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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 2015**

FINANCIAL SUMMARY

<i>RMB'000</i>	For the year ended 31 December 2015	For the year ended 31 December 2014	Change (%)
Revenue	1,256,871	1,634,652	-23%
Profit from operations	172,259	424,126	-59%
Profit attributable to equity shareholders of the Company	121,673	306,571	-60%
Earnings per share (<i>RMB</i>)			
— Basic	0.220	0.542	-59%
— Diluted	0.217	0.528	-59%
Proposed dividends per share (<i>HKD</i>)	10.58 cents	27.00 cents	-61%

Revenue:

<i>RMB'000</i>	For the year ended 31 December 2015	For the year ended 31 December 2014	Change (%)
Media resources management	1,171,265	1,510,881	-22%
Integrated brand			
communication services	25,274	34,037	-26%
Internet media and content			
operations	29,069	54,961	-47%
Rental income	51,218	58,837	-13%
Sales taxes and surcharges	(19,955)	(24,064)	-17%
Revenue	<u>1,256,871</u>	<u>1,634,652</u>	

Turnover:

<i>RMB'000</i>	For the year ended 31 December 2015	For the year ended 31 December 2014	Change (%)
Media resources management	1,171,265	1,510,881	-22%
Integrated brand			
communication services	1,057,576	1,509,411	-30%
Internet media and content			
operations	29,069	54,961	-47%
Rental income	51,218	58,837	-13%
Sales taxes and surcharges	(19,955)	(24,064)	-17%
Turnover	<u>2,289,173</u>	<u>3,110,026</u>	

The Board of directors (the “**Board**”) of SinoMedia Holding Limited (“**SinoMedia**” or the “**Company**”) is pleased to announce the audited results and financial position of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2015, with comparative figures for previous year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

		2015 RMB'000	2014 RMB'000
	Note		
Revenue		1,256,871	1,634,652
Cost of services		(955,291)	(1,155,855)
Gross profit		301,580	478,797
Other revenue	3	18,186	53,321
Other net income	3	—	60,118
Selling and marketing expenses		(44,071)	(54,654)
General and administrative expenses		(103,436)	(113,456)
Profit from operations		172,259	424,126
Finance income	4(a)	27,875	18,790
Finance costs	4(a)	(9,048)	(11,499)
Net finance income		18,827	7,291
Share of loss of associate		(325)	(840)
Profit before taxation	4	190,761	430,577
Income tax	5	(74,825)	(124,691)
Profit for the year		115,936	305,886
Attributable to:			
Equity shareholders of the Company		121,673	306,571
Non-controlling interests		(5,737)	(685)
Profit for the year		115,936	305,886
Proposed dividends	6	48,517	121,732
Earnings per share	7		
Basic earnings per share (RMB)		0.220	0.542
Diluted earnings per share (RMB)		0.217	0.528

Consolidated Statement of Financial Position

At 31 December 2015

		2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	8	261,278	272,555
Investment property	8	615,151	629,949
Intangible assets		39,702	39,955
Goodwill		13,455	18,015
Investments in associate		6,525	6,850
Trade and other receivables	9	1,917	2,550
Deferred tax assets		2,197	6,186
		<u>940,225</u>	<u>976,060</u>
Current assets			
Other current financial asset		—	4,157
Trade and other receivables	9	544,431	427,567
Pledged bank deposits		565	152,183
Time deposits with original maturity over three months		26,502	30,692
Cash and cash equivalents		418,098	801,773
		<u>989,596</u>	<u>1,416,372</u>
Current liabilities			
Trade and other payables	10	265,969	517,855
Bank loans	11	—	145,152
Current taxation		39,710	49,571
Other current financial liability		—	534
		<u>305,679</u>	<u>713,112</u>
Net current assets		<u>683,917</u>	<u>703,260</u>
Total assets less current liabilities		<u>1,624,142</u>	<u>1,679,320</u>
NET ASSETS		<u>1,624,142</u>	<u>1,679,320</u>

	<i>Note</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
CAPITAL AND RESERVES			
Share capital		510,981	500,734
Reserves		1,103,573	1,168,674
		<hr/>	<hr/>
Total equity attributable to equity shareholders of the Company		1,614,554	1,669,408
Non-controlling interests		9,588	9,912
		<hr/>	<hr/>
TOTAL EQUITY		1,624,142	1,679,320
		<hr/> <hr/>	<hr/> <hr/>

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

Attributable to equity shareholders of the Company

	Share Capital RMB'000	Share premium RMB'000	Capital Redemption reserve 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 2014	172	485,213	22	27,669	82,632	(4,586)	(9,338)	896,366	1,478,150	27,216	1,505,366
Changes in equity for 2014:											
Profit for the year	—	—	—	—	—	—	—	306,571	306,571	(685)	305,886
Other comprehensive income	—	—	—	—	—	3,301	—	—	3,301	—	3,301
Total comprehensive income	—	—	—	—	—	3,301	—	306,571	309,872	(685)	309,187
Appropriation to reserves	—	—	—	—	7,842	—	—	(7,842)	—	—	—
Contribution from non-controlling interests	—	—	—	167	—	—	—	—	167	68	235
Acquisition of non-controlling interests	—	—	—	—	—	—	11,646	4,681	16,327	(16,327)	—
Shares issued under share option scheme	2	15,325	—	(4,640)	—	—	—	—	10,687	—	10,687
Equity-settled share-based transactions	—	—	—	2,113	—	—	—	—	2,113	—	2,113
Transition to no-par value regime	500,560	(500,538)	(22)	—	—	—	—	—	—	—	—
Dividends approved in respect of the previous year	—	—	—	—	—	—	—	(147,908)	(147,908)	(360)	(148,268)
Balance at 31 December 2014 and 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 income	—	—	—	—	—	(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	510,981	—	—	22,532	126,886	(4,229)	2,308	956,076	1,614,554	9,588	1,624,142

