

SinoMedia[®]

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

Stock code 股份编号: 623 ▶



2015
Annual Results

23 March 2016

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Highlights in FY2015

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Highlights in FY2015

- ▶ Kept an absolute leading market share of CCTV media resources
- ▶ Independently developed and launched a technology leader - **iBCP**, an intelligent programming advertising placement platform
- ▶ Well explored the overseas market and stood up as the communication expert for global travelling destinations



Business review

Overview of business segments

iBCP (Intelligent Brand Cloud Platform)

Internet media

TV media resources management (MRM)

Integrated brand communication services (IBC)



Overview of business segments

TV BUSINESS

MRM

TV media resources management

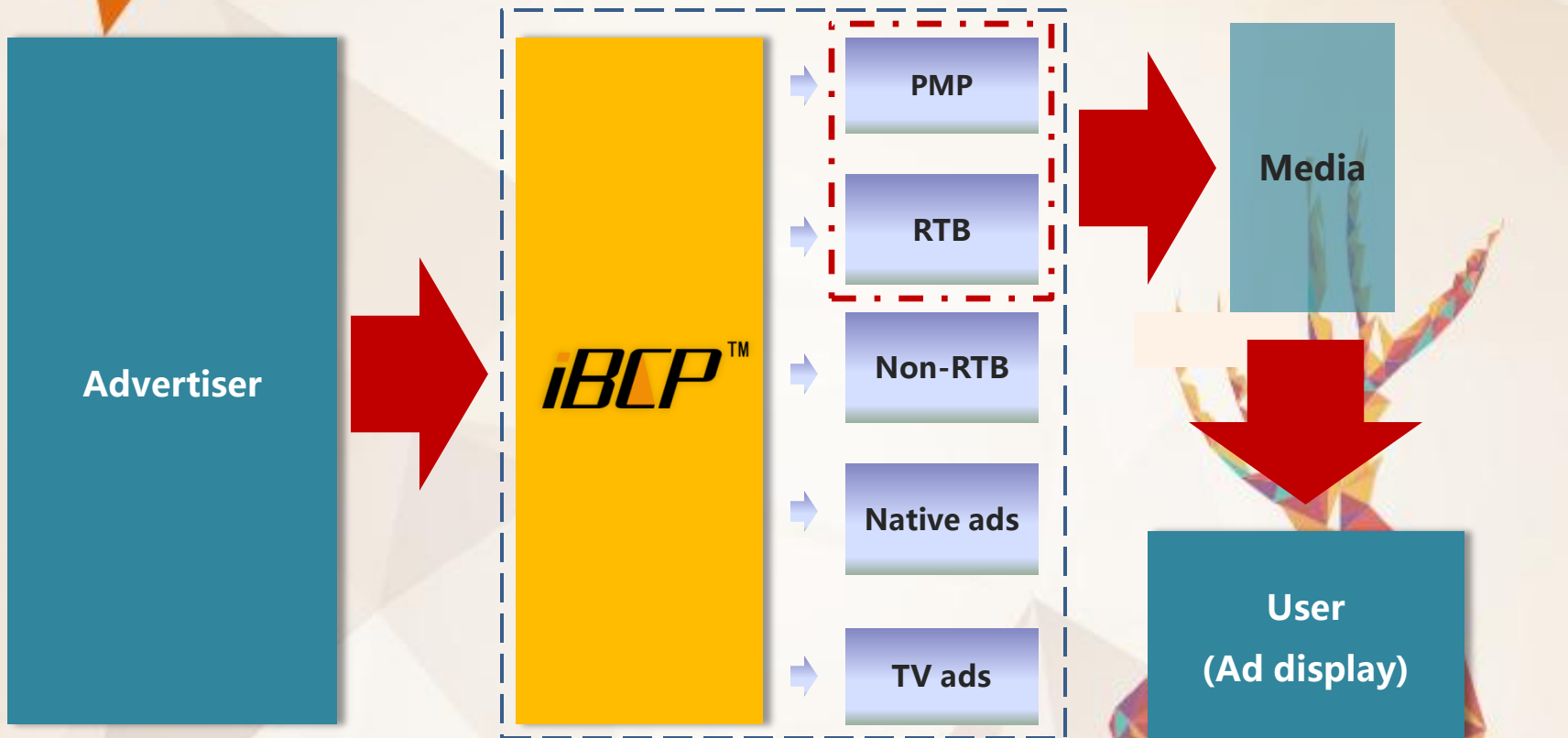
iBCPTM



IBC

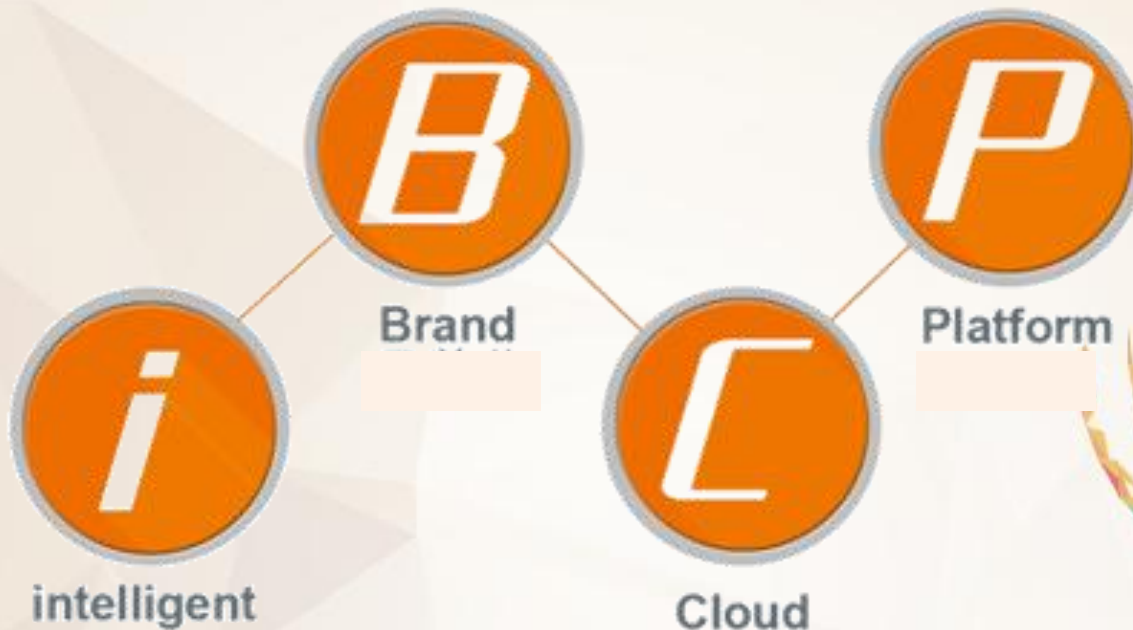
Integrated brand
communication
services

DIGITAL BUSINESS



iBCP™

(Intelligent Brand Cloud Platform)



Launched in **November 2015**, SinoMedia iBCP is an **intelligent programming advertising placement platform**. Differentiates from DSP, SinoMedia sets up **iRTB** to reduce labor costs with advanced bidding algorithm, and practically solve the problems of delayed feedback in artificial optimisation of the traditional RTB.



Internet media



“Health” and “Life”

“Square Dance” channel

“Talented Kids” channel

“Cool Generation” channel

DPV peak surpassed 3 million



“Know You” strategy

PGC content

“Label” system

MPV 130 million



Webify TV programmes

“Agricultural news headline”

“One Village, One Product”

“Internet+”
Agriculture Summit Forum



TV Media resources management (MRM)

CCTV-1
(General)



“Night News”

“News 30”

CCTV-4
(Chinese International, including Europe and US)



“Across the Strait”

“China News Package”

“Exposition of Chinese Culture Relics”

“China Showbiz”
&
two time slots packages

CCTV-7
(Military and Agriculture)



“Zhi Fu Jing”

“Focus on the Three Agricultural Issues”

“Daily Agricultural News”

