



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

SinoMedia Holding Limited

Stock code: 623

2009 Annual Results

8 April 2010



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

Company Introduction



The largest privately-owned operator of TV advertisement time for CCTV, dominant TV network in China

- ▶ Stock code: 623.hk
- ▶ Date of listing: 8 July 2008
- ▶ Market cap* : HK\$1.129 billion
- ▶ Shares outstanding: 564 million shares
- ▶ Information website: www.sinomedia.com.hk
- ▶ Headquarters: Beijing, China
- ▶ Shareholding structure:
 - ▶ Mr. Chen Xin & Ms. Liu Jinlan (53%)
 - ▶ Bain Capital (21%)
 - ▶ Public (26%)

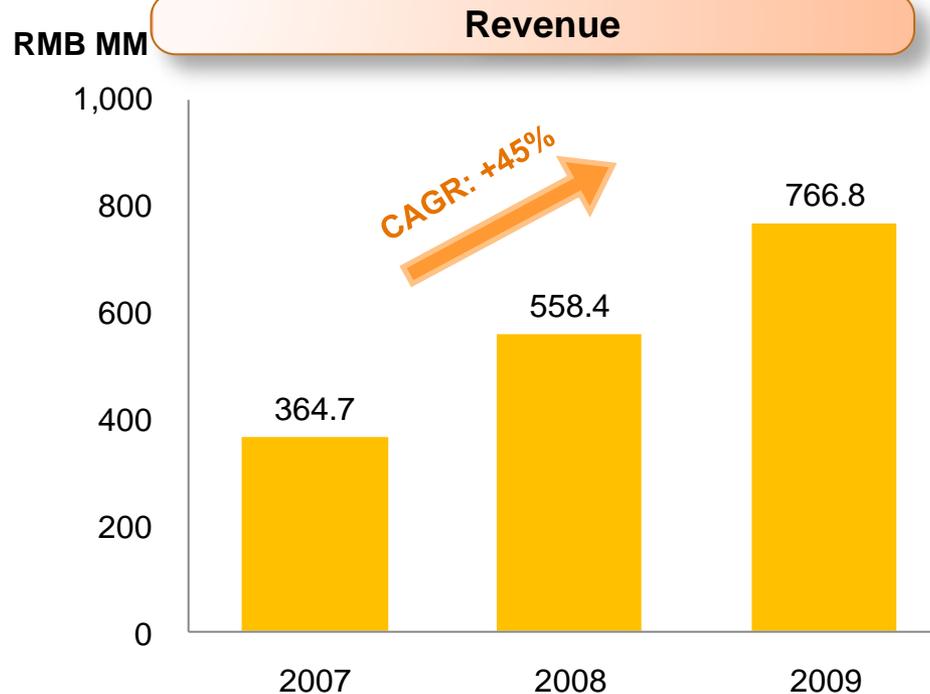
52 week share price



* 1 April 2010



Our Unique Business Model





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

Business Review



Extensive CCTV Media Resources in 2009

**Underwriting rights of approx. 23,079 minutes
advertisement time in 43 programmes / timeslots**

CCTV-1 (National News)



- Leading morning news programme “Media Headline”

CCTV-2 (Finance)



- A popular finance programme, “China Finance Report”

34 programmes on CCTV-4 (Chinese International)



- TV signals of CCTV-4 are accessible to almost all regions across China, as well as 92 foreign countries and regions

7 programmes on CCTV-7 (Agricultural)



- 2nd highest household penetration rate after CCTV-1



Enhanced Media Resources in 2010

Dual acquisition channels offer high flexibility and secure more premium media resources

Participated in the “2010 CCTV Contracting Advertising Underwriting Rights Tender”



Negotiations with various business partners to gain more premium advertising resources

Abundant media resources including TV and digital media

TV advertising:



Internet advertising:



Consolidating and optimising advertising resources

Enhanced media resources

More comprehensive coverage

Diversified advertising options

Generate higher revenue



2010 Media Resources (CCTV-1)

CCTV-1 (National News)

- ▶ “Evening News” is one of the most influential CCTV programmes.
- ▶ According to the latest CTR China Media Influence – Television Assessment Research report, the noon news programme “News 30” ranked fifth among all TV news and finance programmes in terms of programme influence.



