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**SinoMedia**<sup>®</sup>

**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 2024**

**FINANCIAL SUMMARY**

<i>RMB'000</i>	<b>For the six months ended 30 June 2024</b>	For the six months ended 30 June 2023	<i>Change (%)</i>
<b>Revenue</b>	<b>333,120</b>	373,097	-11%
<b>Profit from operations</b>	<b>20,863</b>	51,183	-59%
<b>Profit attributable to equity shareholders of the Company</b>	<b>29,879</b>	42,470	-30%
<b>Earnings per share</b>			
— Basic and diluted ( <i>RMB</i> )	<b>0.065</b>	0.092	-29%

**REVENUE**

<i>RMB'000</i>	<b>For the six months ended 30 June 2024</b>	For the six months ended 30 June 2023	<i>Change (%)</i>
<b>TV media resources management</b>	<b>176,511</b>	209,644	-16%
<b>Content operations, Other integrated communication services and others</b>	<b>43,731</b>	52,418	-17%
<b>Digital marketing and Internet media</b>	<b>95,550</b>	87,246	+10%
<b>Rental income</b>	<b>17,328</b>	23,789	-27%
	<b><u>333,120</u></b>	<b><u>373,097</u></b>	

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 2024, with comparative figures for previous period.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		Unaudited Six months ended 30 June 2024 RMB'000	Unaudited Six months ended 30 June 2023 RMB'000
Revenue		333,120	373,097
Cost of services		<u>(262,597)</u>	<u>(331,988)</u>
<b>Gross profit</b>		<b>70,523</b>	41,109
Other (loss)/income	4	(907)	66,710
Selling and marketing expenses		(17,597)	(16,072)
General and administrative expenses		<u>(31,156)</u>	<u>(40,564)</u>
<b>Profit from operations</b>		<b>20,863</b>	51,183
Finance income	5(a)	17,748	13,273
Finance costs	5(a)	<u>(920)</u>	<u>(171)</u>
<b>Net finance income</b>		<u>16,828</u>	<u>13,102</u>
<b>Profit before taxation</b>	5	<b>37,691</b>	64,285
Income tax	6	<u>(7,894)</u>	<u>(21,726)</u>
<b>Profit for the period</b>		<u><b>29,797</b></u>	<u>42,559</u>
Attributable to:			
Equity shareholders of the Company		29,879	42,470
Non-controlling interests		<u>(82)</u>	<u>89</u>
		<u><b>29,797</b></u>	<u>42,559</u>
<b>Earnings per share</b>			
Basic and diluted (RMB)	7	<b>0.065</b>	0.092

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Unaudited Six months ended 30 June 2024 RMB'000	Unaudited 2023 RMB'000
<b>Profit for the period</b>	<b>29,797</b>	42,559
<b>Other comprehensive income</b>		
Item that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income — net movement in fair value reserve (non-recycling)	—	(8,696)
Exchange differences on translation of financial statements of the Company	<b>2,144</b>	15,412
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	<u>(835)</u>	<u>(156)</u>
Other comprehensive income for the period	<u><b>1,309</b></u>	<u>6,560</u>
<b>Total comprehensive income for the period</b>	<u><b>31,106</b></u>	<u>49,119</u>
Attributable to:		
Equity shareholders of the Company	<b>31,188</b>	49,030
Non-controlling interests	<u>(82)</u>	<u>89</u>
	<u><b>31,106</b></u>	<u>49,119</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		Unaudited At 30 June 2024 <i>RMB'000</i>	Audited At 31 December 2023 <i>RMB'000</i>
	<i>Note</i>		
<b>Non-current assets</b>			
Property, plant and equipment	8	164,090	166,644
Investment property	8	515,100	522,517
Intangible assets		2,064	2,490
Other non-current financial assets	9	137,290	134,514
Deferred tax assets		671	267
		<u>819,215</u>	<u>826,432</u>
<b>Current assets</b>			
Inventories		687	794
Prepayments, trade and other receivables	10	150,992	126,639
Restricted bank deposits		—	760
Bank deposits	11	508,911	505,742
Cash and cash equivalents		510,612	416,005
		<u>1,171,202</u>	<u>1,049,940</u>
<b>Current liabilities</b>			
Trade and other payables	12	216,582	121,407
Contract liabilities	13	134,159	56,772
Lease liabilities		628	609
Current taxation		2,016	19,179
		<u>353,385</u>	<u>197,967</u>
<b>Net current assets</b>		<u><u>817,817</u></u>	<u><u>851,973</u></u>
<b>Total assets less current liabilities</b>		<u><u>1,637,032</u></u>	<u><u>1,678,405</u></u>