Consolidated Cash Flow Statement

For the year ended 31 December 2015

	2015 RMB'000	2014 RMB'000
Operating activities		
Profit before taxation	190,761	430,577
Adjustments for:		
Depreciation	28,382	28,927
Amortization of intangible assets	4,833	3,991
Impairment of goodwill	4,560	5,629
Finance costs	8,999	4,496
Finance income	(22,995)	(18,790)
Net gain on disposal of available-for-sale securities	—	(60,118)
Share of loss of associate	325	840
Net loss on sale of property, plant and equipment	560	110
Equity-settled share-based payment expense	(106)	2,113
	<u>215,319</u>	<u>397,775</u>
Changes in working capital:		
Increase in trade and other receivables	(116,231)	(51,302)
Decrease in trade and other payables	(241,423)	(311,997)
	<u>(142,335)</u>	<u>34,476</u>
PRC income tax paid	<u>(80,697)</u>	<u>(153,166)</u>
Net cash used in operating activities	<u><u>(223,032)</u></u>	<u><u>(118,690)</u></u>
Investing activities		
Payment for purchase of property, plant and equipment	(13,180)	(87,306)
Payment for purchase of intangible assets	(4,580)	(5,610)
Proceeds from disposal of investee	—	116,749
Refund of/(payment) of restricted cash	151,618	(152,183)
Received/(placement) of term deposits		
with initial term over three months	4,190	(30,692)
Interest received	<u>22,461</u>	<u>14,633</u>
Net cash generated from/(used in) investing activities	<u><u>160,509</u></u>	<u><u>(144,409)</u></u>

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Financing activities		
Proceeds from new bank loans	—	146,452
Repayment of bank loans	(145,152)	(6,300)
Payment for purchase of own shares	(53,402)	—
Proceeds from shares issued under share option scheme	7,576	10,687
Borrowing costs paid	(4,842)	(255)
Payment for purchase of non-controlling interests	—	(10,784)
Dividends paid to non-controlling interests	(540)	(488)
Dividends paid to equity shareholders of the Company	(121,848)	(147,908)
Net cash used in financing activities	(318,208)	(8,596)
Net decrease in cash and cash equivalents	(380,731)	(271,695)
Cash and cash equivalents at 1 January	801,773	1,070,106
Effect of foreign exchange rate changes	(2,944)	3,362
Cash and cash equivalents at 31 December	418,098	801,773

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 the following amendments to IFRS and HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to IAS/HKAS 19, *Employee benefits: Defined benefit plans: Employee contributions*
- *Annual Improvements to IFRSs/HKFRSs 2010–2012 Cycle*
- *Annual Improvements to IFRSs/HKFRSs 2011–2013 Cycle*

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

	Note	2015 RMB’000	2014 RMB’000
Other revenue			
Government grant	(i)	16,871	52,236
Others		1,315	1,085
		<u>18,186</u>	<u>53,321</u>

- (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.

	2015 RMB’000	2014 RMB’000
Other net income		
Disposal of available-for-sale securities	<u>—</u>	<u>60,118</u>

4 Profit before taxation

(a) Finance income and costs

	<i>Note</i>	2015 RMB'000	2014 RMB'000
Interest income on bank deposits		22,461	14,633
Net foreign exchange gain		4,880	—
Changes in fair value of derivative financial instruments	(i)	534	4,157
Finance income		27,875	18,790
Interest on bank borrowings wholly repayable within five years		(4,842)	(255)
Changes in fair value of derivative financial instruments	(i)	(4,157)	(4,241)
Net foreign exchange loss		—	(5,183)
Others		(49)	(1,820)
Finance costs		(9,048)	(11,499)
Net finance income		18,827	7,291

(i) It represented the change in fair value of a forward exchange contract.

(b) Staff cost

	2015 RMB'000	2014 RMB'000
Salaries, wages and other benefits	75,448	79,334
Contribution to defined contribution plan	19,036	18,817
Equity-settled share-based payment expenses	(106)	2,113
	94,378	100,264

(c) Other items

	2015 RMB'000	2014 RMB'000
Amortization	4,883	3,991
Depreciation	28,382	28,927
Impairment losses on assets and goodwill	7,009	7,214
Operating lease charges	9,439	9,182
Auditors' remuneration	2,980	3,200
Professional fee	5,188	2,955
Research and development costs	4,013	2,169

5 Income tax

	2015 RMB'000	2014 RMB'000
Current tax		
Provision for PRC income tax	70,836	119,174
Deferred tax		
Origination and reversal of temporary differences	3,989	5,517
Total income tax expense	74,825	124,691

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 2015.

6 Proposed dividends

	2015 RMB'000	2014 RMB'000
Dividends proposed after the balance sheet date:		
Proposed final dividend of HKD10.58 cents (equivalent to approximately RMB8.90 cents) per ordinary share (2014: final dividend of HKD13.50 cents and special dividend of HKD13.50 cents, approximately RMB21.42 cents in total)	48,517	121,732

Pursuant to a resolution passed at the Director's meeting on 23 March 2016, a final dividend of HKD10.58 cents (2014: final dividend of HKD13.50 cents per share and special dividend of HKD13.50 cents per share) per share in respect of the year ended 31 December 2015 totalling HKD57,651 thousand (equivalent to approximately RMB48,517 thousand at an exchange rate of 0.84156) (2014: HKD153,418 thousand, equivalent to approximately RMB121,732 thousand at an exchange rate of 0.79346) will be proposed for shareholders' approval at the Annual General Meeting. Dividend of HKD57,651 thousand proposed after the statement of financial position date has not been recognised as a liability at the end of the reporting period.

