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: 00623)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

FINANCIAL SUMMARY

RMB'000	**For the six months ended 30 June 2019**	For the six months ended 30 June 2018	Change (%)
Revenue	**656,714**	819,066	-20%
(Loss)/profit from operations	**(105,059)**	67,898	-255%
(Loss)/profit attributable to equity shareholders of the Company	**(96,792)**	41,882	-331%
(Losses)/earnings per share			
— Basic and diluted *(RMB)*	**(0.196)**	0.082	-339%

REVENUE

RMB'000	**For the six months ended 30 June 2019**	For the six months ended 30 June 2018	Change (%)
TV media resources management	**525,242**	730,736	-28%
Integrated communication services and Content operations	**50,687**	32,962	+54%
Digital marketing and Internet media	**56,101**	33,967	+65%
Rental income	**29,749**	28,853	+3%
Sales taxes and surcharges	**(5,065)**	(7,452)	-32%
	656,714	819,066	

The board of directors (the "**Board**") of SinoMedia Holding Limited ("**SinoMedia**" or the "**Company**") announces the unaudited results and financial position of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2019, with comparative figures for previous period.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

		Unaudited	Unaudited
		Six months ended 30 June	
		2019	2018
	Note	***RMB'000***	*RMB'000*
Revenue		**656,714**	819,066
Cost of services		**(694,798)**	(669,970)
Gross (loss)/profit		**(38,084)**	149,096
Other revenue	*4*	**2,114**	373
Selling and marketing expenses		**(26,750)**	(29,631)
General and administrative expenses		**(42,339)**	(51,940)
(Loss)/profit from operations		**(105,059)**	67,898
Finance income	*5(a)*	**8,456**	8,132
Finance costs	*5(a)*	**(106)**	(187)
Net finance income		**8,350**	7,945
(Loss)/profit before taxation	*5*	**(96,709)**	75,843
Income tax	*6*	**—**	(34,646)
(Loss)/profit for the period		**(96,709)**	41,197
Attributable to:			
Equity shareholders of the Company		**(96,792)**	41,882
Non-controlling interests		**83**	(685)
		(96,709)	41,197
(Losses)/earnings per share	*7*		
Basic and diluted *(RMB)*		**(0.196)**	0.082

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Unaudited	Unaudited
	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
(Loss)/profit for the period	**(96,709)**	41,197
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss:		
Exchange translation differences	**(79)**	762
Other comprehensive (loss)/income for the period	**(79)**	762
Total comprehensive (loss)/income for the period	**(96,788)**	41,959
Attributable to:		
Equity shareholders of the Company	**(96,871)**	42,644
Non-controlling interests	**83**	(685)
	(96,788)	41,959

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	Note	**Unaudited At 30 June 2019** *RMB'000*	Audited At 31 December 2018 *RMB'000*
Non-current assets			
Property, plant and equipment	*8*	**227,939**	229,738
Investment property		**569,977**	576,684
Intangible assets		**19,709**	22,399
Goodwill		**6,002**	6,002
Trade and other receivables	*9*	**815**	865
Interests in associates		**6,899**	—
Other non-current financial assets		**37,006**	—
		868,347	835,688
Current assets			
Other current financial assets		**1,737**	1,737
Trade and other receivables	*9*	**400,493**	428,745
Pledged bank deposits		**50**	—
Time deposits with original maturity over three months		**4,534**	8,514
Cash and cash equivalents		**593,257**	715,109
		1,000,071	1,154,105
Current liabilities			
Trade and other payables	*10*	**129,389**	121,656
Contract liabilities		**274,916**	241,275
Current taxation		**10,470**	37,508
Lease liabilities		**2,194**	—
		416,969	400,439
Net current assets		**583,102**	753,666
Total assets less current liabilities		**1,451,449**	1,589,354
Non-current liabilities			
Lease liabilities		**596**	—
NET ASSETS		**1,450,853**	1,589,354
CAPITAL AND RESERVES			
Share capital		**510,981**	510,981
Reserves		**946,796**	1,085,380
Total equity attributable to equity shareholders of the Company		**1,457,777**	1,596,361
Non-controlling interests		**(6,924)**	(7,007)
TOTAL EQUITY		**1,450,853**	1,589,354

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2019 of the Group have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), International Accounting Standards 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 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 "**Listing Rules**").

The condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2018 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2019 annual financial statements.