**The rights of first renewal for such programmes for
2011 and 2012**



2010 Media Resources (CCTV-4 & CCTV9)

CCTV-4 (Chinese International)



- ▶ Exclusive underwriting rights to the finest programmes of the channel, namely “China News Package (中国新闻套)”, “Across the Strait (海峡两岸)” and “Walk Through China (走遍中国)”
- ▶ Exclusive underwriting rights to the advertisement time of CCTV-4 “All-Day Package (全天时段套)”
- ▶ Enjoys the priority over renewing the contract for 2011 and 2012

CCTV-9 (English International)



- ▶ The only English international channel of CCTV
- ▶ Granted the exclusive underwriting rights to sell the advertising resources of all programmes on CCTV-9
- ▶ Enjoys the priority over the contract renewal

CCTV-9 will complement the Group's advertising resources in CCTV-4, and thereby enrich the overall advertising packages



2010 Media Resources (CCTV-7 & others)

CCTV-7 (Agricultural)



- ▶ Enjoys high household penetration rate of 85.7%, ranking the 2nd after CCTV-1
- ▶ Obtained exclusive rights to sell not less than 4,800 minutes of advertisement time on CCTV-7 each year
- ▶ Benefited from national policies that favour the agricultural sector and attach increasing importance to “three agricultural issues”
- ▶ As the only national-level agricultural channel, CCTV-7 becomes the best platform for various commercial brands to tap consumer and agricultural markets

Nationwide public service advertising broadcast network



- ▶ Join hands with its business partners to establish China’s first and only nationwide public service advertising broadcast network
- ▶ With over 120 local TV/channels joined the network

Internet advertising



- ▶ Exclusive agency to sell advertising resources to clients relating to city tourism and business promotion industry in China
- ▶ The contract is valid for five years