7 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB121,673 thousand (2014: RMB306,571 thousand) and the weighted average of 551,834 thousand ordinary shares (2014: 565,116 thousand shares) in issue during the year, calculated as follows:

Profit attributable to ordinary equity shareholders	2015 RMB'000	2014 RMB'000
Profit for the year	<u>121,673</u>	<u>306,571</u>
Profit attributable to ordinary equity shareholder	<u>121,673</u>	<u>306,571</u>
Weighted average number of ordinary shares	2015 '000	2014 '000
Issued ordinary shares at 1 January	568,215	561,289
Effect of share repurchased	(19,565)	—
Effect of issues of ordinary shares upon exercise of share options	<u>3,184</u>	<u>3,827</u>
Weighted average number of ordinary shares at 31 December	<u>551,834</u>	<u>565,116</u>

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB121,673 thousand (2014: RMB306,571 thousand) and the weighted average number of ordinary shares of 559,786 thousand shares (2014: 581,130 thousand shares) after adjusting for the effect of share options in issue, calculated as follows:

Profit attributable to ordinary equity shareholders (diluted)	2015 RMB'000	2014 RMB'000
Profit attributable to ordinary equity shareholders (basic and diluted)	<u>121,673</u>	<u>306,571</u>
Weighted average number of ordinary shares (diluted)	2015 '000	2014 '000
Weighted average number of ordinary shares (basic)	551,834	565,116
Effect of share options in issue	<u>7,952</u>	<u>16,014</u>
Weighted average number of ordinary shares (diluted) at 31 December	<u>559,786</u>	<u>581,130</u>

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 2014	211,332	16,851	15,787	243,970	729,248	973,218
Additions and reclassification	80,744	3,116	—	83,860	17,126	100,986
Disposals and reclassification	(15,887)	(650)	(505)	(17,042)	(77,116)	(94,158)
Balance at 31 December 2014	<u>276,189</u>	<u>19,317</u>	<u>15,282</u>	<u>310,788</u>	<u>669,258</u>	<u>980,046</u>
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>
Depreciation						
Balance at 1 January 2014	5,465	10,481	8,631	24,577	25,089	49,666
Depreciation for the year and reclassification	10,040	2,788	2,259	15,087	16,137	31,224
Disposals and reclassification	(380)	(618)	(433)	(1,431)	(1,917)	(3,348)
Balance at 31 December 2014	<u>15,125</u>	<u>12,651</u>	<u>10,457</u>	<u>38,233</u>	<u>39,309</u>	<u>77,542</u>
Balance at 1 January 2015	15,125	12,651	10,457	38,233	39,309	77,542
Depreciation 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>
Carrying amounts						
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>
At 31 December 2014	<u>261,064</u>	<u>6,666</u>	<u>4,825</u>	<u>272,555</u>	<u>629,949</u>	<u>902,504</u>

9 Trade and other receivables

	<i>Note</i>	2015 RMB'000	2014 RMB'000
Non-Current assets			
Trade and other receivables		<u>1,917</u>	<u>2,550</u>
Current assets			
Trade debtors and bills receivable		171,562	163,307
Less: allowance for doubtful debts		<u>(73,529)</u>	<u>(71,080)</u>
	(i)	98,033	92,227
Prepayments and deposits to media suppliers		425,765	291,904
Advances to employees		1,645	2,372
Other debtors and prepayments		29,234	51,310
Less: allowance for doubtful debts of other debtors		<u>(10,246)</u>	<u>(10,246)</u>
		<u>544,431</u>	<u>427,567</u>
		<u>546,348</u>	<u>430,117</u>

- (i) As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), is as follows:

	2015 RMB'000	2014 RMB'000
Neither past due nor impaired	63,007	52,111
Less than 6 months past due	18,860	29,815
More than 6 months but less than 12 months past due	6,139	9,729
More than 12 months past due	<u>10,027</u>	<u>572</u>
Total amount past due	<u>35,026</u>	<u>40,116</u>
	<u>98,033</u>	<u>92,227</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>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Trade payables	(i)	4,910	16,956
Payroll and welfare expenses payables		16,044	19,197
Other tax payables		13,646	16,587
Other payables and accrued charges		38,938	56,180
Dividends payable due to non-controlling interest of a subsidiary		856	1,006
		74,394	109,926
Advances from customers		191,575	407,929
		265,969	517,855

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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Due within 3 months	4,024	326
Due after 3 months but within 6 months	880	330
Due after 6 months but within 12 months	6	16,300
	4,910	16,956

11 Bank loans

At 31 December 2015, the bank loans were repayable as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Within one year or on demand	—	145,152

Loans of RMB145,152 thousand were repaid by bank deposits of a subsidiary of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

ABOUT THE GROUP

In 2015, the “new normal” media advertising market in China has presented challenges for the fast development of the Group. However, the ingrained entrepreneurial gene of SinoMedia continued to realise in the innovative spirit of the Group and to explore and seize the market opportunities. Besides boosting the dominant TV advertising business, the Group has steadily expanded its client base in the overseas market, developed internet media, and swiftly made strategic arrangement in the digital marketing field to drive the future growth.

