

[For immediate release]



2018 ANNUAL RESULTS ANNOUNCEMENT

Expand Creative Communication, Develop Business Soundly

FINANCIAL SUMMARY

<i>(All amounts in RMB '000 unless otherwise stated)</i>	For the year ended 31 December		
	2018	2017	Change
Revenue	1,615,704	1,472,698	10%
Profit from operations	101,397	138,441	-27%
Profit attributable to equity shareholders of the Company	82,127	93,042	-12%
Earnings per share - basic and diluted (RMB)	16.2cents	17.7cents	-8%
Proposed final dividend per share (HKD)	7.71cents	8.86cents	-13%

(27 March, 2019 - Hong Kong) SinoMedia Holding Limited (“SinoMedia” or the “Company”, together with its subsidiaries, collectively referred to as the “Group”, stock code: 623), a leading media operation group in China, announces its annual results for the year ended 31 December, 2018. In 2018, the Group adjusted its marketing strategy in a timely manner according to the market condition, further optimized the media product mix based on market demand, promoted the deep integration and efficient communication of brand and high-quality content, and realized revenue of RMB1.62 billion, representing a year-on-year increase of 10%. At the same time, the Group increased the property rental income and fund management income, adjusted the inefficient business segments and reduced administrative expenses, achieving a profit attributable to the equity shareholders of RMB82 million.

During the year, the Group's operation revenue recorded from TV media resources management was RMB1.40 billion, representing a year-on-year increase of 13%. As one of the exclusive underwriting agents which operating the most CCTV media resources, the Group strengthened its client-focused service concept and results-oriented working mechanism, increased professional training on marketing cases and creative planning, to achieve continuous growth in the number and quality of clients and maintain a leading position in the field of city tourism brand communication. In 2019, the Group newly obtained the exclusive underwriting of the full channel resources of CCTV-14 Children's Channel to provide clients with a richer product combinations.

Revenue recorded from integrated communication services and content operations was RMB81.8 million in total, representing a year-on-year decrease of 33%. The Group continued to actively enhance its creative production and communication capabilities, developed content operation business, completed the planning, filming and promotion of film and television products and creative content for many clients to enhance their brand value with innovative capabilities. The "Bond with China(中國緣)" program jointly produced by the Group and CCTV has a total of 33 episodes, totaling approximately 900 minutes, which were broadcast on CCTV-4 Chinese International Channel during the Spring Festival and National Day of

2018 and the Spring Festival of 2019. The program has received good audience rating and public praise. However, influenced by the settlement cycle, revenue from the programs jointly produced by the Group and CCTV, as well as the animation and movies jointly invested and co-produced by the Group, have not been recognized during the year.

Revenue recorded from digital marketing and internet media was RMB86.7 million in total, representing a year-on-year increase of 9%. The Group continued to optimize and upgrade the self-developed intelligent programming advertising placement platform to provide clients with one-stop digital marketing solutions through big data and precise placement technology. The Group's www.boosj.com (播視網), www.wugu.com.cn (吾谷網) and www.lotour.com (樂途旅遊網) continued to focus on their respective vertical fields, and integrated online platform content and offline activity resources, realizing steady growth in website traffic.

The Group's liquidity was adequate with a stable financial position. As at 31 December 2018, cash and bank balances of the Group amounted to RMB0.72 billion and its total assets and net assets were RMB1.99 billion and RMB1.59 billion, respectively.

Regarding future developments, Mr. Chen Xin, Chairman of the Group, said: "In the face of the continued slowdown in macroeconomic growth and the sluggish growth of the traditional media industry, the Group will uphold the spirit of innovation, improve operational efficiency and continue to exert its abilities to counter pressure and to respond to changes. We will continue to nurture and develop content creativity and creation, based on the accumulated media experience and client base, using brand creative communication and IP development to accelerate the expansion of industrial development space in cultural tourism and consumer goods markets. We will, focusing on the existing advantages and the core competitiveness, further stimulate the team's innovative vitality, actively carry out external cooperation, strive to maintain a stable operation during the economic down cycle, and lay a foundation for the medium- and long-term development of the Group through new growth points."

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About SinoMedia

Founded in 1999, SinoMedia was listed on the Main Board of the Hong Kong Stock Exchange in 2008. As the leading media operation group in China, SinoMedia focuses on conducting cross-media investment and operation with video creative communication as its core capability, so as to meet the demands of client market for the communications of "three screens" among television, computer and mobile. The Group currently owns business sections including CCTV's advertising agency business, brand integrated communication, film and television program investment and production, and Internet precision marketing. It is an early pioneer in China's city image and tourism brand creative communication field and has remained a leader in that field for many years. It is also one of the leaders in brand advertising services for industries such as finance and insurance, automobiles and consumer goods. In the past 20 years, SinoMedia has provided comprehensive and professional creative communication services for more than 3,000 clients in total at home and abroad.

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