

The background of the slide features a large, stylized, three-dimensional triangular structure composed of multiple parallel lines that create a sense of depth and perspective, resembling a tunnel or a modern architectural element. The lines are in shades of gray and blue, with a bright light source at the end of the tunnel, creating a strong contrast and a sense of forward motion.

**SinoMedia**<sup>®</sup>

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

*Stock Code: 00623.hk*

**2014**  
**Annual Results**

*19 March 2015*

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# Content

**Highlights in FY2014**

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# Highlights in FY2014

Adhered to the established strategy and meanwhile adapted to the market demand in the complicated and ever-changing environment

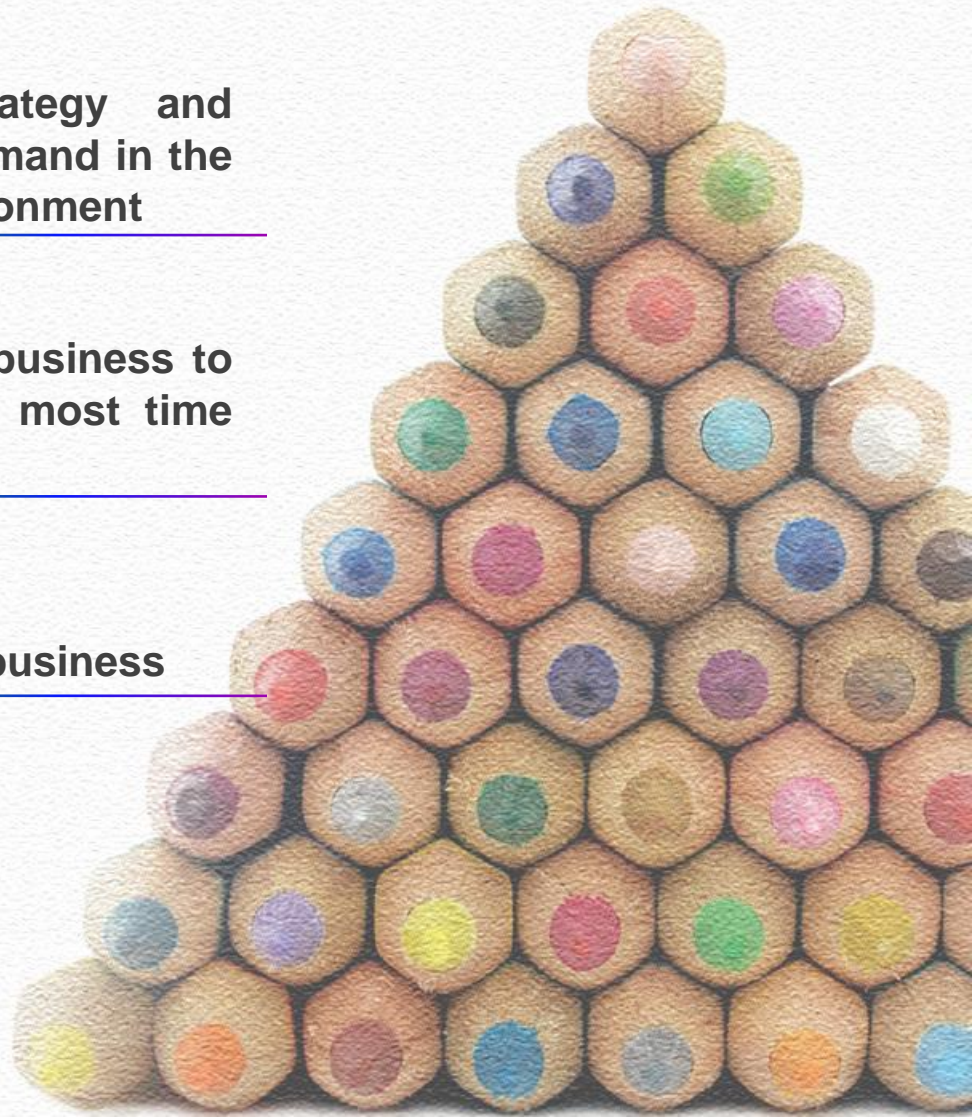
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Maintained leading position in core business to be the largest underwriter with the most time resources of CCTV

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Achieved breakthroughs in internet business

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# Business review

**Overview of business segments**

**TV media resources management**

**Integrated brand communication services**

**Internet media and content operations**



# Overview of business segments



## TV advertising and branding services

- TV media resources management(MRM)
- Integrated brand communication services(IBC)