For the last year, the Chinese economy featured a general slowing trend and a deepening divide in each field. The industry restructuring has continued, reflected in the deepening division within the three key demands of consumption, investment and net export, the unbalanced growth in the regional economy, and the greater pressures on the structural deflation. Accordingly, the media and culture industry that the Group is in has been undergoing revolutionary changes. The traditional media have been trying hard to transform their business and capital operation has been frequently happening. The age of internet integration has arrived. The traditional media and the internet media alter and replace each other. The change is fast with the emerging internet media dominating the media market, while the traditional media is more aware of the urgency of reform and innovation. According to iiMedia Research, the market size of internet advertising business in China has reached over RMB200 billion in 2015, and the positive momentum will continue in the following 3 years with the market size reaching RMB412.5 billion in 2018 (Source: iiMedia Research, January 2016). According to the research of CTR Media Intelligence, in 2015, the advertising spending on the traditional media in China saw a further decline to a record low of -7.2%. On the other hand, the rising star of internet advertising recorded a year-on-year growth of 22%, which controlled the decline of the whole advertising market at -2.9% (Source: CTR Media Intelligence, February 2016).

During the year under review, the Group has implemented its strategic upgrading with numerous pressures, and demonstrated its value in both TV and digital businesses with the professional services and integrity that in line with new industry standards.

BUSINESS OVERVIEW

TV Business — TV Advertising and Branding Services

TV advertising and branding services is the Group’s traditional dominant business. During the year under review, the Group has kept a leading market share of CCTV media resources, at the same time it expanded its professional services, and further explored the overseas market, reinforcing its presence for brand communication in travel destinations at home and abroad.

1. TV Media Resources Management

During the year under review, the Group renewed approximately 11,545 minutes of advertising resources on a total of 15 programmes on channels including CCTV-1 (General)/CCTV-News (Chinese), CCTV-4 (Chinese International, including Europe and the US), and CCTV-7 (Military and Agriculture), focusing on advantageous programmes covering news, politics, culture, agriculture and other topics. 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), “China News” (中國新聞), “Today’s Focus” (今日關注), “Across the Straits” (海峽兩岸), “Exposition of Chinese Cultural Relics” (國寶檔案), “China Showbiz” (中國文藝) 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). SinoMedia persistently optimises its media resource portfolio. With the mission to provide the up-to-date media products, the Group manages to maintain its leading position in face of intense industry competition. In addition to the stable core resources, the Group has adjusted or introduced the complementary resources. The Group has created new communication direction for the emerging industries and advertising partners, through making the most of its insight and execution in managing media resources.

2. Integrated Brand Communication Services

During the year under review, the Group achieved a sound progress in its agency business and integrated communication services. It continued to serve clients such as Ping An Insurance (Group) Company of China, Ltd., Huiyuan Group, Jiangsu King’s Luck Brewery Joint-Stock Co., Ltd., and Tiens Group, and was also engaged by Beijing XiaojuKeji Co., Ltd. (滴滴打車), Huaxia Life Insurance Co., Ltd. (華夏人壽保險股份有限公司) and Deyufang Foods Co., Ltd. (德御坊創新食品股份有限公司) for its TV advertising placement agency business.

In addition, the International Business Department of the Group formed in the second half of the year, together with Singapore company and Hong Kong company of the Group, it took SinoMedia’s tourist and overseas destinations communication business to a whole new level. From the exclusive agency of tourist destinations to the implementation of communication programs, the business team fully utilised the existing resources and was committed to providing innovative and diversified services. The team gained core competency through the introduction of top PR talents in the domestic tourism industry, which has enabled a more extensive cooperation with international clients, further enhancing the brand value of SinoMedia as the communication expert in tourist destinations. During the year under review, the Group has reached cooperation intentions with and started to provide services to overseas clients such as Tourism Malaysia, Tourism Authority of Thailand, Tourism Ireland, Europe Travel Commission, Tourism Toronto, Ottawa Tourism, Vancouver International Airport, Turkish Airlines, Fiji Airways and the star-rated hotel group, representing an increase of 88% in client numbers compared to last year.

Digital Business — iBCP (intelligent programming advertising placement platform), Internet Media and Content Operations

In the era of “Internet +”, the Group is focusing on the demand iteration of integrated communications as well as the advancement in media technology, especially the marketing opportunities brought by the multi-screen interaction. Combining the set target of strategic upgrading, in the year under review, the Group introduced talents in internet technological research and development, self-developed and launched a technology leader in the domestic market — iBCP, an intelligent programming advertising placement platform, providing a comprehensive “technology + branding services” for diverse communication needs. The Group’s wugu.com.cn, lotour.com and boosj.com dig deep in their respective vertical field to enhance the content output capacity. The rich contents ranging from those generated by the inhouse team, UGC (User-generated Content) to PGC (Professionally-generated Content) gradually aroused the users’ interest and made them stick to the websites. Facing the blue ocean of new agriculture, the Group established Agricultural Media Department, integrating the sales resources, businesses and teams of wugu.com.cn and CCTV-7 (Military and Agriculture), in order to leverage on the strength of the internet + TV multi-screen communications and build a platform that provides information and branding services for the agricultural industrial chain.

The above arrangement for business upgrading is the reform made by the Group based on its practical needs that conforming to the times and the industrial background, an embodiment of the Group’s capacity to make quick breakthrough in digital marketing field, a motivation to increase the share of digital business in the Group’s revenue, and the source for the mid-to-long-term sustainable development and prosperity of the Group.