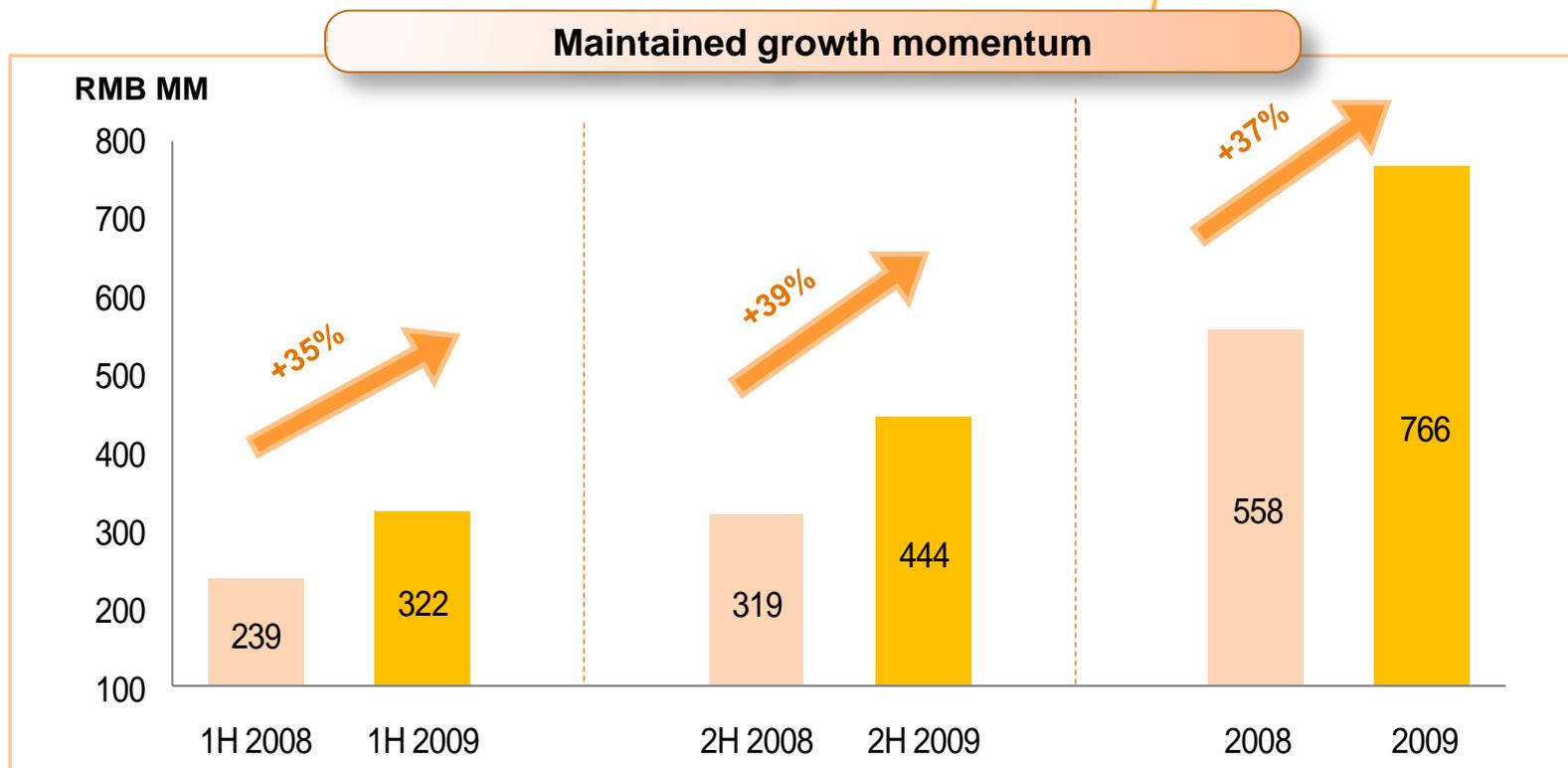


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Financial Highlights



Overall– Sustained Revenue Growth



- ▶ Despite the economic downturn, overall revenue increased by 37% in 2009
- ▶ Notable rebounded in 2H2009 due to
 - ▶ Increase in ASP and utilisation rate as a result of improved sales and marketing efforts
 - ▶ Improved economic conditions and consumer confidence

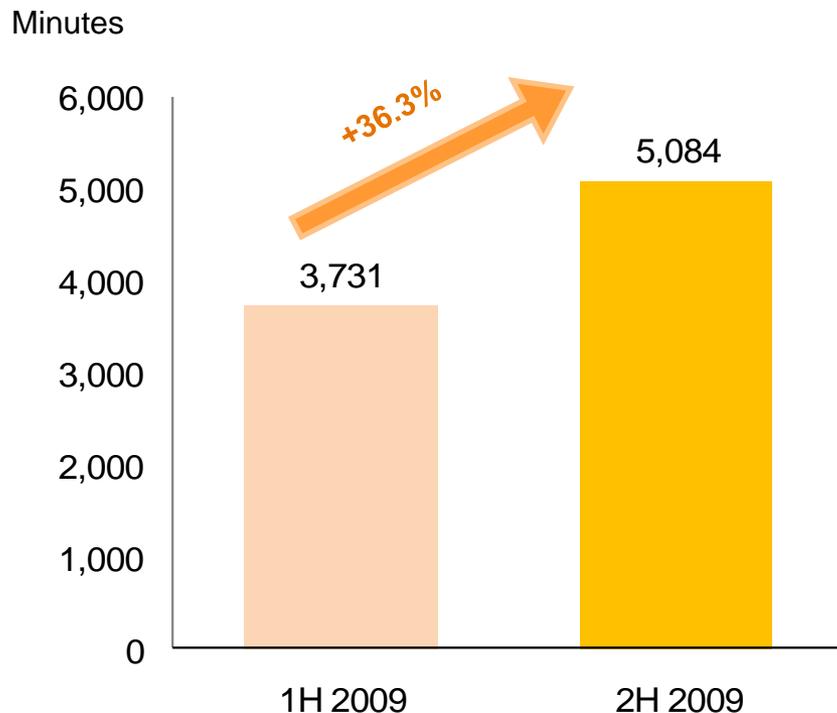


Existing Business – CCTV-1, 2 & 4

Improved Performance in 2H2009

Minutes sold (CCTV-1, 2 & 4)

Utilisation rate: **40%** **66%**



Performance highlights

(%)	YOY (FY09 vs FY08)	YOY (2H09 vs 2H08)
Revenue	+36%	+43%
ASP	+40%	+35%
Gross profit	+18%	+35%

