



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

SinoMedia Holding Limited

Stock code: 623

2011 Interim Results

25 August 2011



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Overview

Key Highlights

- 1 Achieved above industry growth rate with revenue and profit attributable to equity shareholders of the Company up 20% and 180% yoy respectively
- 2 Maintained solid balance sheet and strong cash position of approx. RMB776 million as at 30 June 2011
- 3 Strategically develop four core businesses, including media resources management, new media investment & integration, creative advertisement & content production, and brand communication & media procurement services
- 4 Media resources management: approx. 20,715 minutes of advertising time resources for a total of 36 programmes on CCTV-1, 2, 4, 5, 7 and CCTV-NEWS available for sale
- 5 New media investment & integration: successfully completed 3 strategic investments, including investments in *www.lotour.com*, FoneNet Inc and Zhongtoushixun



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Business Review

Business Modules

**Media
Resources
Management**

**New Media
Investment &
Integration**

SinoMedia

**Creative
Advertisement &
Content
Production**

**Brand
Communication
& Media
Procurement
Services**

1. Media Resources Management

Underwritten Media Resources



- ▶ **Creative**
 - ▶ Creative advertising ideas
 - ▶ Advertisement design & production
- ▶ **Communication**
 - ▶ Innovative media campaign strategy
 - ▶ Efficient execution
- ▶ **Marketing**
 - ▶ CCTV
 - ▶ Local TV
 - ▶ Mobile TV
 - ▶ Internet

Served over 1,500 enterprises and 500 cities and tourism destinations

Clients

Multinational Companies



Domestic Companies



1. Media Resources Management (cont'd)

Continuing Media Resources

CCTV-1 (General)



- Renewed the exclusive underwriting contracts for "Night News" and "News 30"

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



- Renewed the contracts for "Across the Strait", "China News Package" and a time slots package

CCTV-7 (Military and Agriculture)



- Continues to hold the exclusive underwriting rights to seven programs

CCTV-NEWS (English News)



- Renewed the exclusive underwriting contracts for all programmes on CCTV-NEWS

New CCTV Resources in 2011

CCTV-2 (Finance)



- Newly acquired exclusive underwriting rights for "Make More Money"

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



- Newly added the exclusive underwriting rights for "Exposition of Chinese Culture Relics" and "China Showbiz"

CCTV-5 (Sports)



- Newly acquired exclusive underwriting rights for "Weather Forecast" during the "Sports News" programme

The no. of minutes of advertisement time available for sale on CCTV-1,2,4,5,7, and NEWS exceeded 20,715 minutes in 1H 2011, representing 7% increase compared to same period last year

2. New Media Investment & Integration

www.lotour.com  **乐途旅游网**

- ▶ Established a joint venture for the exclusive operation of www.lotour.com, the largest Internet portal for travel industry in China
- ▶ Enhance the Group's resources advantages in city-oriented tourism
- ▶ Strengthen the Group's foundation to offer more effective TV and internet advertising portfolio services

100TV 

- ▶ Completed investment in July 2011 and became the third largest shareholder of 100TV, one of the largest mobile TV platforms and service providers in China

Zhongtoushixun  **CNLive.com**

- ▶ Completed in July 2011 the acquisition of 5% stake in Zhongtoushixun, a mobile TV operator responsible for production of audio and visual content for CNLive's mobile TV platform and mobile TV services

Expects to nurture the market with the project partners and to develop the Group's integration and operation capabilities for the new media sectors

3. Creative Advertisement & Content Production

Creative Production Services for Commercial Advertising

- ▶ Possess extensive experience in project planning, brand creativity, visual design and filming of advertisements
- ▶ Won several prestigious awards both domestically and internationally
- ▶ Experienced significant growth in total number of clients and order placement

Production and Syndication of Creative Public Service



- ▶ Beijing Taihe Ruishi Culture and Media Company Limited, wholly-owned subsidiary, is the only operator in China with nationwide public service broadcast network of 140 regional television channels
- ▶ Increased the Group's influence in creative production sector and supplemented its existing media resources
- ▶ Attracted interest of large number of clients, and brought in increasing sponsorship revenue from corporate clients