1. iBCP, an intelligent programming advertising placement platform

In November 2015, the Group launched and started to operate its self-developed iBCP (Intelligent Brand Cloud Platform) so as to expand its digital marketing business. SinoMedia iBCP identified intelligent, brand, cloud service and communication platform as the core of marketing, building an advertising ecosystem with “screen” as the main channel which provides one-stop self-serve advertising placement on TV, PC, mobile devices and interactive outdoor screen in order to achieve full integration of the traditional TV media with internet new media. Unlike the drawback of DSP (Demand-side Platform) commonly used in the market which includes the conduct of artificial optimisation on an hourly basis as well as the placement results and strategies cannot be adjusted timely, SinoMedia iBCP conducts an upgrade on the bidding mode of the traditional RTB (Real-time Bidding). SinoMedia sets up iRTB (Intelligent Real-time Bidding), an extremely intelligent bidding model, that effectively reduces labor costs with advanced bidding algorithm, and practically solves the problems of delayed feedback in artificial optimisation of the traditional RTB. High intelligent bidding and intelligent optimisation of placement strategy are fully achieved, leading the digital advertising placement to enter the age of real intelligent placement. Currently, SinoMedia iBCP has accessed more than 10 quality media including Baidu, Sohu, ifeng.com, iQIYI, letv.com, fun.tv, baofeng.com, zhanggame.com, etc. The daily available advertisement traffic reached 12.2 billion (Source: internal data).

With the cutting-edge R&D technology such as dynamic strategy adjustment, iRTB intelligent pricing system, anti-cheating system and scene marketing system as well as the brand influence of SinoMedia, SinoMedia iBCP, sticking to integrity, profession and discipline, aims to set the new industry norm for digital advertising placement, and provide responsible digital branding services to advertisers.

2. Internet Media

1. *www.wugu.com.cn* (吾谷網)

In October 2015, the Group announced the establishment of Agricultural Media Department which integrated wugu.com.cn and the operation team of agricultural media resources of CCTV-7. The integration aims to strengthen the Group's multi-screen operation of agriculture-related communication business, speed up the development of agriculture-related internet media business, and ultimately deliver the multi-screen communications across internet, mobile internet and TV for SinoMedia's agricultural media business. 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 with a focus on product development. Seeing "Better the life of farmers and villages" as its mission, 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".

Since its operation three years ago, wugu.com.cn has been developing its business around the positioning of "China's modern agricultural information service platform". It rolled out three business sectors namely information products, application products and offline activity support which attracted more than 400,000 registered users (Source: internal data), standing out as the rising star of agriculture-related media. Following the overall plan of the Agricultural Media Department, wugu.com.cn studied how to webify the quality TV programmes for better interaction with the audiences and the users. It improved the output of original contents and fully utilised the channel advantages to get first-hand information with the aim to build the "agricultural news headline" in China. Focusing on the "One Village, One Product (一村一品) — the Origin" project which is operating at scale, wugu.com.cn further developed the cooperation with the agricultural committees and related enterprises in the origins. Furthermore, wugu.com.cn tried to increase the influence and scale of the "Internet+" agriculture summit forum organised by it.

2. *www.lotour.com* (樂途旅遊網)

After implementing its business feature of “a website of travel inspiration”, in the year under review, lotour.com once again initiated and completed the update as scheduled. Based on the contents and focusing on the “Know You” strategy, lotour.com engaged 560 columnists, kicking off the operation of PGC (Professionally-generated Content) and “Label” system. More quality contents and the effects of opinion leaders substantially increased the net website traffic. In 2015, lotour.com’s monthly average cumulative PV reached 130 million, representing a doubling year-on-year growth (Source: internal data). More and more tourist destinations cooperated with lotour.com, and the advertisers extended to airline, cruise, automobile, hotel group, financial and consumer goods and other industries.

3. *www.boosj.com* (播視網)

Under the positioning of “an interactive video platform that leads the healthy lifestyle”, in the year under review, boosj.com refined the general concepts of “Livelihoods” into two vertical fields of “Health” and “Life”. It further segmented the well-established channel “Square Dance” into “Square Dance”, “Talented Kids” and “Cool Generation”, each dedicated to be the industry leader in their respective segment with different target audiences. Through the update, refinement of products and experience, improvement of operation and the innovation in off-line activities, the “Square Dance” channel has become the leading online platform with national influence for square dance and fuelled the apparent growth in the website’s overall online traffic. In 2015, boosj.com’s daily average PV peak surpassed 3 million, and the annual website traffic was nearly 500 million, representing a year-on-year growth of 41%. The APP of “boosj Square Dance” was released with 200,000 downloads and 10,000 daily average active users (Source: internal data). boosj.com had achieved new breakthrough in its marketing revenue. Besides refining the contents in the three vertical channels, it valued the improvement of user experience on mobile terminals, adapting to the habits of users at different ages to enhance the interactions and community for an increased user engagement.

3. Content Operations

In 2015, amid the sluggish traditional advertising industry, the Group saw a decrease in the number of big projects and new clients for its advertising and creative content production business, and yet there were more bidding opportunities for small projects. The Group continued to leverage on “professional services” to provide value-added services for more clients beyond their demands. Based on creativity and innovation, the Group took the most of the creative team’s strength in branding and the production team’s strength in packaging to launch the service of “city short animation”. During the year under review, the Group provided services to the enterprises and units in the tourist destinations such as Zhejiang China Commodities City Group Co., Ltd., Administrative Committee of Jiuhuashan, Henan Province Tourism Administration, Kunshan Municipal Party Committee Propaganda Department, Pujiang Rural Affairs Committee, Agricultural Bank of China, etc.

