



CHINA 33 MEDIA GROUP LIMITED 中國三三傳媒集團有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : 8087



2025

ANNUAL REPORT

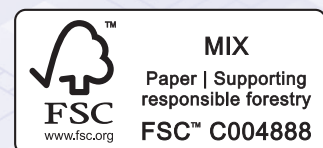
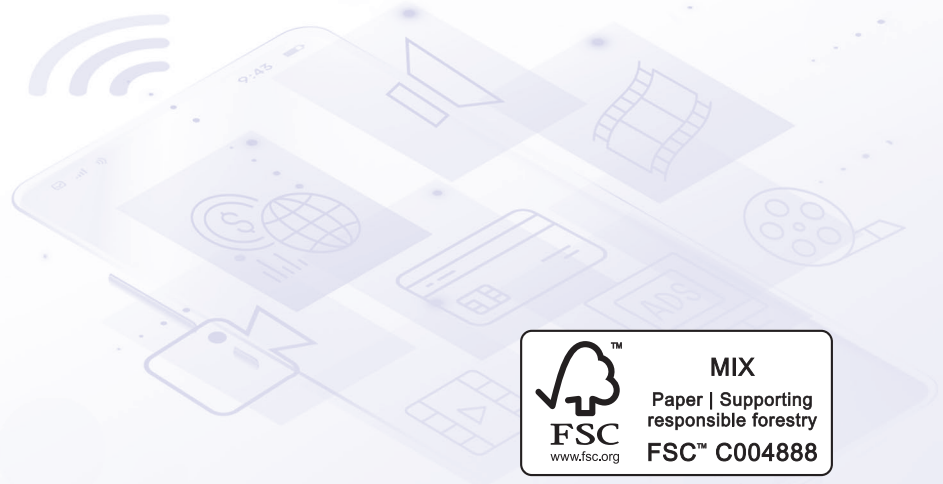
CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report for which the directors (the “Directors”) of China 33 Media Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.





CONTENTS

Corporate Information	3
Chairman's Statement	5
Management Discussion and Analysis	6
Corporate Governance Report	11
Biographical Details of Directors and Senior Management	23
Report of the Directors	26
Independent Auditor's Report	37
Consolidated Statement of Profit or Loss and Other Comprehensive Income	42
Consolidated Statement of Financial Position	43
Consolidated Statement of Changes in Equity	44
Consolidated Statement of Cash Flows	45
Notes to the Consolidated Financial Statements	47
Five Year Financial Summary	112

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Ruan Deqing (*Chairman*)
Mr. Ma Pun Fai (retired on 23 June 2025)
Ms. Wang Linlin (appointed on 21 March 2025)

Independent non-executive Directors

Ms. Tay Sheve Li
Mr. Yau Kit Yu (retired on 23 June 2025)
Ms. Wipada Kunna
Mr. Chan Wing Wah Terence
(appointed on 23 June 2025)

AUDITOR

Rongcheng (Hong Kong) CPA Limited
Unit 4301-07, 43/F, COSCO Tower
183 Queen's Road Central, Hong Kong

AUTHORISED REPRESENTATIVES

Mr. Ruan Deqing
Mr. Fu Yan Ming (resigned on 30 April 2025)
Ms. Chan Siu Mat (appointed on 30 April 2025
and resigned on 1 November 2025)
Ms. Tam Mei Chu (appointed on 1 November 2025)

COMPANY SECRETARY

Mr. Fu Yan Ming (resigned on 30 April 2025)
Ms. Chan Siu Mat (appointed on 30 April 2025
and resigned on 1 November 2025)
Ms. Tam Mei Chu (appointed on 1 November 2025)

COMPLIANCE OFFICER

Mr. Ruan Deqing

AUDIT COMMITTEE MEMBERS

Ms. Tay Sheve Li (*Chairperson*)
Mr. Yau Kit Yu (retired on 23 June 2025)
Ms. Wipada Kunna
Mr. Chan Wing Wah Terence
(appointed on 23 June 2025)

REMUNERATION COMMITTEE MEMBERS

Ms. Tay Sheve Li (*Chairperson*)
Mr. Ruan Deqing
Ms. Wipada Kunna

NOMINATION COMMITTEE MEMBERS

Ms. Wipada Kunna (*Chairperson*)
Mr. Ma Pun Fai (retired on 23 June 2025)
Ms. Tay Sheve Li
Mr. Chan Wing Wah Terence
(appointed on 23 June 2025)

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART XI OF THE COMPANIES ORDINANCE

Suite 710, 7/F,
Ocean Centre, Harbour City,
5 Canton Road,
Tsimshatsui
Hong Kong



CORPORATE INFORMATION

PRINCIPAL BANKERS

Bank of Communications Co., Ltd
Bank of China (HK) Limited
China Construction Bank (Asia) Corporation Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Center
16 Harcourt Road
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1110
Cayman Islands

WEBSITE ADDRESS

<http://www.china33media.com>

STOCK CODE

8087

CHAIRMAN'S STATEMENT

Dear Shareholders,

I hereby present the audited annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2025 (the "Year"). During the Year, the Group principally engaged in the provision of outdoor and digital advertising services, film and entertainment investment and prepaid card business.

FINANCIAL HIGHLIGHTS

During the Year, the Group's revenue increased from approximately RMB35,446,000 to approximately RMB36,151,000, representing an increase of approximately RMB705,000 or 2.0% as compared to last year, on account of the increased revenue contributed by the prepaid card business. During the Year, the total comprehensive expense for the year attributable to the owner of the Company was approximately RMB41,465,000, representing an increase of approximately RMB38,426,000 or 1,264.4% when compared to approximately RMB3,039,000 for last year, which was mainly attributable to the exchange difference arising on translation to presentation currency.

PROSPECTS

The Group holds a payment license issued by the Hong Kong Monetary Authority and the Group will continue to actively expand its payment license and prepaid card business as well as obtaining other financial licenses. The Group is actively looking for business opportunities to achieve sustainable growth. The Group will work as a whole to cope with the situation, strengthen cost control and adopt appropriate measures to develop our businesses in the year ahead.

ACKNOWLEDGEMENT

On behalf of the board (the "Board") of Directors, I would like to thank the management and all the staff for their hard work and dedication to the Group, as well as the shareholders and customers for their support over the years. The management is confident in achieving better results in the future, creating added value for the Group, shareholders and all staff.

Ruan Deqing
Chairman

Hong Kong, 31 March 2026





MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

The principal business of the Group during the Year was prepaid card business. The Group's total revenue for the Year amounted to approximately RMB36,151,000, representing an increase of approximately RMB705,000 or 2.0% as compared to approximately RMB35,446,000 for last year, mainly driven by the rise in transaction fees and card-related fees income, resulting from the accumulated increase in the number of cards sold.

Overall gross profit decreased by approximately RMB322,000 or 1.4% to approximately RMB23,179,000 for the Year from approximately RMB23,501,000 for last year. The gross profit margin for the current period decreased to 64.1% from 66.3% in last year. The Group recorded a total comprehensive expense for the year attributable to the owners of the Company of approximately RMB41,465,000 during the Year, representing an increase of approximately RMB38,426,000 or 1,264.4% when compared to approximately RMB3,039,000 for last year. The increase was mainly attributable to the exchange difference arising on translation to presentation currency.

Printed Media Advertising

Revenue from printed media advertising mainly represented the amount generated from the sales of the advertising space on the periodicals and was recognised upon the publication of the periodicals in which the respective advertisement was placed. “旅伴” (Fellow Traveller) is a monthly nationwide periodicals distributed on China Railway High-speed trains and selected regular trains in the People's Republic of China. With phasing out of the printed media advertising, no revenue was generated during the Year (2024: Nil).

Outdoor and Digital Advertising

Revenue from outdoor advertising represented the advertising income generated from the sales of advertising spaces on the billboards and LEDs installed at certain selected train stations and revenue from promotion campaign conducted in some train stations. Revenue was recognised when advertising was published or station campaigns were launched.

Revenue from digital advertising was recognized when advertising was published, and the income was based on the marketing value generated through the recognition of transaction volume, service fees for advertising design, analysis, planning and other services provided in the process.

No revenue was generated from outdoor and digital advertising business during the Year (2024: approximately RMB471,000). As numerous players vie for market share of the advertising industry, the market become saturated with advertising services and solutions, leading to intensified competition, price pressures, and lower margins across the market. Yet, the Group sees significant long-term potential in the sector and is actively refining the Group's strategies, strengthening the Group's competitive positioning, and exploring new opportunities to regain market share and drive sustainable growth.

Segment loss from the outdoor and digital advertising business for the Year amounted to approximately RMB132,000, representing a decrease of approximately RMB4,553,000 or 97.2% as compared to that of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

Film and Entertainment Investment

Revenue from film and entertainment investment represents profit sharing on box office of movies and concerts and distribution income of film rights and television drama. Revenue from the distribution of film rights and entertainment was recognised when (i) the Group's entitlement to such payments has been established which was upon the delivery of the master copy or materials to the customers, and (ii) the collectability of proceeds was reasonably assured. The frequency of income from film and entertainment investment was highly dependent on the production status and the market trend for the respective periods. No revenue was generated during the Year (2024: Nil).

Segment loss from film and entertainment business for the Year amounted to approximately RMB5,517,000, representing a decrease of approximately RMB15,967,000 or 74.3% as compared to that of last year. The decrease was mainly attributable to the decrease of allowance for ECL on trade receivables recognised during the Year as compared to that of last year.

Prepaid Card

The Group obtained the Stored Value Facilities License ("SVF License") in November 2016. Revenue from prepaid card business mainly represents the transaction fees recognised when the prepaid cardholders made payments of fares using the prepaid card and the card related fees when the service was provided.

Revenue from prepaid card business increased by approximately RMB1,176,000 or 3.4% from approximately RMB34,975,000 for last year to approximately RMB36,151,000 for the Year. The growth was attributed to a rise in transaction fees and card-related fees income, resulting from the accumulated increase in the number of cards sold.

Segment profit from prepaid card business for the Year amounted to approximately RMB3,942,000, representing a decrease of approximately RMB5,515,000 or 58.3% as compared to that of last year. The decrease was mainly attributable to the increase in allowance for ECL on trade receivables and depreciation expenses recognised during the Year as compared to that of last year.

Other Income

Other income mainly consists of bank interest income and income received from managing a prepaid card sales counter for a co-branded partner. Other income decreased from approximately RMB9,520,000 for last year to approximately RMB7,538,000 for the Year, representing a decrease of approximately RMB1,982,000 or 20.8%, mainly attributable to lower bank interest income received during the Year.

Other (Losses) and Gains, Net

Other losses and gains decreased from other gains of approximately RMB3,004,000 for last year to other losses of approximately RMB8,025,000 for the Year. It was mainly due to the fair value loss on financial assets at fair value through profit or loss recognised during the Year.

Cost of Sales

Cost of sales mainly consists of prepaid card transaction processing costs and direct labor cost. Cost of sales increased from approximately RMB11,945,000 for last year to RMB12,972,000 for the Year, representing an increase of approximately RMB1,027,000 or 8.6%. The increase was mainly attributable to higher transaction processing fees charged by the service providers during the Year.



MANAGEMENT DISCUSSION AND ANALYSIS

Selling and Distribution Expenses

Selling and distribution expenses mainly include advertising expenses, salaries, commissions to sales staff and travelling and related expenses. It accounted for approximately 9.7% and 10.7% of the Group's total revenue for the years ended 31 December 2024 and 2025, respectively. The amount increased by approximately RMB437,000 or 12.7% from approximately RMB3,445,000 for last year to approximately RMB3,882,000 for the Year, which was mainly due to higher advertising expenses incurred during the Year.

Administrative Expenses

Administrative expenses mainly consists of salaries, depreciation, rental expense and legal and professional fees. Administrative expenses decreased by approximately RMB3,704,000 or 11.1% from approximately RMB33,451,000 for last year to approximately RMB29,747,000 for the Year. The decrease was mainly due to lower salaries and legal and professional fees incurred during the Year.

Income Tax Expense

No income tax expense was recognized for the Year (2024: nil).

