

SinoMedia[®]

SINOMEDIA HOLDING LIMITED

中視金橋國際傳媒控股有限公司

2017 Interim Results Announcement

Increase in Interim Revenue resulted in Turning Loss into Profit

Financial Summary

<i>(RMB '000 unless specified otherwise)</i>	For the six months ended 30 June		
	2017	2016	Change (%)
Revenue	689,058	581,876	18%
Profit/(Loss) from operations	18,579	(71,888)	>100%
Profit/(Loss) attributable to equity shareholders of the Company	9,518	(56,465)	>100%
Earnings/(Losses) per share (RMB)			
— Basic	0.018	(0.103)	>100%
— Diluted	0.018	(0.103)	>100%

(28 August 2017 — 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 2017. In the first half of 2017, China’s economic growth and activeness remained stable, while the downward pressure of growth was still significant. The Group recorded revenue of RMB689 million, representing a year-on-year increase of 18%, by strengthening the market development efforts and optimizing the marketing strategies. At the same time, the Group turned loss into profit by adjusting the less efficient business to improve the operating efficiency and cut the operating expenses.

The most recent research data of CTR Media Intelligence indicated that in May 2017, the advertising market (excluding internet) recorded a year-on-year decrease of 1.0%, of which the traditional media, the spending on TV advertising and the volume of resources saw a year-on-year decrease of 2.9%, 3.4% and 9.6%, respectively (source: CTR Media Intelligence, July 2017). The Group actively responded to the pressures and challenges, resolutely implemented the strategy of focusing on providing inter-screen creative communication services, developed in an intensive way in the field of TV advertising business in which it has advantages in the market share, continued to cultivate digital media business, enhanced the capability in supporting the brand communication to corresponds to precision marketing, developed strongly the content production and operation business with documentary films as the entry point, and further enhanced the comprehensive strength and competitiveness of SinoMedia.

Ever since the listing, the Group has been leveraging its advantages in professional capability, capital strengths and operating strategies to develop new business in due course and improve the industrial chain layout and balance the business structure, while enhancing TV media resources management. During the period under review, respective business segments of the Group recorded an increase to different degrees, and the business structure was continuously optimized for balanced development. In particular, revenue recorded from TV media resources management was RMB569.5 million, representing a year-on-year increase of 13%, accounting for 83% of total revenue of the Group, which decreased by 4 percentage points as compared with the same period last year. The proportion of the revenue from the Group's new business climbed to 17%, of which, the revenue from the integrated communications services was RMB48.7million, representing a year-on-year increase of 26%. While maintaining stable development for the original creative production of commercial advertisements of content operations, the Group carried out a strategic cooperation with CCTV-6 Film channel to provide clients with creative production and entertainment marketing solutions, set up a documentary film special development fund, actively enhance the investment, production and operation of documentary film projects, resulting in revenue from content operations amounting to RMB18.3 million, representing a year-on-year increase of 41%. The revenue from digital marketing and internet media totalled RMB36.0 million, representing a year-on-year increase of 218%. The Group's self-developed intelligent programing advertising placement platform has been cultivated and upgraded for more than one year with satisfactory performance, which increased significantly compared with the same period last year. www.boosj.com(播視網), www.wugu.com.cn(吾谷網)and www.lotour.com(樂途旅遊網) of the Group continue to strengthen the capability of providing inter-screen communication services and integration, so as to promote high-quality content aggregation and distribution for business transformation.

Looking forward, Mr. Chen Xin, Chairman of the Group, said: "Closely keeping an eye on the macro economic trends and industry movements, the Group will firmly adhered to the strategy of focusing on inter-screen communication platform centered on videos, improve the industry chain layout and strengthen the core competence of creative communications, so as to provide clients with high-quality products and services. At the same time, the Group will consistently optimize the business structure and personnel structure, continue to increase investment on high value-added new businesses, adjust the inefficient business segments and improve the operational efficiency and the Group's overall value."

— 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 firmly adhered to strategy of focusing on inter-screen communication services centered on videos, and has been continuously enhancing TV advertising business while investing in the development of content operations and rapidly improving the capability in digital precision marketing, so as to meet the market demand for the inter-screen communications among “TV + Computer + Mobile”. The current businesses of the Company cover digital marketing iBCP, internet media including www.boosj.com (播視網), www.wugu.com.cn (吾谷網) and www.lotour.com (樂途旅遊網), content production and operations, CCTV media resources management 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 travel 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 creative communication services to over 3,000 clients worldwide.

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