“The Rural World”
&
other time slots



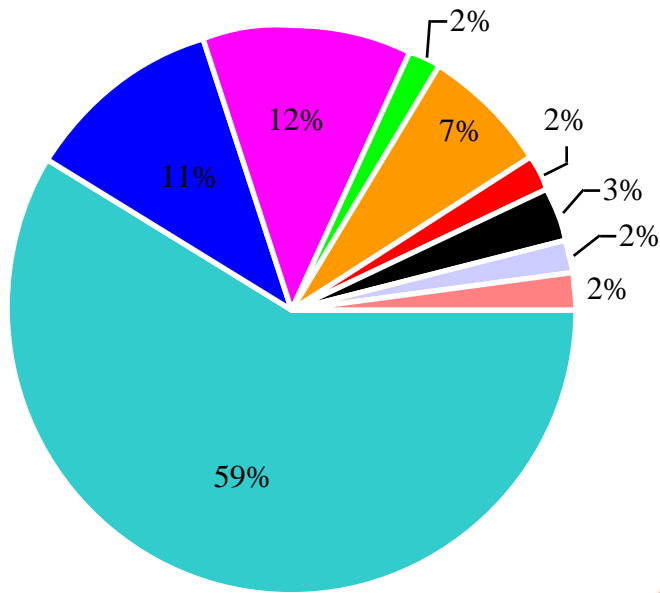
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Exclusively underwritten 11,545 minutes of advertising time in 3 channels

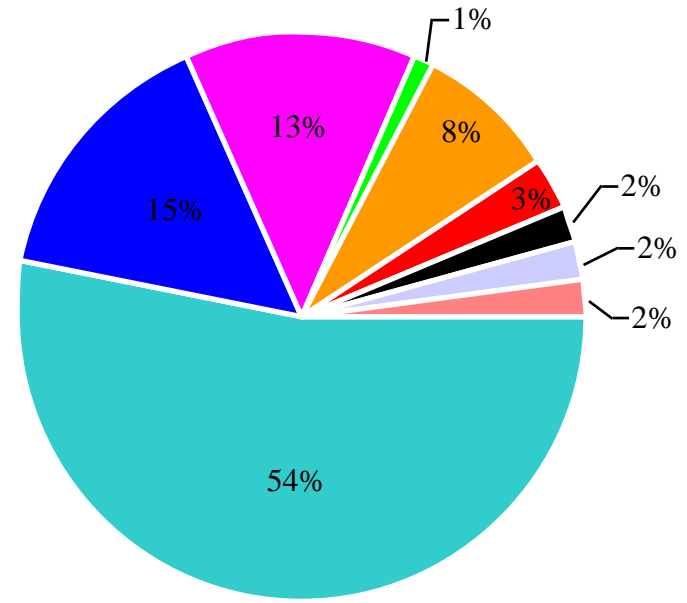
MRM clientele

CCTV – 1, CCTV – 4 & CCTV – 7

2015



2014



- Tourism & City Image
- Health & Medical
- Energy
- Consumer Goods
- Real Estate & Building Materials
- Agriculture
- Automobile & Transportation
- Finance & Insurance
- Others

Integrated brand communication services (IBC)



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IBC

Media

Client



Financial review

Financial summary

Segment revenue

Stringent cost control

Healthy balance sheet

Trade debtors in control

Cash flows



Financial summary

For the year ended 31 December

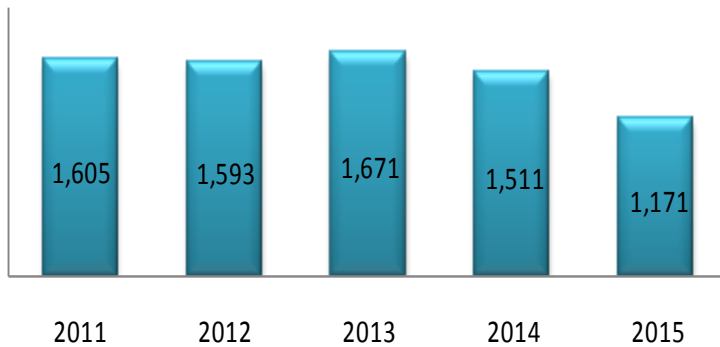
<i>(RMB '000)</i>	2015	2014	Change
Revenue	1,256,871	1,634,652	-23%
Gross profit	301,580	478,797	-37%
<i>Gross profit margin (%)</i>	<i>24%</i>	29%	<i>-5pts</i>
Profit from operations	172,259	424,126	-59%
Profit attributable to equity shareholders of the Company	121,673	306,571	-60%
<i>Net profit margin (%)</i>	<i>10%</i>	19%	<i>-9pts</i>
Basic earnings per share(RMB)	0.220	0.542	-59%