4. Brand Communication & Media Procurement Services

- ▶ Developed a comprehensive advertising procurement system includes brand positioning, media strategy and procurement execution, and achieved significant growth
- ▶ First domestic company to strategically expand into the international media domain:
 - ▶ *MediaCorp's TV Channels* - Become the master advertising agent for MediaCorp Pte Ltd's TV channels in China since January 2011
 - ▶ *CNBC* - Entered into a cooperation agreement with CNBC to become exclusive advertising sales representative in Mainland China in July 2011
 - ▶ Enabled Chinese clients to develop global business with effective brand and advertising exposure in overseas markets



Financial Review

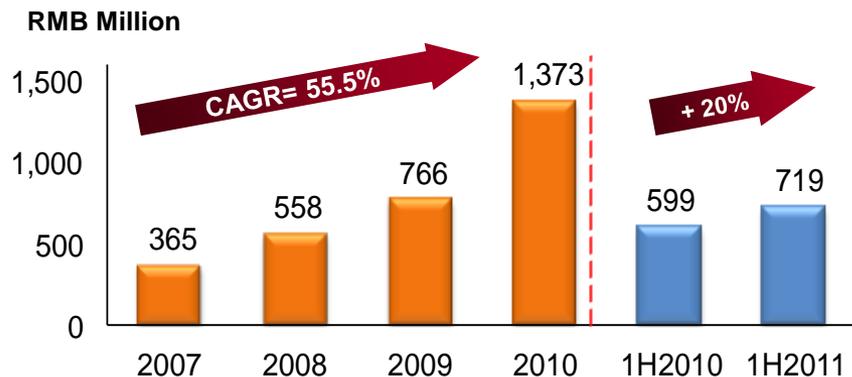
Financial Summary

For the six months ended 30 June

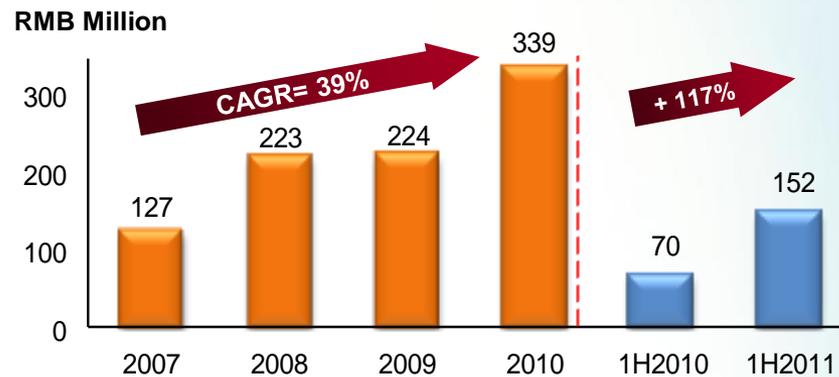
(RMB '000)	2011	2010	Change
Revenue	719,939	599,339	↑ 20%
Gross profit	152,884	70,443	↑ 117%
Profit from operations	107,853	34,492	↑ 213%
Profit attributable to equity shareholders of the Company	72,708	26,018	↑ 180%
Basic earnings per share (RMB)	0.128	0.046	↑ 178%