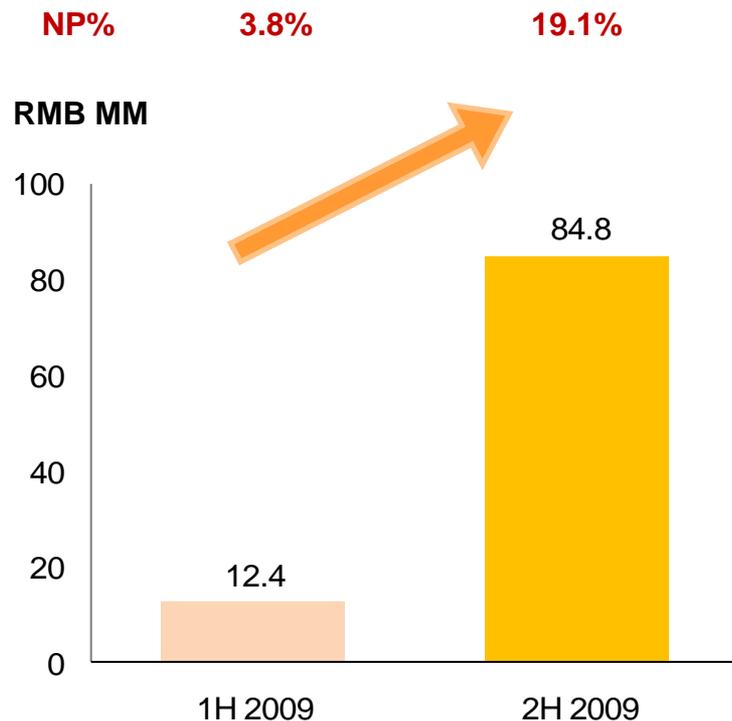
Remark: Existing business – CCTV-1, 2 & 4 only

**Achieved the best half-year performance of the Company
 in terms of utilisation rate and ASP**



Remained Profitable amid Challenging Business Environment

Overall net profit

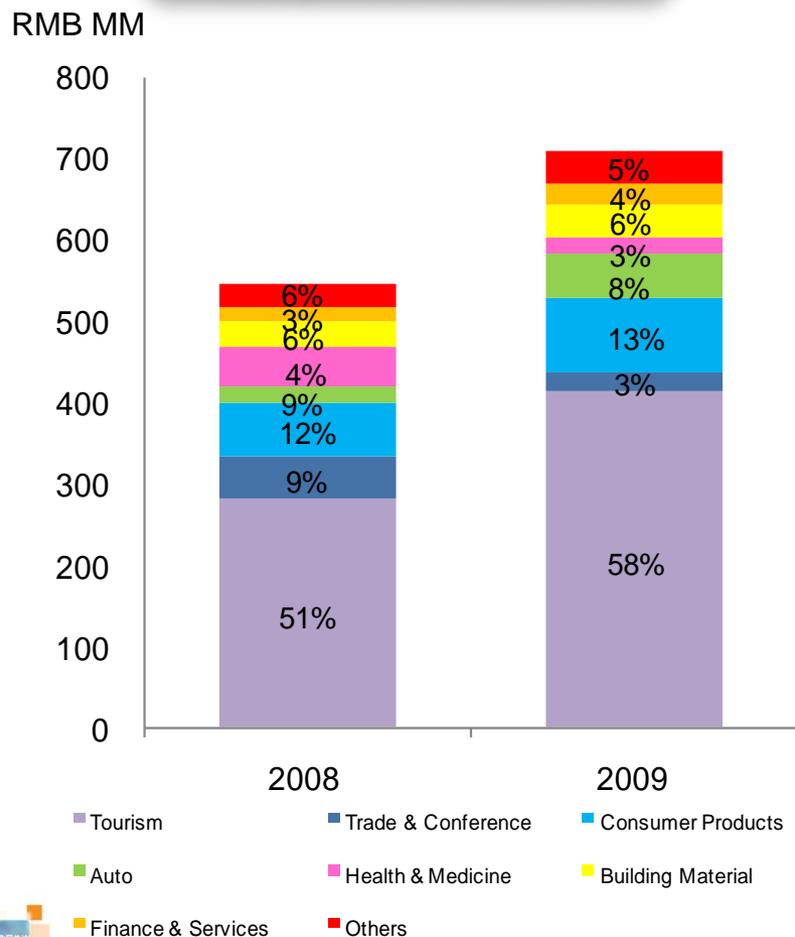


- ▶ Existing businesses: CCTV-1, 2 & 4
 - ▶ Achieved gross profit of RMB 255.4 million in FY2009, up 18% from last year
 - ▶ Improved ASP and utilisation rate in 2H2009
- ▶ New businesses:
 - ▶ CCTV-7
 - Recorded gross loss of RMB 22.9 million, including a non-cash cost of RMB 12.3 million due to the accounting treatment
 - ▶ cctv.com
 - Gross loss of RMB 2.9 million due to early stage of development
- ▶ One-off bad debt provision totalled RMB 34.2 million
- ▶ Significant decrease in non-operating income in FY2009

