

[For immediate release]



2023 Interim Results Announcement

TV Advertising Business under Pressure Disposal of Properties resulted in Profit

Financial Summary

<i>(In RMB thousands unless otherwise stated)</i>	Six months ended 30 June		
	2023	2022	Change (%)
Revenue	373,097	352,731	+6%
Profit/(Loss) from operations	51,183	(30,747)	>100%
Profit/(Loss) attributable to equity shareholders of the Company	42,470	(22,441)	>100%
Earnings/(Losses) per share - basic and diluted	9.2 cents	(4.8 cents)	>100%

(28 August 2023 - Hong Kong) SinoMedia Holding Limited (“SinoMedia” or the “Company”) and its subsidiaries (collectively the “Group”) (stock code: 00623) announced its interim results for the six months ended 30 June 2023.

In the first half of 2023, with the lifting of epidemic prevention and control measures, economic activity showed signs of recovery in the first quarter, and showed weaker volatility in the second quarter. According to the market research data published by CTR Media Intelligence, the TV advertising spending had a yoy decline of 2.6% in the first half of 2023. Data showed that advertisers remained relatively cautious about marketing budgets, and China's advertising market was still under pressure and struggling to recover. During the period under review, the Group made great efforts to overcome market pressure, adjust business structure, optimize media resources, and firmly promote the brand strategic direction with cross-screen creative communication services as the core, while accelerating the cultivation of FMCG brands in the field of parent-child consumption.

During the period under review, revenue from TV media resources management was RMB210 million, down 2% from the same period last year. In the face of the complex and harsh market environment, the Group continued to strengthen its customer development and service capabilities in TV advertising marketing, and continuously optimized its marketing strategy and media product portfolio to enhance its competitiveness. As the economic recovery was not as fast as expected, and the consumer demand was relatively weak, the overall advertising market remained uncertain. The advertising placement of tourism customers improved compared with the same period last year, but the advertising placement of real estate, construction materials, furniture and electrical appliances customers decreased significantly compared with the same period last year.

Revenue from content operations and other integrated communication services amounted to RMB52.4 million, up 2% from the same period last year. During the period under review, focusing on the market

demand of family consumption, the Group tailored creative video content for customers, realized the value of brand integration and communication for customers through various content creative communication methods such as live streaming and interaction, short videos, content implant, animation development, and promotion activities, and accumulated experience and capabilities in the operation of FMCG brands. In addition, with the self-cultivated "Great Lion" brand, the Group extensively carried out public welfare communication for children, such as safety, health, water conservation, and garbage classification, to promote brand awareness and social benefits.

Digital marketing and internet media revenue totaled RMB87.2 million, up 47% from the same period last year. Relying on customer resources, media advantages and data technology, the Group continuously strengthened its internet integration service capabilities, improved the efficiency of advertising placement, and provided customers with one-stop digital marketing solutions. 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.

During the period under review, the Group's operating profit for the first half of 2023 was RMB51.2 million due to a one-off gain from the disposal of properties. As at 30 June 2023, the Group enjoyed a healthy financial position, with balance of cash and bank deposits of RMB960 million and total assets and net assets of RMB1.95 billion and RMB1.64 billion respectively.

With regard to the future development, Mr. Chen Xin, chairman of the Group expressed: "As a leading comprehensive media operation group in China, the Group will integrate its strengths, and enhance the core competitiveness of creative communication and brand strategy, in order to cope with the complex and changing economic environment and operating pressure. Specifically, 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; leverage its experience and capabilities in video content creation and brand communication to further develop content marketing business centering on video content R&D and production, customize creative video content for clients and promote the in-depth combination of brand and creative content; 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. In addition, 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 cultivation and expansion of independent brand operation business in the field of FMCG."

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About SinoMedia

SinoMedia Holding Limited ("SinoMedia") was founded in 1999 and listed on the Main Board of the Hong Kong Stock Exchange in 2008. SinoMedia is a leading media operation group in China which 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 the 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 20 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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