Sustained Growth Momentum

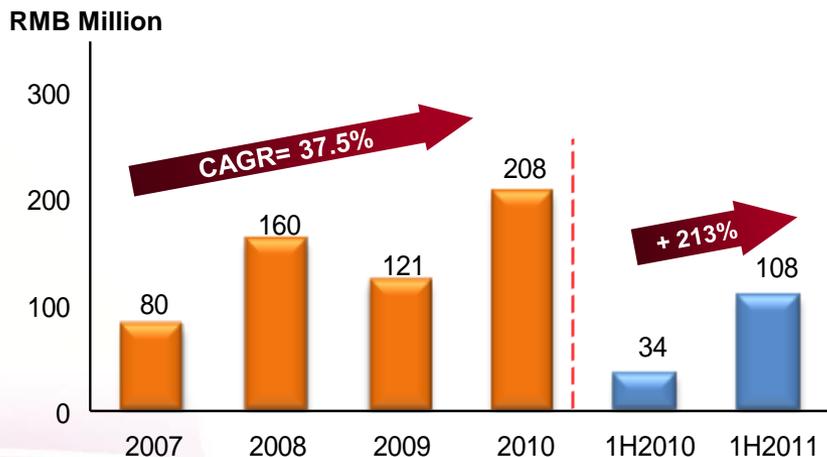
Revenue



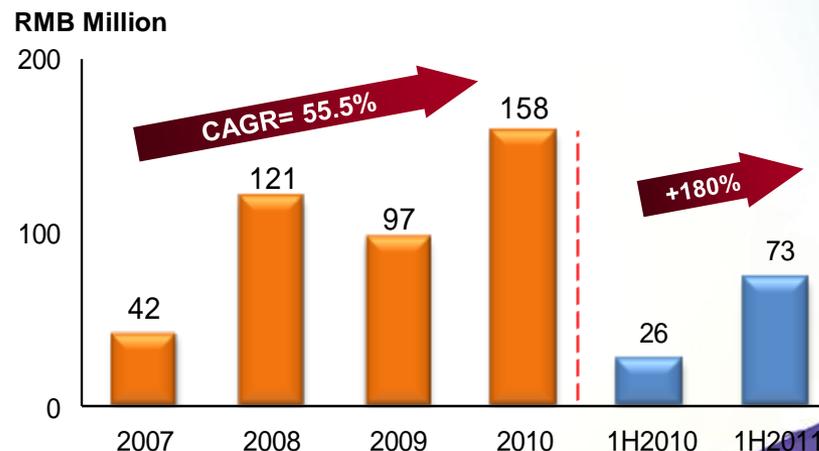
Gross Profit



EBIT



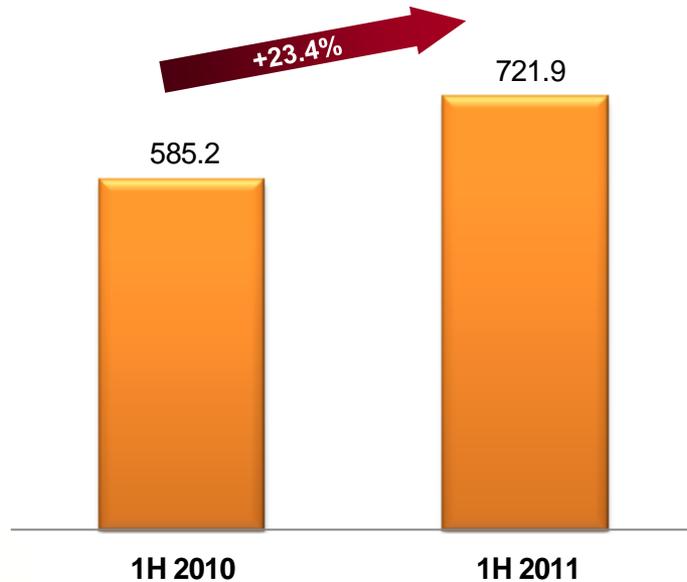
Profit Attributable to Equity Shareholders of the Company



Media Resources Management - Continuous Improvement

Revenue from Media Resources Management

RMB Million

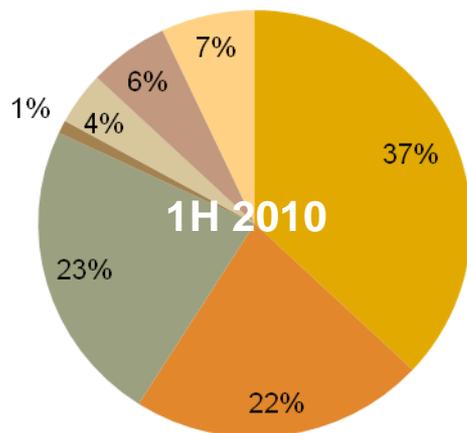


CCTV- 1, 2, 4, 5, 7, News

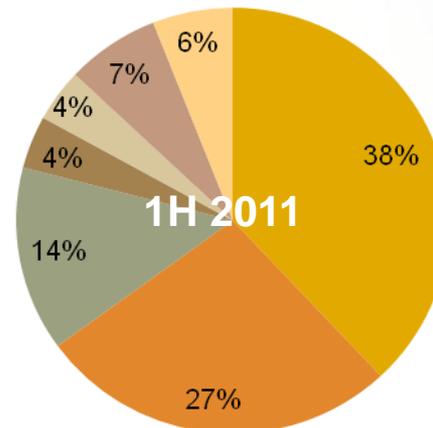
	1H2011	1H 2010
Minutes Acquired	20,715	19,341
Minutes Sold	6,364	4,164