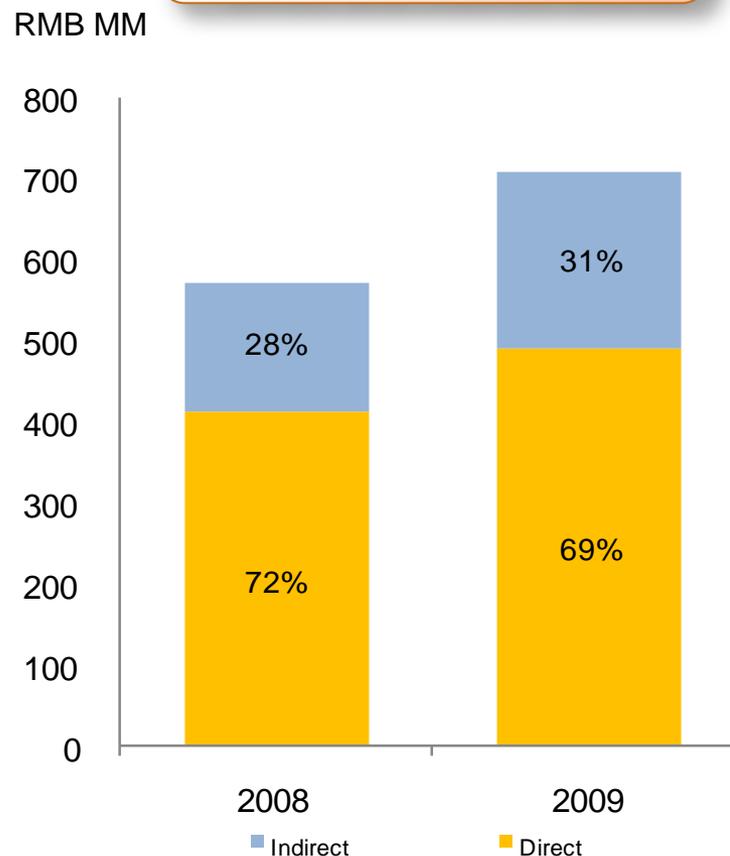


Diversified & Balanced Customer Base – CCTV-1, 2 & 4

Composition of clients



Direct and indirect clients



Continuous progress in expanding direct client base



Healthy Financial Position

Stringent receivables management

<i>RMB '000</i>	2008	2009	Change
Outstanding accounts receivables	110,833	34,458	- 68.9%
Accounts receivables turnover days	48 days	34 days	- 14 days

Healthy cash position

<i>RMB '000</i>	2008	2009	Change
Cash position <i>* prepayment made to CCTV for more premium time slots in 2010</i>	574,503	323,084*	- 43.8%

Improved cost control

<i>As % of total revenue</i>	2008	2009	Change
Selling & marketing expenses	4.8%	3.8%	- 1.0% pts
General & administration expenses <i>(excluding provision for bad and doubtful debts)</i>	6.7%	5.8%	- 0.9% pts



Satisfactory Progress for Newly Acquired Businesses

Golden Bridge Senmeng

- ▶ Acquired 9% of equity interests in Golden Bridge Senmeng (increased from 51% to 60%) in early 2009

CCTV-7, the only national-level agricultural channel

- ▶ In a start up stage. Non-cash cost of RMB 12.3 million was due to the accounting treatment
- ▶ Expected to gain wider recognition among advertisers as a results of supportive agricultural policies and growing consumption power in rural areas
- ▶ Concessionary measures such as allowances for rural villagers to buy electrical appliances, cars and construction materials will further boost the demand on advertising programmes in CCTV-7