2 Changes in accounting policies

The IASB/HKICPA has issued a new IFRS/HKFRS, IFRS/HKFRS 16, *Leases*, and a number of amendments to IFRS/HKFRSs that are first effective for the current accounting period of the Group. Except for IFRS/HKFRS 16, *Leases*, none of the 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 in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

IFRS/HKFRS 16, *Leases*

IFRS/HKFRS 16 replaces IAS/HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases — incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less and leases of low value assets. The lessor accounting requirements are brought forward from IAS/HKAS 17 substantially unchanged.

The Group has initially applied IFRS/HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of assets and liabilities at 1 January 2019. Comparative information has not been restated and continues to be reported under IAS/HKAS 17.

The following table summarises the impacts of the adoption of IFRS/HKFRS 16 on the Group's consolidated statement of financial position:

	Carrying amount at 31 December 2018	Capitalisation of operating lease contracts	Carrying amount at 1 January 2019
	RMB'000	*RMB'000*	*RMB'000*
Line items in the consolidated statement of financial position impacted by the adoption of IFRS/HKFRS 16:			
Property, plant and equipment	229,738	1,162	230,900
Total non-current assets	**835,688**	**1,162**	**836,850**
Lease liabilities (current)	—	816	816
Current liabilities	**400,439**	**816**	**401,255**
Net current assets	**753,666**	**(816)**	**752,850**
Total assets less current liabilities	**1,589,354**	**346**	**1,589,700**
Lease liabilities (non-current)	—	346	346
Total non-current liabilities	**—**	**346**	**346**
Net assets	**1,589,354**	**—**	**1,589,354**

3 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.

4 Other revenue

	Unaudited	Unaudited
	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Share of profits less losses of associates	**1,868**	—
Government grant	**189**	3
Others	**57**	370
	2,114	373

5 (Loss)/profit before taxation

(a) Finance income and costs

	Unaudited	Unaudited
	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Finance income		
Interest income on bank deposits	**8,456**	8,132
Finance costs		
Net foreign exchange loss	**(77)**	(155)
Other finance costs	**(29)**	(32)
	(106)	(187)

(b) Other items

	Unaudited	Unaudited
	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Amortisation	**1,826**	1,796
Depreciation	**11,340**	11,587
Impairment losses for doubtful debts	**4,126**	5,418

6 Income tax

	Unaudited	Unaudited
	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
Current tax — PRC income tax	**—**	32,637
Deferred taxation	**—**	2,009
	—	34,646

No provision has been made for Hong Kong profits tax as the Company and its subsidiary in Hong Kong did not have assessable profit subject to Hong Kong profits tax during the six months ended 30 June 2019 and 2018.

No provision has been made for Singapore income tax as the Company's subsidiary in Singapore had unutilised tax losses brought forward from prior years which was sufficient to set-off against assessable profit generated during the six months ended 30 June 2019 and 2018.

Pursuant to the currently applicable income tax rules and the PRC regulations, 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 is at a rate of 15% and Beijing Laite Laide Management Consultancy Company Limited is at a preferential rate of 20%, during the six months ended 30 June 2019 and 2018.

7 (Losses)/earnings per share

(a) Basic (losses)/earnings per share

The calculation of basic (losses)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB96,792 thousand (six months ended 30 June 2018: profit of RMB41,882 thousand) and the weighted average number of 494,530 thousand ordinary shares in issue during the interim period (2018: 513,146 thousand shares).

(b) Diluted (losses)/earnings per share

The calculation of diluted (losses)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB96,792 thousand (six months ended 30 June 2018: profit of RMB41,882 thousand) and the weighted average number of 494,530 thousand ordinary shares after adjusting for the effect of share options in issue (2018: 513,876 thousand shares).

8 Property, plant and equipment

The Group has initially applied IFRS/HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under IAS/HKAS 17. During the six months ended 30 June 2019, the Group entered into a number of lease agreements for use of offices, and therefore recognised the additions to right-of-use assets of RMB2,266 thousand.