## Internet media and content operations

# TV advertising and branding services

## - Media resources management (MRM)

Exclusively underwritten 38,860 minutes of advertising time in 4 channels

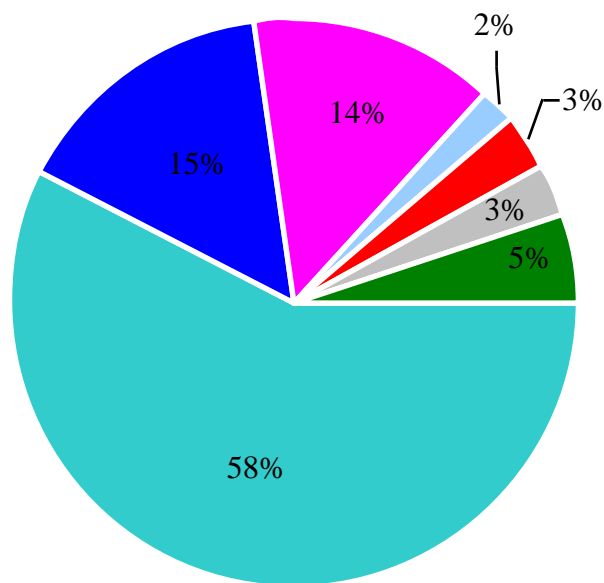


# TV advertising and branding services

- MRM Clientele

CCTV – 1, 4, 7 & News

**2014**



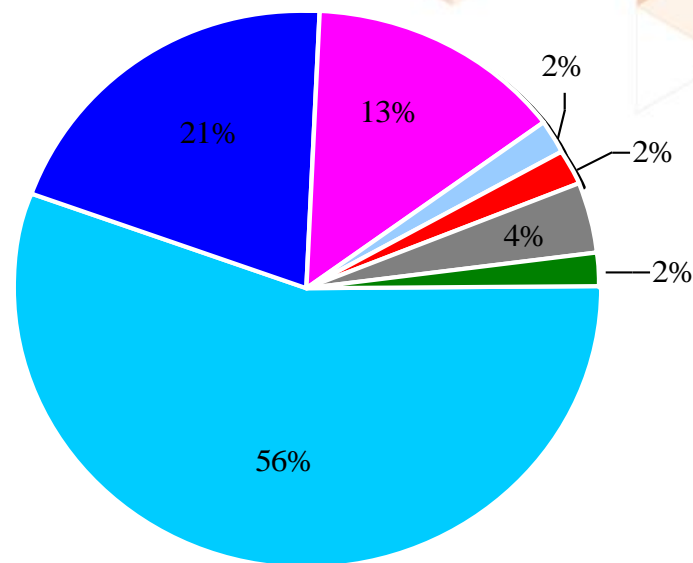
■ Tourism & city image, business promotion, convention & exhibition

■ Automobile & transportation

■ Building materials

■ Others

**2013**



■ Consumer goods

■ Agriculture

■ Finance & insurance

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# TV advertising and branding services

## -Integrated brand communication services (IBC)

IBC comprises brand management, product position, media procurement, ad placement, ad monitoring, evaluation and public relation services.

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# Internet media and content operations



Traffic up **92%**oyoy

Setup a new model for travel website - the tourist destination interactive marketing system

China's top travel information sharing website in average daily user coverage



DPV of million level

Developing on featured content and vertical channel of "dance"

An innovative internet video platform with influence on the informative video industry in China