Allowance for expected credit losses on trade receivables, net

The Group recognised a loss allowance of approximately RMB7,428,000 for ECL on trade receivables which are subject to impairment under IFRS 9 during the Year, representing a decrease of approximately RMB14,056,000 or 65.4% as compared to approximately RMB21,484,000 for last year. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate. To ensure the adequacy of allowance for ECL, the Group engaged an independent firm of professional valuers to conduct a valuation on the allowance for ECL on trade receivables recognised.

Key value of inputs used and assumptions adopted in valuation

The valuer adopted the simplified approach to measure the ECL of the trade receivables. Major inputs of the assessment of the ECL include (i) probability of default; (ii) loss given default; (iii) exposure at default; and (iv) discount factor reflecting time value of money.

The key assumptions adopted in the valuation include the following:

- market trends and conditions where the debtors operate will not deviate significantly from economic forecasts in general; and
- the loss rates or probabilities of default derived from the historical loss experience and / or extracted from Moody's and other public sources are assumed to be unbiased.

There were no changes in valuation method and significant changes in the inputs or assumptions compared to last year. The loss allowance for ECL on trade receivables recognised during the Year was mainly contributed by customers in the film and entertainment investment segment. The outstanding balances have an aging of over two years. The management noted that these customers are significantly impacted by the unfavourable business conditions driven by the economic downturn. The management determined that these customers were credit impaired. Accordingly, full lifetime expected credit loss has been recognised on the entire amount due from these customers as there would be no estimated cash flows for the amounts due from these customers.

MANAGEMENT DISCUSSION AND ANALYSIS

To recover the trade receivables, the Group has taken actions included issuing reminder notices and/or negotiating with debtors for repayment plans. The Group has been seeking legal opinion and would take legal actions or engaging debt recovery agencies after assessing the negotiation results, the debtor's financial condition and cost implications in recovering the debts. The Group will continue to use its best effort to maximise the chances of recovering the trade receivables.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group's cash and cash equivalents, including bank balances and cash on hand, amounted to approximately RMB60,617,000, representing an increase of approximately RMB19,932,000 or 49.0%, as compared to approximately RMB40,685,000 as at 31 December 2024.

As at 31 December 2025, the current ratio was approximately 1.03 (2024: 1.06) and the gearing ratio of the Group was approximately 0.26 (2024: 0.30) which was calculated based on the Group's net debt divided by the equity attributable to owners of the Company plus net debt. The Group satisfied its working capital needs principally from internally generated cash flow from operating activities.

PLEDGE OF ASSETS

As at 31 December 2025, none of the assets of the Group has been pledged to secure any loan granted to the Group (2024: Nil).

RESTRICTED CASH

As at 31 December 2025, the Group has approximately RMB369,425,000 (2024: RMB270,588,000) monies received from sale and reloading of prepaid cards maintained in one or more custodian bank accounts. The increase in restricted cash by approximately 36.5% when compared to last year's was contributed by increase in the amount of prepaid cards sold.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any significant contingent liabilities (2024: Nil).

CAPITAL COMMITMENTS

As at 31 December 2025, the Group did not have any significant capital commitments (2024: Nil).





MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

As of 31 December 2025, the Group's total equity attributable to owners of the Company was approximately RMB22,025,000 (2024: RMB32,844,000), comprising share capital of approximately RMB1,958,000 (2024: RMB1,115,000) and reserves of approximately RMB20,067,000 (2024: RMB31,729,000).

The share capital of the Group only comprises of ordinary shares. As at 31 December 2025, the Company's issued share capital was approximately RMB1,958,000 and the number of its issued ordinary shares was 129,600,000 of US\$0.004 each. As at 31 December 2024, the Company's issued share capital was RMB1,115,000 and the number of its issued ordinary shares was 43,200,000 of US\$0.004 each.

FOREIGN EXCHANGE RISK

The Group mainly operates in the PRC and Hong Kong with most of the transactions settled in Renminbi and Hong Kong Dollars. The Group's cash and bank deposits are mainly denominated in Hong Kong Dollars and Renminbi. The Directors consider that the Group's risk in foreign exchange is insignificant. During the Year, the Group did not hedge any exposure in foreign currency risk.

HUMAN RESOURCES

As at 31 December 2025, the Group employed a total of 42 employees (2024: 35 employees) situated in the PRC and Hong Kong. The Group's emolument policy is formulated based on industry practices and performance of individual employees. During the Year under review, the total staff costs (including Directors' emoluments) amounted to approximately RMB14,633,000 (2024: RMB16,068,000).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSALS AND FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The Group had no significant investments, material acquisition or disposal of subsidiaries, associates and joint ventures during the Year. The Group has no specific plan for material investments or capital assets as at 31 December 2025.

DIVIDENDS

The Directors do not recommend the payment of a dividend for the Year (2024: Nil).

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

Recognising the importance of a listed company's responsibilities to enhance its transparency and accountability, the Company is committed to maintain a high standard of corporate governance in the interests of its shareholders. The Company's corporate governance practices are based on the principles of good corporate governance as set out in the Corporate Governance Code in Appendix C1 to the GEM Listing Rules (the "CG Code"). To the best knowledge of the Board, the Company has complied with the CG Code during the Year.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements and to meet the rising expectations of shareholders of the Company and investors.

CORPORATE CULTURE AND STRATEGY

The Board has established the Group's purpose, values and strategy, and has satisfied that they are aligned with the Group's culture. All Directors must act with integrity, lead by example, and promote the desired culture. Such culture should instil and continually reinforce across the Company's values of acting lawfully, ethically and responsibly. The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure the interests of the stakeholders of the Group are safeguarded, the risks of the Group are managed appropriately and that high standards of business ethics are maintained among the Board and employees.

The Group will continuously review and adjust, when necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures that will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

THE BOARD

The Board comprises the following Directors:

Executive Directors

Mr. Ruan Deqing (*Chairman*)

Mr. Ma Pun Fai (retired on 23 June 2025)

Ms. Wang Linlin (appointed on 21 March 2025)

Independent non-executive Directors

Ms. Tay Sheve Li

Mr. Yau Kit Yu (retired on 23 June 2025)

Ms. Wipada Kunna

Mr. Chan Wing Wah Terence (appointed on 23 June 2025)



CORPORATE GOVERNANCE REPORT

The biographical details of the Directors and other senior management are disclosed in the section headed "Biographical Details of Directors and Senior Management" on pages 23 to 25 in this annual report. The composition of the Board is well balanced. Each of the Directors has relevant expertise and extensive corporate and strategic planning experiences that can contribute to the business of the Group.

The Company has complied with the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors representing more than one-third of the Board and at least one of them has appropriate professional qualifications or accounting or related financial management expertise.

The Board is committed to reviewing and assessing the independence of the independent non-executive Directors. The Group has established a policy regarding mechanisms to ensure independent views and input are available to the Board and such policy will be reviewed annually by the Board. Key mechanisms as set out in the policy include, but not limited to, the following:

- a) At least three Directors or one-third of the Board, whichever is the higher, are independent non-executive Directors.
- b) Apart from complying with the requirements prescribed by the GEM Listing Rules as to the composition of certain Board committees, independent non-executive Directors will be appointed to all Board committees as far as possible to ensure independent views are available.
- c) The nomination committee of the Company must strictly adhere to the nomination policy and the independence assessment criteria as set out in the GEM Listing Rules with regard to the nomination and appointment of independent non-executive Directors.
- d) Each independent non-executive Director is also required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may materially affect his/her independence and must provide an annual confirmation of his independence to the Company.
- e) The nomination committee of the Company is mandated to assess annually the independence of all independent non-executive Directors by reference to the independence criteria as set out in the GEM Listing Rules to ensure that they can continually exercise independent judgement.
- f) The Board have full and unrestricted access to the advice and services of the senior management personnel and/or the company secretaries in the discharge of the Board's duties and responsibilities. The Board is also allowed to seek advice from independent professional advisers when necessary at the expense of the Company to allow them to discharge their duties effectively. All independent non-executive Directors have access to the executive Directors and/or senior management personnel should there be any explanation or clarification needed on any aspects of the Group's operations and/or management issues.
- g) The Director shall not vote or be counted in the quorum on any board resolution approving any contract or arrangement in which such Director or any of his/her close associates has a material interest.
- h) The Chairman of the Board shall at least annually hold meetings with the independent non-executive Directors without the presence of other Directors to discuss major issues and any concerns.

CORPORATE GOVERNANCE REPORT

None of the independent non-executive Directors has any business or financial interests in the Company and its subsidiaries, nor do they hold any executive positions in the Company, which effectively guaranteed their independence. The Company has received an annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and the Board considers all the independent non-executive Directors to be independent.

Responsibilities and Delegation of Functions

The Board is responsible for the leadership and control of, and promoting the success of the Group. This is achieved by setting up corporate and strategic objectives and policies, and the monitoring and evaluating operating activities and financial performance of the Group.

All the Directors carry out their duties in good faith and in compliance with applicable laws and regulations, taking decisions objectively and acting in the interests of the Company and its shareholders at all times.

There is no relationship, including financial, business, family or other material/relevant relationship(s) among members of the Board.

The Company has formalised and adopted written terms on the division of functions reserved to the Board and those delegated to the management. The Board reserves for its decision on all major matters of the Group, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the company secretary (the "Company Secretary") and senior management of the Company, with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any Director may request independent professional advice in appropriate circumstances at the Company's expense, upon reasonable request being made to the Board. The day-to-day management, administration and operations of the Group are delegated to the senior management of the Company. The Board has delegated a schedule of responsibilities to these officers for the implementation of Board's decisions. The Board periodically reviews the delegated functions and work tasks. Prior to entering into any significant transactions, the aforesaid officers have to obtain the Board's approval.

Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing to ensure a balance of power and authority. Mr. Ruan Deqing serves as the Chairman of the Company and is responsible for overall business development strategy and major business decisions of the Group. The executive Directors, department heads and various committees collectively oversees the day-to-day management and operations of the Group, which fulfils the function of chief executive officer in substance.



CORPORATE GOVERNANCE REPORT

Appointment and Re-Election of Directors

The Directors are subject to retirement by rotation in accordance with the Company's articles of association. According to the Company's articles of association, one-third of the Directors are required to retire from office at each annual general meeting, provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire every year shall be those who have been longest in office since their last re-election or appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Pursuant to code provision B.2.3 of the CG Code, if an independent non-executive Director has served more than nine years, such director's further appointment should be subject to a separate resolution to be approved by shareholders. The papers to shareholders accompanying that resolution should state why the Board (or the nomination committee) believes that the Director is still independent and should be re-elected, including the factors considered, the process and the discussion of the Board (or the nomination committee) in arriving at such determination.

Ms. Tay Sheve Li has served as the independent non-executive Director for more than 9 years. The re-election of Ms. Tay Sheve Li should be subject to a separate resolution to be approved by shareholders at the forthcoming general meetings of the Company.

Term of Appointment of Directors

Please refer to the paragraph headed "Report of the directors – Directors' service agreements" in this annual report for the term of appointment of the Directors, including the independent non-executive Directors.

Board Diversity Policy

The Company adopted a board diversity policy (the "Board Diversity Policy") on 12 August 2013. A summary of the Board Diversity Policy, together with the measurable objectives set for implementing this Board Diversity Policy, and the progress made towards achieving those objectives are disclosed below.