	<b>Unaudited</b>	Audited
	At	At
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current liabilities</b>		
Lease liabilities	1,554	1,195
Deferred tax liabilities	205	5,190
	<u>1,759</u>	<u>6,385</u>
<b>NET ASSETS</b>	<b><u>1,635,273</u></b>	<b><u>1,672,020</u></b>
<b>CAPITAL AND RESERVES</b>		
Share capital	510,981	510,981
Reserves	1,133,208	1,169,873
	<u>1,644,189</u>	<u>1,680,854</u>
<b>Total equity attributable to equity shareholders of the Company</b>	<b><u>1,644,189</u></b>	<b><u>1,680,854</u></b>
Non-controlling interests	<u>(8,916)</u>	<u>(8,834)</u>
<b>TOTAL EQUITY</b>	<b><u>1,635,273</u></b>	<b><u>1,672,020</u></b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2024 of the Group have been prepared in accordance with IFRS Accounting Standards, International Accounting Standards (“IAS”) 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 (“HKAS”) 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 IFRS Accounting Standards, 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 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements.

## 2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IAS/HKAS and IFRS/HKFRS issued by the IASB/HKICPA to these financial statements for the current accounting period:

- Amendments to IAS/HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* (“2020 amendments”)
- Amendments to IAS/HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants* (“2022 amendments”)
- Amendments to IFRS/HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS/HKAS 7, *Statement of cash flows* and IFRS/HKFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

The application of the amendments has had no material impact on the Group’s financial results and financial position for the current and prior periods. The Group has not applied any new standard or amendment to standard that is not yet effective for the current accounting period.

### 3 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in TV advertising, creative content production and digital marketing services.

#### (a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Unaudited Six months ended 30 June 2024 RMB'000	Unaudited 2023 RMB'000
<b>Revenue from contracts with customers within the scope of IFRS/HKFRS 15</b>		
TV media resources management	176,511	209,644
Content operations, other integrated communication services and others	43,731	52,418
Digital marketing and internet media	<u>95,550</u>	<u>87,246</u>
	315,792	349,308
<b>Revenue from other sources</b>		
Rental income	<u>17,328</u>	<u>23,789</u>
	<u><u>333,120</u></u>	<u><u>373,097</u></u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Unaudited Six months ended 30 June 2024 RMB'000	Unaudited 2023 RMB'000
Point in time	19,115	22,958
Over time	<u>296,677</u>	<u>326,350</u>
	<u><u>315,792</u></u>	<u><u>349,308</u></u>

**(b) Segment information**

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.

For the six months ended 30 June 2024, there are RMB2,072 thousand of revenue generated from outside Mainland China (six months ended 30 June 2023: RMB1,818 thousand). As at 30 June 2024, the balance of non-current assets, which are based on the physical location of the assets located outside Mainland China, are amounting to RMB6 thousand (31 December 2023: RMB7 thousand).

**4 OTHER (LOSS)/INCOME**

		<b>Unaudited Six months ended 30 June 2024 RMB'000</b>	<b>Unaudited 2023 RMB'000</b>
Gains on disposal of investment properties		—	68,153
Unrealised losses on other financial assets	<i>(i)</i>	<b>(2,426)</b>	(8,367)
Government grant	<i>(ii)</i>	—	2,562
Others		<b>1,519</b>	4,362
		<b><u>(907)</u></b>	<b><u>66,710</u></b>

- (i) The unrealised losses were from the investment in China Feihe Limited.
- (ii) It is the unconditional discretionary grants received from the local government authorities in recognition of the Group's contribution to the development of the local economy.