Breakthrough in turnover

Initiative on O2O project with national authority

A modern agriculture information service website with reputation in the industry

# Financial review

**Financial summary**

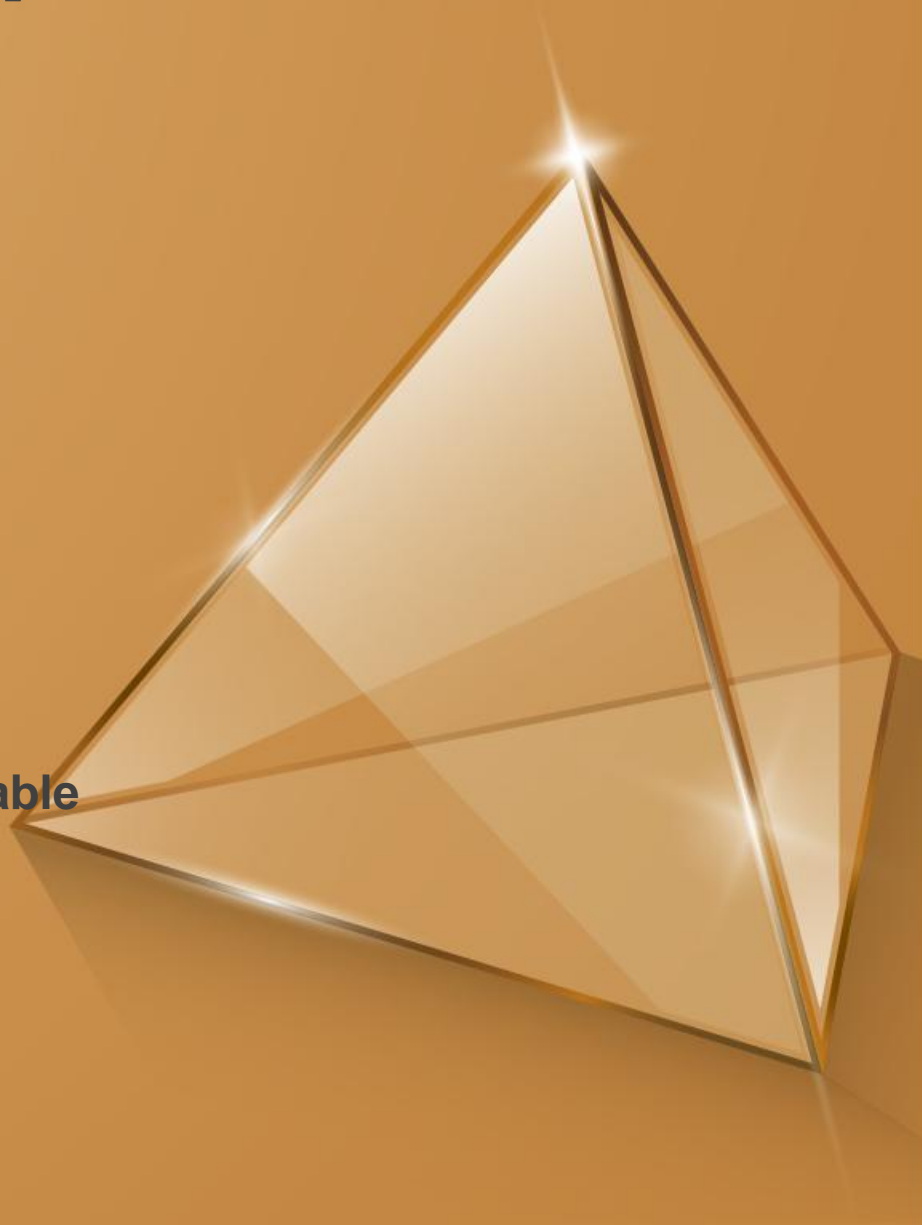
**Segment revenue**

**Stringent cost control**

**Healthy balance sheet**

**Low trade debtors and bills receivable**

**Cash flows under control**



# Financial summary

For the year ended 31 December

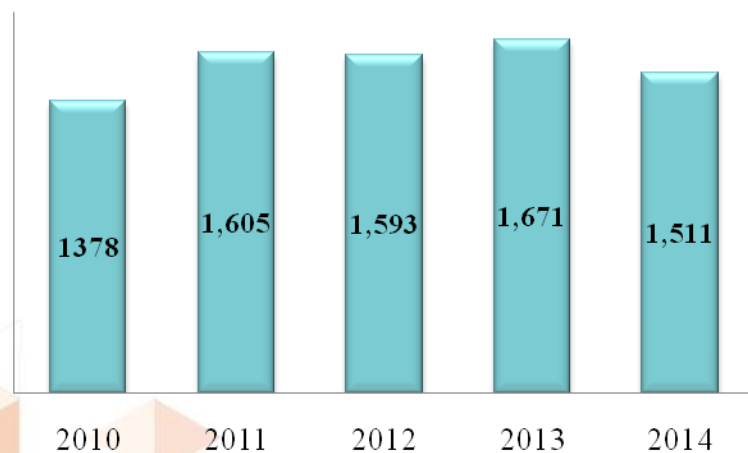
(RMB '000)

|  | 2014             | 2013      | Change       |
|--|------------------|-----------|--------------|
| <b>Revenue</b>   | <b>1,634,652</b> | 1,767,036 | <b>-7%</b>   |
| <b>Gross profit</b>  | <b>478,797</b>   | 644,690   | <b>-26%</b>  |
| <i>Gross profit margin (%)</i>                                   | <b>29%</b>       | 36%       | <b>-7pts</b> |
| <b>Profit from operations</b>                                    | <b>424,126</b>   | 506,131   | <b>-16%</b>  |
| <b>Profit attributable to equity shareholders of the Company</b> | <b>306,571</b>   | 369,108   | <b>-17%</b>  |
| <i>Net profit margin (%)</i>                                     | <b>19%</b>       | 21%       | <b>-2pts</b> |
| <b>Basic earnings per share(RMB)</b>                             | <b>0.542</b>     | 0.661     | <b>-18%</b>  |