Nationwide public service advertising broadcast network

- ▶ Gross profit totalled RMB 1.7 million in FY2009

The management is optimistic about the performance of these businesses in 2010



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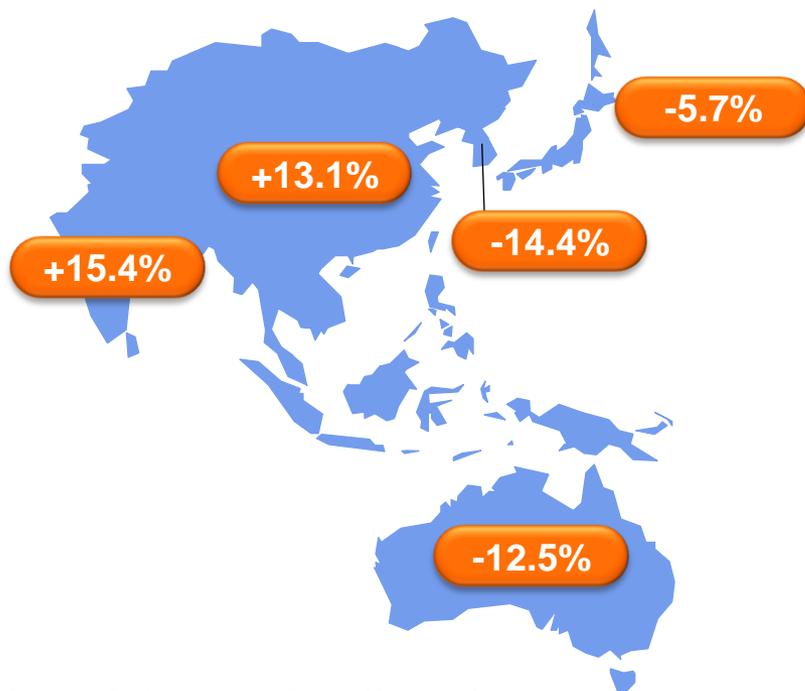
Industry Outlook



PRC Advertising Market Experienced Strong Rebound among Other AsiaPac Countries

Advertising growth in Q3 2009

Year-on-year

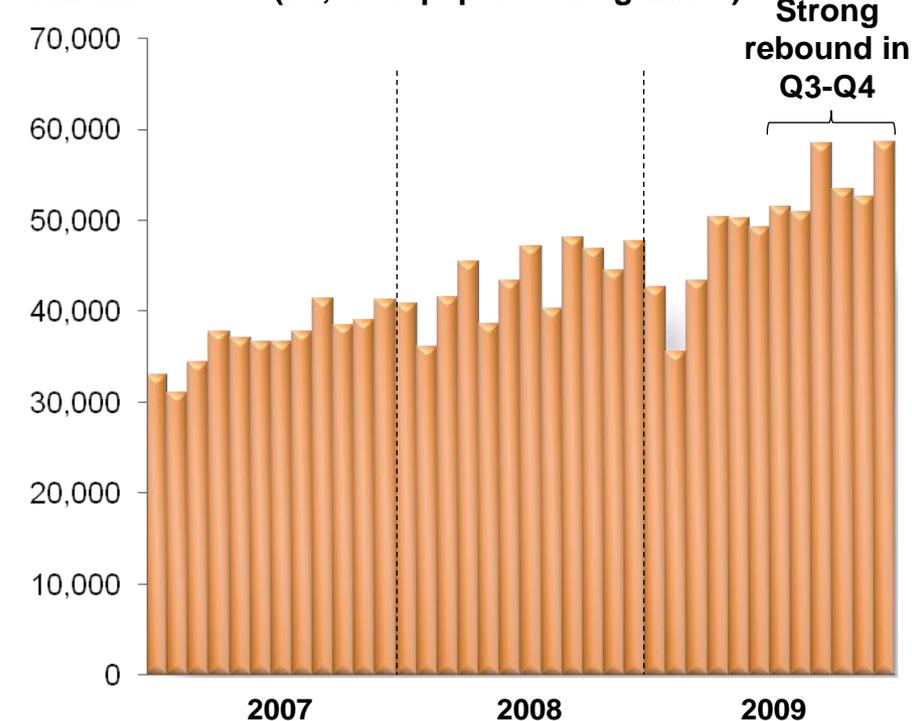


Source: Global AdView Pulse (Q3 2009)
 Nielsen Company

Monthly advertising expenses in China

RMB MM

(TV, newspapers & magazines)