1. Media Resources Management (cont'd)

CCTV – 1, 2, 4, 5, 7, News



- Tourism & City Image; Inviting Business; Convention & Exhibition
- Automobile
- Building Materials
- Others



- Consumer Goods
- Health & Medical
- Finance & Insurance

Revenue Contribution

Tourism & City Image; Inviting Business; Convention & Exhibition

Consumer Goods

Finance & Insurance

YOY Growth

+28.7%

+56.5%

+32.0%

Other Businesses

2. Brand Communication & Media Procurement

(RMB '000)	1H2011	1H 2010	Change
Turnover *	474,766	285,329	↑ 66.4%
Revenue * <i>(after netting off procurement cost under IFRS)</i>	6,603	9,538	↓ 30.8%

Turnover increased substantially YOY as a result of the Group's increased effort in promoting the business

* Before deduction of sales taxes and surcharges

3. Creative Advertisement & Content Production

a. Production for commercial advertising

- ▶ Achieved significant increase in contract amounts
- ▶ Revenue decreased from RMB5.102 million (1H 2010) to RMB0.465 million (1H 2011) due to longer service cycle
- ▶ Therefore less revenue recognized in 1H 2011 and more revenue to be recognized in the coming period

b. Nationwide public service advertising broadcast network

- ▶ Continue to develop favourably; the network expanded to 140 regional TV channels
- ▶ Recorded revenue similar to that of same period last year

Effective Cost Control

For the six months ended 30 June

	2011	2010
Total operating expenses as a % of revenue	7.1	7.0
Selling & marketing expenses(RMB'000)	25,186	18,379
<i>As a % of revenue</i>	3.5	3.1
General & administration expenses(RMB'000)	25,959	23,559
<i>As a % of revenue</i>	3.6	3.9

(RMB '000)

	2011	2010
Finance income	4,883	4,284
Finance cost	(116)	(166)
Net finance income	4,767	4,118

Strong Balance Sheet

(RMB '000)

	<i>At 30 June 2011</i>	<i>At 31 December 2010</i>
Cash and cash equivalents	776,187	795,791
Trade & bills receivables (net of impairment)	68,165	74,539
Current assets	1,165,135	1,214,899
Total assets	1,306,299	1,284,248
Current liabilities	423,912	410,506
Total liabilities	439,535	428,204
Net assets	866,764	856,044

Receivables Maintained at Low Level

<i>(RMB '000)</i>	At 30 June 2011	At 31 December 2010
Current – 90 days	33,217	67,355
91 – 180 days	21,194	44
181 days – 1 year	4,516	-
Trade debtors (net of impairment losses)	58,927	67,399
Turnover days	16	14
Bills receivables	9,238	7,140