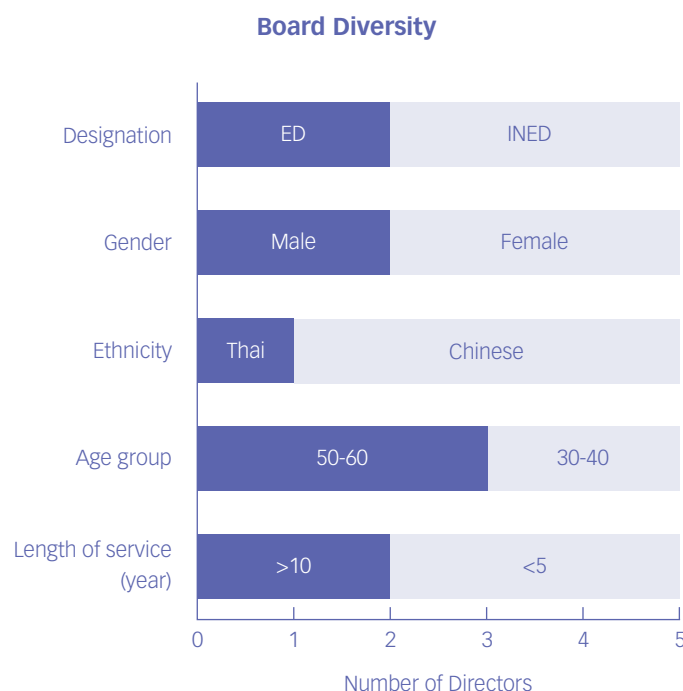
Summary of the Board Diversity Policy

The Company recognised and embraced the benefits of having a diverse Board to enhance the quality of its performance. The Board Diversity Policy aims at setting out the approach to achieve diversity of the Board. In determining the Board's composition, difference in the skills, regional and industry experience, background, ethnicity, gender, length of service and other qualities of Directors will be taken into account. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regards to the benefits of diversity of the Board.

CORPORATE GOVERNANCE REPORT

Measurable objectives

For the purpose of implementing the Board Diversity Policy, the Board has adopted and the Company has achieved a range of measurable objectives including (i) to ensure at least one member of the Board shall have obtained accounting or other professional qualification; (ii) to ensure the Board has members of both gender; (iii) to ensure the age distribution of the members of the Board comprised of people from at least two decades. As at 31 December 2025, the Board's composition under major diversified perspectives was summarised as follows:



INED: Independent non-executive Director

ED: Executive Director

As at 31 December 2025, the Group had 18 male employees and 24 female employees and the male-to-female ratio in the workforce, including the senior management, was approximately 43%:57%, which is regarded by the Board as satisfactory. Excluding the senior management, the Group had 12 male employee (41%) and 17 female employee (59%). The Group had 13 senior management, of which 6 was male (46%) and 7 was female (54%). The Company will continue to take gender diversity into consideration during recruitment and identify a pipeline of potential successors to the Board with the ultimate goal of achieving gender parity. The Board will periodically monitor the gender composition of the workforce and set targets if and as needed.

Implementation and monitoring

The Board and the nomination committee of the Board (the "Nomination Committee") has reviewed the Board Diversity Policy to ensure its effectiveness and considered that the Group achieved the Board Diversity Policy during the Year. The Nomination Committee will review the Board's composition under diversified perspectives, and monitor the implementation of the Board Diversity Policy annually.

CORPORATE GOVERNANCE REPORT

BOARD MEETING, GENERAL MEETING AND PROCEDURES

The following is the Directors' attendance record of the board meetings held by the Board and the general meetings of the Company during the Year:

	Attended/eligible to attend	
	Board meeting	General meeting
Mr. Ruan Deqing	9/9	1/1
Ms. Wang Linlin (appointed on 21 March 2025)	7/7	1/1
Mr. Ma Pun Fai (retired on 23 June 2025)	4/4	1/1
Ms. Tay Sheve Li	9/9	1/1
Mr. Chan Wing Wah Terence (appointed on 23 June 2025)	5/5	0/0
Mr. Yau Kit Yu (retired on 23 June 2025)	4/4	1/1

Board members were provided with complete, adequate and timely information to allow them to fulfill their duties properly.

Schedules for annual Board meeting and draft agenda of each Board meeting are sent to all Directors in advance. Notice of at least 14 days is given for a regular Board meeting. For other Board and committee meetings, reasonable notice is generally given. Board papers together with all appropriate, complete and reliable information are dispatched to all Directors at least three days or such other period as agreed before each regular Board meeting to ensure that the Directors have sufficient time to review the related documents and be adequately prepared for the meeting.

The Company Secretary is responsible to keep minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to all Directors for comments within a reasonable time after each meeting and the final versions are open to Director for inspection. The Company's articles of association contains provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Continuous Professional Development

All Directors have been given relevant guideline materials regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Group. All Directors have been updated with the latest developments regarding the GEM Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. Continuing briefings and professional development to Directors will be arranged whenever necessary. Any newly appointed Director will be given comprehensive, formal and tailored briefings on the business activities of the Group, its strategic directions, governance practices and Director's duties and obligations.

For the Year, all Directors had participated in continuous professional development in compliance with code provision C.1.4 of the CG Code by attending training seminars/courses and/or reading materials regarding updates on the GEM Listing Rules and relevant regulatory requirements.

BOARD COMMITTEES

The Board has established three board committees, namely the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the Nomination Committee, with written terms of reference which are available for viewing on the website of the Stock Exchange and the Company to assist them in the efficient implementation of their functions. Specific responsibilities have been delegated to the above committees.

CORPORATE GOVERNANCE REPORT

Audit Committee

The Company established the Audit Committee on 17 December 2010 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review the financial statements, financial reports and accounts of the Company; to review the accounting policy, financial position and financial reporting procedures of the Company; to communicate with external auditors; to assess the performance of internal financial and audit personnel; to review the risk management and the internal control systems of the Company; and to perform the corporate governance functions under the CG Code.

As at the date of this report, the Audit Committee has three members comprising Ms. Tay Sheve Li (Chairperson), Mr. Chan Wing Wah Terence and Ms. Wipada Kunna. During the Year, the Audit Committee had held four meetings to review the Group's, interim and annual financial results and report, the Group's risk management and internal controls for the Year and corporate governance of the Group and making recommendations to the Board on the appointment and removal of the external auditor. The Group's final results for the Year had been reviewed by the Audit Committee before submission to the Board for approval. The Audit Committee is of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and that adequate disclosure have been made.

The attendance of each member of the Audit Committee during the Year is set out in the following table:

	Number of attendance/ number of meeting eligible to attend
Ms. Tay Sheve Li (<i>Chairperson</i>)	4/4
Ms. Wipada Kunna	4/4
Mr. Yau Kit Yu (retired on 23 June 2025)	3/3
Mr. Chan Wing Wah Terence (appointed on 23 June 2025)	1/1

Remuneration Committee

The Company established the Remuneration Committee on 17 December 2010 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Remuneration Committee are to make recommendations to the Board on the policy and structure of the remuneration of all Directors and senior management as well as the remuneration packages of Directors and senior management, including benefits in kind, pension rights and compensation payments; to ensure none of the Directors or any of their associates will determine his/her own remuneration; and to review and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules.

As at the date of this report, the Remuneration Committee has three members comprising Ms. Tay Sheve Li (Chairperson), Mr. Ruan Deqing and Ms. Wipada Kunna. During the Year, the Remuneration Committee has held two meetings to review the remuneration policy and structure, the remuneration packages of Directors and the senior management of the Company and the share option scheme of the Company. The remuneration of the Directors was determined with reference to their respective experience, responsibilities with the Group and general market conditions.

The attendance of each member of the Remuneration Committee during the Year is set out in the following table:

	Number of attendance/ number of meeting eligible to attend
Ms. Tay Sheve Li (<i>Chairperson</i>)	3/3
Ms. Wipada Kunna	3/3
Mr. Ruan Deqing	3/3

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Company established the Nomination Committee on 17 December 2010 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board and to make recommendations on any proposed change to the Board, identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships, assess the independence of independent non-executive Directors and make recommendation to the Board on the Company's board diversity policy and nomination policy.

As at the date of this report, the Nomination Committee has three members comprising Ms. Wipada Kunna (Chairperson), Ms. Tay Sheve Li and Mr. Chan Wing Wah Terence. During the Year, the Nomination Committee has held two meetings to review the structure, size and composition (including the skills, knowledge and experience and diversity) of the Board, to review the board diversity policy and nomination policy, make recommendation on the appointment, removal and re-appointment of Directors and assess the independence of independent non-executive Directors.

The attendance of each member of the Nomination Committee during the Year is set out in the following table:

	Number of attendance/ number of meeting eligible to attend
Ms. Wipada Kunna (<i>Chairperson</i>)	3/3
Ms. Tay Sheve Li	3/3
Mr. Ma Pun Fai (retired on 23 June 2025)	3/3
Mr. Chan Wing Wah Terence (appointed on 23 June 2025)	0/0

Board Nomination Policy

The Company adopted a nomination policy in compliance with the CG Code with effect from 1 January 2019, which establishes written guidelines to nomination committee to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors.

The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills critical to the Group's business to enable the Board to make sound and well considered decisions. Collectively, they have competencies in areas which are relevant and valuable to the Group.

Nomination Process

The Nomination Committee shall assess whether any vacancy on the Board has been created or is expected on a regular basis or as required.

The Nomination Committee utilises various methods for identifying director candidates, including recommendations from Board members, management, and professional search firms. All director candidates, including incumbents and candidates nominated by shareholders of the Company are evaluated by the Nomination Committee based upon the director qualifications. While director candidates will be evaluated on the same criteria through review of resume, personal interview and performance of background checks. The Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, age, gender and experiences of the collective Board rather than on the individual candidate for the purpose of diversity perspectives appropriate to the requirement of the Company's business.

CORPORATE GOVERNANCE REPORT

Selection Criteria

The Nomination Committee will take into account whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the director candidates, proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success, willingness and availability to dedicate sufficient time and attention to ensure the diligent performance of duties in concurrence with his/her other major appointments and significant commitments and such other factors as it may deem are in the best interests of the Company and its shareholders.

The Company shall review and reassess the nomination policy and its effectiveness annually or as required.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's financial statements for each financial year and to ensure that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The statement by the auditor of the Company about their responsibilities for the financial statements is set out in the independent auditors' report contained in this annual report. The Board also ensures the timely publication of the financial statements. The Directors, having made appropriate enquiries, confirm that they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. For further details of the responsibilities of the Directors for the consolidated financial statements, please refer to the paragraph headed "Independent auditors' report – Responsibilities of directors and audit committee for the consolidated financial statements" in this annual report.

INDEPENDENT AUDITORS' REMUNERATION

During the Year, the remuneration paid or payable to the auditor of the Company in respect of the statutory audit services was approximately RMB636,000 (2024: RMB600,000).

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all the Directors, all the Directors confirmed that they have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors during the Year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the establishment, maintenance and review of the Group's risk management and internal control systems. The Board must ensure that the Company establishes and maintains effective risk management and internal control systems to meet the objectives and safeguard the interests of the shareholders and the assets of the Company. The Board oversees the Group's overall risk management and internal control systems on an ongoing basis. At the same time, the Group endeavors to identify risks, control impact of the identified risks and facilitate implementation of coordinated mitigating measures.



CORPORATE GOVERNANCE REPORT

The Group has established a risk management policy which sets out the process of identification, evaluation and management of the principal risks affecting the business.

1. Each division is responsible for identifying and assessing principal risks within its divisions on a quarterly basis and establishing mitigation plans to manage the risks identified.
2. The management is responsible for overseeing the Group's risk management and internal control activities, attending quarterly meetings with each division to ensure principal risks are properly managed, and new or changing risks are identified and documented.
3. The Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal control systems.

The risk management framework, coupled with our internal controls, ensures the risk associated with our different business units are effectively controlled in line with the Group's risk appetite.

The Group has engaged an external consultant to conduct an annual review on the effectiveness of the risk management and internal control system of the Group during the Year. The review covers certain procedures on the Group's operation and the external consultant had made recommendations for improving and strengthening the risk management and internal control system. No significant area of concern that may affect the financial, operational, compliance, control and risk management of the Group has been identified. Accordingly, the Board considers that the risk management and internal control systems of the Group as effective.

The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. The Board has the overall responsibility to maintain the adequacies of resources, staff qualifications and experience training programs and budget of accounting and financial reporting function and the Board concluded that the Group's risk management and internal control systems were in place and effective.

With respect to the monitoring and disclosure of inside information, the Group has adopted a policy on disclosure of inside information with the aim to ensure the insiders are abiding by the confidentiality requirement and are fulfilling the disclosure obligation of the inside information.

