

[For Immediate Release]



## 2013 Annual Results Announcement

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### Net Profit Increases by 22% as the Group Upgrades the Business Structure Internet Platforms Begin to Fuel Revenue Growth

#### Financial Highlights

<i>(RMB '000 unless specified otherwise)</i>	For the year ended 31 December		
	2013	2012	Change
Revenue	1,767,036	1,642,113	+8%
Profit from operations	506,131	419,672	+21%
Profit attributable to equity shareholders of the Company	369,108	302,591	+22%
Basic earnings per share (RMB)	0.661	0.544	+22%
Proposed dividends per share (HKD)			
- Final	16.48cents	13.5 cents	+22%
- Special	16.48cents	13.5 cents	+22%

(20 March 2014 – 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, is pleased to announce its annual results for the year ended 31 December 2013. As a result of continued revenue growth, an increase in gross profit margin and appropriate control on cost and expenses, the profit attributable to equity shareholders of the Group rose to RMB369,108 thousand in 2013, representing an year-on-year increase of 22%.

Despite a slowdown in domestic economic growth and the fission of media advertising industry last year, SinoMedia implemented the upgrade of its business structure by actively expanding to the upstream segment of **Internet media & content production**, and at the same time successfully maintaining the stable development of its advantaged **TV media resources management** and **integrated brand communication services**. With the above efforts, the Group’s revenue showed positive momentum of sustainability, reaching approximately RMB1,767,036 thousand.

Commenting on the annual results, Chairman of the Company, Mr. Chen Xin said, “SinoMedia has started a new growth engine composed of Internet media and content production platform when the media advertising industry in China entered a multi-screen era. To meet communication needs from our growing client base, the Group tenaciously executed its strategic upgrade, enhanced the business structure in time and promoted the synergy among segments”.

During the year of 2013, revenue recorded from Internet media and content operations was RMB49,088 thousand in total, up 37% from RMB35,706 thousand last year. Revenue recorded from this business was primarily attributable to the revenue from creative production of commercial advertisements, revenue from programme production and operation, and revenue from the operation of Internet platforms. Among which, (1) revenue from creative production of commercial advertisements recorded a stable growth, with a steady increase in the contract value and the volume of contracts signed by our clients over last year; (2) revenue from programme production and operation was mainly the revenue recorded from the production of the Group's first original video programme "Scent of a Man", which contributed a new source of revenue for the Group; (3) revenue from the operation of Internet platforms was mainly the revenue from the three major Internet media platforms, namely lotour.com (樂途旅遊網), boosj.com (播視網) and wugu.com.cn (吾谷網), under the Group. During the year under review, the Group focused on the investment and operations of Internet media platforms. Revenue recorded by lotour.com (樂途旅遊網) and boosj.com (播視網) was formally consolidated into the Group's revenue since the fourth quarter in 2013.

As the Group's current major contributor in revenue, TV media resources management recorded RMB1,670,774 thousand in revenue, up 5% from RMB1,592,942 thousand last year. During the year under review, despite the slowdown in the economic growth in China, the Group maintained its leading market position in such mature business. There was a stable development of media resources management. While enhancing its market share in the tourism client sectors, the Group offered some multi-screen promotional initiatives for its media products and successfully attracted a number of new clients with an optimisation in customer structure and quality as well as client volume. These efforts contributed to an increase in the sales of core advertising resources, resulting in a moderate growth in the revenue for the year.

Turnover recorded from integrated brand communication services was RMB1,206,902 thousand, a slight decrease of 2% from RMB1,232,114 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 RMB49,820 thousand, an increase of 27% over RMB39,276 thousand last year. The increase in revenue of this business over last year was mainly attributable to the increase in the Group's commission income received from diversified media for procurement over last year. The Group will persistently maintain the steady development of this business, enhance its professional service capabilities, develop new customer resources and strive to broaden the industry dimensions of our clients so as to further strengthen our position in the industry.

Looking into the coming years, Mr. Chen expressed optimism for SinoMedia to realise its strategic upgrade. "SinoMedia sees great potential in our multi-screen media operation platform which adapts to the future media market structure. In order to significantly enhance the value of the Group's "Internet + TV" marketing platform in the coming two years, the Group will maintain its advantage and stable development of its TV advertising and brand communication business and allocate more resources to its Internet media platforms such as lotour.com (樂途旅遊網), boosj.com (播視網) and wugu.com.cn (吾谷網). The Group has been optimising its organisational structure and enriching the management team, to ensure the quantity, quality and structure of development", Mr. Chen said.

## 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 an "Internet + TV" inter-screen communication marketing platform, by actively developing 'Internet Media and Content Operations' segment, and continuously improving 'TV Media Resources Management' and 'Integrated Brand Communication Services' businesses. Its current businesses cover Internet media platforms including [www.lotour.com](http://www.lotour.com) (樂途旅遊網), [www.boosj.com](http://www.boosj.com) (播視網) and [www.wugu.com.cn](http://www.wugu.com.cn) (吾谷網), production and operation of video programme, 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 travel 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 for more than 2,800 clients worldwide. SinoMedia was one of the sponsor units of the Association of Accredited Advertising Agencies of China and is currently the director of the executive committee of the association.

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