

[For Immediate Release]



2014 Annual Results Announcement

Slight decrease in revenue Healthy financial position
Double-digit growth in internet business

Financial Summary

<i>(RMB '000 unless specified otherwise)</i>	For the year ended 31 December		
	2014	2013	Change
Revenue	1,634,652	1,767,036	-7%
Profit from operations	424,126	506,131	-16%
Profit attributable to equity shareholders of the Company	306,571	369,108	-17%
Earnings per share (RMB)			
- Basic	0.542	0.661	-18%
- Diluted	0.528	0.636	-17%
Proposed dividends per share (HKD)			
- Final	13.50 cents	16.48 cents	-18%
- Special	13.50 cents	16.48 cents	-18%

(19 March 2015 – Hong Kong) **SinoMedia Holding Limited** (“SinoMedia” or the “Company”, together with its subsidiaries, collectively known as the “Group”; stock code: 623), a leading media corporation in China, announces its final results for the year ended 31 December 2014. In light of the various changes in domestic economy, consumption, industries and clients, the Group demonstrated its financial management capability under the complicated and ever-changing environment and achieved certain breakthrough in internet business. Revenue recorded from the business cluster of "TV advertising and branding services" was RMB1.54 billion, a decrease of 10% year-on-year. Revenue recorded from the business cluster of "internet media and content operations" maintained its growth momentum at 12% year-on-year.

In the progress of comprehensive and intensified reform during 2014, China’s media advertising industry ushered in the critical year of integrated development. Apart from the enhanced efforts of the regulatory authorities in monitoring the order of the industry, the acceleration of trial integration and restructuring was the main development trend in the industry. Under such complicated and ever-changing environment, leveraging on its professional and highly effective services as well as progressive operational strategies, the Group recorded revenue of RMB1.63 billion.

Revenue recorded from media resources management under the business cluster of "TV advertising and branding services" was RMB1.51 billion, a decrease of 9.6% year-on-year. During the year under review, the Group continued to maintain its leading market position in such established business with stable business development. As a result of the overall slowdown in the economic growth in China, the increasing downward pressure for certain industries, and the continual decline in advertising spending, such as advertisements for alcohol, the Group's sales of core advertising resources in terms of minutes sold and average sales rate decreased as compared with the corresponding period last year.

Furthermore, turnover recorded from integrated brand communication services under the business cluster of "TV advertising and branding services" was RMB1.51 billion, representing an increase of 25% year-on-year. The increase in the turnover was mainly attributable to the Group's new breakthroughs and progress in client resources and the industry dimensions of clients. Revenue from this business was RMB34.0 million, a decrease of 32% year-on-year, due to the decrease in the Group's commission income received from the media procurement as compared with last year.

Revenue recorded from the business cluster of "internet media and content operations" was RMB55.0 million in total, up 12% from RMB49.1 million for the same period last year. Revenue recorded from this business was primarily attributable to the revenue from creative production of commercial advertisements and contents, revenue from programme production and operation, and revenue from the operation of internet media. Among which, the operation of internet media showed good momentum and mainly contributed the upward change in the sector's revenue.

The Group maintained a healthy financial position and ample liquidity. As at 31 December 2014, the Group's cash and bank balances amounted to RMB0.80 billion. As at 31 December 2014, the Group's total assets and net assets amounted to RMB2.39 billion and RMB1.68 billion respectively.

Looking forward, Chairman of the Group, Mr. Chen Xin said, "Global economy remains complicated and encounters significant problems and potential risks. In China, its economy has formally entered into a "new normal" stage. Persisted industry restructuring keeps on magnifying the economic downside pressure. Under the evident slowdown in growth, media advertising industry, particularly traditional media advertising industry will not be optimistic due to gradually emerging impacts. Nevertheless, the Group still believes that, China's economic restructuring will bring mid-to-long-term opportunities to the market. The Group's internet media advertising platform is expected to maintain its growth and help optimise the business structure of the Group. Under such pressure and difficulties, steady and sustainable development on top of our own development will be our first priority, and the Group will focus on exploring characteristic development in line with our own advantages. In 2015, as an embodiment of SinoMedia's culture and management capability, the Group will strengthen its foundation and surpass itself under such severe market environment by keeping abreast of market changes for operational strategies, seeking for innovation and breakthroughs in professional services and product integration as well as manifesting innovative ideas with pragmatic mind, thus laying the foundation for mid-to-long term prosperity."

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About SinoMedia

SinoMedia was founded in 1999 and listed on the Main Board of the Hong Kong Stock Exchange in 2008. As a leading media corporation in China, SinoMedia has focused on consolidating an "Internet + TV" inter-screen communication marketing platform, by actively developing "Internet media and content operations" segment, and continuously improving "TV advertising and branding services" business. Its current businesses cover development and operation of mobile Internet products, Internet media platforms including www.lotour.com (樂途旅遊網), www.boosj.com (播視網) and www.wugu.com.cn (吾谷網), production and operation of video programme, CCTV media resources, public service advertising broadcast network, mobile media and overseas media. These businesses span from domestic to international markets and encompass both traditional and new media platforms. SinoMedia enjoys the marketing advantage in vertical fields of travel and agriculture. It integrates the philosophy and operating system that span the entire media value chain and has provided comprehensive, professional and high-quality services to nearly 3,000 clients worldwide. SinoMedia was one of the sponsor units of the Association of Accredited Advertising Agencies of China and is currently the director of the executive committee of the association.

For further information, please contact:

SinoMedia Holding Limited

Kent Lo / Cecilia Zhang

Tel: Hong Kong (852) 3976 7368 / Beijing (86) 10 6589 6468

Email : ir@sinomedia.com.hk / kent@sinomedia.com.hk / cecilia@sinomedia.com.hk