Segment revenue - MRM

Revenue

Core CCTV TV programmes ad time

RMB Million



	2015	2014
Minutes Acquired	6,956	8,802
Minutes Sold	3,565	5,722

Segment revenue - IBC

For the year ended 31 December

<i>(RMB '000)</i>	2015	2014	Change
Turnover	1,057,576	1,509,411	-30%
Revenue <i>(after netting off procurement cost under IFRS)</i>	25,274	34,037	-26%

Segment revenue

For the year ended 31 December

<i>(RMB '000)</i>	2015	2014	Change
Internet media & content operations	29,069	54,961	-47%
Rental income	51,218	58,837	-13%

Stringent cost control

For the year ended 31 December

<i>(RMB '000)</i>	2015	2014
Total operating expenses as a % of revenue	11.7%	10.3%
Selling & marketing expenses(RMB'000)	44,071	54,654
<i>As a % of revenue</i>	3.5%	3.4%
General & administrative expenses(RMB'000)	103,436	113,456
<i>As a % of revenue</i>	8.2%	6.9%
Included in Cost of services, S&M expenses, and G&A expenses:	2015	2014
- Depreciation & Amortisation	33,265	32,918
- Impairment losses on bad and doubtful accounts & goodwill	7,009	7,214

Healthy balance sheet

<i>(RMB '000)</i>	At 31 December	
	2015	2014
Cash and cash equivalents	418,098	801,773
Trade debtors (net of impairment)	98,033	92,227
Current assets	989,596	1,416,372
Total assets	1,929,821	2,392,432
Current liabilities	305,679	713,112
Net assets	1,624,142	1,679,320

Trade debtors in control

<i>(RMB '000)</i>	At 31 December	
	2015	2014
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	10,027	572
Trade debtors and bills receivable (net of impairment losses)	98,033	92,227
<i>Turnover days</i>	27	18

Cash flows

For the year ended 31 December

(RMB '000)

	2015	2014
Net cash used in operating activities	(223,032)	(118,690)
Net cash generated from/ (used in) investing activities	160,509	(144,409)
Net cash used in financing activities	(318,208)	(8,596)
Net change in cash and cash equivalents	(380,731)	(271,695)
Cash and cash equivalents at 1 January	801,773	1,070,106
Effect of exchange rate changes	(2,944)	3,362
Cash and cash equivalents at 31 December	418,098	801,773

Outlook



Outlook








- ▶ Confident in the medium to long-term prosperity of China , and dedicated to **leading the industry**
- ▶ To take new marketing approach of “**TV+Internet**” multi-screen communications, focusing on “adding together” and “in-depth integration”
- ▶ Works on the **supply and demand change** of clients and media market – more clients with loyalty
- ▶ Exclusively **underwrites CCTV-9** to diversify the media resources portfolio and attract clientele
- ▶ iBCP, to make the most of its platform advantages of “**Intelligent**” and “**DIY**” for increasing market share







Appendix

Global media spend - breakdown

		GLOBAL % SHARE OF ADVERTISING SPEND	
		2015	2016
TELEVISION		42.0 (42.2)	41.3 (41.7)
NEWSPAPERS		12.8 (12.8)	11.9 (11.8)
MAGAZINES		6.9 (6.9)	6.5 (6.4)
RADIO		6.5 (6.6)	6.4 (6.6)
CINEMA		0.5 (0.5)	0.5 (0.5)
OUTDOOR		7.0 (7.1)	6.9 (7.1)
DIGITAL		24.3 (23.9)	26.5 (25.9)