9 Trade and other receivables

	Unaudited At 30 June 2019 *RMB'000*	Audited At 31 December 2018 *RMB'000*
Non-current assets		
Other receivables	**815**	865
Current assets		
Within 3 months	**107,290**	96,050
3 months to 6 months	**58,164**	18,094
6 months to 12 months	**28,002**	13,296
Over 12 months	**19,980**	26,028
Trade and bills receivable, net of allowance for doubtful debts	**213,436**	153,468
Prepayments and deposits to media suppliers	**167,023**	254,581
Advances to employees	**3,455**	3,535
Other debtors and prepayments	**16,579**	17,161
	400,493	428,745
	401,308	429,610

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

	Unaudited At 30 June 2019 *RMB'000*	Audited At 31 December 2018 *RMB'000*
Within 3 months	**21,772**	11,574
3 months to 6 months	**4,364**	6,687
6 months to 12 months	**1,635**	1,280
Over 12 months	**541**	683
Total trade payables	**28,312**	20,224
Payroll and welfare expenses payables	**7,953**	16,558
Other tax payables	**12,585**	17,070
Other payables and accrued charges	**46,215**	67,159
Dividends payable	**34,324**	645
Financial liabilities measured at amortised cost	**129,389**	121,656

11 Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the interim period

No dividend attributable to the interim period has been declared and paid by the Company.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

	Unaudited Six months ended 30 June **2019** *RMB'000*	Unaudited Six months ended 30 June 2018 *RMB'000*
Final dividend approved in respect of the previous financial year of approximately RMB6.78 cents per share (six months ended 30 June 2018: RMB7.48 cents per share)	**33,679**	38,401

MANAGEMENT DISCUSSION AND ANALYSIS

ABOUT THE GROUP

The overall advertising market sentiments continued to be weak and the operating environment was full of challenges in the first half of 2019. The advertising expenses of all media in the first half of 2019 shrank 8.8% from a year ago, of which advertising expenses in traditional media has dropped by 12.8% as compared with the same period last year, based on the market study released by CTR Media Intelligence. The data shows that the decline in advertising expenses in traditional media has gradually narrowed in the second quarter after a significant decline in the first quarter, but the overall advertising market is still in a downward trend as compared with the same period last year. (Source: CTR Media Intelligence, August 2019).

The Group continued to promote the strategy of providing inter-screen creative communication services as the core, and was committed to providing clients with premium creative products and communication services. During the period under review, the development of business segments within the Group diverged, revenue from segments such as integrated communication services, digital marketing and rental has increased as compared with the same period last year. Revenue recorded from TV media resources management for the first half of 2019 declined significantly from a year ago, due to the cautious advertising spending of certain clients affected by the weak advertising market.

BUSINESS REVIEW

TV ADVERTISING AND CONTENT OPERATIONS

I. TV Media Resources Management

During the period under review, the Group had a total of approximately 6,032 minutes of advertising resources on CCTV-1 (General)/CCTV-News, CCTV-2 (Finance), CCTV-4 (Chinese International), and the exclusive underwriting right for 29,342 minutes of all advertising resources of CCTV-14 Children's Channel. It covered the markets of news, politics, finance, culture and children programs, and also brought more diversified communication channels to clients. Its specific media resources include: the "News 30" (新聞30分) jointly broadcasted on CCTV-1 (General)/CCTV-News, "Di Yi Shi Jian" (第一時間) on CCTV-2 (Finance), programs and resource periods including "Across the Straits" (海峽兩岸), and "Today's Focus" (今日關注) on CCTV-4 (Chinese International), as well as all advertising resources of CCTV-14 Children's Channel. Facing the severe market environment, the Group continued to strengthen the capability of developing and serving clients in the area of TV advertisement marketing, and improve the competitiveness through optimizing marketing strategy and media product portfolios during the period.

II. Integrated Communication Services

The Group has gained recognition by a large number of well-known clients for its professional and highly efficient communication services and caring client service philosophy. During the period under review, the Group provided brand information, advertising placement, promotion planning, public relation activities and other multi-dimensional brand integrated communication services to clients including Feihe Dairy, ChimeLong Group, Ping An, Jiangxi Agricultural Products, Hubei Agricultural Products, Taizhou Tourism and Suzhou Tourism.

In respect of international business, the Group actively offered overseas clients with Chinese market promotion, media propaganda, creative planning and other services. The main clients during the period under review include Ministry of Tourism, Government of India, Department of Tourism Indonesia, Washington Tourism Board, Tourism Toronto, YTL Hotels, etc.

III. Content Operations

The Group provided clients with comprehensive and professional commercial advertisement production services. During the period under review, the Group successively served China Banknote Printing and Minting Corporation, China Gold Coin Incorporation, Tai'an Tourism, Shaanxi Grain and Oil, COFCO and other clients, providing services involving graphic design, advertising video shooting, producing and editing.