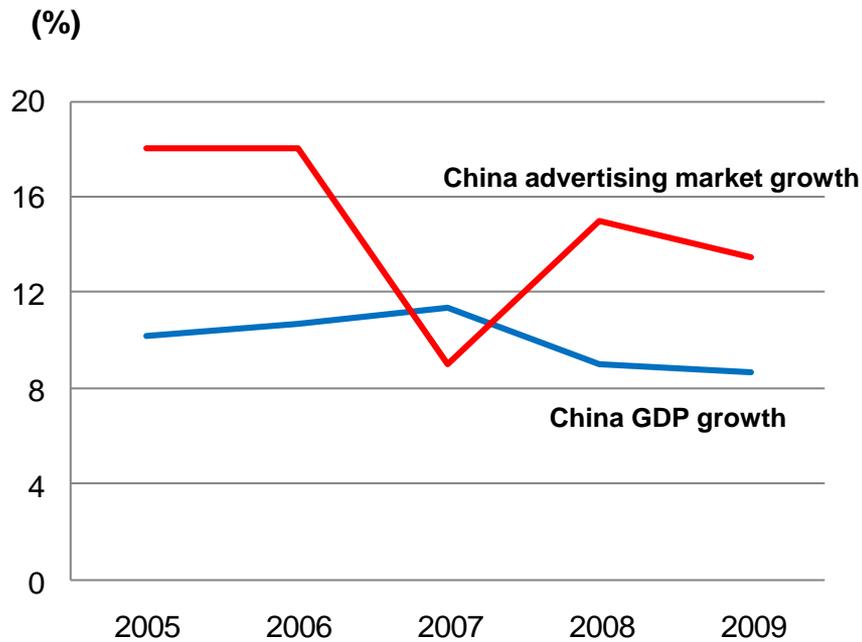


Source: Nielsen Company



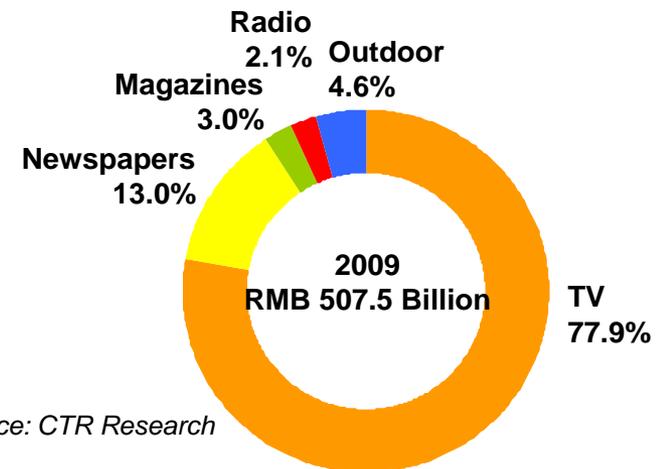
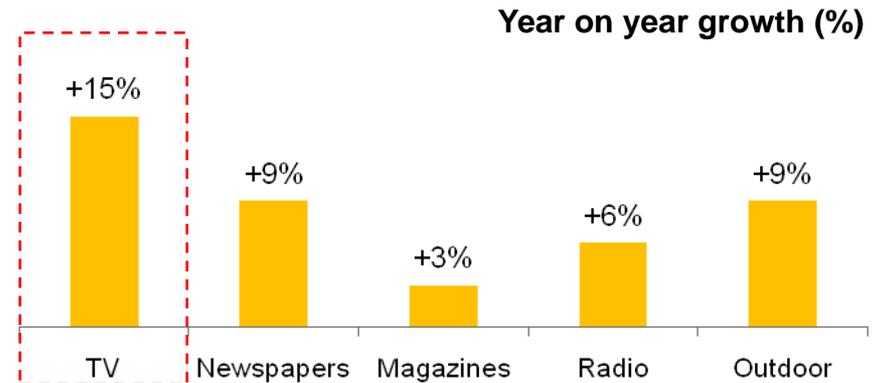
Advertising Spending Continued to Outpace Overall GDP Growth in China

% growth rate in 2005-2009



Source: PRC Government, CTR Research

Breakdown on advertising expenses in 2009



Source: CTR Research



Highlights

- Prospect of advertising and media industry remains bright as advertising market in China has rebounded from its trough

- Robust consumer confidence and growing consumption power for both urban and rural population

- A convergence of the Internet, mobile phones and TV is likely to create tremendous growth potential

- The implementation of document number 61 has boosted the advertising prices and demand on quality media resources

CTV 中視金橋[®]

- ▶ **Extensive media resources**
- ▶ **Solid client base**
- ▶ **Excellent customer service & brand position**
- ▶ **Healthy financial position**
- ▶ **Strong management & execution capabilities**

Offer the best advertising services to our customers and higher returns to shareholders





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Open Forum