## 5 PROFIT BEFORE TAXATION

### (a) Finance income and costs

	<b>Unaudited</b>	Unaudited
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Interest income on bank deposits	<b>17,748</b>	12,899
Net foreign exchange gain	<u>—</u>	<u>374</u>
Finance income	<u><b>17,748</b></u>	<u>13,273</u>
Net foreign exchange loss	<b>(880)</b>	—
Interest on lease liabilities	<b>(40)</b>	(48)
Others	<u>—</u>	<u>(123)</u>
Finance costs	<u><b>(920)</b></u>	<u>(171)</u>
Net finance income	<u><b>16,828</b></u>	<u>13,102</u>

### (b) Other items

The following expenses are included in cost of services, selling and marketing expenses and general and administrative expenses.

	<b>Unaudited</b>	Unaudited
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Amortisation	<b>426</b>	426
Depreciation	<b>10,567</b>	12,143
Impairment losses for doubtful debts	<b>1,441</b>	10,170
Auditors' remuneration	<b>1,325</b>	1,325
Direct operating expenses (excluding depreciation) of investment property	<b>590</b>	327

## 6 INCOME TAX

	<b>Unaudited</b> <b>Six months ended 30 June</b> <b>2024</b> <b>RMB'000</b>	Unaudited 2023 RMB'000
<b>Current tax</b>		
Provision for income tax for the period	<b>12,015</b>	37,003
Under/(over)-provision in respect of prior years	<b>1,268</b>	(252)
	<b>13,283</b>	36,751
<b>Deferred tax</b>		
Reversal of temporary differences	<b>(5,389)</b>	(15,025)
	<b>7,894</b>	21,726

The provision for Hong Kong profits tax of the Company and its subsidiary incorporated in Hong Kong is based on the applicable rates on the estimated assessable profits in accordance with the relevant income tax rules and regulations of Hong Kong. For the six months ended 30 June 2024 and 2023, the Company and its subsidiary in Hong Kong are under the two-tiered profits tax regime. The first HKD2 million of assessable profits earned by a corporation is taxed at half of the current tax rate (i.e. 8.25%) whilst the remaining profits will continue to be taxed at 16.5%. The Company and its subsidiary incorporated in Hong Kong did not have assessable profits subject to Hong Kong profits tax for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

The corporate income tax rate of the Company's subsidiary in Singapore is 17% (2023: 17%). No provision has been made for Singapore income tax as the Company's subsidiary in Singapore did not have assessable profits for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

The provision for PRC income tax is based on the respective applicable rates on the estimated assessable income of the Group entities in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC. During the six months ended 30 June 2024 and 2023, certain Group entities established in the PRC are at a preferential rate of 20% as small meager-profit enterprises. Other Group entities established in the PRC are subject to PRC corporate income tax rate of 25%.

For the six months ended 30 June 2024 and 2023, the Company applied dividends withholding tax rate at 5% as it obtained the certificate of resident of the Hong Kong Special Administrative Region under the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect of Taxes on income".

## 7 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB29,879 thousand (six months ended 30 June 2023: RMB42,470 thousand) and the weighted average of 461,635,370 ordinary shares (six months ended 30 June 2023: 461,635,370 shares) in issue during the period.

There were no dilutive potential ordinary shares outstanding for the six months ended 30 June 2024 (six months ended 30 June 2023: nil). The effect of the deemed issue of shares under the Company's share option scheme was not included in the calculation of diluted earnings per share as they are anti-dilutive during the six months ended 30 June 2024 and 2023.

## 8 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment with a cost of RMB857 thousand (six months ended 30 June 2023: RMB134 thousand) and did not acquire any items of investment property (six months ended 30 June 2023: nil).

No items of investment properties were disposed during the six months ended 30 June 2024. The Group disposed certain investment properties with a net book value of RMB23,180 thousand during the six months ended 30 June 2023, resulting in a gain on disposal of RMB68,153 thousand.