The Group's Public Service Brand Operation Center created twenty four public service advertisements, among them, "Accompany — Go Home Series", "Mobile phone — Go Home Series" and "Say No to Second hand Smoke — a Portrait of Dad" won the awards supported by the national charity funds, to deliver the philosophy of "SinoMedia Charity" through the power of public welfare projects.

FINANCIAL REVIEW

Revenue and Profit Attributable to the Equity Shareholders of the Company

For the year ended 31 December 2015, the Group recorded revenue of RMB1,256,871 thousand, representing a decrease of 23% from RMB1,634,652 thousand last year.

Revenue details for the year under review are as follows:

1. Revenue recorded from media resources management was RMB1,171,265 thousand, representing a decrease of 22% from RMB1,510,881 thousand last year. The total spending budget of clients on advertising contracted while the advertising spending scattered due to the combined effect of the slowdown in the domestic macroeconomic growth and the changes in the media environment. The advertising placements from clients, including automobile, alcohol, food and beverage and financial insurance, declined in different levels compared with last year, resulting in the Group's sales of core advertising resources in terms of both minutes sold and average sales rate decreased as compared with last year.
2. Turnover recorded from integrated brand communication services was RMB1,057,576 thousand, a decrease of 30% from RMB1,509,411 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 RMB25,274 thousand, a decrease of 26% over RMB34,037 thousand last year. The turnover of this business decreased due to the influence of the budget reduction of clients on advertising spending. Year-on-year decrease in revenue was mainly due to the fact that part of the commission receivables from media suppliers of this year can only be recognized in January 2016.
3. Revenue recorded from Internet media and content operations was RMB29,069 thousand in total, down 47% from RMB54,961 thousand last year. Among which, lotour.com was in the transition period due to its proactive adjustment on position and features. With a decline in client advertising placement, revenue from the entire operation of internet media decreased by approximately RMB11,130 thousand from last year. Secondly, revenue from creative production of commercial advertisements recorded a decrease of RMB14,762 thousand as compared with last year due to the influence of the reduction in the amount and the number of contracts of clients. The Group will continue to optimize its operation of internet media actively through various measures including expansion of cooperation with all scaled search engines, enlargement of mobile terminals construction, developing of offline activities, alteration of website format, to arouse users' interest and loyalty, and to maintain steady growth in traffic

while further expand the contribution share of the Group's revenue. Meanwhile, the Group announced its self-developed intelligent programming advertising placement platform in November 2015 and actively diversified into the business of digital marketing which gives hope to the realization of new breakthrough in revenue among the Group's digital business in 2016.

4. Rental income was RMB51,218 thousand, representing a decrease of 13% as compared with RMB58,837 thousand last year. Part of the office premises was temporarily idled due to the changes of tenants, resulting in a lower revenue of the business from last year.

Both the revenue from core businesses and gross profit margin of the Group decreased as compared with last year. However, the operating expenses were properly controlled by the Group. The profit attributable to equity shareholders of the Company for the year ended 31 December 2015 amounted to RMB121,673 thousand, representing a year-on-year decrease of 60% from RMB306,571 thousand last year.

Operating Expenses

For the year ended 31 December 2015, the Group's operating expenses were RMB147,507 thousand in aggregate, representing a year-on-year decrease of 12% from RMB168,110 thousand last year, and accounted for 11.7% of the Group's revenue (year ended 31 December 2014: 10.3%). The Group continued to maintain a stable and effective management over the budget for operating expenses. The total operating expenses and the ratio of expenses to revenue had been controlled at a reasonable range under the expectation of the Group.

Operating expenses include the followings:

1. Selling and marketing expenses amounted to RMB44,071 thousand, showing a decrease of approximately RMB10,583 thousand from RMB54,654 thousand last year, and accounted for 3.5% of the Group's revenue (year ended 31 December 2014: 3.4%). The decrease in selling and marketing expenses was mainly due to (1) decrease in revenue resulting in the relative decrease in performance-based remuneration of marketing staff by approximately RMB5,224 thousand; (2) the Group's strict control on budget management of expenses such as promotional and marketing expenses, conference expenses, entertainment expenses and travelling expenses, which decreased by approximately RMB5,233 thousand from last year.
2. General and administrative expenses amounted to RMB103,436 thousand, representing a decrease of approximately RMB10,020 thousand from RMB113,456 thousand last year, and accounted for 8.2% of the Group's revenue (year ended 31 December 2014: 6.9%). The decrease in general and administrative expenses was mainly due to the fact that: (1) the Group's results fell below the original expectation, labor cost such as year-end bonus of non-marketing staff decreased by approximately RMB4,045 thousand accordingly; (2) expenses such as office expenses, travelling expenses and entertainment expenses decreased by approximately RMB5,093 thousand over last year under strict budget control.

Significant Investments, Acquisitions and Disposals

No significant investments, acquisitions and disposals were entered into by the Group during the year under review.