# Segment revenue - MRM

Revenue

RMB Million



Core CCTV TV programmes ad time

|                  | 2014  | 2013  |
|------------------|-------|-------|
| Minutes Acquired | 8,802 | 8,863 |
| Minutes Sold     | 5,722 | 6,998 |



# Segment revenue - IBC

For the year ended 31 December

| <i>(RMB '000)</i>  | 2014             | 2013      | Change      |
|--|------------------|-----------|-------------|
| <b>Turnover</b>  | <b>1,509,411</b> | 1,206,902 | <b>+25%</b> |
| <b>Revenue</b><br><i>(after netting off procurement cost under IFRS)</i> | <b>34,037</b>    | 49,820    | <b>-32%</b> |

# Segment revenue

## -Internet media and content operations

For the year ended 31 December

| <i>(RMB '000)</i> | 2014          | 2013   | Change |
|-------------------|---------------|--------|--------|
| <b>Revenue</b>    | <b>54,961</b> | 49,088 | +12%   |

# Stringent cost control

For the year ended 31 December

| <i>(RMB '000)</i>  | 2014           | 2013        |
|--|----------------|-------------|
| <b>Total operating expenses as a % of revenue</b>                            | <b>10.3%</b>   | 10.5%       |
| <b>Selling &amp; marketing expenses(RMB'000)</b>                             | <b>54,654</b>  | 65,799      |
| <i>As a % of revenue</i>   | <b>3.4%</b>    | 3.7%        |
| <b>General &amp; administrative expenses(RMB'000)</b>                        | <b>113,456</b> | 119,685     |
| <i>As a % of revenue</i>   | <b>6.9%</b>    | 6.8%        |
| <b>Included in cost of services, S&amp;M expenses, and G&amp;A expenses:</b> | <b>2014</b>    | <b>2013</b> |
| <b>- Depreciation &amp; Amortisation</b>                                     | <b>32,918</b>  | 25,226      |
| <b>- Impairment losses on bad and doubtful accounts &amp; goodwill</b>       | <b>7,214</b>   | 8,245       |

# Healthy balance sheet

At 31 December

(RMB '000)

|  | 2014             | 2013             |
|--|------------------|------------------|
| Cash and cash equivalents                            | 801,771          | 1,070,106        |
| Other bank deposits                                  | 182,875          | -                |
| Trade debtors & bills receivable (net of impairment) | 92,227           | 70,797           |
| <b>Current assets</b>                                | <b>1,416,372</b> | <b>1,448,707</b> |
| <b>Total assets</b>                                  | <b>2,392,432</b> | <b>2,515,312</b> |
| <b>Current liabilities</b>                           | <b>713,112</b>   | <b>1,009,946</b> |
| <b>Net assets</b>                                    | <b>1,679,320</b> | <b>1,505,366</b> |

# Low trade debtors and bills receivable

(RMB '000)

|  | 2014          | 2013          |
|--|---------------|---------------|
| <b>Neither past due nor impaired</b>                                 | <b>52,111</b> | 45,224        |
| <b>Less than 6 months past due</b>                                   | <b>29,815</b> | 16,671        |
| <b>More than 6 months but less than 12 months past due</b>           | <b>9,729</b>  | 8,422         |
| <b>More than 12 months past due</b>                                  | <b>572</b>    | 480           |
| <b>Trade debtors and bills receivable (net of impairment losses)</b> | <b>92,227</b> | <b>70,797</b> |
| <b>Turnover days</b>   | <b>18</b>     | 18            |



# Cash flows under control

For the year ended 31 December

(RMB '000)

|  | 2014      | 2013      |
|--|-----------|-----------|
| Net cash used in operating activities                  | (118,622) | (262,428) |
| Net cash(used in) /generated from investing activities | (144,409) | 10,607    |
| Net cash used in financing activities                  | (8,596)   | (120,866) |
| Net change in cash and cash equivalents                | (271,627) | (372,687) |
| Cash and cash equivalents at 1 January                 | 1,070,106 | 1,442,752 |
| Effect of exchange rate changes                        | 3,294     | 41        |
| Cash and cash equivalents at 31 December               | 801,773   | 1,070,106 |

# Outlook



# Outlook

remain cautious in TV advertising business, but optimistic in the speedup of internet business

