

[For Immediate Release]



2023 ANNUAL RESULTS ANNOUNCEMENT

Business Recovery Needed to Be Consolidated, Sale of Property Generated Incomes

Financial Highlights

<i>(All amounts are denominated in thousands of RMB, unless otherwise specified)</i>	For the year ended 31 December		
	2023	2022	YoY
Income	759,836	719,490	+6%
Operating profit	99,064	49,046	+102%
Profit attributable to equity shareholders of the Company	96,778	41,350	+134%
Earnings per share - Basic and diluted (RMB)	RMB0.21	RMB0.09	+133%
Recommended ending dividend distributable (HK\$)	9.2 Cents	4.5 Cents	104%
Recommended special dividend distributable (HK\$)	7.0 Cents	-	N/A

(26 March 2024 - Hong Kong) China's leading media operator group SinoMedia Holding Limited ("SinoMedia" or the "Company", and together with its affiliates, the "Group", stock code: 623) announced its annual results for the year ended 31 December 2023.

2023 witnessed the resumption of economic production and commercial activities over time as the pandemic lockdowns were lifted. According to the data released by CTR Media Intelligence, the TV advertising placement dipped by 0.2% year on year, narrowed as compared to the same period of the last year. Among them, the spending fell 2.6% year on year in the first half of the year, and it stabilized from volatility over the second half of the year. Despite the over-3-year twists and turns amid the pandemic, China's advertising industry has turned out to be a pickup, but many advertisers are persisting in the relatively conservative defensive principle for marketing budgets, which meant that the basis for a sustained recovery has yet to be consolidated.

Weathering the uncertainties and challenges in the post-pandemic era, the Group continued to focus its efforts on the industry and promoted the diversification of business segments during the year under review. Staying committed to providing customers with quality and diversified creative products and communication services, the Group moved further towards the strategic direction centering on the inter-screen creative communication services. Meanwhile, the Group sold some of our investment properties during the year under review and saw significant gains in order to optimize the asset structure and unlock potential value for better efficiency of asset operations, and secured a one-off income of RMB68 million.

During the year under review, the Group realized the revenue of RMB489 million, up 12% year on year, from the operation of TV media resources. Relying on its strengths and experience in TV communications, the Group stayed focused on our core competencies and customer-oriented products and services. To make it happen, we grew the market with innovative marketing strategies and media product portfolios in an effort to sustain our leadership in the TV advertising market. In the year under review, the placement amount by tourism, medical care and automobile customers picked up compared with the last year, but that by real estate, construction materials and furniture and electrical appliances customers dropped significantly compared with the last year.

The content operation and other integrated communication service segments generated a consolidated income of RMB113 million, down 22% from the previous year. This is attributable to the impact from the production, acceptance and closing cycles of some projects as well as the impact from the settlement cycle of media suppliers. As usual, the Group gave a full play to the experience and capability in video content creative and brand communication. In the year under review, staying focused on the market demand of household consumption, we offered tailor-made content services to customers. We helped customers realize their brand communication value through live interaction, short videos, content placement, animation development, promotional activities and other creative forms of content. This, in turn, brought us more solid synergy between content marketing business and brand operation management.

Revenue from digital marketing and Internet media amounted to RMB118 million in aggregate, representing a year-on-year increase of 39%. Furthermore, the Group leveraged the advantages of the Internet media resource matrix to optimize advertising placement strategy and efficiency by integrating high-quality traffic through the smart advertising placement system. To do that, the Group continued to work on the Internet integration service capabilities to enhance the placement effect of customers on the Internet and brand influence through precise communication. During the year under review, quality customers placed more advertisements, which brought an evident increase in the digital marketing revenue over the previous year.

As at 31 December 2023, the Group maintained an overall prudent financial position, held a cash and bank deposit balance of RMB922 million, and recorded total assets and net assets of RMB1.88 billion and RMB1.67 billion respectively.

When speaking of the future development, Chairman Mr. Chen Xin of the Group noted, “As a leading comprehensive media operation group in China, we will stay committed to innovation for better efficiency and business resilience and more market opportunities. We will work to accelerate the development of brand operation business in the FMCG for the diversification and resilience of the Group’s business portfolio by deepening the layout of the household consumption industry through the collaborative combination of creative communication and brand investment management business. Furthermore, we will also stay alert and flexible to market dynamics, lay the foundation for business expansion and financial robustness through sound business philosophy and prudent financial management to secure high-quality and sustainable growth in a volatile market and create long-term returns for shareholders.

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Profile of SinoMedia

SinoMedia was founded in 1999 and listed on the main board of the Hong Kong Stock Exchange in 2008. As a leading media operation group in China, SinoMedia focuses on conducting cross-media investment and operation with creative video communication as its core capability, so as to meet the demands of client market for the communications of cross-screen among television + Internet + mobile Internet. The Group currently owns business sections including CCTV advertising agency business, brand advertising creative planning, film and television program investment and production, Internet precision marketing and other business segments. SinoMedia is an early pioneer in China's city image and tourism brand creative communication field and has remained a leader in the field for years. It is also one of the leaders in brand advertising services for industries such as finance and insurance, automobiles and consumer goods. Over the past twenty 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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