

[For immediate release]



2021 INTERIM RESULTS ANNOUNCEMENT

Optimizing of Business Structure Significant Growth in Revenue

Financial Summary

<i>(RMB'000, unless otherwise indicated)</i>	For the six months ended 30 June		
	2021	2020	Change
Revenue	603,029	542,545	11%
Profit from operations	58,934	31,279	88%
Profit attributable to equity shareholders of the Company	40,662	12,389	228%
Earnings per share - Basic and Diluted	8.7 cents	2.5 cents	248%

Hong Kong, 31 August 2021-- SinoMeida Holding Limited (“SinoMeida” or the “Company”, collectively the “Group” with its subsidiaries, stock code: 623), a leading media operation group in China, announced its interim results for the six months ended 30 June 2021.

In the first half of 2021, the advertising market overall showed a recovery growth withstanding the negative impact of the pandemic in 2020. According to the research report released by CTR Media Intelligence, the advertising expenses of all media saw an increase of 27.3% year on year in the first quarter. With the marginal slowdown in economic recovery, however, the rebound of the advertising market gradually weakened in the second quarter. The TV advertising expenses of June 2021 increased by 0.5% year-on-year and decreased by 6.6% month-on-month. The Group progressed in the strategic direction with inter-screen creative communication services as the core, and recorded revenue of approximately RMB603 million in the first half of 2021, representing a year-on-year increase of 11%.

The Group continued to strengthen its client development and service capabilities in TV advertising marketing, and continuously optimized its marketing strategies and media product portfolio to enhance its competitiveness. During the period under review, revenue recorded from TV media resources management amounted to RMB469 million, representing a year-on-year increase of 7%. With the mitigating COVID-19 epidemic and the recovering macro economy in China, the sales of TV advertising in the first half of the year improved, with the sales duration and sales rate increasing as compared with the same period of last year. The advertising placement of clients in consumer goods, tourism and finance and insurance improved significantly as compared with the same period of last year.

Content operations and other integrated communication services recorded total revenue of RMB41.4 million, representing a 52% year-on-year increase. Of which, revenue of content operations increases by 404% year-on-year. During the period under review, the Group continued to focus on the marketing positioning of “Parent-child Companionship, Joint Growth and Leading Consumption”, strengthened the professional ability of creative planning, shaped brand empowerment for more growth-oriented consumer product enterprises. The Group provided clients with content and creative communication services such

as product implantation, image IP R&D and design, live streaming interactions, video clips, and micro records, with a significant increase in revenue as compared with the same period of last year. Meanwhile, the Group integrated the upstream and downstream cooperation resources in the consumption industry chain, and accelerated the expansion of market layout in parent-child family consumption through brand investment management business. Revenue from other integrated communication services business was affected by the commission settlement cycle of media suppliers, representing a year-on-year decrease of 31%.

Revenue from digital marketing and internet media totaled RMB65.0 million, representing a year-on-year increase of 25%. The Group continued to improve its internet integration service capabilities through big data and precision placement technology to provide clients with one-stop digital marketing solutions. During the period, the advertising placement from existing high-quality clients increased as compared with the same period of last year. Revenue from internet media remained flat as compared to the same period of last year.

The Group continued to improve the overall budget management of operating expenses, steadily promoted cost reduction and efficiency enhancement measures, and improved operating efficiency, resulting in a year-on-year decrease of 37% in operating expenses. As at 30 June 2021, the Group's financial position was sound and the balance of cash and bank deposits increased as compared with the corresponding period of last year, with total assets and net assets of approximately RMB2.083 billion and RMB1.670 billion, respectively.

“As a leading integrated media operation group in China, we will consolidate our strengths to optimize our business structure and strengthen the core competitiveness of creative communication and brand strategy with the aim of addressing the complicated and fickle economic environment and operating pressure. Specifically, in respect of the TV advertising, we will stay committed to the client-oriented product and service strategy, and enhance the brand value of clients through the efficient communication of TV advertisements. In terms of content operation, we will continue to leverage our experience and capabilities in video content creativity and brand communication to further develop our content marketing business centering on video program content development and production, and promote the in-depth integration of brand and creative content. In terms of digital marketing and internet media, we will renew our efforts in more investment, expand high-quality media resources, and improve the effectiveness of clients' placement on the internet and brand influence through the professional ability of precision communication. Furthermore, we will accelerate the expansion of brand business in the industry chain of children's growth and parent-child family consumption to optimize of our business structure and corporate value in the medium and long term,” said Mr. Chen Xin, the Group's Chairman, when it comes to future development.

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About SinoMedia

Founded in 1999, SinoMedia was listed on the main board of the Stock Exchange of Hong Kong in 2008. As a leading media operation group in China, SinoMedia, with creative video communication as the core capacity, has been committed to cross-media investment and operation to meet the demands of client market for the TV-Internet+Mobile Internet inter-screen communication. The Group, currently covering such business segments as CCTV advertisement agency operation, brand advertisement creative planning, investment and making of documentary film and television programs, and precise Internet marketing, is

the pioneer and leader for years in the China urban image and travel brand creative communication and among the leaders of brand advertisement service in such sectors as financial insurance, auto, and consumer goods and other industries. Over the past two decades, SinoMedia has provided comprehensive and professional creative communication services to over 3,000 clients worldwide.

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