In the first half of the year, the Group launched R&D management and creative communication business around series program creation, animation IP creation and other contents, providing tailor-made creative content and communication solutions for clients. If Animals Can Speak (如果動物會説話), a series of video programs independently developed by the Group has been approved by CCTV, which is planned to be produced in 120 episodes, currently 40 episodes are in the post-production stage after live shooting. The Group has fully completed the production of Animals' Good Partners — ChimeLong's Little Theater for Popularization of Science (動物好夥伴 — 長隆科普小劇場), a program that the Group created for ChimeLong Group and implemented content marketing by title sponsorship. The first 30 out of 60 episodes in total have been broadcasted in the CCTV-14 Children's Channel since July. At the same time, the Group tailored program content embedding plans for clients such as Toycloud Technology and SK Group, and approached excellent animation companies at home and abroad to actively explore the areas of IP R&D and authorization of animated images as well as the development of its surrounding industries.

DIGITAL MARKETING AND INTERNET MEDIA

I. Digital Marketing

The Group continuously upgraded its self-developed intelligent programming advertising placement platform, and continued to improve the internet integrated service capacity, providing clients with one-stop digital marketing solutions through technologies of big data and precision placement. During the period under review, the Group successively served Feihe Dairy, Guizhou Zhenjiu (貴州珍酒), EPEC, Huawei Technologies, Dazhong Appliances, GOME Appliances, CAISSA Touristic and other clients, receiving a high degree of recognition and praise therefrom.

II. Internet Media

www.boosj.com (播視網) of the Group continued to meticulously cultivate the two major vertical fields: talent fostering of children and healthy life promotion for middle-aged and elderly people, providing users with online video content services and community interaction platform. During the period under review, www.boosj.com integrated and created characteristic video content for children's intellectual development and talented enlightenment, enhanced traffic through multi-channel distribution, and conducted derivative product development according to its creative contents. At the same time, it continued to explore the potential of health, entertainment and social life for middle-aged and elderly people by integrating online content and offline activities, striving to build the IP events such as "Dance Show in 100 Cities" (百城秀舞) and "Dancing for New Life" (舞動新生活), so as to further enhance the popularity of the Boosj Square Dance.

FINANCIAL REVIEW

REVENUE AND PROFIT ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY

For the six months ended 30 June 2019, the Group recorded revenue of RMB656,714 thousand, representing a decrease of 20% from RMB819,066 thousand for the same period last year.

Revenue details for the period under review are as follows:

(I) Revenue recorded from TV media resources management was RMB525,242 thousand, representing a decrease of 28% from RMB730,736 thousand for the same period last year. This decline in revenue was mainly due to the cautious TV advertising placement of certain advertisers affected by the weak environment of the advertising market as a whole in the first half of the year, resulting in the significant decline in the advertising placement of clients from tourism, automobile, finance and insurance as compared with the same period last year, which in turn led to a year-on-year decrease in sales rate of TV advertising resources. In the face of challenges, the Group's marketing team will strive to improve its annual performance by actively developing new clients while retaining existing high quality clients.

(II) Revenue recorded from integrated communication services and content operations was RMB50,687 thousand in total, representing an increase of 54% from RMB32,962 thousand for the same period last year. Among which: (1) Revenue recorded from integrated communication services was RMB47,828 thousand, representing an increase of 66% from RMB28,864 thousand for the same period last year. Affected by the settlement cycle of media suppliers, the commission obtained from media suppliers during the period under review was more than that for the same period last year. (2) Revenue recorded from content operations was RMB2,859 thousand, representing a decrease of 30% from RMB4,098 thousand for the same period last year. Revenue from this business was mainly from content production of films and TV programs and creative production of commercial advertisements. Revenue from the content projects independently produced and co-produced by the Group, as well as the animation and film projects co-invested and jointly produced by the Group are expected to be recognized after the balance sheet date.

(III) Revenue recorded from digital marketing and internet media was RMB56,101 thousand in total, representing an increase of 65% from RMB33,967 thousand for the same period last year. Among which: (1) the Group's self-developed intelligent programming advertising placement platform operates stably, and advertising placement from high quality clients achieved a sustained and stable growth, resulting in a notable revenue increase from digital marketing as compared with the same period last year; (2) revenue from internet media remained at similar level as compared with the same period last year.

(IV) Rental income was RMB29,749 thousand, representing an increase of 3% from RMB28,853 thousand for the same period last year, mainly because the office buildings temporarily vacant were leased out again during the period, and as a result, revenue from this business was slightly higher than that in the same period last year.

For the six months ended 30 June 2019, the loss attributable to equity shareholders of the Company was RMB96,792 thousand as compared a profit of RMB41,882 thousand attributable to equity shareholders of the Company for the same period last year.