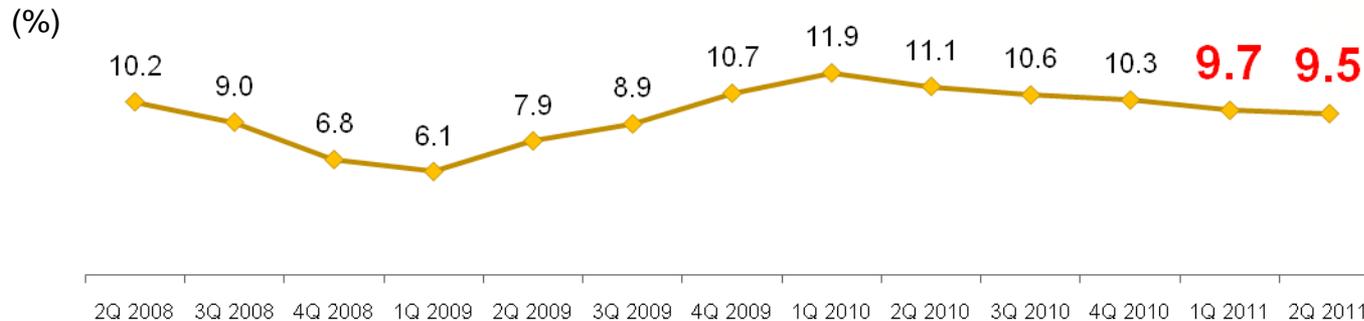
Healthy Cash Flow

<i>(RMB '000)</i>	For the six months ended 30 June	
	2011	2010
Net cash from operating activities	126,373	195,398
Net cash used in investing activities	(79,250)	(719)
Net cash used in financing activities	(64,013)	(14,426)
Net increase (decrease) in cash and cash equivalents	(16,890)	180,253
Cash and cash equivalents at 1 January	795,791	323,084
Effect of exchange rate fluctuations	(2,714)	(488)
Cash and cash equivalents at 30 June	776,187	502,849

Outlook

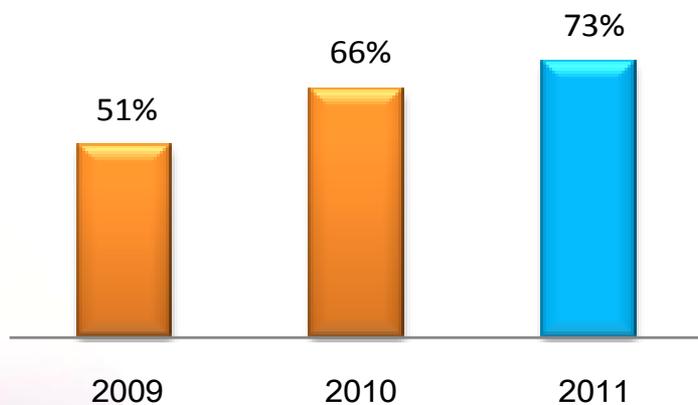
Strong Growth for Chinese Advertising Market

2008-2011 Quarterly GDP Growth in China



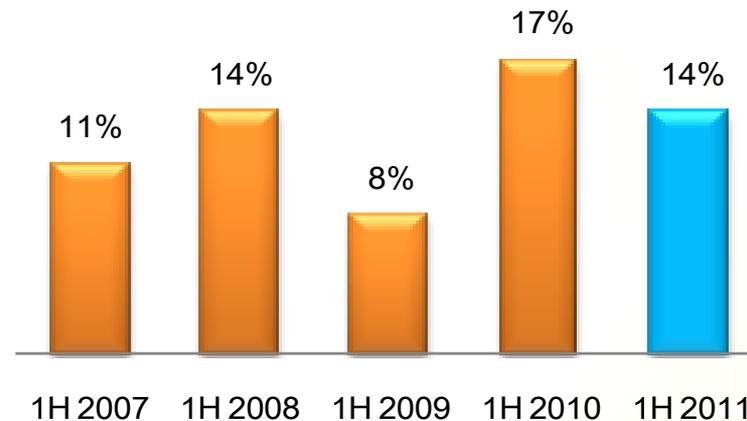
Source: National Statistic Bureau

Willingness to Increase Advertising Spending by Advertisers in China



Source: CTR Market Research

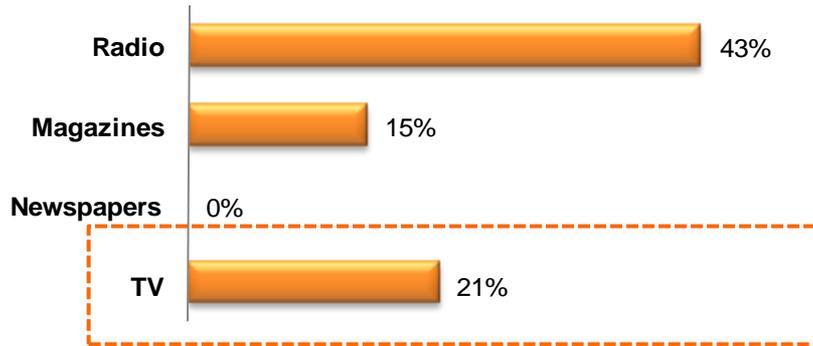
Advertising Revenue YOY Growth for Traditional Media (incl. TV & Printed Media)



