



HONY MEDIA GROUP

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 419)

Hony Media Group Announces 2024 Interim Results Cost Optimization and Efficiency Enhancements Leads to 31% Reduction in Losses Introducing Hony Capital Expanding into International Culture, Media, and Entertainment

Results Highlights:

- During the Period ended June 30, 2024, the Group's revenue from continuing operations was HK\$489 million, representing a decrease of 22% compared to the same period last year. Benefiting from continuous cost control and the business restructuring of the smart healthcare services platform "Meerkat Health", the loss from continuing operations during the period significantly narrowed by 31% to approximately HK\$46.18 million from approximately HK\$67.21 million during the same period last year.
- "Echartnow", the digitized operation service in the healthcare industry has recorded revenue of approximately HK\$373 million during the Period, accounting for 76% of the Group's total revenue. During the Period, "Echartnow" officially opened its self-developed "Cistanche Digitized Operation and Management Platform" and served over a hundred Cistanche customers
- "Meerkat Health", a smart healthcare services platform has recorded revenue of approximately HK\$116 million during the Period. Meerkat Health has optimized its business structure, further terminated the private e-commerce business with unclear development prospects and fully reduced related personnel, focusing on operating the healthcare consumption business
- HB Entertainment (principally engaged in production and investment in film and television drama projects and provision of artist management and agency services in South Korea), in which the Group held a 30.77% equity stake, produced the television drama "My Man Is Cupid". The drama, starring well-known actors Jang Dong-yoon and Im Jin-ah, was exclusively broadcast on Amazon Prime Video in December 2023
- During the Period, the Group has completed the issuance of HK\$120 million convertible bonds to Hony Capital. Mr. Zhao John Huan, Chairman of Hony Capital, was appointed as the Chairman of the Board of Directors of the Company, and Mr. Cheng Wu was appointed as the Chief Executive Officer, focusing on the strategic development of international culture, media and entertainment businesses, striving to realize the vision of building a world-leading global content creation platform

(23 August 2024, Hong Kong) [Hony Media Group](#) ("**Hony Media**", the "**Company**"; Stock code: 419.HK; together with its subsidiaries collectively known as the "**Group**") is pleased to announce its interim results for the Period ended 30 June 2024 ("**1H FY2024**" or the "**Period**").



“Echartnow”, provision of digitized operation service in the healthcare industry

During the Period, Echartnow continued to develop in multiple dimensions, on one hand deepening its core competitive advantages in business development and building business moats, and on the other hand collaborating with large healthcare enterprises to establish the first standard innovation consortium, further expanding its industry influence.

Driven by factors including healthcare reform policies, changes in business structure and customer structure, the revenue of Echartnow was approximately HK\$373 million during the Period, representing a decrease of 23% as compared to the same period last year. However, in the long run, high-quality development and healthcare reform policies will bring broader development space and sustained competitiveness for Echartnow.

In January 2024, under the guidance of Shanghai Municipal Administration for Market Regulation and Pudong New Area Administration for Market Regulation, Echartnow, together with several large domestic pharmaceutical companies, officially established the first standard innovation consortium in the pharmaceutical industry in Shanghai, the “Shanghai Biopharmaceutical Digital Operation Standard Innovation Consortium”, to support the digital transformation of the biopharmaceutical industry through standardization, thereby accelerating the commercialization process of innovative drugs. This project was also included as one of the four important achievements in national standardization system innovation, showcasing Echartnow’s strength as an industry leader. In March 2024, Echartnow’s Shanghai headquarters was officially launched, leveraging regional policies and integrated resource advantages to further promote business development in the Yangtze River Delta region.

In 2024, Echartnow officially opened the “Cistanche Digitized Operation and Management Platform” to provide digital transformation services for enterprises. The “Cistanche Digitized Operation and Management Platform” creates standardized and systematic digital marketing strategies for enterprises through standardized operation systems, AIGC capabilities, and industry application small models. During the Period, Echartnow adjusted the business model of the Cistanche ecosystem, shifting from the traditional SaaS system sales model to charging service fees based on platform turnover, deepening the implementation of inclusive industrial digital transformation concepts while further promoting the digital transformation process of the healthcare industry. As of 30 June 2024, Echartnow has served over a hundred Cistanche customers, highlighting the strong commercialization capabilities of its products.