SHAREHOLDERS' COMMUNICATION POLICY AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The Company adopted the shareholders' communication policy which sets out the Group's commitment of and channels for maintaining an effective ongoing dialogue with shareholders. The shareholders' communication policy is reviewed by the Board on a regular basis.

CORPORATE GOVERNANCE REPORT

The Company has established a range of communication channels between itself and the shareholders, its investors and other stakeholders. These include annual general meetings, the annual, interim and quarterly reports, notices, announcements and circulars and the Company's website at www.china33media.com. The general meetings of the Company provide a forum for dialogue and interaction between the Board and the shareholders. The Board encourages and welcomes participation from shareholders to ask questions regarding the resolution being proposed at the meeting and also other matters pertaining to the business activities of the Group.

The Board has reviewed the implementation of the shareholders' communications policy and is satisfied that it is effective for the Board to understand the views and opinion of the shareholders through the available channels during the Year because some minority shareholders have personally approached the Company and asked for relevant news by ways of attending the AGM or sending email to the Company. The Company continues to enhance the communication and relationship with its investors. Enquiries from investors are dealt with in an informative and timely manner.

SHAREHOLDERS' RIGHT

As one of the measures to safeguard shareholder's interest and rights, separate resolutions can be proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. All resolutions put forward at shareholders' meeting will be voted by poll pursuant to the GEM Listing Rules and the poll voting results will be posted on the GEM website and the Company's website after the relevant shareholders' meeting.

Procedures for shareholders to convene an extraordinary general meeting

Pursuant to article 64 of the articles of association of the Company, an extraordinary general meeting of the Company (the "EGM") may be convened by the Board on requisition of one or more shareholders (the "Requisitionist(s)") holding on the date of deposit of the requisition, a minority stake in the total number of issued shares in the capital of the Company, and the minimum stake required to do this shall not be less than ten per cent. (10%) of the voting rights (on a one vote per share basis) in the issued share capital of the Company (the "Requisition"). Such shareholder(s) shall also be entitled to add resolutions to the agenda for the extraordinary general meeting so concerned. Such Requisition shall be made in writing to the Board or the Company Secretary and sent to the Company's principal place of business in Hong Kong (details of which are set out in the section headed "Corporate Information" of this annual report). For the purpose of requiring an EGM to be called by the Board, such Requisition must state the object of business to be transacted at the meeting and must be signed by the Requisitionists. The EGM shall be held within two months after the deposition of such Requisition. If the Board fails to proceed to convene such EGM within 21 days of the deposit of such Requisition, the Requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) by the Company.

Procedures for raising enquiries

Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's Hong Kong share registrar (details of which are set out in the section headed "Corporate Information" of this annual report).

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company. Shareholders may send their enquiries or requests in respect of their rights to the Company's principal place of business in Hong Kong (details of which are set out in the section headed "Corporate Information" of this annual report).

Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.



CORPORATE GOVERNANCE REPORT

Procedures and contact details for putting forward proposals at shareholders' meetings

To put forward proposals at a general meeting of the Company, shareholder should lodge a written notice of his/her/its proposal (the "Proposal") with his/her/its detailed contact information to the Company's principal place of business in Hong Kong (details of which are set out in the section headed "Corporate Information" of this annual report).

The identity of such shareholder and his/her/its request will be verified with the Company's Hong Kong share registrar and upon confirmation by the Hong Kong share registrar that the request is proper and in order and made by a shareholder of the Company, the Board will determine in its sole discretion whether the Proposal may be included in the agenda for the general meeting to be set out in the notice of meeting.

The notice period to be given to all the shareholders of the Company for consideration of the Proposal raised by such shareholder concerned at the general meeting varies as follows:

- (1) Notice of at least 21 clear days in writing if the Proposal requires approval in an annual general meeting; and
- (2) Notice of at least 14 clear days in writing if the Proposal requires approval in a general meeting.

CONSTITUTIONAL DOCUMENTS

There had been no change in the Company's constitutional documents during the Year.

POLICY ON PAYMENT OF DIVIDENDS

The Company adopted a policy on payment of dividends (the "Dividend Policy") with effect from 1 January 2019, which establishes an appropriate procedure on declaring and recommending the dividend payment of the Company.

The Company will declare and/or recommend the payment of dividends to Shareholders after considering the Company's ability to pay dividends, which will depend upon, among other things, its actual and expected financial results, cash flow, general business conditions and strategies, current and future operations, statutory, contractual and regulatory restrictions and so on. The Board has complete discretion on whether to pay a dividend, subject to shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group. The Board may also consider declaring special dividends from time to time, in addition to the interim and/or final dividends.

The Company shall review and reassess the Dividend Policy and its effectiveness on a regular basis or as required.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Ruan Deqing (阮德清), aged 61, is the Chairman and an executive Director and is responsible for the operating and financial matters of the Group. He also acts as the compliance officer of the Group. Mr. Ruan was appointed as a Director on 5 May 2010. Mr. Ruan graduated from the Zhengzhou Institute of Railway Mechanics (鄭州鐵路機械學校) in 1986 and obtained an Adult Education Diploma in Advertising from the Xiamen University (廈門大學) in July 2000. Mr. Ruan has more than twenty years of experience in the advertising industry. Prior to co-founding the Group with Mr. Lin Pintong, Mr. Ruan worked as a technician of the locomotive depot in Fuzhou of Nanchang Railway Bureau (南昌鐵路局福州機務處) during the period from 1986 to 1997. During the period from 1997 to 1999, Mr. Ruan worked at Fujian Huashui Advertising and Decorating Company Limited (福建華稅廣告裝潢有限公司). Mr. Ruan was the general manager of Fujian Annual Ring Advertisement Co., Ltd. (福州年輪廣告有限公司) during the period from 1999 to 2002. From August 2002 to April 2010, Mr. Ruan was the general manager of Fujian Ao Shen Media Advertising Co., Ltd. (福建省奧神傳媒廣告有限責任公司). Mr. Ruan has an interest in the shares of the Company under the Securities and Futures Ordinance as disclosed in the section headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations" in this annual report.

Mr. Ma Pun Fai (馬彬輝), aged 57, is an executive Director appointed on 25 August 2015 and retired on 23 June 2025. Mr. Ma has over 20 years' experience in administration and management. He is currently a managing director in a local electronics company. Mr. Ma had been working in the entertainment and advertising industry for around ten years, and was responsible for administrative and managerial work in several domestic and foreign enterprises.

Ms. Wang Linlin (王琳琳), aged 37, is an executive Director appointed on 21 March 2025. Ms. Wang has over 10 years of marketing and management experience. Ms. Wang worked as the Marketing Director in a sizable real estate development company in the PRC. Ms. Wang obtained a bachelor degree of International Economics and Trade from Xi'an International Studies University.

Independent non-executive Directors

Ms. Tay Sheve Li (鄭雪莉), aged 53, is an independent non-executive Director appointed on 30 September 2013. Ms. Tay is the independent non executive Director who has the qualifications and experience to meet the requirements under Rule 5.05(2) of the GEM Listing Rules. Ms. Tay graduated from the University of Strathclyde, United Kingdom, in July 1994 with a bachelor's degree in arts majoring in accounting and finance and received her master's degree in applied finance from University of Western Sydney in September 2004.

Ms. Tay is a certified public accountant of the Hong Kong Institute of Certified Public Accountants, a fellow member of Association of Chartered Certified Accountants and a member of the Institute of Chartered Accountants in England and Wales. Ms. Tay has over 28 years of experience in accounting and auditing experience. From November 1997 to September 2007, she worked at Ernst & Young as a senior manager in audit assurance. From October 2007 to September 2010, Ms. Tay worked at Ernst & Young as a senior manager in the finance department. From October 2010 to June 2011, Ms. Tay was the president of finance and capital management department in Centron Telecom International Holding Ltd., a company previously listed on the Main Board of the Stock Exchange (stock code: 1155).

Ms. Tay was an independent non-executive director of Hudson Capital Inc., a company listed on Nasdaq (stock code: HUSN), from 22 February 2017 to 17 April 2020.



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Yau Kit Yu (邱潔如), aged 72, is an independent non-executive Director appointed on 24 November 2015 and retired on 23 June 2025. Mr. Yau has over 30 years of experience in the trading and marketing industries. He started his career in sales activities in 1978, and has since 2000 served in various companies selling agricultural products as marketing directors, mainly responsible for the overall management of sales and marketing.

Mr. Chan Wing Wah Terence (陳永華), aged 61, has over 30 years of experience in global financial management. Mr. Chan graduated from the University of Alberta in 1987 with a bachelor's degree in science majoring in mathematics and economics and received his master's degree in finance from Mississippi State University in 1989. In 2002, Mr. Chan obtained the U.S. Financial Risk Manager (FRM) certification, a global risk management professional qualification offered by the Global Association of Risk Professionals (GARP). Mr. Chan started his career in central banking in 1994. After 1997, he became a member of the Hong Kong Monetary Authority's Foreign Exchange Fund Portfolio. The last posting of Mr. Chan is senior officer of Financial Stability Surveillance Division in Monetary Management Department under Hong Kong Monetary Authority.

Ms. Wipada Kunna, aged 32, is an independent non-executive Director appointed on 15 February 2024. Ms. Kunna has over 5 years of management and accounting experience in the finance and retail industry. Ms. Kunna obtained a bachelor's degree of public administration from The Chiang Mai Rajabhat University.

SENIOR MANAGEMENT AND COMPANY SECRETARY

Mr. Cheung Chi Hung Sunny (張志洪), aged 57, was appointed as the Chief Executive Officer of 33 Financial Services Limited and resigned with effect from 1 March 2026. Mr. Cheung has over 30 years of experience in the card and banking industry. He has gained valuable knowledge and experience through his employment with MasterCard, UnionPay International, HSBC, and Citibank, where he led various initiatives related to card products, systems, operations, and controls. His expertise includes compliance with the Code of Practice for Banks, guidelines from IMMA, Security Authority, and the People's Bank of China (e.g., TME1/2, AML1-2), supervisory guidelines for RPS/stored value payment instruments, as well as guidelines for internal control of credit institutions (信用機構內部控制指引) and risk management of e-banking (電子銀行風險管理指引).

Mr. Fu Yan Ming (符恩明), aged 61, was appointed as the company secretary of the Company with effect from 8 December 2023 and resigned with effect from 30 April 2025. He is a fellow member of The Association of Chartered Certified Accountants. He obtained a Bachelors' Degree of Business Administration from The Chinese University of Hong Kong. Mr. Fu possess over 30 years of experience in accounting, audit, internal control, financial management, strategic business planning, corporate finance, merger and acquisition and corporate governance. He has worked for various sizeable organizations including accounting firm, logistic company, TMT (Technology, Media and Telecommunications) companies, manufacturing companies and consultancy firm. During the past 15 years, he held various senior positions including financial controller and company secretary in main and GEM board listed companies of Hong Kong. During the Year, Mr. Fu has taken not less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Chan Siu Mat (陳小密), aged 42, was appointed as the company secretary of the Company with effect from 30 April 2025 and resigned with effect from 1 November 2025. She is a member of The Hong Kong Institute of Certificated Public Accountants. She obtained a Bachelors' Degree of Business Administration from City University of Hong Kong. Ms. Chan has over 18 years of experience in auditing, accounting and company secretarial fields. She has worked for various organizations including auditing firm, manufacturing company and property development companies. Ms. Chan held various senior positions in main board listed companies of Hong Kong, and as an independent non-executive director of RMH Holdings Limited (stock code: 8437) since November 2024, C&D Newin Paper & Pulp Corporation Limited (stock code: 731) since February 2025 and Neo Telemedia Limited (stock code: 8167) since April 2025. During the Year, Ms. Chan has taken not less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

Ms. Tam Mei Chu (譚美珠), aged 37, is appointed as the company secretary of the Company with effect from 1 November 2025. Ms. Tam holds a Bachelor of Business Administration (Honours) in Accounting from the Hong Kong Metropolitan University (formerly known as the Open University of Hong Kong) in Hong Kong and she is a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Company, Ms. Tam had been working as the company secretary with a few companies listed on the Stock Exchange and has over 10 years of experience in auditing and company secretarial services. During the Year, Ms. Tam has taken not less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.