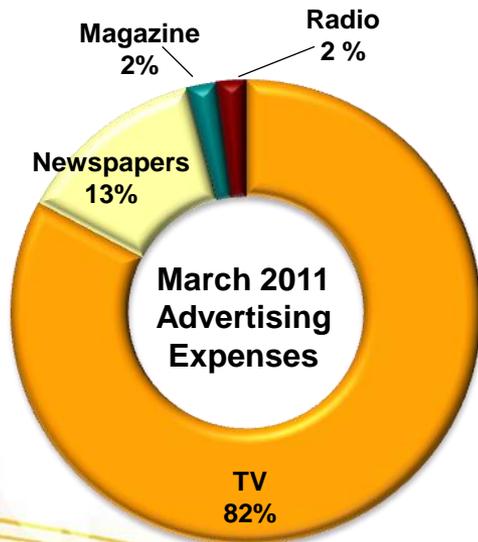
Source: CTR Market Research

TV Remains as the Main Advertising Medium

YOY Growth in China as of March 2011

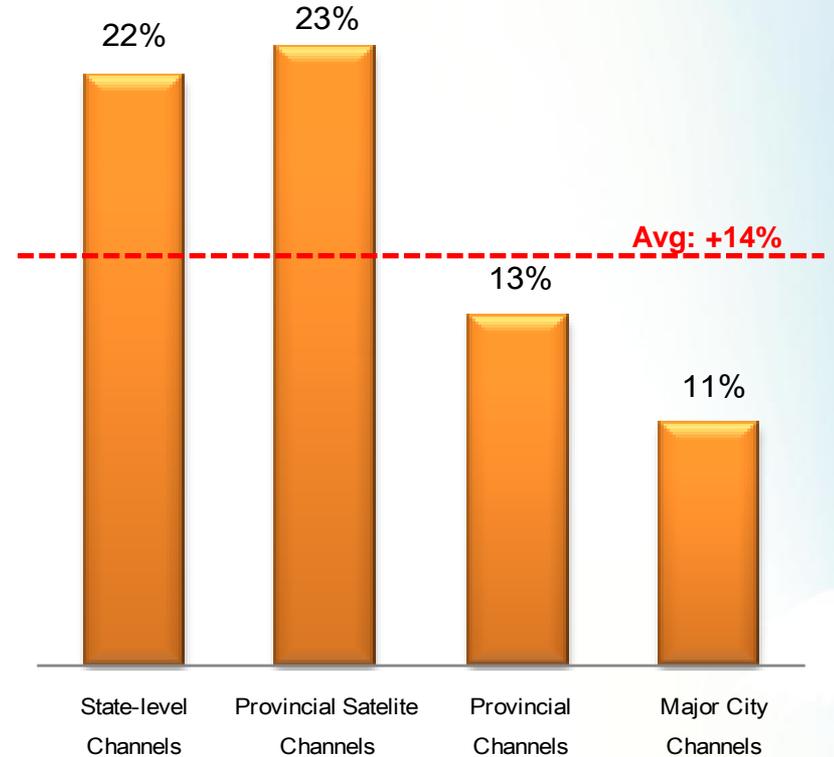


Source: Nielsen Company



Source: Nielsen Company

TV Advertisement Growth for 1H 2011



Source: CTR Market Research

Outlook in 2H 2011

- 1** Growth momentum of advertising industry remains strong this year
- 2** Maintain CCTV as our core media resources in the long term
- 3** Continue to pay particular attention to and put more efforts in digital media industry, especially the mobile internet media
- 4** Expand and integrate various links of the value chain, including new media investment and integration, content production and distribution as well as brand communication services
- 5** Promote the diversity of media operation domains and business expansion



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Open Forum