



SINOMEDIA HOLDING LIMITED
中視金橋國際傳媒控股有限公司

2015 ANNUAL RESULTS ANNOUNCEMENT

REVENUE OF TV BUSINESS UNDER PRESSURE
DIGITAL MARKETING GAINING MOMENTUM
FINAL DIVIDEND PAYOUT OF 40%

Financial Summary

(RMB '000 unless specified otherwise)

	For the year ended 31 December		
	2015	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 (RMB)			
— Basic	0.220	0.542	-59%
— Diluted	0.217	0.528	-59%
Proposed dividends per share (HKD)	10.58 cents	27.00 cents	-61%

(23 March 2016 — 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 annual results for the year ended 31 December 2015. Experiencing accelerated changes in media advertising industry and facing constant challenges of the descending scale of traditional advertising industry, particularly TV advertising market, the Group encountered serious challenges during the first half of the year under review. The Group then adjusted its operating strategy and optimised the allocation of media resources so as to minimise the decrease in revenue and gross profit in the second half of the year. The Group eventually recorded revenue of RMB1.26 billion for the full year. Profit attributable to equity shareholders was RMB120 million, representing a drop of the magnitude of decrease year-on-year from 80% in the first half of the year to 60% for the full year. Besides consolidating the leading edge in market share of its core resources market, the Group also proactively expanded overseas markets. With the successful research and development and online operation of intelligent programming advertising placement platform — iBCP, the Group completed an important investment arrangement of future growth drivers in digital marketing field.

The overall revenue of TV business, representing SinoMedia's professionalism, service offering and brand influence, was under pressure. Among which, revenue recorded from TV media resources management was RMB1.17 billion, representing a decrease of 22% year-on-year. Revenue recorded from integrated brand communication services was RMB25.3 million, representing a decrease of 26% year-on-year. During the year under review, facing the industry environment under a "new normal", the Group adjusted its strategy, in particular, it adhered to optimise the allocation of media resources. While maintaining its resources of CCTV industry-leading, SinoMedia further extended towards international mainstream TV media with service coverage expanded rapidly to overseas markets from domestic markets so as to present the brand value of "SinoMedia" as the global communication expert in tourist destinations.

Leveraging on cultivation of constant investment in recent years, the Group realised a fast breakthrough in the bottleneck of technical skills in area of digital business during the year under review. In November 2015, the Group 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. Unlike the drawback of DSP (Demand-side Platform) widely used in the current market which includes the conduct of artificial optimisation usually on an hourly basis as well as the placement results and strategies cannot be adjusted timely, SinoMedia iBCP conducts an upgrade on bidding mode of the traditional RTB (Real-time Bidding). SinoMedia sets up a bidding model named iRTB (Intelligent Real-time Bidding) that effectively reduces labor costs 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. Since its launch for four months only, the technology level of iBCP has passed a number of tests provided by numerous mainstream network media and was recognised by them. There is a steady increase in the number of partners in terms of resources. The current daily available advertisement traffic of SinoMedia iBCP version 1.4 reached 12.2 billion (Source: internal data), which will gradually reflect its impact on the growth of digital business scale in the revenue structure of the Group.

During the year under review, 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. As at 31 December 2015, the total assets and net assets of the Group were RMB1.93 billion and RMB1.62 billion respectively.

In respect of future development, Chairman of the Group, Mr. Chen Xin said, "Entering into a new year, although the society, enterprises and every single individuals with economic behaviour are in the process of adapting the new normal, the Group firmly believes that China is still in an important period of strategic opportunities and looks forward to the mid-to-long term prosperity of the economy in China. We have the patience and ability to set off from the characteristics of the current economic development stage and maintain a firm direction and stable state of mind in the promotion of the Group's strategy. We will investigate deeply the introduction of high-quality media resources and talents and teams. We will also constantly enhance the investment in digital business sector that the Group's revenue will grow rapidly in the future in order to grasp the opportunity of the transformation of the media market. We will also focus on inter-screen integration and continue to provide the customers with the dissolved media branding communication services on the basis of 'TV + Internet + Mobile Internet' in order to further enhance the competitiveness and company value of a 'leading comprehensive media group'."

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 “TV + Internet + Mobile Internet” inter-screen communication marketing platform, by actively developing digital business segment, and continuously strengthening TV business segment. Its current businesses cover intelligent programmatic advertisement placing platform — iBCP, Internet media platforms including www.lotour.com (樂途旅遊網), www.boosj.com (播視網) and www.wugu.com.cn (吾谷網), innovative production of advertisement and contents, operation of 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 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 brand communication services to approximately 3,000 clients worldwide. SinoMedia was one of the sponsor units of the Association of Accredited Advertising Agencies of China (China 4A).

For further information, please contact:

SinoMedia Holding Limited

Contact Person: Cecilia Zhang

Tel: (86) 10 6589 6468

Email: ir@sinomedia.com.hk/cecilia@sinomedia.com.hk