## 9 OTHER NON-CURRENT FINANCIAL ASSETS

		Unaudited At 30 June 2024 RMB'000	Audited At 31 December 2023 RMB'000
Financial assets measured at fair value through profit or loss (FVPL)			
— Equity securities listed in Hong Kong	(i)	13,322	15,646
Equity securities measured at fair value through other comprehensive income (FVOCI)			
— Investments in unlisted equity securities	(ii)	<u>123,968</u>	<u>118,868</u>
		<u><b>137,290</b></u>	<u><b>134,514</b></u>

- (i) As at 30 June 2024, the Group holds approximately 0.045% shares of China Feihe Limited (stock code: 06186) and designated the investment at FVPL. Dividends received on this investment were HKD600 thousand (approximately RMB546 thousand) during the six months ended 30 June 2024 (six months ended 30 June 2023: HKD696 thousand (approximately RMB632 thousand)).
- (ii) Investments in unlisted equity securities mainly represent shares in Bloks Group Limited and Beijing AIQI Technology Company Limited. The Group designated its investments in unlisted equity securities at FVOCI (non-recycling), as the investments are held for strategic purposes. No dividends were received on these investments during the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## 10 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	Unaudited At 30 June 2024 <i>RMB'000</i>	Audited At 31 December 2023 <i>RMB'000</i>
Within 3 months	81,014	83,783
3 months to 6 months	14,154	8,261
6 months to 12 months	6,555	4,431
Over 12 months	464	533
	<hr/>	<hr/>
Trade and bills receivable, net of loss allowance	102,187	97,008
Deposits to media suppliers	6,792	9,126
Advances to employees	3,828	2,059
Other debtors, net of loss allowance	1,337	728
	<hr/>	<hr/>
Financial assets measured at amortised cost	114,144	108,921
Prepayments to media suppliers	29,725	10,064
Other prepayments	2,615	2,464
Input VAT to be deducted	4,508	5,190
	<hr/>	<hr/>
	<b>150,992</b>	<b>126,639</b>
	<hr/> <hr/>	<hr/> <hr/>

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.

## 11 BANK DEPOSITS

	Unaudited At 30 June 2024 <i>RMB'000</i>	Audited At 31 December 2023 <i>RMB'000</i>
Bank deposits	508,911	505,742
	<hr/> <hr/>	<hr/> <hr/>

At 30 June 2024, bank deposits of the Group were all fixed-term deposits in UBS AG Hong Kong Branch, the annual interest rate ranges from 5.155% to 5.230% (31 December 2023: 5.112% to 5.330%).

## 12 TRADE AND OTHER PAYABLES

	<b>Unaudited</b>	Audited
	<b>At</b>	At
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Within 3 months	<b>23,939</b>	36,645
3 months to 6 months	<b>62,731</b>	11,425
6 months to 12 months	<b>11,927</b>	8,882
Over 12 months	<b>1,940</b>	5,677
	<hr/>	<hr/>
Total trade payables	<b>100,537</b>	62,629
Payroll and welfare expense payables	<b>4,394</b>	5,352
Other tax payables	<b>8,316</b>	4,550
Other payables and accrued charges	<b>33,752</b>	47,550
Dividends payable	<b>69,583</b>	1,326
	<hr/>	<hr/>
Financial liabilities measured at amortised cost	<b>216,582</b>	121,407
	<hr/> <hr/>	<hr/> <hr/>

## 13 CONTRACT LIABILITIES

	<b>Unaudited</b>	Audited
	<b>At</b>	At
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Media services contracts	<b>123,751</b>	47,165
Rental contracts	<b>10,408</b>	9,607
	<hr/>	<hr/>
	<b>134,159</b>	56,772
	<hr/> <hr/>	<hr/> <hr/>

Contract liabilities primarily arise from the advance payments made by customers while the underlying services are yet to be provided. Contract liabilities would be recognised as revenue upon the rendering of services.

## 14 DIVIDENDS

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

No interim dividend for the six months ended 30 June 2024 has been declared by the Company (six months ended 30 June 2023: nil).