OPERATING EXPENSES

For the six months ended 30 June 2019, the Group's operating expenses were RMB69,089 thousand in aggregate, representing a year-on-year decrease of 15% from RMB81,571 thousand for the same period last year, and accounted for 10.5% of the Group's revenue (the same period last year: 9.9%). In response to market changes and operational pressures, the Group implemented a number of measures to reduce operating expenses, making the proportion of operating expenses to income relatively stable.

Among which:

(I) Selling and marketing expenses amounted to RMB26,750 thousand, representing a year-on-year decrease of approximately RMB2,881 thousand from RMB29,631 thousand for the same period last year, and accounted for 4.1% of the Group's revenue (the same period last year: 3.6%).

(II) General and administrative expenses amounted to RMB42,339 thousand, representing a year-on-year decrease of approximately RMB9,601 thousand from RMB51,940 thousand for the same period last year, and accounted for 6.4% of the Group's revenue (the same period last year: 6.3%). The decrease in general and administrative expenses was mainly due to that: (1) the Group adjusted and optimized the internal organization and personnel structure, resulting in a decrease of approximately RMB5,523 thousand in the labor cost of non-marketing personnel as compared with the same period last year; (2) the impairment loss of receivables reduced by approximately RMB1,291 thousand as compared with the same period last year.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the period under review, the Group had conducted the following significant investments and acquisitions:

(I) The Group entered into a capital increase agreement of the Group's subsidiary, Beijing Golden Bridge Yunhan Advertising Company Limited ("**Golden Bridge Yunhan**"), with independent third parties with client resources and operational experiences, to jointly operate the advertising business of CCTV-9 (Documentary) as its exclusive underwriting agent. As of 30 June 2019, Golden Bridge Yunhan was renamed as Beijing Golden Bridge Document Time International Media Company Limited (北京金橋紀錄時代國際傳媒有限公司), in which the Group contributed a total of RMB14.5 million, and its shareholdings changed from 100% to 29%.

(II) In recent years, the Group has been providing multi-dimensional services such as advertising placement and creative communication planning for China Feihe Dairy Co., Ltd. (中國飛鶴乳業有限公司) ("**Feihe Dairy**"). In order to establish a closer strategic partnership, the Group entered into a share purchase agreement with FIDA Promotion Limited with a consideration of $5.36 million based on the long-term cooperation and mutual benefits between the two parties, and thus became a minority shareholder of Diamond Infant Formula Holding Limited, the parent company of Feihe Dairy. As of 30 June 2019, the transaction has been completed.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity was adequate with a stable financial position as a whole. As at 30 June 2019, the Group had cash and bank balances of RMB593,257 thousand (31 December 2018: RMB715,109 thousand), of which approximately 97% was denominated in RMB and the remaining 3% in HK dollars and other currencies. Bank time deposits with maturity over three months held in RMB amounted to RMB4,534 thousand (31 December 2018: RMB8,514 thousand). During the period, details of the Group's cash flows status were as follows:

(I) Net cash outflow from operating activities was RMB87,521 thousand (the same period last year: RMB102,558 thousand), which was mainly because of: (1) payment of income tax, sales taxes and surcharges of approximately RMB34,210 thousand; (2) a decrease of approximately RMB87,558 thousand in prepayment of media agency cost to media suppliers as compared to the end of last year; (3) an increase of approximately RMB66,145 thousand in the balance of trade debtors and bills receivable as compared to the end of last year due to the extended settlement cycle of advertising clients; (4) an increase in advertising fees advance from clients of approximately RMB33,641 thousand as compared to the same period last year.

(II) Net cash outflow from investing activities was RMB25,343 thousand (the same period last year: net cash inflow of RMB7,194 thousand), which was mainly attributable to payment for equity investments of approximately RMB38,081 thousand; the interest received on bank deposits at approximately RMB8,456 thousand; and time deposit with original maturity over three months on due received at approximately RMB3,980 thousand.

(III) Net cash outflow from financing activities was RMB8,913 thousand (the same period last year: RMB12,227 thousand), which was mainly attributable to the use of capital for the buyback of the Company's shares.

As at 30 June 2019, the Group's total assets amounted to RMB1,868,418 thousand, which consisted of equity attributable to equity shareholders of the Company of RMB1,457,777 thousand, and non-controlling interests of RMB-6,924 thousand. As at 30 June 2019, the Group had no interest-bearing debts.

