China's economy, China's advertising market still has space to grow and the total advertising spending will continue to increase. According to the latest research of CTR Media Intelligence, in January 2017, the decrease in spending on the advertising market (excluding the internet) became to shrink as compared with last year, and the decrease trend of spending on traditional media also became steady.

Under the possibility that the whole industry will become stable and generate new attraction in certain areas, the Group will devote to accomplish the established strategies of improving the industry chain layout, enhancing the inter-screen operating capability and developing content industry, and proactively build the sustainable important business segments.

Specifically, the Group will further optimise the media resources of TV advertising, stick to the client-oriented principle and stimulate the client's advertising placement enthusiasm and efforts through flexible and efficient media strategies. Our exclusive underwriting and characteristic CCTV-9 Documentary channel will focus its resources on enlarging its influences and catering to the clients' demands for content broadcasting by expanding along with the Group's content marketing operations. Our Group will exercise the mechanism and methods of industrial operation, form advantages in respect of the documentary investment, planning, production and marketing and commit to be a leading documentary content provider and program operator in terms of investment scale and degree of specialisation. The Group will continue perfecting operational mechanism in digital marketing segment to attract senior personnel, accelerate the progress of building up dynamic DMP database, deepen the degree and level of intelligence of the platform and intelligent products to highlight the technological advantages and speed up the scale growth of digital marketing business. About internet media, wugu.com.cn will emphasise on building up two major channels of "One Village, One Product" and "Zhi Fu Jing", and carry on the cooperation between the society and enterprises, to truly realise resources connection between users and clients, and create products with abilities to generate revenue; boosj.com will keep on exploring channel promotion, deepening the implementation of operations and enhancing the online users' experience; lotour.com will concentrate on exploring the client market, improving product research and development and offering clients more attentive internet communication solutions concerning travel destinations.

As a comprehensive media corporation, SinoMedia will give full play to the features of "closely follow the market", "fully connect the demands of users and clients" and "having the integration capability of upstream and downstream of the industry chain" and provide more competitive innovative products and communication services by virtue of the established platform advantages of profession, integrity and standardisation to create a new development landscape.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year under review, the Company repurchased 12,953,000 ordinary shares on the The Stock Exchange of Hong Kong Limited at an aggregate price of HKD24,742,140. The bought-back shares had been cancelled subsequently in 2016 and early in 2017. The details of the bought-back shares are as follows:

Date	Number of Shares Bought-back	Highest Price HKD	Lowest Price HKD	Total Paid HKD
2016.1.5	38,000	2.49	2.49	94,620
2016.1.6	2,000	2.49	2.49	4,980
2016.1.7	324,000	2.49	2.43	798,020
2016.1.8	100,000	2.46	2.45	245,900
2016.1.11	622,000	2.44	2.37	1,501,040
2016.1.13	80,000	2.30	2.30	184,000
2016.1.14	193,000	2.28	2.26	438,590
2016.1.15	259,000	2.28	2.24	586,250
2016.1.18	320,000	2.18	2.10	683,580
2016.1.19	110,000	2.15	2.12	235,090
2016.1.20	242,000	2.14	2.09	512,990
2016.1.21	326,000	2.13	2.07	685,620
2016.1.22	180,000	2.12	2.07	374,400
2016.1.25	80,000	2.00	2.00	160,000
2016.1.26	130,000	2.00	1.97	258,090
2016.1.29	1,000	1.95	1.95	1,950
2016.5.23	5,000	1.88	1.88	9,400
2016.5.27	16,000	1.92	1.92	30,720
2016.5.30	15,000	1.92	1.92	28,800
2016.6.6	40,000	1.95	1.94	77,900
2016.6.8	40,000	1.95	1.94	77,980
2016.6.13	40,000	1.92	1.91	76,600
2016.6.24	593,000	1.92	1.80	1,080,660
2016.7.18	120,000	1.62	1.60	193,540
2016.7.19	124,000	1.62	1.60	199,920
2016.7.20	252,000	1.65	1.62	414,100
2016.7.21	25,000	1.65	1.65	41,250
2016.9.9	65,000	1.58	1.58	102,700
2016.9.12	372,000	1.58	1.55	582,650
2016.9.13	400,000	1.58	1.57	631,490
2016.9.14	157,000	1.58	1.58	248,060
2016.9.28	92,000	1.80	1.80	165,600
2016.10.19	197,000	1.88	1.87	369,890
2016.10.20	161,000	1.88	1.85	301,870
2016.10.28	33,000	1.88	1.88	62,040
2016.10.31	4,000	1.88	1.88	7,520
2016.11.1	89,000	1.90	1.86	168,180
2016.11.2	270,000	1.89	1.87	506,880