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

	<b>Unaudited Six months ended 30 June 2024 RMB'000</b>	<b>Unaudited 2023 RMB'000</b>
Final dividend in respect of the previous financial year, approved during the interim period, of approximately RMB8.35 cents per share (six months ended 30 June 2023: approximately RMB4.15 cents per share)	<b>38,534</b>	19,153
Special dividend in respect of the previous financial year, approved during the interim period, of approximately RMB6.35 cents per share (six months ended 30 June 2023: nil)	<b>29,319</b>	—
	<b><u>67,853</u></b>	<b><u>19,153</u></b>

Dividends in respect of the previous financial year, of RMB67,853 thousand has been paid in July 2024.

## 15 EVENTS AFTER THE REPORTING PERIOD

As at the date that these interim condensed consolidated financial information were approved, there is no significant event after the reporting period which should be disclosed.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

In the first half of 2024, the intensification of global trade friction brought more uncertainties to the economic recovery, and the continuous adjustment of the domestic real estate market also adversely affected consumer demand, resulting in weak market expectations and insufficient effective demand. According to market research data released by CTR Media Intelligence, TV advertising spending in the first half of 2024 decreased by 3.4% year-on-year, among which TV advertising spending in June decreased by 9.2% year-on-year. (Source: CTR Media Intelligence, August 2024).

In the face of an increasingly complex market environment, during the period under review, the Group maintained flexibility and innovation, optimized its business structure, stepped up sales promotion, embraced new consumption trends and consumption patterns, strived to overcome market pressure, and firmly pushed forward the building of brand marketing capabilities with cross-screen creative communication services as the core, committed to providing clients with high-quality and diversified creative products and communication services.

## BUSINESS REVIEW

### TV Advertising and Content Operations

#### *I. TV Media Resources Management*

During the period under review, the Group had the exclusive underwriting right for a total of 65,336 minutes of China Media Group advertising resources on “Boutique Financial Records” on CCTV-2 (Financial Channel), “Focus Today” and “Across the Strait” on CCTV-4 (Chinese International), CCTV-9 (Documentary Channel) and CCTV-14 (Children’s Channel). It covered the market of finance and economics, current politics, culture and children, and brought diversified communication channels to clients. During the period, the Group endeavoured to maintain its leadership in the television advertising market by stretching its edges and experience in TV communications, actively exploring new horizons, overcoming difficulties and continuously optimising its marketing strategies and media product portfolio.

## ***II. Content Operations***

The Group provided clients with comprehensive and professional video production services. During the period under review, the Group successively served McDonald's, Milkground, PICC and other clients, providing services involving advertising video shooting, producing and editing and graphic design.

The Group continued to develop its content marketing business centered on the R&D and production of video content, and provide tailor-made creative video contents for clients, to realize the brand communication value of clients by means of content marketing. During the period under review, focusing on the market demand of family consumption, through live broadcast interaction, short video, content implantation, animation development and publicity activities, the Group provided creative content communication services to clients including Chimelong Group, Bank of Beijing, Sinotruk, NBA China and other clients.

## ***III. Other Integrated Communication Services and Others***

The Group has gained recognition from a large number of renowned clients for its professional and efficient communication services and the philosophy of caring services. During the period under review, the Group provided brand information, advertising placement, promotion planning, public relation activities and other multi-dimensional brand integration communication services to clients including China Feihe, CITIC Group, Tencent, Geely Auto, FAW-Volkswagen, China Duty Free Group and Bamboo Leaf Green Tea and other clients.

In respect of the international business, the Group actively offered Chinese market promotion, media propaganda, creative planning and other services to overseas clients. The main clients during the period under review included Destination DC, Tourism Yukon, Queen Sirikit National Convention Center and YTL Hotels.



## **Digital Marketing and Internet Media**

### ***I. Digital Marketing***

The Group continued to focus on its core competence in digital marketing and strengthened its internet integration service capability to provide customised one-stop digital marketing solutions to its clients. Meanwhile, the Group leveraged the advantages of its internet media resource matrix, integrated quality traffic and optimised placement strategies through its intelligent advertisement placement system, and established close partnerships with data providers, advertisement trading platforms and effect monitoring agencies to jointly promote the development of programmatic advertisement placement. During the period under review, the Group successively served China Feihe, Huaxia Bank, CITIC Bank, South Asset Management, CZBank, PICC and Bausch & Lomb and other clients, and was highly recognized and praised by the clients.