REPORT OF THE DIRECTORS

The Directors are pleased to present their report and the audited consolidated financial statements for the Year .

PRINCIPAL ACTIVITIES

The principal business activity of the Company is investment holding. The principal activities and other particulars of the Company's principal subsidiaries are set out in note 34 to the consolidated financial statements.

BUSINESS REVIEW

Please refer to the section headed "Management discussion and analysis" of this annual report for a business review of the Group for the Year.

RESULTS AND DIVIDENDS

The Group's results for the Year and the state of affairs of the Company and the Group as at 31 December are set out in the consolidated financial statements on pages 42 to 111 of this annual report.

The Directors do not recommend the payment of any dividend for the Year (2024: Nil).

FIVE YEAR FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the past five financial years, as extracted from the audited consolidated financial statements, is set out on page 112 of this annual report. This summary does not form part of the audited financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is aware of its rising environmental responsibility to the community and is committed to reducing the negative impacts on the environment caused by the operation of its business and enhancing its influence among different stakeholders. A separate report on environmental, social and governance matters ("ESG Report") will be published. The ESG Report will be prepared in accordance with Appendix C2 to the GEM Listing Rules. The ESG Report will be available on the website of the Company. The Company will provide a shareholder with an ESG Report in printed form upon its specific request.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Company seeks to ensure compliance with all the relevant laws and regulations through various measures such as internal controls and approval procedures and training at different levels of the Group. During the Year, the Group had complied with, and was not aware of any material non-compliance with the relevant laws and regulations that have significant impact on the business of the Group.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company, the details of which are disclosed in note 26 to the consolidated financial statements, no equity-linked agreement was entered into by the Company during the Year or subsisted at the end of the year under review.

REPORT OF THE DIRECTORS

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the Year are set out in note 25 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

RESERVES

Details of movements in the reserves of the Group and the Company during the Year are set out in pages 44 and 110 respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution, calculated in accordance with the Companies Act (as Revised) of the Cayman Islands, amounted to approximately RMB1,283,000 (2024: RMB25,096,000).

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for approximately 1.2% (2024: 1.3%) of the total sales for the Year and sales to the largest customer included therein amounted to approximately 0.6% (2024: 0.7%) of the total sales for the Year. Services supplied from the Group's five largest suppliers accounted for approximately 63.8% (2024: 66.3%) of the total cost of sales for the year and service supplied from the Group's largest supplier included therein amounted to approximately 40.1% (2024: 29.9%) of the total cost of sales for the year. None of the Directors or any of their close associates (as defined in the GEM Listing Rules) or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in any of the Group's five largest customers and suppliers during the Year.

REPORT OF THE DIRECTORS

SHARE OPTION SCHEME

A share option scheme was adopted by the Company pursuant to a resolution passed by the shareholders of the Company on 30 June 2021 (the "Share Option Scheme"). As at 31 December 2025, there was no outstanding share option under the Share Option Scheme. Details of the share options are set out below:

Date of grant	Exercise price	Number of share options outstanding as at 1 January 2024	Granted/ Cancelled/ Exercised during the year ended 31 December 2024	Lapsed during the year ended 31 December 2024	Number of share options outstanding as at 31 December 2024, 1 January 2025 and 31 December 2025	Grantees	Validity Period
11 April 2022	HK\$0.448	17,280,000	–	(17,280,000)	–	Employees	11 April 2022 till 10 April 2024 (<i>Note</i>)

Note: The closing price of the Company's shares immediately before the date of grant of share options on 11 April 2022 was HK\$0.110. As the Company completed share consolidation in September 2022, the theoretical value of the Company's shares as at 11 April 2022 is HK\$0.440. Details of the fair value of the options granted are disclosed in note 26 to the consolidated financial statements.

No share option was granted, exercised, lapsed or cancelled under the Share Option Scheme during the Year.

The number of share options available for grant under the Share Option Scheme was 4,320,000 as at 1 January 2025 and 31 December 2025. The total number of shares available for issue under the Share Option Scheme was 4,320,000, which represented approximately 3.3% of the Company's shares in issue as at the date of this annual report. The total number of shares that may be issued in respect of share options granted under the Share Option Scheme during the Year divided by the weighted average number of shares in issue for the Year was Nil.

Particulars of the Share Option Scheme adopted by the Group are set out in note 26 to the consolidated financial statements.

DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Directors

Mr. Ruan Deqing (*Chairman*)

Mr. Ma Pun Fai (retired on 23 June 2025)

Ms. Wang Linlin (appointed on 21 March 2025) (*Note*)

Independent non-executive Directors

Ms. Tay Sheve Li

Mr. Yau Kit Yu (retired on 23 June 2025)

Ms. Wipada Kunna

Mr. Chan Wing Wah Terence (appointed on 23 June 2025) (*Note*)

Note: Ms. Wang Linlin, being appointed on 21 March 2025, and Mr. Chan Wing Wah Terence, being appointed on 23 June 2025, obtained legal advice in relation to the requirements, duties and obligations under the Listing Rules that are applicable to them as a director of a listed company pursuant to Rule 5.09D of the Listing Rules. Ms. Wang Linlin and Mr. Chan Wing Wah Terence confirmed that they understood their obligations as a Director of the Company.

REPORT OF THE DIRECTORS

Pursuant to the articles of association of the Company, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation and shall be eligible for re-election. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. Any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office until the first annual general meeting of the Company after his/her appointment and shall be eligible for re-election at such meeting.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management of the Group are disclosed in the section headed “Biographical Details of Directors and Senior Management” on pages 23 to 25 of this annual report.

DIRECTORS’ SERVICE AGREEMENTS

Mr. Ruan Deqing, being the executive Director, has entered into a service contract with the Company for an initial term of three years and shall be automatically renewed and extended for successive terms of one year unless terminated by either party by giving at least three months’ written notice. He is subject to retirement by rotation, re-election and removal in accordance with the articles of association of the Company. Ms. Wang Linlin, being the executive Director, has entered into a service contract with the Company for an initial term of three years and shall be automatically renewed and extended for successive terms of one year unless terminated by either party by giving at least three months’ written notice. She is subject to retirement by rotation, re-election and removal in accordance with the articles of association of the Company.

Ms. Tay Sheve Li, being an independent non-executive Directors, has entered into a service agreement with the Company for an initial term of one year and shall be automatically renewed and extended for successive terms of one year unless terminated by either party by giving at least three months’ written notice. Ms. Wipada Kunna, being an independent non-executive Directors, has entered into a service agreement with the Company for an initial term of one year and shall be automatically renewed and extended for successive terms of one year unless terminated by either party by giving at least one month’s written notice. Mr. Chan Wing Wah Terence, being independent non-executive Directors, has entered into a letter of appointment with the Company for an initial term of one year and shall be automatically renewed and extended for successive terms of one year unless terminated by either party by giving at least one month’s written notice. All independent non-executive Directors are subject to retirement by rotation, re-election and removal in accordance with the articles of association of the Company.

No Director being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors to be independent.



REPORT OF THE DIRECTORS

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or subsisted during the Year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or the Director's connected entity had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Saved as disclosed in this annual report, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) had any interests in the business that competes or may compete with the business of the Group or had any other conflicts of interest with the Group during the Year.

NON-COMPETE UNDERTAKING

On 17 December 2010, Mr. Lin Pintong, Mr. Ruan Deqing, Lizhong Limited, Broad Win Limited and Joint Loyal Limited (collectively, the "Controlling Shareholders"), have given an irrevocable non-compete undertaking (the "Non-compete Undertaking") in favour of the Group pursuant to which each of them irrevocably, unconditionally, jointly and severally undertaken, among other matters, not to, directly or indirectly, carry on, invest in or be engaged in any business which would or might compete with the business of the Group. Details of the Non-compete Undertaking have been set out in the section headed "Relationship with our Controlling Shareholders" of the prospectus of the Company dated 22 February 2011.

The Non-compete Undertaking has become effective from the listing date of the Company.

The Company has received the confirmation from the Controlling Shareholders in respect of their compliance with the terms of the Non-compete Undertaking during the Year.

The independent non-executive Directors had reviewed and confirmed that the Controlling Shareholders have complied with the Non-compete Undertaking and the Non-compete Undertaking has been enforced by the Company in accordance with its terms during the Year.

REPORT OF THE DIRECTORS

PERMITTED INDEMNITY PROVISION

Pursuant to the articles and associations of the Company, the Directors shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty. Such provisions were in force during the Year and remained in force as at the date of this annual report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the ordinary Shares (the "Shares") of the Company

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of shareholding (%)
Mr. Ruan Deqing	Interest of a controlled corporation	9,080,125 (Note 1)	7.01

Notes:

- (1) These Shares were registered in the name of Lizhong Limited ("Lizhong"), 48.73% of the entire issued share capital of which was owned by Joint Loyal Limited ("Joint Loyal"). The entire issued share capital of Joint Loyal was owned by Mr. Ruan Deqing ("Mr. Ruan"), an executive director. Mr. Ruan was deemed to be interested in all the Shares in which Joint Loyal was interested by virtue of the SFO. Mr. Ruan was the sole director of Joint Loyal.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in Shares and underlying Shares

Name of shareholder	Nature of interest	Number of Shares held	Approximate percentage of shareholding (%)
Mr. Lin Pintong (<i>Note 1</i>)	Interest of a controlled corporation	9,080,125	7.01
Lizhong (<i>Note 1</i>)	Beneficial owner	9,080,125	7.01
Broad Win (<i>Note 1</i>)	Interest of a controlled corporation	9,080,125	7.01
Ms. Pan Xiaoying (<i>Note 2</i>)	Interest of spouse	9,080,125	7.01
Joint Loyal (<i>Note 1</i>)	Interest of a controlled corporation	9,080,125	7.01
Ms. Liu Sibin (<i>Note 3</i>)	Interest of spouse	9,080,125	7.01

Notes:

- (1) These Shares were registered in the name of and beneficially owned by Lizhong, 48.73% and 48.73% of the entire issued share capital of Lizhong was owned by Broad Win Limited ("Broad Win") and Joint Loyal respectively. The entire issued share capital of Broad Win and Joint Loyal was owned by Mr. Lin Pintong ("Mr. Lin") and Mr. Ruan respectively. Under the SFO, each of Mr. Lin, Mr. Ruan, Broad Win and Joint Loyal was deemed to be interested in all the Shares held by Lizhong. The directors of Lizhong are Mr. Lin, Mr. Ruan and Mr. Han Wenqian.
- (2) Ms. Pan Xiaoying ("Ms. Pan") was the spouse of Mr. Lin. Therefore, Ms. Pan was deemed, or taken to be, interested in the Shares which Mr. Lin was deemed, or taken to be interested in for the purposes of the SFO.
- (3) Ms. Liu Sibin ("Ms. Liu") was the spouse of Mr. Ruan. Therefore, Ms. Liu was deemed, or taken to be, interested in the Shares which Mr. Ruan is deemed, or taken to be interested in for the purposes of the SFO.

Save as disclosed above, as at 31 December 2025, the Directors are not aware of any other persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 11 to 22 of this annual report.

REPORT OF THE DIRECTORS

EMOLUMENT POLICY

The Remuneration Committee is responsible for making recommendations to the Board on Company's policy and structure for all Directors and senior management remuneration, having regard to market competitiveness, individual performance and achievement. The Company has adopted a share option scheme as an incentive to directors and other eligible participants, details of the scheme is set out in note 26 to the consolidated financial statements.

Details of the Directors' remuneration and the five highest paid employees are set out in note 11 to the financial statements respectively.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the Year are set out in note 33 to the consolidated financial statements. Those related party transactions constitute continuing connected transactions exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Mr. Lin Pintong ("Mr. Lin") and Mr. Ruan Deqing ("Mr. Ruan") were controlling shareholders of the Company, while Mr. Ruan is also a Director of the Company. Fujian Ao Shen Media Advertising Co. Ltd and Beijing Datisu Media Advertising Co., Ltd, (collectively the "Contracting Entities", each a "Contracting Entity") were owned as to 50% and 50% by Mr. Lin and Mr. Ruan and are associates of Mr. Lin and Mr. Ruan. By virtue of the GEM Listing Rules, Mr. Lin, Mr. Ruan and the Contracting Entities (collectively, the "Connected Persons") were regarded as connected persons of the Company.

