

[Instant release]



Announcement of 2021 Annual Results

Undertaking TV Advertising Business Continuously Optimizing Business Structure

Financial Summary

(RMB '000, unless otherwise indicated)	For the year ended 31 December		
	2021	2020	Change
Revenue	1,183,473	1,175,947	1%
Profit from operations	40,625	125,385	-68%
Profit attributable to equity shareholders of the Company	37,078	87,213	-57%
Earnings per share-Basic and Diluted (RMB)	8.0 cents	18.1 cents	-56%
Proposed final dividend per share (HKD)	4.0 cents	9.0 cents	-56%

(March 29, 2022- Hong Kong) SinoMedia Holding Limited (“SinoMedia” or the “Company”) together with its subsidiaries, collectively the “Group”, stock code: 623), a leading media operation group in China, announced its annual results for the year ended December 31, 2021. The constant appearance of several variants of the virus since the second half of 2021 impacted on the stabilized economic growth once again. As a result, the advertising market witnessed a weakened trend in a fluctuant manner. According to the market research report released by CTR Media Intelligence, the TV advertising expenses in 2021 increased by 1.3% year-on-year, the annual growth rate of launch showed an oscillatory slowdown trend, and the growth rate in the second half of the year was lower than that in the first half of the year.

In the face of market challenges, the Group timely integrated its own advantages, implemented the strategy of gradual optimization and adjustment of business structure, and took a number of measures to effectively control expenses and maintain its consistent financial stability for many years. At the same time, the Group also developed customer markets and focused on core competitiveness with innovative marketing strategies and media product portfolio, kept moving forward in the strategic direction that takes inter-screen creative communication services as the core, and committed itself to providing clients with high-quality and diversified creative products and communication services.

For the year ended 31 December 2021, the Group achieved the operation revenue approximately RMB 1,180 million, with 1% year-on-year growth. Wherein, the operation revenue from the group's TV media resources amounted to RMB 900 million, representing a year-on-year decrease of 4%. With the slowdown in macroeconomic growth, the lack of market consumption demand has affected the willingness and confidence of some advertisers in TV advertising. Among them, the decrease in the amount of advertising placement for tourism clients was more pronounced. Confronting operating pressure, the Group strove to maintain stable business development by continuously optimizing media resources, moderately controlling scale costs, consolidating existing quality clients, exploring client opportunities in new

consumption fields and improving incentives for marketing personnel.

The content operation and other integrated communication services cultivated by the group in recent years maintained rapid growth, with a total revenue of RMB 120 million, a year-on-year increase of 23%. Among them, the content operation revenue was RMB 79.6 million, a year-on-year increase of 153%. The Group strengthened its brand creative communication service ability in the consumer market and focused on the marketing positioning of “parent-child companionship, joint growth and leading consumption” to integrate the diversified parent-child brand resources to provide clients with content creative communication services through live streaming interactions, content embedding, video clips, micro recording, program planning, animation development promotional campaigns and other forms, which brought obvious growth in revenue from content operation than the same period last year. The Group will continue to enhance the customized content services for different types of clients, and realize the brand communication value of clients by means of content marketing through in-depth combination of brand communication and creative content. The revenue from other integrated communication services was RMB 43.8 million, a year-on-year decrease of 36% due to the commission settlement cycle of media suppliers.

The total revenue of digital marketing and internet media was RMB 99.0 million, a year-on-year increase of 27%. The Group’s digital marketing business remained stable, the self-developed intelligent programming advertising placement platform continued to upgrade and update. The Group followed the development trend of internet media and the advertising demand of advertisers to actively try new forms of communication resources for the application of convergence media technology, continue to improve the online placement effect and brand influence for customers. The video website www.boosj.com of the Group concentrated on the core demand of family life to further focus on the video operation in the fields of the healthy life of the middle-aged and elderly and parent-child talent training, enrich content products and expand distribution channels, thus providing users with high-quality video content and realizing the communication value for clients through the interactive combination of “online contents + offline activities”.

The Group’s overall operating revenue was basically the same as last year, but the cost of exclusive advertising agency for the TV media resources management business increased compared with last year; the Group’s profit for the year decreased compared with last year is also due to the negative impact of the change in fair value of equity securities on profit. As at 31 December 2021, The Group's cash and bank deposit balance was RMB 850 million, and its total assets and net assets were RMB 2.04 billion and RMB 1.66 billion respectively.

Looking forward to the future, Mr. Xin Chen, Chairman of the Group, said:“despite the uncertainties brought by the epidemic outbreak and the risks and challenges brought by the changes in the external environment, we are optimistic about the prospects of the Group’s core business of brand empowerment through creative communication by virtue of our innovative business strategy that keeps pace with the times, and remain confident in the medium and long-term prosperity and consumption upgrade of the domestic market. We will continue our efforts in the core business market, strengthen our innovation capabilities and operational capabilities amid changes, and work hard to achieve steady development through innovation. In the meantime, will continue to focus on the industrial chain of parent-child family consumption, and further accelerate the market layout and business expansion to the consumption field

through brand investment management business, so as to promote the business structure optimization of the Group and create long-term value and ideal returns for shareholders.”

— End —

Introduction to SinoMedia

SinoMedia was founded in 1999 and listed on the main board of the Stock Exchange of Hong Kong in 2008. As a leading media operation group in China, SinoMedia focuses on cross-media investment and operation with video creative communication as its core competence to meet the demand of the customer market for TV+internet + mobile Internet cross-screen communication. At present, the Group, possessing CCTV advertising agency operation, brand advertising creative planning, film and television program investment and production, Internet precision marketing and other business segments, is an early pioneer and leader for many years in the creative communication field for China's city image and tourism brand, and one of the leaders of brand advertising services in industries such as finance, insurance, automobiles and consumer goods. SinoMedia has provided comprehensive and professional creative communication services for more than 3,000 clients in China and other countries for more than 20 years.

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