### ***II. Internet Media***

www.boosj.com of the Group focused on the video content operation in healthy life field. In the two vertical areas of parent-child education and middle-aged and elderly healthy life, www.boosj.com continued to enhance content construction and we-media matrix deployment, and deeply explore the needs of family users. In addition, on the basis of community operation and video content aggregation of users, www.boosj.com combines the MCN streamer matrix to enrich the content and form of live broadcast, and consolidate the channel functions of brand marketing and e-commerce delivery.

## **FINANCIAL REVIEW**

### **Revenue**

For the six months ended 30 June 2024, the Group recorded operating revenue of RMB333,120 thousand, representing a year-on-year decrease of 11% from RMB373,097 thousand for the same period last year.

Details of revenue for the period under review are as follows:

- (I) Revenue from TV media resources management amounted to RMB176,511 thousand, representing a year-on-year decline of 16% from RMB209,644 thousand for the same period last year. With the weakening of the festival effect in the first quarter of 2024, the TV advertising spending began to decline since the second quarter. Among them, the advertising amount of clients in maternal and infant products, building materials, furniture and electrical appliances decreased significantly compared with the same period last year. The Group will continue to pay attention to changes in demand, innovate media product portfolio, improve operational efficiency and product competitiveness, and strive to overcome the difficulties and challenges brought about by market fluctuations.
- (II) Revenue from content operations, other integrated communication services and other businesses amounted to RMB43,731 thousand, representing a year-on-year decrease of 17% over RMB52,418 thousand for the same period last year. Among which: (1) Revenue from content operations amounted to RMB7,961 thousand, representing a year-on-year decline of 45% from RMB14,528 thousand for the same period last year. Affected by the shrinking budgets of certain clients, content creative marketing revenue and commercial advertising video production revenue both declined compared with the same period last year. (2) Revenue from other integrated communication services and other businesses amounted to RMB35,770 thousand, representing a year-on-year decline of 6% over RMB37,890 thousand for the same period last year. Revenue from this business mainly comes from the commission income obtained from media suppliers by the Group as an agent to procure media resources for clients. The commission income earned during the period under review decreased slightly compared with the same period last year, due to influence of the commission settlement cycle of media providers.
- (III) Revenue from digital marketing and internet media amounted to RMB95,550 thousand, representing a year-on-year increase of 10% from RMB87,246 thousand for the same period last year. Among which: (1) the Group's self-developed intelligent programming advertising placement platform operated well, and the advertising placement from high-quality clients was enhanced, significantly improving the digital marketing revenue when compared with the same period last year; (2) the revenue from internet media declined slightly as compared with the same period last year.

(IV) The investment properties held by the Group are offices on multiple floors located at The Place-SinoMedia Tower, No. 9 Guanghai Road, Chaoyang District, Beijing, PRC, with a total gross floor area of 16,130.64 sq.m. and a land use right of 50 years from 8 August 2007 to 7 August 2057. The rental income generated from the investment properties amounted to RMB17,328 thousand, representing a year-on-year decrease of 27% from RMB23,789 thousand for the same period last year. Due to the combined effect of the disposal of certain investment properties in the first half of last year and the decrease in rental prices of existing rental properties, the revenue from this business was lower than that of the same period last year.

## **Operating Expenses**

For the six months ended 30 June 2024, the Group's operating expenses were RMB48,753 thousand in aggregate, representing a year-on-year decrease of 14% from RMB56,636 thousand for the same period last year, and accounting for 14.6% of the Group's revenue (the same period last year: 15.2%). The Group continuously strengthened the budget management for operating expenses, reduced the non-essential expenditures, and steadily implemented the measures for cost reduction and efficiency improvement, resulting in a decrease in operating expenses as compared to the same period last year.