## Strive for steady development with sustainability

### ✓ TV advertising and branding services

1. Marketing strategies & client retention
2. Research on methods of integrating traditional media with new media
3. Explore new demands of existing clients and underscore clients in daily consumer goods and emerging industries

### ✓ Internet media and content operations

1. Internet websites – generation of users & content
2. R&D for content creativity on lifestyle and humanities programmes

# Appendix



# China\*\* ranked 2<sup>nd</sup> largest ad spending country worldwide

## Top 5 Countries, Ranked by Total Media, Digital and Mobile Internet Ad Spending, 2015

billions

|                  | Total media     | Digital         | Mobile internet |
|------------------|-----------------|-----------------|-----------------|
| 1. US            | \$189.06        | \$58.61*        | \$28.24         |
| 2. China**       | \$73.13         | \$30.81         | \$12.14         |
| 3. Japan         | \$40.19         | \$9.61          | \$3.37          |
| 4. Germany       | \$27.71         | \$6.67          | \$2.11          |
| 5. UK            | \$25.22         | \$12.59*        | \$4.67*         |
| <b>Worldwide</b> | <b>\$592.43</b> | <b>\$170.50</b> | <b>\$64.25</b>  |

Note: \*includes SMS, MMS and P2P messaging-based advertising;

\*\*excludes Hong Kong

Source: eMarketer, Dec 2014

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www.eMarketer.com

Worldwide ad spending sees an increase of **6%** yoy

Digital ad spending in China dramatically exceeds the forecast



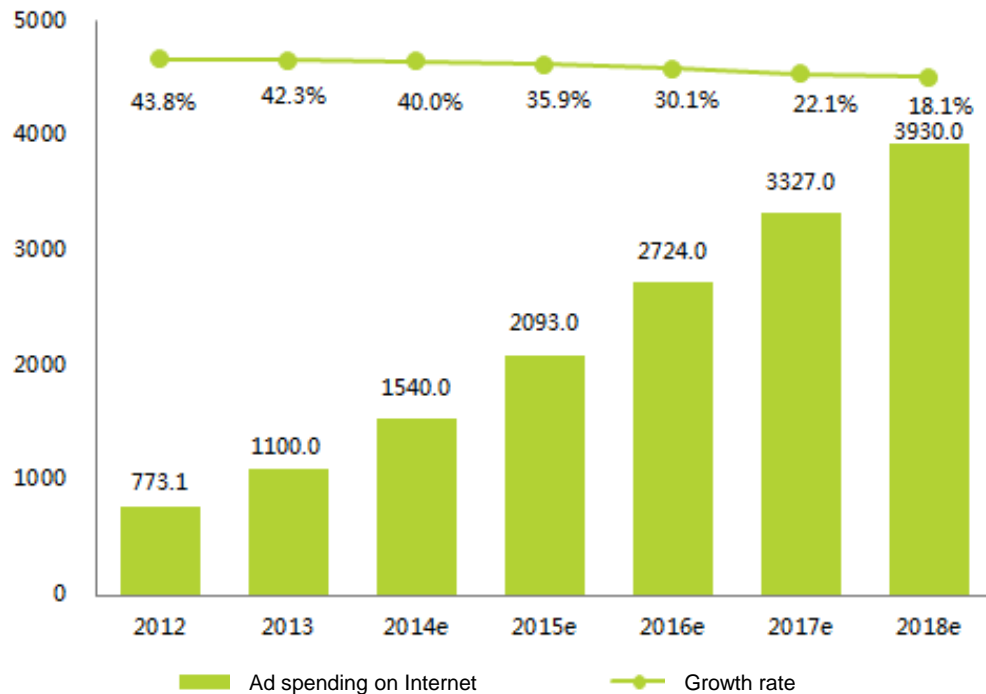
## Ad Spending in China up 2.2% with a decrease of 1.7% from traditional ad market

China ad spending and resources in media 2014

| Media                      | Ad spend | Ad resources |
|----------------------------|----------|--------------|
|                            | YOY      | YOY          |
| TV                         | -1%      | -9%          |
| Newspaper                  | -18%     | -21%         |
| Magazine                   | -10%     | -19%         |
| Radio                      | 11%      | -1%          |
| Traditional outdoor        | 9%       | -3%          |
| LED in commercial building | 26%      | -            |
| Cinema                     | 62%      | -            |
| Internet                   | 36%      | -            |

Source: CTR market research, Feb 2015

# China internet ad market 2012-2018



Source: iResearch, Jan 2015

**More budget from advertisers flows into Internet and brings new record to the market in China**