Date	Number of Shares Bought-back	Highest Price HKD	Lowest Price HKD	Total Paid HKD
2016.11.3	210,000	1.88	1.85	390,900
2016.11.4	361,000	1.88	1.82	668,660
2016.11.7	93,000	1.86	1.85	172,850
2016.11.8	25,000	1.86	1.86	46,500
2016.11.9	362,000	1.87	1.83	669,990
2016.11.10	3,000	1.87	1.87	5,610
2016.11.11	77,000	1.89	1.87	144,890
2016.11.14	450,000	1.89	1.84	837,350
2016.11.15	133,000	1.84	1.83	244,590
2016.11.16	384,000	1.86	1.83	709,320
2016.11.17	193,000	1.85	1.84	355,920
2016.11.18	130,000	1.86	1.85	241,300
2016.11.21	102,000	1.86	1.85	189,500
2016.11.22	29,000	1.86	1.86	53,940
2016.11.23	92,000	1.88	1.87	172,840
2016.11.24	163,000	1.88	1.87	305,610
2016.11.25	374,000	1.88	1.86	698,440
2016.11.28	80,000	1.87	1.87	149,600
2016.11.29	30,000	1.88	1.87	56,130
2016.11.30	383,000	1.88	1.86	716,580
2016.12.01	400,000	1.87	1.84	742,600
2016.12.02	290,000	1.87	1.85	539,300
2016.12.05	383,000	1.87	1.84	711,320
2016.12.06	68,000	1.85	1.84	125,620
2016.12.07	160,000	1.85	1.83	294,600
2016.12.08	230,000	1.85	1.83	422,700
2016.12.09	230,000	1.85	1.83	422,560
2016.12.12	350,000	1.81	1.79	628,500
2016.12.13	111,000	1.81	1.79	199,810
2016.12.14	90,000	1.82	1.80	162,900
2016.12.15	150,000	1.82	1.78	270,100
2016.12.16	60,000	1.81	1.80	108,200
2016.12.19	150,000	1.81	1.78	269,000
2016.12.20	120,000	1.79	1.77	213,200
2016.12.21	20,000	1.75	1.75	35,000
2016.12.22	50,000	1.76	1.76	88,000
2016.12.23	150,000	1.79	1.77	267,440
2016.12.28	150,000	1.80	1.78	267,900
	12,953,000			24,742,140

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2016, the Company has fully complied with all code provisions (“**Code Provisions**”) of the Corporate Governance Code and Corporate Government Report as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), except for the following deviation:

Under Code Provision A.6.7, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of the shareholders.

Due to other pre-arranged business engagements which must be attended to by Mr. Qi Daqing and Mr. Lian Yuming, being independent non-executive directors of the Company, were not able to attend the annual general meeting of the Company held on 15 June 2016.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions.

Having been made specific enquiry, the Directors of the Company confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2016.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has, together with the management of the Company, reviewed the Group’s audited consolidated financial statements and the annual report for the year ended 31 December 2016, including the accounting principles and practices adopted by the Group.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: a final dividend of HKD10.58 cents per share). Such proposal is subject to the approval of shareholders at the forthcoming annual general meeting (“**AGM**”).

ANNUAL GENERAL MEETING

The AGM of the Company will be held on Friday, 9 June 2017. Notice of the AGM together with the Company’s annual report for the year ended 31 December 2016 will be dispatched to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 6 June 2017 to Friday, 9 June 2017 (both dates inclusive), for the purposes of determining the entitlements of the members of the Company to attend and vote at the AGM. No transfer of shares may be registered during the said period. In order to qualify to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong, by no later than 4:30 p.m. on Monday, 5 June 2017.

On behalf of the Board
SinoMedia Holding Limited
CHEN Xin
Chairman

Hong Kong, 29 March 2017

As at the date of this announcement, the Board comprises Mr. Chen Xin, Ms. Liu Jinlan and Mr. Li Zongzhou as executive directors, and Mr. Qi Daqing, Mr. Lian Yuming, Ms. Wang Xin and Mr. He Hui David as independent non-executive directors.