Liquidity and Financial Resources

The Group maintained its liquidity at a reasonable level with a stable financial position as a whole. As at 31 December 2015, the Group's cash and bank balances amounted to RMB418,098 thousand (31 December 2014: RMB801,773 thousand), of which approximately 79% was denominated in Renminbi and the remaining 21% in HK dollars and other currencies. The bank time deposits maturing over three months in Renminbi amounted to RMB26,502 thousand (31 December 2014: RMB30,692 thousand). During the year, details of the cash flows status were as follows:

1. Net cash outflow from operating activities was RMB223,032 thousand (year ended 31 December 2014: RMB118,690 thousand). The net outflow was mainly attributable to: (1) an increase of approximately RMB83,311 thousand in prepayment of media agency costs to media suppliers as compared to the end of last year since such media agency costs should have been prepaid in last year were deferred to 2015; (2) the decrease of advertising fee in advance from clients of approximately RMB216,354 thousand due to the reduction of advertising spending budget of clients as a result of the influence of downward pressure in domestic macroeconomic environment. The Group will continue to monitor closely the liquidity status and ensure a continual reasonable cash level to meet the funding requirements of the Group's normal business operation and future development;
2. Net cash inflow from investing activities was RMB160,509 thousand (year ended 31 December 2014: net cash outflow of RMB144,409 thousand), mainly attributable to the pledged bank deposits of approximately RMB147,705 thousand which included in the credit facilities secured by deposits were matured;
3. Net cash outflow from financing activities was RMB318,208 thousand (year ended 31 December 2014: RMB8,596 thousand), which was mainly attributable to: (1) the repayment of short-term borrowing of approximately RMB145,152 thousand obtained through credit facilities secured by deposits, (2) the payment of final and special dividends for 2014 of approximately RMB121,848 thousand in total, (3) the payment of approximately RMB53,402 thousand for purchase of the shares of the Company.

As at 31 December 2015, the Group's total assets amounted to RMB1,929,821 thousand, which consisted of equity attributable to equity shareholders of the Company of RMB1,614,554 thousand and non-controlling interests of RMB9,588 thousand. As at 31 December 2015, the Group had no bank borrowings.

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

Human Resources

As at 31 December 2015, the Group had a total of about 505 employees, a decrease from the beginning of the year. In the areas of digital business and TV business, the Group provided a new developing opportunity for all the personnel. In August 2015, the Group established the Digital Marketing Center providing career development opportunities such as product research, marketing, media planning, technology, and operation. In December 2015, the Group established CCTV-9 Documentary Operation Center providing new developing chances for staff in different positions including marketing, media planning, and client service. Moreover, demonstrating on the fields of career development and training which staff highly concerns, the Group upgraded both the system and practical trainings on areas such as internet advertising, integrated marketing, and digital marketing. With both the categories and entire duration of the trainings provided were largely expanded, the staff satisfaction had been continually improved. For talents introduction and incentives, the Group had raised the basic remuneration and the level of performance-based bonus of marketing staff with a new designed career development path for marketing staff. The Group had been maintaining its leading position on the competitiveness of remuneration system through precise positioning and comparing with market data of previous years. In addition to the conventional benefit schemes such as insurance, housing provident fund, medical check-ups and overseas travel provided for employees, we had included various innovative benefit schemes such as fitness clubs and free laundry, to establish a talent development platform and employer brand with higher popularity. In order to align the personal interests of employees with those of shareholders, share options are granted to employees under the Company's share option schemes. Share options that were granted and remained unexercised as of the end of the year totalled 24,333,000 units.

INDUSTRY AND GROUP OUTLOOK

Following the further improvement of the Group's digital business layout, SinoMedia has taken the new marketing approach of "TV+Internet" multi-screen communications, a response to the national call of "integrated development to leverage the new media's advantages, with a focus on transition from 'adding together' to 'in-depth integration'", aiming to build SinoMedia into a new-type of mainstream communications group.

The Group not only stresses the innovative and constructive development, but also closely monitors the trends of economy and industry. According to the National Bureau of Statistics, the Manufacturing PMI in February 2016 was 49, a record low since November 2011. The Caixin Manufacturing PMI in February 2016 jointly released by Caixin and Markit was below the boom-bust line for the twelfth consecutive months. In the "Forecast and Analysis on China's Macro Economy, Spring 2016" jointly published by Center for Macroeconomics Research of Xiamen University and Xinhua News Agency Economic Information Daily, it is believed that the growth of Chinese economy will continue to decline in the next two years under the pressure of investment slowdown, whilst the decline will be at a slower pace which poses less risk of deflation. It is expected that the growth of China's GDP in 2016 will be slightly lower than 6.9% of 2015, CPI will be increased by 1.48%, a rise of 0.04 percentage point as compared with 2015.

The down economy has begun to stabilise, nevertheless the general environment is still facing the downward pressure. The Group is always confident in the medium to long-term prosperity of the Chinese society and economy, and is dedicated to leading the industry development and strengthening the competence. “Not make stride every day means back off every day”. The Group strives to be a role model of sustainable development in the industry, for the employees, clients, partners and the society.

To analyse from the two major businesses of the Group: TV business will introduce new marketing approaches based on the supply and demand change of clients and media market. The Group will conduct agency business of diversified media platforms with comprehensiveness and profession, complemented with design, creativity, and project implementation, to bring in more clients and increase their loyalty. The clients in targeted industries shall represent a larger share in the Group’s overall clients. In 2016, the Group has become the exclusive agent of advertising resources of CCTV-9 Documentary Channel, a move aims to diversify its existing media resources portfolio and to attract more clientele from different industries, such as automobile, middle and high-end consumer goods, environmental protections, real estate, etc. In the meantime, the Group will continue to consolidate its advantages in communication agency for traveling destinations, especially overseas traveling destinations, to bring in more quality clients for the traditional business. As for the digital business, iBCP, the intelligent programming advertising placement platform, will tap its potential in technology, data-processing capacity and marketing, to achieve native ads, visualised placement, delivery on the mobile terminals, and data base building of dynamic DMP (data management platform), so as to expand the long tail clients base and the regional advertising agency business. iBCP, making the most of its platform advantages of “Intelligent” and “DIY”, is dedicated to boosting the growth of SinoMedia’s internet advertisement business, and increasing the brand awareness as well as market share of SinoMedia iBCP. Wugu.com.cn, based on developing its users and the content value, will further integrate with the marketing of the CCTV-7 (Military and Agriculture) resources to explore the televised mobile products, and focus on the engagement and development of official clients and enterprises in the agricultural field. Lotour.com will launch the feature channel “Outskirts Travel” and Outskirts Travel APP, continue to enhance the richness and ingenuity of the original contents, underlining the value of users and marketing. Boosj.com will optimise its three vertical channels, implementing the concepts of video, mobile and community in building the websites. Specifically, it will improve the video experience, expand the business based on mobile terminals, explore the social needs of target users in order to refine the interaction functions and increase their engagement, and ultimately increase both the user traffic and revenue.