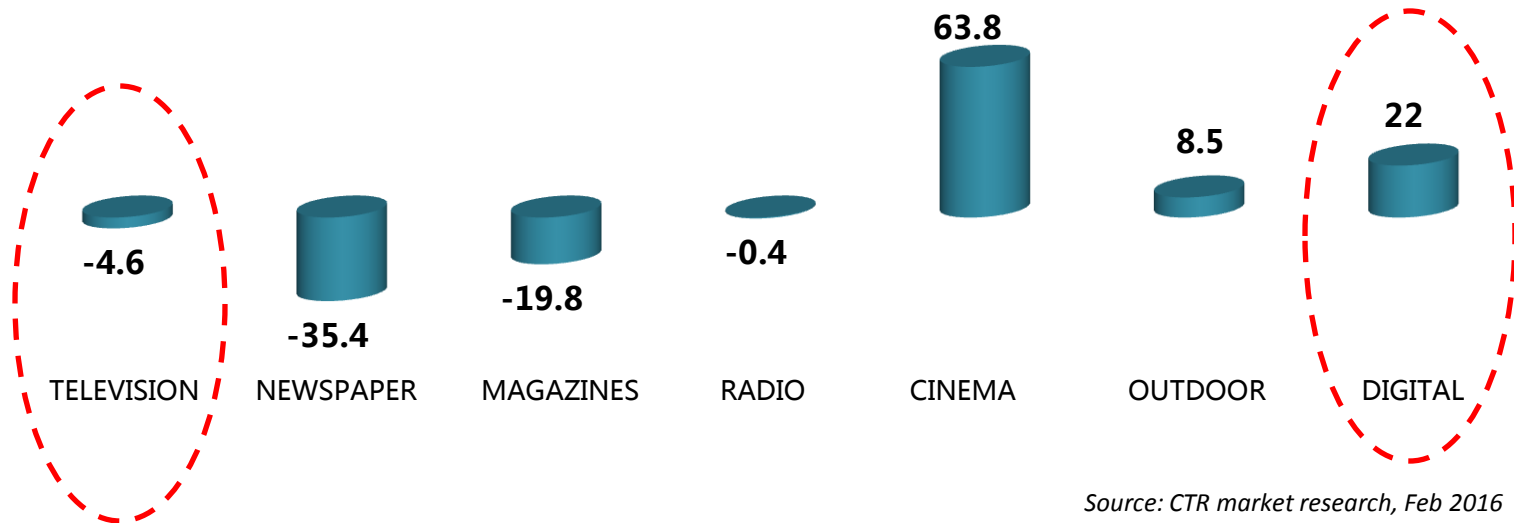
GLOBAL % SHARE OF ADVERTISING SPEND: TV VS. DIGITAL

		
	TV	DIGITAL
2012 V 2011	43.0%	17.4%
2013 V 2012	42.7%	19.5%
2014 V 2013	42.6%	21.8%
2015 V 2014 (f)	42.0%	24.3%
2016 V 2015 (f)	41.3%	26.5%

Source: CARAT, Sep 2015

TV remains the dominate and resilient medium globally with 42% share, yet showing a slow declining trend as advertisers diversify traditional TV to digital.

2015 China media spend - Growth % yoy



Source: CTR market research, Feb 2016

Apart from digital and cinema, all other media channels decline or show a single digit growth.

The overall 2015 advertising spend in China declines 2.9%, and the main weak segment is the traditional with a record low growth of -7.2%.

TV is strong in China in trust of news

Sources that Internet Users in China Trust for News and Information, 2012-2016

% of respondents

	2012	2013	2014	2015	2016
Traditional media	77%	78%	75%	70%	76%
Search engines	75%	75%	76%	69%	75%
Online-only media	73%	73%	70%	60%	72%
Social media	69%	67%	68%	60%	69%
Owned media	64%	58%	56%	52%	64%

Note: ages 18+; reflects responses of 6-9 on a 9-point scale where 1= "do not trust it at all" and 9= "trust it a great deal"

Source: Edelman, "2016 Edelman Trust Barometer: China," Feb 17, 2016

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www.eMarketer.com

Among all traditional media channels, TV is still the NO.1 medium for news and information, and the trend is going even stronger in 2016.

Time spend on digital surpassed TV since 2014

Share of Average Time Spent per Day with Major Media by Adults in China, 2011-2015