Among which:

- (I) Selling and marketing expenses amounted to RMB17,597 thousand, representing a year-on-year increase of RMB1,525 thousand from RMB16,072 thousand for the same period last year, and accounting for 5.3% of the Group's revenue (the same period last year: 4.3%).
- (II) General and administrative expenses amounted to RMB31,156 thousand, representing a year-on-year decrease of RMB9,408 thousand from RMB40,564 thousand for the same period last year, and accounting for 9.3% of the Group's revenue (the same period last year: 10.9%). The decrease in general and administrative expenses was mainly due to a decrease of RMB8,729 thousand in impairment losses on receivables as compared with the same period last year.

## INVESTMENTS, ACQUISITIONS AND DISPOSALS

In January 2024, the Group signed a capital increase agreement with Shenzhen Honghegu Biotechnology Co., Ltd. (深圳市紅禾谷生物科技有限公司) (“**Honghegu**”) to subscribe for a minority stake in Honghegu through capital increase in cash of RMB5,100 thousand. As a new consumption company focusing on tomato products, Honghegu is engaged with the business ranging from the primary processing and deep processing of tomatoes to the whole industrial chain of new consumption brand operation, aiming for providing consumers with healthy, delicious and portable tomato products. As of 30 June 2024, the transaction procedures had been fully completed.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group had a stable financial position as a whole. As at 30 June 2024, cash and cash equivalents of the Group amounted to RMB510,612 thousand (31 December 2023: RMB416,005 thousand), of which approximately 72% was denominated in RMB, 28% in HK dollars and other currencies. As at 30 June 2024, the bank time deposits with maturity over three months held by the Group amounted to RMB508,911 thousand (31 December 2023: RMB505,742 thousand).

During the period, details of the Group’s cash flow status were as follows:

- (I) Net cash inflow from operating activities was RMB88,020 thousand (the same period last year: RMB46,119 thousand), which was mainly because: (1) the media agency costs paid in advance increased by RMB19,661 thousand compared with the end of last year; (2) the media costs and deposits payable increased by RMB37,908 thousand compared with the end of last year; (3) the balance of advances from clients increased by RMB77,387 thousand compared with the end of last year; and (4) income tax of RMB25,162 thousand was paid.
- (II) Net cash inflow from investing activities was RMB9,168 thousand (the same period last year: net cash outflow of RMB302,165 thousand), which was mainly attributable to: (1) the bank deposit interest received of RMB17,748 thousand; and (2) payment of RMB5,100 thousand for equity securities investment.
- (III) Net cash outflow from financing activities was RMB452 thousand (the same period last year: RMB1,026 thousand), which was mainly attributable to the payment of lease rentals.

## **PROFIT AND EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY**

For the six months ended 30 June 2024, the profit attributable to equity shareholders of the Company was RMB29,879 thousand, while the profit attributable to equity shareholders of the Company was RMB42,470 thousand due to the one-off gain on disposal of properties of RMB68,153 thousand recorded in the same period last year.

As at 30 June 2024, the Group's total assets amounted to RMB1,990,417 thousand, which consisted of equity attributable to equity shareholders of the Company of RMB1,644,189 thousand and non-controlling interests of RMB-8,916 thousand.

As at 30 June 2024, the Group had no interest-bearing debts, and the gearing ratio of the Group was nil (31 December 2023: nil). The gearing ratio was calculated by dividing the sum of the period-end interest-bearing bank borrowings and other borrowings by the period-end total equity, and multiplying 100%.

As at 30 June 2024, the Group had no material contingent liabilities.

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

## **HUMAN RESOURCES**

As at 30 June 2024, the Group had 205 employees in total, slightly more than that at the beginning of the year. In the first half of the year, despite the volatile market conditions, the Group stayed on course for the policy of maintaining overall stability of the staff team and making moderate adjustment in the business structure. To make it happen, the Group actively embraced new technologies and new trends in the family consumption market to promote the sustainable development of the Group's business by adding a new team for the development of digital imaging technology. Drawing on its scientific job analysis and employee competency assessment, the Group rationally increased the salary and performance bonus for some professional positions in sales and marketing and implemented dynamic performance related remuneration policies for all the employees to constantly intensify the connection between working results and personal interests. In terms of training, the Group developed and organized targeted training strategies and programs for employees and adopted an online + offline professional training mode, including induction training for new employees, professional skills training and other trainings of various levels and categories, with an aim to comprehensively improve employees' professional knowledge, marketing ability and practical ability. In terms of corporate culture, the Group continued to organize activities such as "SinoMedia Second Generation" parent-child carnival and the annual dinner for employees to promote the construction of corporate culture of caring for employees and building happy homes. 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 14,852,000 units.