In light of the above, the Group will move forward along the way of increasing the value as a media advertising corporation.

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

During the year under review, the Company repurchased 25,153,000 ordinary shares on the The Stock Exchange of Hong Kong Limited at an aggregate price of HKD64,272,190. The repurchased

shares had been cancelled subsequently in 2015. The details of the repurchased shares are as follows:

Date	Number of Shares Repurchased	Highest Price HKD	Lowest Price HKD	Aggregate price paid HKD
2015.8.20	5,948,000	2.91	2.55	16,027,500
2015.8.21	2,700,000	2.90	2.67	7,589,830
2015.8.26	1,810,000	2.50	2.35	4,427,950
2015.9.2	832,000	2.50	2.40	2,048,190
2015.9.7	800,000	2.50	2.37	1,963,820
2015.9.23	100,000	2.50	2.49	249,700
2015.9.25	20,000	2.50	2.50	50,000
2015.9.29	613,000	2.50	2.40	1,522,290
2015.9.30	567,000	2.50	2.46	1,415,680
2015.10.15	1,000	2.49	2.49	2,490
2015.10.28	28,000	2.49	2.49	69,720
2015.10.29	771,000	2.49	2.49	1,919,790
2015.10.30	378,000	2.48	2.47	937,170
2015.11.2	800,000	2.49	2.44	1,985,760
2015.11.4	157,000	2.49	2.49	390,930
2015.11.5	94,000	2.49	2.49	234,060
2015.11.10	60,000	2.49	2.49	149,400
2015.11.11	765,000	2.49	2.48	1,904,620
2015.11.12	130,000	2.49	2.49	323,700
2015.11.13	362,000	2.49	2.47	900,780
2015.11.16	800,000	2.49	2.45	1,981,650
2015.11.17	574,000	2.49	2.46	1,428,320
2015.11.18	40,000	2.49	2.49	99,600
2015.11.19	34,000	2.49	2.49	84,660
2015.11.25	800,000	2.49	2.46	1,986,500
2015.11.26	800,000	2.49	2.48	1,991,270
2015.11.27	1,000,000	2.46	2.46	2,460,000
2015.11.30	180,000	2.45	2.38	433,040
2015.12.1	160,000	2.45	2.44	391,700
2015.12.2	114,000	2.45	2.44	279,110
2015.12.3	400,000	2.45	2.41	971,350
2015.12.4	400,000	2.43	2.41	968,630
2015.12.7	363,000	2.45	2.42	881,260
2015.12.8	353,000	2.45	2.40	857,460
2015.12.9	192,000	2.45	2.42	468,640
2015.12.10	354,000	2.45	2.42	860,980
2015.12.11	400,000	2.44	2.42	970,000
2015.12.14	400,000	2.43	2.41	968,870
2015.12.15	400,000	2.43	2.41	968,570
2015.12.16	177,000	2.45	2.42	432,590
2015.12.17	193,000	2.45	2.42	471,260
2015.12.21	83,000	2.45	2.45	203,350
	25,153,000			64,272,190

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2015, 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, an independent non-executive director of the Company, he was not able to attend the annual general meeting of the Company held on 10 June 2015.

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 2015.

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 2015, including the accounting principles and practices adopted by the Group.

FINAL DIVIDEND

The Company is always committed to providing attractive returns for its shareholders and maintaining a stable dividend policy. In view of the Group’s continuing strong liquidity, the Board recommended a final dividend of HKD10.58 cents (2014: final dividend of HKD13.50 cents and special dividend of HKD13.50 cents) per share, with an aggregate value of approximately RMB49 million, to shareholders. Subject to the approval of shareholders at the forthcoming annual general meeting to be held on Wednesday, 15 June 2016 (“**AGM**”), the final dividend will be paid in Hong Kong dollars on or about Wednesday, 10 August 2016 to those members registered in the Company’s register of members as at Thursday, 30 June 2016.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on Wednesday, 15 June 2016. Notice of the AGM together with the Company's annual report for the year ended 31 December 2015 will be dispatched to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 13 June 2016 to Wednesday, 15 June 2016 (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 Friday, 10 June 2016.

The register of members of the Company will also be closed from Tuesday, 28 June 2016 to Thursday, 30 June 2016 (both dates inclusive), for the purposes of determining the entitlements of the members of the Company to the proposed final dividend upon the passing of the relevant resolution. No transfer of shares may be registered during the said period. In order to qualify for the proposed final dividend, all transfers of shares 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, 27 June 2016.

On behalf of the Board
SinoMedia Holding Limited
CHEN Xin
Chairman

Hong Kong, 23 March 2016

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.