

New Media Lab Limited (“Company”) together with its subsidiaries (collectively referred to as “Group”) is a digital media flagship group, providing one-stop integrated advertising solutions to brand owners and advertising agencies through several digital media platforms. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 17 July 2023.

RESULTS

Despite the general recovery of the consumption market during the first half of the Year, the macro economy was clouded with uncertainties and market competition remained fierce, hence the Group’s total revenue was HK\$220.9 million (2022: HK\$240.7 million) during the year ended 31 December 2023 (“Year”). Revenue from digital advertising was HK\$211.5 million (2022: HK\$229.2 million) and remained a key revenue contributor, accounting for 95.8% (2022: 95.2%) of the Group’s total revenue. The Group’s net profit was HK\$14.5 million (2022: HK\$39.4 million). The adjusted net profit excluding the listing expenses and one-off income was HK\$22.2 million (2022: HK\$37.9 million), which reflected the Group’s core operating performance. The basic earnings per share was HK2.8 cents (2022: HK8.8 cents). The Group has recommended the payment of a final dividend of HK1.2 cents (2022: Nil).

MARKET REVIEW

With outbound travel having resumed globally during the Year, relative normality has returned to most countries. Consumption sentiment has revived, contributing to the resurgence of retail activities as well as online businesses. As a result, brands were again willing to spend on advertisements to enhance brand visibility and drive sales. The resumption of spending in marketing campaigns and promotions has exerted a positive influence on the digital advertising industry.

Nevertheless, various global factors such as tightened monetary policies, inflationary pressure, interest rate hikes, ongoing geopolitical tensions, etc. have led to abundant challenges in the market during the second half of the Year, resulting in a volatile economic environment. With an uncertain economic outlook, again consumers turned cautious. A weakened consumption sentiment has directly affected brands’ advertising spending, which is very responsive to market conditions.

BUSINESS REVIEW

The Group has established its online business since 2011, and currently operates nine media brands, including “*Weekend Weekly*”, “*Oriental Sunday*”, “*Economic Digest*”, “*New Monday*”, “*More*”, “*GOtrip*”, “*Sunday Kiss*”, as well as two more recently introduced brands – “*SSwagger*” and “*Madame Figaro*”. Each brand has its dedicated content pillars covering dining and local attractions, gourmet and gastronomy, fashion and beauty, travel, entertainment news, kids and parenting, electronic gadgets and gaming, finance and investment, as well as designer and luxury labels. The target positions of each media brand are as follows:

“*Weekend Weekly*” – Specialises in providing lifestyle content ranging from topical dining trends and discoveries around town to best dining and shopping offers, tips and recommendations, to meet the demands of people from all walks of life.

“*Oriental Sunday*” – Offers up-to-date entertainment gossip news of artists and celebrities’ activities and providing updates on developments in the entertainment industry.

“*Economic Digest*” – Provides the latest information on economics, investment, financial markets and personal finance, with the major target audience comprising professional investors, white collars and general public who follow investment and financial markets.

“*New Monday*” – Provides content on the latest social trends, covering topics such as online shopping, online games, electronic gadgets, sports trend, fashion, entertainment news and beauty tips.

“*More*” – Targets a female audience with coverage of topics including fashion, skincare, makeup, nutritious menus for healthy diets and wedding planning.

“*GOtrip*” – Provides comprehensive travel information and suggested itineraries ranging from local excursions, staycation to global destinations.

“*Sunday Kiss*” – Targets young parents with coverage of the latest trends in child-care, parenting and education, as well as shopping tips.

“*SSwagger*” – Targets GenZ community with content coverage of active and sustainable lifestyle, music and dance, as well as art and creative design trends.

“Madame Figaro” – An upmarket, prestigious platform covering fashion and beauty, aiming to capture the luxury market.

Strong Market Presence with Extensive Coverage

As of 31 December 2023, the Group had 9 media brands, covering 9 websites, 10 fanpages on Facebook and 9 profiles on Instagram. The Group has a strong digital presence with millions of subscribers who follow its contents on the websites, mobile apps and third-party social media platforms. This social media engagement creates an ideal platform for advertisers to communicate with and collect feedback from their current and potential consumers and broaden their reach.

Subsequent to the Year, the Group received several accolades in the 8th Media Convergence Awards, organised by Hong Kong Association of Interactive Marketing, in recognition of its efforts and excellence in using technology to transform and innovate in the delivery of news and information in the past year. *“Economic Digest”* received two awards, namely “Overall – Gold Award” and “ESG – Bronze Award”, both under the Magazine category. *“Weekend Weekly”* received four awards, namely “Social Media – Silver Award”, “Mobile Applications – Silver Award”, “Overall – Bronze Award” and “Top Ten Favourite Fanpages”, all of which are under the Online Media category.

Broad Range of Advertising Products and Services

The Group offers a wide spectrum of advertising products and integrated services on various media platforms including display banners, advertorials and reviews and social newsfeeds, along with creative production and strategic services such as search engine optimisation (SEO) and segment marketing. The Group has an in-house platform team dedicated to analyzing audience behaviour on the Group’s media platforms via analytic tools for gaining insights into the behaviour and preferences of target audiences.

Well-established Relationships with Clients Across Different Industries

The Group has been engaged in the media industry in Hong Kong for over 20 years and is renowned for its popular flagship media brands including *“Oriental Sunday”*, *“Weekend Weekly”*, *“New Monday”* and *“Economic Digest”*. With a long history in the advertising business in the print media and an early entry into the digital marketing business, the Group has established an extensive client network. The Group’s diverse client portfolio ranges from 4A’s and non-4A’s advertising agencies, multinational corporations and brand owners to small and medium-sized enterprises, covering a large variety of business sectors.

PROSPECTS

Since the pandemic began, the media landscape has changed, with audiences and advertisers largely turning and adapting to the use of digital channels. Digital advertising has become a growth engine in the advertising industry. The Group established its online business a decade ago; riding on its advantage as a pioneer, it will continue investing in enhancing its digital platforms and upgrading its content management system, in order to provide quality, creative content, to help clients connect with their target audiences. The Group will also strengthen the application of artificial intelligence and machine learning models in its platforms' backend operations, in order to utilise the resulting data for assessing the performance of its business units.

As 2024 begins, consumer confidence remains weak in the face of an uncertain economic outlook. In the meantime, the deepening slump in China's property market is casting a shadow over global growth prospects. Advertisers therefore tend to stay conservative regarding their marketing budgets. In light of this, the Group will utilise the diversity of its nine media brands, which cover a broad spectrum of area of interests, in order to attract advertising clients with different target audiences. The Group will also enhance the content offering by identifying trending topics, to maintain the stickiness of its audiences, which will help strengthen its market presence and maintain stable business performance.

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

Cash and cash equivalents of the Group as at 31 December 2023 amounted to HK\$142.7 million (2022: HK\$19.9 million), and were mainly denominated in Hong Kong dollars. As at 31 December 2023, the Group did not have any bank borrowings (2022: HK\$21.0 million), and hence its gearing ratio (calculated on the basis of the total debts over total equity) significantly decreased to 0.4% (2022: 31.1%). The strong liquidity position enables the Group to retain high flexibility for future development.

As at 31 December 2023, the Group's current assets and current liabilities were approximately HK\$212.7 million (2022: HK\$101.3 million) and HK\$36.2 million (2022: HK\$59.6 million), respectively. Current ratio and quick ratio of the Group were 5.9 (2022: 1.7) and 5.9 (2022: 1.7), respectively.

In view of the Group's financial position as at 31 December 2023, the Board considered that the Group had sufficient working capital for its operations and future development plans.