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

HUMAN RESOURCES

As at 30 June 2019, the Group had 277 employees in total, less than that at the beginning of the year. During the period under review, the Group continued to streamline execution-related staff for fundamental affairs, control the number of positions for low-efficiency business segments, while at the same time raise the performance bonus for professional positions in sales and marketing, and further implement dynamic performance related remuneration policies for middle and senior management, so as to intensify the connection between working results and personal interests. In the aspect of employee training, the Group undertook regular professional training, with media resources, marketing skills, case studies, occupational qualities and others as the themes, to comprehensively improve the employees' professional knowledge and practical capabilities. In addition to guaranteeing the mandated benefits, the Group continued to provide festival gift money to the elderly parents of employees, held parent-child activities on Children's Day. In order to align the personal interests of employees with those of shareholders, the Company granted share options to employees under share option schemes. Share options that were granted and remained unexercised as of the end of the period totaled 21,232,000 units.

INDUSTRY AND GROUP OUTLOOK

The business operation of advertising industry as a whole will still face with enormous challenges in 2019 under the influence of numerous uncertainties in the external environment. In order to actively respond to market changes and operational pressures, the management of the Group will further adjust and optimize the internal organization and personnel structure, and will implement a number of measures to reduce operating expenses with a view to alleviate short-term pressure and prepare for future development.

As a leading comprehensive media operation group in China, the Group always has confidence in and good expectations on the mid-and-long term market prosperity. Looking forward to the future, the Group will continue to strengthen the core competitiveness of creative communication to improve its operating efficiency. In terms of TV media resources management, the Group will adhere to the client-oriented product and service strategies, retain existing high quality clients while scaling up efforts in new client development, and increase the brand value of clients based on the features and policies in different industries by using the efficient communication of TV advertising.

With the improvement of domestic consumption structure and the improvement of consumption levels, consumers are constantly pursuing richer content IP and consumer products. The Group will proactively seek for industrial cooperation opportunities by integrating its experiences and capabilities in video content creativity and brand communication. By conducting IP-oriented R&D, investment and operation, it will deeply involve in the industrial operation for IP management, expand the brand development space of the consumer goods and culture and tourism market, so as to lay a foundation for the medium and long-term business development of the Group.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2019.

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

During the six months ended 30 June 2019, the Company completed the buy-back of 5,901,000 ordinary shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at an aggregate price of HKD10,206,160. The bought-back shares had been cancelled subsequently. The details of the bought-back shares are as follows:

Date	**Number of shares bought-back**	**Highest Price**	**Lowest Price**	**Total paid**
		HKD	*HKD*	*HKD*
28 March 2019	800,000	1.79	1.74	1,412,560
29 March 2019	200,000	1.75	1.71	346,100
2 April 2019	269,000	1.75	1.72	468,960
3 April 2019	300,000	1.75	1.73	523,880
4 April 2019	180,000	1.75	1.74	314,730
9 April 2019	300,000	1.76	1.74	525,900
10 April 2019	129,000	1.75	1.74	225,460
12 April 2019	280,000	1.75	1.73	488,000
15 April 2019	100,000	1.75	1.75	175,000
16 April 2019	228,000	1.76	1.75	400,000
6 May 2019	359,000	1.74	1.72	621,570
9 May 2019	260,000	1.75	1.73	452,900
10 May 2019	85,000	1.73	1.72	146,940
14 May 2019	180,000	1.72	1.71	308,800
15 May 2019	157,000	1.73	1.72	270,640
17 May 2019	260,000	1.73	1.72	448,200
20 May 2019	175,000	1.71	1.69	298,180

Date	Number of shares bought-back	Highest Price	Lowest Price	Total paid
		HKD	*HKD*	*HKD*
23 May 2019	572,000	1.71	1.64	955,060
24 May 2019	300,000	1.70	1.66	507,510
27 May 2019	142,000	1.75	1.68	243,010
31 May 2019	318,000	1.74	1.71	549,990
3 June 2019	307,000	1.72	1.68	522,770
	5,901,000			10,206,160

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2019, the Company had complied with all code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

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 six months ended 30 June 2019.

REVIEW OF FINANCIAL INFORMATION

The audit committee has reviewed together with the management the unaudited consolidated financial statements and the interim report for the six months ended 30 June 2019 of the Group, and the accounting principles and practices adopted by the Group.

On behalf of the Board
SinoMedia Holding Limited
CHEN Xin
Chairman

Hong Kong, 21 August 2019

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, Ms. Wang Xin, Mr. He Hui David and Ms. Ip Hung as independent non-executive directors.