As of 30 June 2024, Echartnow has signed cooperation agreements with many large domestic pharmaceutical companies, including well-known companies such as Qilu Pharmaceutical and CSPC Pharmaceutical Group. The number of contracted pharmaceutical companies continued to grow, increasing by 24.5% compared to the end of 2023. The Echartnow platform covers registered doctors in key departments such as paediatrics, oncology, and cardiovascular, with the number of registered doctors increasing by 32.6% compared to the end of 2023. All doctors have completed real-name registration, uploaded qualification documents, and passed authentication.



Looking ahead, Echartnow will continue to closely follow national policy directions, actively respond to the comprehensive and normalized requirements of anti-corruption in healthcare, deepen the construction of compliance systems, and assist in the legal and compliant digital transformation of the industry. Through open cooperation, Echartnow will share the results of digital transformation with the industry, promoting the deepening of industry digital transformation. At the same time, it will seize policy signals supporting innovation, assist in the research and development and marketing processes of biopharmaceuticals, meet clinical needs, and promote high-quality development of the healthcare industry.

“Meerkat Health”, a Smart Healthcare Services Platform

Facing new economic development trends and future market development trends, Meerkat Health has been proactively restructuring its business and internal organization since 2023. To optimize revenue structure and concentrate resources on developing core businesses, following the earlier divestment of high-cost and uncertain-prospect business segments such as vaccines and health examinations, during the Period, it further terminated the private e-commerce business with unclear development prospects and fully reduced related personnel, focusing on operating the healthcare consumption business to achieve better operational efficiency and enterprise development.

The healthcare consumption business is the foundational core business and the main source of revenue for Meerkat Health. As of 30 June 2024, Meerkat Health’s revenue was approximately HK\$116 million, representing a decrease of 21% compared to the same period last year. The main reason for the decrease was that the revenue from the same period last year included approximately HK\$12 million from divested businesses such as vaccines and health examinations; and during the Period, the proportion of lower-margin business was reduced, concentrating resources on expanding high-margin, high-potential businesses. The segment loss during the period significantly narrowed by 86% to HK\$4.58 million, reflecting the effective reduction in operating costs and improved enterprise efficiency resulting from the business and structural reorganization completed.

With the successful completion of business and structural reorganization, Meerkat Health has entered a new stage of development. In the future, Meerkat Health will continue to optimize its cost structure and improve operational efficiency, striving to create higher value at lower costs. At the same time, Meerkat Health will also seek to explore new business models and market opportunities while maintaining stability, continuing to uncover new value in the healthcare consumption field.

Entertainment and Media

HB Entertainment (principally engaged in production and investment in film and television drama projects and provision of artist management and agency services in South Korea), in which the Group held a 30.77% equity stake, produced and released the television drama “My Man Is Cupid”. The drama, starring well-known actors Jang Dong-yoon and Im Jin-ah, was exclusively broadcast on Amazon Prime Video in December 2023 and received favourable viewership ratings and reviews.



During the Period, the “Entertainment and Media” business did not record any revenue, with a segment loss of HK\$2.1 million, mainly due to HB Entertainment in South Korea not having any television drama production aired.

Mr. Cheng Wu, Executive Director and Chief Executive Officer of Hony Media Group, said: “During the first half of 2024, the Group demonstrated a proactive approach to identifying emerging market opportunities. This strategy encompassed both the continuous enhancement of our existing internet healthcare operations and the strategic realignment of our focus towards international culture, media, and entertainment ventures, laying the groundwork for future expansion. Looking forward, the Group will strive to realize the vision of building a global content creation platform, continue to lay out and cultivate in key target markets, build an internationalized complete industry chain, and cultivate internationally renowned and recognized IP, creating sustainable business value for shareholders.”

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About Hony Media Group

Hony Media Group focuses its strategic development in international culture, media and entertainment businesses, with a vision of building a world-leading Global Content Creation Platform. The Group conducts businesses in two segments namely (1) Entertainment and Media Business, including the Group’s 31% interests in HB Entertainment which is principally engaged in the production of and investment in films and television dramas, as well as management of artistes, in South Korea; and (2) Healthcare Businesses, including i) “Echartnow”, provision of digitized operation services in the healthcare industry, and ii) “Meerkat Health”, the smart healthcare services platform.

For more information about Hony Media Group, please visit the official website of the Group: <https://www.honymedia.net> °

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