## **INDUSTRY AND GROUP OUTLOOK**

According to the Purchasing Managers' Index released by the Service Survey Center of NBS and the China Federation of Logistics & Purchasing, in July 2024, the Purchasing Managers' Index (PMI) of China's manufacturing industry was 49.4%, down 0.1 percentage point from the previous month; the business activity index of non-manufacturing industry was 50.2%, down 0.3 percentage points from the previous month; the overall PMI of 50.2% (lower than 50.5% of the previous month) has been declining for four consecutive months since March 2024. (Sources: National Bureau of Statistics, July 2024). As shown by the data, the domestic enterprises' production and business activities remained generally expansive yet at an increasingly slower pace, triggering the market's concern about the downward pressure on the economy in the coming period.

Despite the current challenging market, the Group, as a leading comprehensive media operation group in China, will persist in gaining insight into and capturing changes in consumer demand to continuously strengthen its connection with the consumer market and to enhance its core competitiveness in creative communication and brand strategy. Highly experienced with over 20 years' business strategies, the Group will cope with the complex and volatile economic environment and operating pressure thereunder.

Specifically, in respect to TV advertising, the Group will adhere to the client-oriented product and service strategies, constantly optimize media resources, and enhance the brand value of clients by providing one-stop solutions such as brand positioning, visual creativity, communication strategy, media execution and effect evaluation. In respect to content operation, the Group will, leveraging its experience and capabilities in video content creation and brand communication, further develop content marketing business centering video content R&D and production, customize creative video for clients to promote the in-depth combination of brand communication and creative content. In respect to the digital marketing and internet media, the Group will continue to expand high-quality media resources, enhance the technological iteration of intelligent programmatic advertising platforms, and improve the online placement efficiency and brand influence with the expertise in precision communication.

The Group will further optimize its business structure, deepen the deployment in family consumption industry through the synergy of creative communication and brand investment management business, and accelerate the development of brand operation business in the field of FMCG. In addition, the Group will also continue to enhance its operational resilience through prudent financial management in an effort to minimize the impact of market volatility on the Group and to generate long-term returns for shareholders.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## **CORPORATE GOVERNANCE PRACTICES**

During the six months ended 30 June 2024, the Company had fully complied with all code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except for the following deviation:

*Under Code Provision F.2.2, the chairman of the Board should attend the annual general meeting. He should also invite the chairman of the audit, remuneration, nomination and any other committees (as appropriate) to attend.*

Due to other pre-arranged business engagements which must be attended by him, Mr. Qi Daqing, the chairman of the Audit Committee and an Independent Non-executive Director of the Company, could not attend the annual general meeting held on 12 June 2024. However, Mr. Chen Xin, the chairman of the Board, invited the other two members of the Audit Committee, Ms. Ip Hung and Dr. Zhang Hua, to attend the said annual general meeting to ensure effective communication with the shareholders thereat.

## **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 C3 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 2024.



## **REVIEW OF FINANCIAL INFORMATION**

The audit committee, together with the management of the Company, has reviewed the unaudited consolidated financial statements and the interim report for the six months ended 30 June 2024 of the Group, and the accounting principles and practices adopted by the Group.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This announcement will be published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.sinomedia.com.hk](http://www.sinomedia.com.hk)). The interim report of the Company for the six months ended 30 June 2024 will be dispatched to shareholders and published on the aforesaid websites in due course.

By order of the Board  
**SinoMedia Holding Limited**  
**CHEN Xin**  
*Chairman*

Hong Kong, 26 August 2024

*As at the date of this announcement, the Board comprises Mr. Chen Xin, Ms. Liu Jinlan, Mr. Li Zongzhou and Ms. Liu Zhiyi as executive directors, and Mr. Qi Daqing, Ms. Ip Hung, Dr. Tan Henry and Dr. Zhang Hua as independent non-executive directors.*