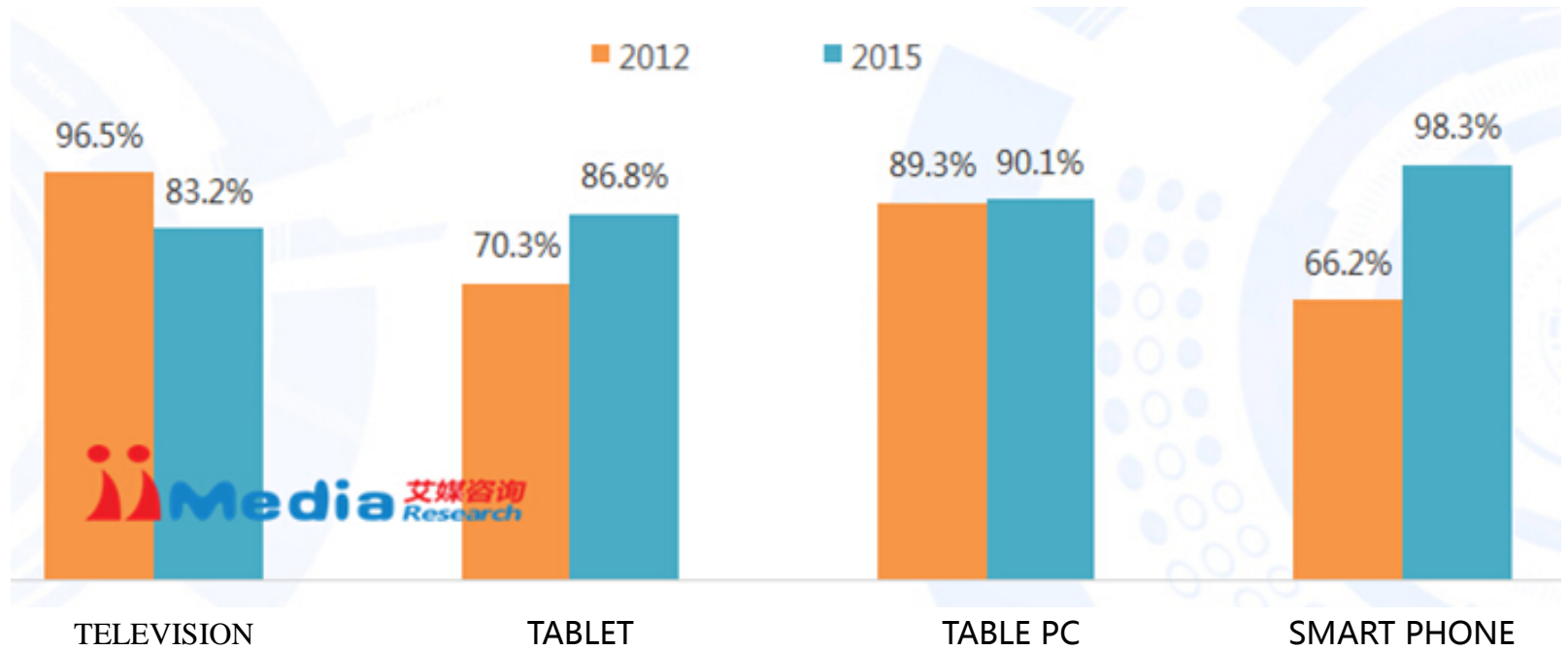
% of total

	2011	2012	2013	2014	2015
Digital	35.8%	40.5%	45.4%	48.5%	50.4%
Mobile (nonvoice)	15.4%	21.0%	26.9%	30.7%	32.9%
—Smartphone	7.3%	12.5%	16.3%	18.8%	20.3%
—Tablet	1.7%	3.4%	6.5%	8.4%	9.5%
—Feature phone	6.4%	5.1%	4.1%	3.5%	3.1%
Desktop/laptop*	20.4%	19.4%	18.6%	17.8%	17.4%
TV**	55.5%	51.7%	47.6%	45.1%	43.6%
Radio**	3.7%	3.6%	3.4%	3.2%	3.1%
Print**	4.9%	4.3%	3.6%	3.2%	2.9%
—Newspapers	4.4%	3.9%	3.2%	2.8%	2.6%
—Magazines	0.5%	0.5%	0.4%	0.4%	0.3%

*Note: ages 18+; time spent with each medium includes all time spent with that medium, regardless of multitasking; for example, 1 hour of multitasking on desktop/laptop while watching TV is counted as 1 hour for TV and 1 hour for desktop/laptop; numbers may not add up to 100% due to rounding; *includes all internet activities on desktop and laptop computers; **excludes digital*

Source: eMarketer, June 2015

Recognition change of media from advertisers



Source: iiMedia research, Jan 2016

DSP market in China is booming



Source: iiMedia research, Jan 2016