For reason as disclosed in the section headed "Connected transactions" in the prospectus of the Company dated 22 February 2011, a series of contracts (the "Structure Agreements") were entered into by, among others, Aoshen Technology Service (Fuzhou) Co., Ltd. ("Aoshen Technology"), Hongkong Ao Shen Investment Co., Limited ("Aoshen Hong Kong"), Mr. Lin, Mr. Ruan and the Contracting Entities on 17 December 2010 which include:

- (1) framework agreements (the "Framework Agreements") dated 17 December 2010 entered into between (i) Aoshen Technology; (ii) the Contracting Entities; and (iii) Mr. Lin and Mr. Ruan, whereby the Contracting Entities have undertaken, among others, not to enter into any material business transaction without the prior written consent of Aoshen Technology. The Contracting Entities shall appoint individuals as nominated by Aoshen Technology to be their directors and key management as and when Aoshen Technology sees fit. Furthermore, Aoshen Technology or its nominees is entitled to exercise their rights as if they were the shareholder of the Contracting Entities. Any dividend, distributable reserve and/or other assets (including residual assets upon dissolution of the Contracting Entities) derived from the equity interests in the Contracting Entities shall also be paid to Aoshen Technology or to such other entities or otherwise deal with in such other manner as Aoshen Technology may direct. Each of the Framework Agreements has become effective when it was executed on 17 December 2010 and will remain effective for a perpetual term unless and until terminated by Aoshen Technology by the giving of a 30-day advance notice in writing; or pursuant to the terms under other agreements entered into by the relevant parties; and it will be automatically terminated upon dissolution of the relevant Contracting Entity;



REPORT OF THE DIRECTORS

- (2) exclusivity agreements (the “Exclusivity Agreements”) dated 17 December 2010 entered into between Aoshen Technology and the Contracting Entities whereby the Contracting Entities have engaged Aoshen Technology on an exclusive basis to provide consultation services in the management of assets, operation and liabilities, sales and marketing and other supporting services. In consideration of the provision of the aforementioned services by Aoshen Technology, the Contracting Entities have agreed to pay to Aoshen Technology (or such other entities as Aoshen Technology may direct) fees on an annual basis in arrears. Fees payable to Aoshen Technology by the Contracting Entities will be equivalent to the total revenue less all the related costs, expenses and taxes of the respective Contracting Entities, as audited by certified public accountants of the PRC. Each of the Exclusivity Agreements has become effective when it was executed on 17 December 2010 and will remain effective for a perpetual term unless and until terminated by Aoshen Technology by the giving of a 30-day advance notice in writing; and it will be automatically terminated upon dissolution of the relevant Contracting Entity;
- (3) equity pledge agreements dated 17 December 2010 entered into between Aoshen Technology, Mr. Lin and Mr. Ruan, whereby Mr. Lin and Mr. Ruan have pledged their entire interests in each of the Contracting Entities to secure the payment of consultations services fees to Aoshen Technology under the Exclusivity Agreements. Aoshen Technology is entitled to exercise its rights to sell the pledged equity interests on occurrence of any non-payment of such fees. None of the equity interests in the Contracting Entities can be pledged or transferred unless otherwise with prior consent from Aoshen Technology. Furthermore, Aoshen Technology is entitled to all dividends derived from the pledged equity interests in the Contracting Entities. Each of the equity pledge agreements has become effective when it was executed on 17 December 2010 until all payments in each of the Exclusivity Agreements are settled by the relevant Contracting Entity, as well as upon which the relevant Contracting Entity is no longer responsible for the performance under the Exclusivity Agreements; and they will be automatically terminated upon dissolution of the relevant Contracting Entity;
- (4) option agreements dated 17 December 2010 entered into between Aoshen Hong Kong, each of Mr. Lin and Mr. Ruan and each of the Contracting Entities whereby Aoshen Hong Kong has been granted options to acquire the entire equity interest in the Contracting Entities at nil consideration or the minimum amount as permitted by the applicable PRC laws. Subject to compliance with the PRC laws, such options may be exercised at any time and in any manner at the sole discretion of Aoshen Hong Kong. Prior to the exercise of such options, the respective registered capital or assets, business or revenues of the Contracting Entities shall not be reduced or disposed of unless with the prior consent from Aoshen Hong Kong or Aoshen Technology. Subject to the compliance with applicable laws and the constitutional documents of each of the Contracting Entities, any dividends, distributable reserve and/or other assets (including residual assets upon dissolution of the Contracting Entities) shall also be assigned or transferred to Aoshen Hong Kong, its subsidiaries in the PRC or to such other entities or otherwise deal with in such other manner as Aoshen Hong Kong may direct as soon as practicable but in any event no later than three days upon such receipt. Each of the option agreements has become effective when it was executed on 17 December 2010 and will only expire on the date on which all the equity interests in the Contracting Entities are transferred to Aoshen Hong Kong and/or its nominees, and the registrations of such equity transfers in the relevant Administration of Industry and Commerce in the PRC are completed; and it will be automatically terminated upon dissolution of the relevant Contracting Entity; and

REPORT OF THE DIRECTORS

- (5) power of attorney dated 17 December 2010 entered into between Aoshen Technology, Mr. Lin and Mr. Ruan in respect of each of the Contracting Entities whereby the Group is authorised to exercise its rights in the Contracting Entities as if it were the ultimate beneficial owner of the Contracting Entities. Each of the power of attorney has become effective when it was executed on 17 December 2010 and will remain effective during the term of the Framework Agreements.

The purpose of the Structure Agreements is to provide the Group with effective control over the financial and operational policies of the Contracting Entities, to obtain the economic benefits from the Contracting Entities and acquire the equity interests in the Contracting Entities as and when permitted under the applicable PRC laws and to allow the Company to consolidate the assets, liabilities, equity, income and expenses of the Contracting Entities into the Group's consolidated financial statements as if they were the Group's subsidiaries, and the economic benefit of their business flows to the Group.

BUSINESS ACTIVITIES OF THE CONTRACTING ENTITIES AND THEIR SIGNIFICANCE TO THE GROUP

The Contracting Entities, namely Fujian Ao Shen and Beijing Datisu, were the two operating companies established in the PRC for the purpose of implementing the Contractual Arrangements and were owned as to 50% and 50% by Mr. Lin and Mr. Ruan. The Operating Entities were principally engaged in the printed media business as well as outdoor and digital advertising business.

Pursuant to the prevailing laws and regulations in China, enterprises with foreign ownership were prohibited from engaging in the business of web publishing, publication and general distribution of books, periodicals and newspapers in China. Therefore the Group entered into cooperation agreements with our partners in the PRC through the Contracting Entities for the operation and distribution of printed media and digital advertising. No revenue was generated from the Operating Entities for the Year. Accordingly, the Board considers that the Contracting Entities and the Contractual Arrangements are insignificant to the business of the Group.

Termination of Continuing Connected Transactions

For reason as disclosed in the announcement of the Company dated 21 February 2025, the respective parties of the Structure Agreements have entered into agreements to (i) transfer all assets and liabilities and business contracts, if any, from the Contracting Entities to Aoshen Technology, a wholly-owned subsidiary of the Company; and (ii) unwind the Structure Agreements. The Contractual Arrangements have been terminated and unwound and the Contracting Entities have been ceased to be deemed as subsidiaries of the Company. Please refer to the announcement of the Company dated 21 February 2025 for details.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float throughout the Year and as at the latest practicable date prior to the issue of this annual report.



REPORT OF THE DIRECTORS

EVENT AFTER THE REPORTING PERIOD

On 18 March 2026, the Company proposed to subdivide each existing issued and unissued share of US\$0.004 each into five (5) subdivided shares of US\$0.0008 each (the “Share Subdivision”). The Company further proposed that upon the Share Subdivision becoming effective, the board lot size of the subdivided shares for trading on the Stock Exchange shall be changed to 2,000 subdivided shares for each board lot. Please refer to the announcement of the Company dated 16 March 2026 and the circular of the Company dated 8 April 2026 for details.

AUDITOR

On 23 June 2025, Jon Gepsom CPA Limited, who acted as the auditors of the Company, retired as the auditor of the Company at the conclusion of the annual general meeting of the Company held on 23 June 2025 and Rongcheng (Hong Kong) CPA Limited (formerly known as CL Partners CPA Limited) was appointed as the auditors of the Company with effect from the conclusion of the annual general meeting of the Company held on 23 June 2025. The details of the change of auditors are set out in the Company’s announcement dated 28 May 2025.

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by Rongcheng (Hong Kong) CPA Limited, who will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On Behalf of the Board

Ruan Deqing

Chairman

Hong Kong, 31 March 2026

INDEPENDENT AUDITOR'S REPORT

容诚 | RCHK

TO THE SHAREHOLDERS OF CHINA 33 MEDIA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China 33 Media Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 42 to 111, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKASs") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Impairment assessment on trade receivables

Refer to notes 3, 4, 19 and 31 to the consolidated financial statements.

As at the end of the reporting period, the Group had gross trade receivables of approximately RMB97,037,000 and provision for impairment of approximately RMB86,931,000.

In general, the credit terms granted by the Group to the customers ranged between 30 to 365 days. Management performed periodic assessment on the recoverability of the trade receivables and the sufficiency of provision for impairment based on information including credit profile of different customers, ageing of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers. Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses for the impairment assessment.

We identified the impairment assessment on trade receivables as a key audit matter due to the impairment assessment of trade receivables under the expected credit losses model involved the use of significant management judgements and estimates.

How our audit addressed the key audit matter

Our procedures in relation to impairment assessment of the trade receivables as at the end of the reporting period included:

- Understanding key controls on how the management estimates the loss allowance for trade receivables;
- Testing the integrity of the information used by the management including the ageing profile of the trade receivables as at the end of the reporting period, on a sample basis;
- Inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as performing public search of credit profile of selected customers, understanding on-going business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers;
- Assessing the appropriateness of the expected credit loss provision methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the reasonableness of assumptions, including both historical and forward-looking information, used to determine the expected credit losses; and
- Assessing the appropriateness of disclosure made in the consolidated financial statements.

Based on the procedures performed, we found the Group's impairment assessment on trade receivables were supported by the available evidence.

INDEPENDENT AUDITOR'S REPORT

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 31 March 2025.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.





INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rongcheng (Hong Kong) CPA Limited

Certified Public Accountants

Lo Chi Kin

Practising Certificate Number: P08415

Hong Kong

31 March 2026



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	5	36,151	35,446
Cost of sales		(12,972)	(11,945)
Gross profit		23,179	23,501
Other income	7	7,538	9,520
Other (losses) and gains, net	8	(8,025)	3,004
Selling and distribution expenses		(3,882)	(3,445)
Allowance for expected credit losses on trade receivables, net		(7,428)	(21,484)
Administrative expenses		(29,747)	(33,451)
Finance costs	10	(799)	(1,713)
Loss before tax	9	(19,164)	(24,068)
Income tax	12	–	–
Loss for the year		(19,164)	(24,068)
Other comprehensive (expense) income, net of income tax			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation to presentation currency		(20,785)	20,046
Total comprehensive expense for the year		(39,949)	(4,022)
(Loss) profit for the year attributable to:			
– Owners of the Company		(20,680)	(23,085)
– Non-controlling interests		1,516	(983)
		(19,164)	(24,068)
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		(41,465)	(3,039)
Non-controlling interests		1,516	(983)
		(39,949)	(4,022)
Loss per share		RMB cents	RMB cents (Restated)
Basic and diluted	14	(18.45)	(51.29)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	15	2,891	4,317
Intangible assets	16	330	–
Right-of-use assets	17	1,953	3,167
Refundable deposits	19	5,165	5,832
		10,339	13,316
Current assets			
Trade receivables	19	10,106	11,791
Prepayments, deposits and other receivables	19	4,537	5,570
Financial assets at fair value through profit or loss	18	6,085	19,645
Restricted cash	20	369,425	270,588
Cash and cash equivalents	20	60,617	40,685
		450,770	348,279
Current liabilities			
Trade payables	21	5,700	7,011
Other payables and accruals	21	430,913	301,786
Lease liabilities	23	1,197	1,001
Bond payable	24	–	15,328
Borrowings	22	–	478
Tax payable		167	3,204
		437,977	328,808
Net current assets		12,793	19,471
Total assets less current liabilities		23,132	32,787
Non-current liabilities			
Lease liabilities	23	1,107	2,417
		1,107	2,417
NET ASSETS		22,025	30,370
Capital and reserves			
Share capital	25	1,958	1,115
Reserves		20,067	31,729
Equity attributable to owners of the Company		22,025	32,844
Non-controlling interests		–	(2,474)
TOTAL EQUITY		22,025	30,370

The consolidated financial statements on pages 42 to 111 were approved and authorised for issue by the Board of Directors on 31 March 2026 and are signed on its behalf by:

Ruan Deqing
DIRECTOR

Wang Linlin
DIRECTOR

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company										
	Share capital RMB' 000	Share premium RMB' 000 (Note iii)	Capital reserve RMB' 000 (Note i, iii)	Statutory reserve RMB' 000 (Note ii, iii)	Share redemption reserve RMB' 000	Exchange reserve RMB' 000	Share option reserve RMB' 000	Accumulated losses RMB' 000	Sub-total RMB' 000	Non-controlling interests RMB' 000	Total RMB' 000
At 1 January 2024	1,115	626,463	69,691	13,174	19	29,841	2,447	(706,867)	35,883	(1,491)	34,392
Loss for the year	-	-	-	-	-	-	-	(23,085)	(23,085)	(983)	(24,068)
Exchange differences arising on translation of presentation currency	-	-	-	-	-	20,046	-	-	20,046	-	20,046
Total comprehensive income (expense) for the year	-	-	-	-	-	20,046	-	(23,085)	(3,039)	(983)	(4,022)
Lapsed of share option	-	-	-	-	-	-	(2,447)	2,447	-	-	-
At 31 December 2024 and 1 January 2025	1,115	626,463	69,691	13,174	19	49,887	-	(727,505)	32,844	(2,474)	30,370
(Loss) profit for the year	-	-	-	-	-	-	-	(20,680)	(20,680)	1,516	(19,164)
Exchange differences arising on translation of presentation currency	-	-	-	-	-	(20,785)	-	-	(20,785)	-	(20,785)
Total comprehensive expense (income) for the year	-	-	-	-	-	(20,785)	-	(20,680)	(41,465)	1,516	(39,949)
Rights issue (note 25)	232	17,075	-	-	-	-	-	-	17,307	-	17,307
Placing of new shares (note 25)	611	12,728	-	-	-	-	-	-	13,339	-	13,339
Derecognition of non-controlling interest on loss of control of subsidiary	-	-	-	-	-	-	-	-	-	958	958
Transfer	-	-	-	(2,420)	-	-	-	2,420	-	-	-
At 31 December 2025	1,958	656,266	69,691	10,754	19	29,102	-	(745,765)	22,025	-	22,025

Notes:

(i) The capital reserve represents the aggregate of:

- (1) the amount of fair value of the identifiable net assets of Fujian Ao Shen Media Advertising Co., Ltd ("Fujian Ao Shen"), Beijing Datisu Media Advertising Co. Ltd ("Beijing Datisu"), Beijing Lvban Media Advertising Co., Ltd, Shanghai Lvban Culture Transmission Co. Ltd, Jinan Lvban Advertising Co. Ltd and Guangzhou Lvban Advertising Co., Ltd of RMB23,797,000 acquired by the Group from Mr. Lin Pintong ("Mr. Lin") and Mr. Ruan Deqing ("Mr. Ruan"), executive directors and controlling shareholders of the Group, on 30 June 2008 at nil consideration; and
- (2) the fair value of share options of Lizhong Limited ("Lizhong"), the former immediate holding company of the Company, granted by Lizhong to employees of the Group amounting to RMB2,442,000 was recognised as share-based payment expense from year 2007 to year 2011 for the services provided by the employees to the Group.
- (3) Effective on 27 April 2023, the par value of each of the issued share capital of the Company was reduced from US\$0.04 to US\$0.001 by cancelling the paid-up capital of the Company to the extent of US\$0.039 on each of the issued share capital ("Capital Reduction"). The reduced par value from the Capital Reduction with an aggregate amount of US\$6,739,000 (equivalent to approximately RMB43,452,000) was transferred to the capital reserve of the Company.

Further details on the Capital Reduction were set out in the announcement of the Company dated 25 July 2022 and 26 April 2023, the circular of the Company dated 5 August 2022 and the poll results announcement of the extraordinary general meeting of the Company dated 31 August 2022.

- (ii) As stipulated by the relevant regulations in the People's Republic of China (the "PRC"), the Company's subsidiaries established and operating in the PRC are required to appropriate 10% of their profit after tax as determined in accordance with the PRC accounting rules and regulations, to the statutory reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to equity owners. The statutory reserve can be used to make good previous years' losses, if any, and may be converted into paid-up capital by issuing additional capital to the owners in proportion to the owners' existing equity holdings, provided that the balance after such conversion is not less than 25% of the registered capital.
- (iii) These reserve amounts comprise the consolidated reserve of RMB736,711,000 (2024: RMB709,328,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Loss before tax	(19,164)	(24,068)
Adjustments for:		
Depreciation of property, plant and equipment	1,993	1,855
Depreciation on right-of-use assets	1,092	906
Bank interest income	(3,728)	(5,837)
Finance costs	799	1,713
Loss on disposal of property, plant and equipment	1,012	67
Loss on bond modification	–	413
Gain on early termination of lease arrangement	–	(13)
Allowance for expected credit losses on trade receivables, net	7,428	21,484
Fair value change of financial assets at fair value through profit or loss	5,689	(3,471)
Operating cash flows before movements in working capital	(4,879)	(6,951)
(Increase)/decrease in trade receivables	(5,466)	2,180
Decrease in prepayments, deposits and other receivables	873	6,423
Increase in trade payables, other payables and accruals	121,360	110,750
Decrease in contract liabilities	–	(266)
Increase in restricted cash	(114,333)	(101,375)
CASH FLOWS (USED IN)/GENERATED FROM		
OPERATING ACTIVITIES	(2,445)	10,761
Income tax (paid) refunded	(3,037)	770
NET CASH FLOWS (USED IN)/GENERATED FROM		
OPERATING ACTIVITIES	(5,482)	11,531



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES		
Bank interest received	4,071	5,837
Proceeds from disposal of financial assets at fair value through profit or loss	13,438	–
Proceeds from disposal of property, plant and equipment	515	1,282
Purchase of financial assets at fair value through profit or loss	(6,168)	–
Purchase of property, plant and equipment	(2,228)	(2,581)
NET CASH FLOWS FROM INVESTING ACTIVITIES	9,628	4,538
FINANCING ACTIVITIES		
New borrowings raised	–	472
Repayment of lease liabilities	(1,314)	(813)
Repayment of borrowings	(467)	–
Repayment of bond payable	(15,502)	–
Issuance of shares on rights issue	17,307	–
Placing of new shares	13,339	–
NET CASH FLOWS GENERATED FROM/(USED IN) FINANCING ACTIVITIES	13,363	(341)
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,509	15,728
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	40,685	24,010
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	2,423	947
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	60,617	40,685

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

China 33 Media Group Limited (the “Company”) is a public limited company incorporated in Cayman Islands and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited. The addresses of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Suite 710, 7/F, Ocean Centre, Harbour City, 5 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company’s functional currency is Hong Kong dollars (“HK\$”) as the directors of the Company consider that HK\$ is the functional currency of the primary economic environment in which most of the Group’s transactions are denominated and settled in. However, the consolidated financial statements are presented in Renminbi (“RMB”) and this presentation is more useful for its current and potential investors. The consolidated financial statements are presented in thousands of Renminbi (“RMB’000”), unless otherwise stated.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 35.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21 and IFRS 1 Lack of Exchangeability

The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standards or annual improvements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (continued)

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning 1 January 2025:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7 Amendments to IFRS 10 and IAS 28	Contracts Referencing Nature-dependent Electricity ² Sale or Contribution of Assets between an investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
Amendments to IAS 21 IFRS 18	Translation to a Hyperinflationary Presentation Currency ³ Presentation and Disclosure in Financial Statement ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors anticipate the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the results and financial position of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB and the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis or fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgments in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the consolidated financial statements.

The material accounting policy information applied in the preparation of these consolidated financial statements are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- has exposure, or rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Revenue and other income recognition

Revenue recognition

Under IFRS 15 *Revenue from Contracts with Customers*, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance complete to date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue and other income recognition (continued)

Revenue recognition (continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

For contracts that contain more than one performance obligation, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

(i) *Printed Media Advertising*

Revenue from printed media advertising is recognised over time upon the performance of the services or in accordance with the terms of the contracts.

Revenue from printed media advertising mainly represented the amount generated from the sales of the advertising space on the periodicals and was recognised upon the publication of the periodicals in which the respective advertisement was placed.

Revenue from provision of printed media advertising is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits of advertising provided by the Group.

(ii) *Outdoor and Digital Advertising*

Revenue from outdoor and digital advertising is recognised over time upon the performance of the service or in accordance with the terms of the contracts. Revenue from outdoor and digital advertising represented the advertising income generated from online advertising through mobile applications and websites, etc., as well as sale of advertising spaces on the billboard and LEDs installed at certain railway station, revenue from promotion campaigns conducted in train stations. Revenue was recognised when advertising were published or station campaigns were launched.

Revenue from provision of outdoor and digital advertising is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits of advertising provided by the Group.

(iii) *Film and entertainment investment income*

Revenue from the distribution of film rights and entertainment was recognised at point in time when (i) the Group's entitlement to such payments has been established which was upon the delivery of the master copy or materials to the customers, and (ii) the collectability of proceeds was reasonably assured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue and other income recognition (continued)

Revenue recognition (continued)

(iv) Prepaid card

Revenue from prepaid card service is recognised at a point in time which the services are rendered. Prepaid card service is recognised when the prepaid cardholders made payments of fares using the prepaid card and the card related fees when the service was provided.

Revenue from prepaid card mainly represent the transaction fees recognised when the prepaid cardholders made payments of fares using the prepaid card and the card related fees when the service was provided.

Leasing

(a) Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

(b) The Group as a lessee

(i) Allocation of consideration to components of a contract

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

(ii) Short-term leases

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leasing (continued)

(b) The Group as a lessee (continued)

(iii) *Right-of-use assets*

The cost of right-of-use assets include:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

(iv) *Refundable rental deposits*

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leasing (continued)

(b) The Group as a lessee (continued)

(v) Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on inputs including the prevailing market rates and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leasing (continued)

(b) The Group as a lessee (continued)

(vi) Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Film rights

Film rights represent films, television programmes and television drama series (“films” or singularly, “film”) produced by the Group or acquired by the Group.

Prepayment under film cooperation agreements are transferred to film rights upon commencement of production of the related films.

Film rights are stated at cost less any identified impairment loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries, and interests in associates and a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of a deferred tax asset is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income ("OCI") and accumulated in equity under the heading of the exchange reserve.

Exchange differences relating to the retranslation of the Group's net assets in functional currency to the Group's presentation currency are recognised directly in OCI and accumulated in exchange reserve. Such exchange differences accumulated in the exchange reserve are not reclassified to profit or loss subsequently.

Retirement benefit costs

Payments to state-managed retirement benefit schemes and Mandatory Provident Fund Scheme ("MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The property, plant and equipment are depreciated on a straight-line basis to their residual values as follows:

Leasehold land and buildings	Over the shorter of lease terms and 20 years
Leasehold improvement	Over shorter of lease terms and 5 year
Motor vehicles	10 years
Office equipment	5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Intangible assets acquired separately

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Impairment on tangible assets, intangible assets and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the group entity becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value except for trade receivable arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognised in profit or loss.

Financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets (continued)

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(a) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(b) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

(c) Impairment of financial assets

The Group recognises a loss allowance for expected credit loss ("ECL") on financial assets which are subject to impairment under IFRS 9 (including trade receivables, other receivables, restricted bank deposits and cash and bank balances). The amount of ECL is updated at each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting period. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting period as well as the forecast of future economic conditions.

The Group always recognise lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets (continued)

(d) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports and financial analysts, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets (continued)

(e) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(a) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(b) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets (continued)

(e) Definition of default (continued)

(c) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, and other receivables for termination of film investment, are each assessed as a separate group.
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial liabilities and equity instruments

(a) Classification as financial liabilities or equity

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(c) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

(d) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

(e) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalent

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flow. Cash and cash equivalents are assessed for ECL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Equity-settled share-based payment transactions

(a) Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve). At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

(b) Share options granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Significant increase in credit risk

As explained in note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Control over the Contracting Entities

Note 35 describes that Fujian Ao Shen and Beijing Datisu (collectively the “Contracting Entities”, each a “Contracting Entity”) are subsidiaries of the Group although the Group does not have any equity interest in the registered capital of the Contracting Entities, each of which were established and owned as to 50% and 50% by Mr. Lin and Mr. Ruan, controlling shareholders of the Group, while Mr. Ruan is also an executive director of the Company. The directors assessed whether or not the Group has control over the Contracting Entities based on whether the Group has the practical ability to direct the relevant activities of the Contracting Entities unilaterally. In making their judgment, the directors considered the Contractual Arrangements (see the details of the Contractual Arrangements below).

On 17 December 2010, Hong Kong Ao Shen Investment Co., Ltd (“Hong Kong Ao Shen”, a wholly-owned subsidiary of the Company), Ao Shen Technology Service (Fuzhou) Co., Ltd (“Ao Shen Technology”, a wholly-owned subsidiary of Hong Kong Ao Shen), each of the Contracting Entities and their respective equity participants, Mr. Lin and Mr. Ruan, entered into a series of agreements (the “Contractual Arrangements”) with the following key provisions:

Framework agreements

The framework agreements (the “Framework Agreements”) dated 17 December 2010 entered into between (i) Ao Shen Technology; (ii) the Contracting Entities; and (iii) Mr. Lin and Mr. Ruan, whereby the Contracting Entities have undertaken, among others, not to enter into any material business transaction without the prior written consent of Ao Shen Technology. The Contracting Entities shall appoint individuals as nominated by Ao Shen Technology to be their directors and key management as and when Ao Shen Technology sees fit. Furthermore, Ao Shen Technology or its nominees is entitled to exercise their rights as if they were the shareholder of the Contracting Entities. Any dividend distributable reserve and/or other assets (including residual assets upon dissolution of the Contracting Entities) derived from the equity interests in the Contracting Entities shall also be paid to Ao Shen Technology or to such other entities or otherwise deal with in such other manner as Ao Shen Technology may direct. Each of the Framework Agreements has become effective when it was executed on 17 December 2010 and will remain effective for a perpetual term unless and until terminated by Ao Shen Technology by the giving of a 30-day advance notice in writing; or pursuant to the terms under other agreements entered into by the relevant parties; and it will be automatically terminated upon dissolution of the relevant Contracting Entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Control over the Contracting Entities (continued)

Option agreements

Hong Kong Ao Shen, each of Mr. Lin and Mr. Ruan and each of the Contracting Entities entered into exclusive option agreements (the "Option Agreements") whereby Hong Kong Ao Shen has been granted options to acquire the entire equity interest in the Contracting Entities at nil consideration or the minimum amount as permitted by the applicable PRC laws. Subject to compliance with the PRC laws, such options may be exercised at any time and in any manner at the sole discretion of Hong Kong Ao Shen. Pursuant to the Option Agreements, each of the Contracting Entities and/or Mr. Lin and Mr. Ruan has given undertakings that it shall perform certain acts or refrain from performing certain other acts unless with the prior written consent of Ao Shen Technology, including but not limited to the below matters:

- (a) that each of the Contracting Entities shall not alter its constitutional documents or its registered capital unless with the prior consent from Ao Shen Technology;
- (b) that any of the Contracting Entities and/or Mr. Lin and Mr. Ruan shall not incur any indebtedness or guarantee (other than those incurred in the ordinary course of business and disclosed to and approved by Ao Shen Technology in advance);
- (c) that each of the Contracting Entities shall not provide any loan or guarantee to any third parties;
- (d) that each of the Contracting Entities shall not dispose of or create encumbrances over any part of its assets, business or revenue and that Mr. Lin and Mr. Ruan shall not dispose of or create encumbrances over the equity interest held by them in each of the Contracting Entities, except the security created under the Equity Pledge Agreement (as defined below);
- (e) that each of the Contracting Entities shall not enter into any material contracts over RMB1,000,000 other than those in its ordinary course of business;
- (f) that each of the Contracting Entities shall not distribute any dividend (including any undistributed attributable profit payable to the entity's shareholders prior to the Option Agreements becoming effective) to its shareholders and that Mr. Lin and Mr. Ruan undertake that such undistributed profit shall be retained in each of the Contracting Entities as its capital and/or reserved fund and shall give up and assign or transfer to Ao Shen Technology any dividend declared and distributed thereafter and payable to them by virtue of their holding of the equity interest in each of the Contracting Entities;
- (g) that each of the Contracting Entities shall not make investment or engage in any merger or acquisition transactions; and
- (h) that at the request of Ao Shen Technology, Mr. Lin and Mr. Ruan shall appoint such persons nominated by Ao Shen Technology to act as the directors, supervisors and senior management members of each of the Contracting Entities.

Each of the Option Agreements has become effective when it was executed on 17 December 2010 and will only expire on the date on which all the equity interests in the Contracting Entities are transferred to Hong Kong Ao Shen and/or its nominees, and the registrations of such equity transfers in the relevant Administration of Industry and Commerce in the PRC are completed; and it will be automatically terminated upon dissolution of the relevant Contracting Entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Control over the Contracting Entities (continued)

Power of attorney

Ao Shen Technology and Mr. Lin and Mr. Ruan entered into power of attorney (the "Power of Attorney") pursuant to which Mr. Lin and Mr. Ruan have unconditionally and irrevocably undertaken to authorise such person(s) as designated by Ao Shen Technology (being PRC citizens) to exercise the shareholders' rights in relation to appointment of proxy and exercise of voting rights in each of the Contracting Entities under the articles of associate of the Contracting Entities and the applicable PRC laws. Such shareholders' rights include but are not limited to (i) calling and attending the shareholders' meetings of the Contracting Entities; (ii) exercising the voting rights on all matters requiring the consideration and approval of shareholders and those pursuant to articles of association of the Contracting Entities.

Before Ao Shen Technology acquires the equity interests from Mr. Lin and Mr. Ruan in each of the Contracting Entities contemplated under the Option Agreements, Ao Shen Technology can exercise the voting rights of shareholders of the Contracting Entities as if Ao Shen Technology and hence the Group was the ultimate beneficial owner of the Contracting Entities by virtue of the Power of Attorney.

The term of the Power of Attorney commenced on 17 December 2010 and will remain effective during the term of the Framework Agreements.

Exclusivity agreements

Ao Shen Technology and each of the Contracting Entities entered into exclusivity agreements (the "Exclusivity Agreements") pursuant to which the Contracting Entities will exclusively engage Ao Shen Technology to provide consultation services in the management of assets, operation and liabilities, sales and marketing and other supporting services.

In consideration of the provision of the aforementioned services by Ao Shen Technology, each of the Contracting Entities agrees to pay to Ao Shen Technology (or such other entities as Ao Shen Technology may direct) fees on an annual basis in arrears. Fees payable to Ao Shen Technology by each of the Contracting Entities will be equivalent to the total revenue less all the related costs, expenses and taxes of the respective Contracting Entities, as audited by certified public accountants of the PRC.

Pursuant to the Exclusivity Agreements, each of the Contracting Entities shall not without the prior written consent of Ao Shen Technology to dispose of or pledge its material assets, operation rights and/or business; alter its registered capital; alter its scope of business; declare dividends; and/or remove any of its directors and senior management members.

The term of the Exclusivity Agreements commenced from 17 December 2010 and will remain effective for a perpetual term unless and until terminated by Ao Shen Technology by the giving of a 30-day advance notice in writing; and it will be automatically terminated upon dissolution of the relevant Contracting Entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Control over the Contracting Entities (continued)

Equity pledge agreements

Ao Shen Technology and Mr. Lin and Mr. Ruan entered into equity pledge agreements (the “Equity Pledge Agreements”), whereby Mr. Lin and Mr. Ruan have pledged their entire interests in each of the Contracting Entities to secure the payment of consultations services fees to Ao Shen Technology under the Exclusivity Agreements.

Pursuant to the Equity Pledge Agreements, without the prior written consent of Ao Shen Technology, the Contracting Entities shall not alter its current shareholding structure and/or its nature or scope of business, Mr. Lin and Mr. Ruan shall not allow the Contracting Entities to transfer or dispose of its assets and pledge or transfer their respective equity interests in the Contracting Entities in favour of or to other third parties. Ao Shen Technology is entitled to receive all dividends derived from the pledged equity interests. Ao Shen Technology is entitled to demand repayment of the secured indebtedness and/or to exercise its rights to sell the pledged equity interests on occurrence of certain events of default including but not limited to non-performance or breach of any of the Exclusivity Agreements, the Option Agreements and the Power of Attorney; or failure to repay other debts when due by the Contracting Entities or Mr. Lin and Mr. Ruan (as the case may be).

The Equity Pledge Agreements became effective when they were executed on 17 December 2010 until all payments in each of the Exclusivity Agreements are settled by the relevant Contracting Entity, as well as upon which the relevant Contracting Entity is no longer responsible for the performance under the Exclusivity Agreements; and they will be automatically terminated upon dissolution of the relevant Contracting Entity.

During the year ended 31 December 2025, the Contractual Arrangements have been terminated and unwound and Fujian Aoshen and Beijing Datisu have been ceased to be deemed as subsidiaries of the Company. Further Details are set out in note 35.

In the opinion of the directors, before the termination of above Contractual Agreements, all the terms of the Contractual Arrangements are valid, binding and legally enforceable on all parties under the applicable laws in the PRC. Pursuant to the Contractual Arrangements, Mr. Lin and Mr. Ruan assigned all the shareholder’s rights of the Contracting Entities and to assign the power to appoint and remove all the members of the board of directors and to govern the financial and operating policies of the Contracting Entities to the Group. The directors of the Company considered such agreements give the Group the current ability to direct the relevant activities of the Contracting Entities. With the power over the Contracting Entities and the ability to use the power over the Contracting Entities to affect the amount of the Group’s return, the Group treats the Contracting Entities as wholly-owned subsidiaries of the Company under IFRS 10 and the Contracting Entities’ results, assets and liabilities are consolidated with those of the Group. The total assets, total liabilities and the loss for the year of the Contracting Entities and their subsidiaries were RMB59,029,000, RMB25,226,000 and RMB2,655,000, respectively at 31 December 2024.

Among to the termination of Contractual Agreements, the Board announces that the respective parties of the Contractual Arrangements have entered into agreements to (i) transfer all assets and liabilities and business contracts, if any, from the Contracting Entities to Ao Shen Technology and (ii) unwind the Contractual Arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of property, plant and equipment

Determining whether an impairment is required requires an estimation of recoverable amounts of the property, plant and equipment or the respective cash generating units ("CGU") in which the property, plant and equipment belong, which is the higher of value in use and fair value less costs of disposal. If there is any indication that an asset may be impaired, recoverable amount shall be estimated for individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the CGU to which the asset belongs. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the assets or CGUs and a suitable discount rate in order to calculate the present value. The discount rate represents a rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. Where the actual future cash flows or the revision of estimated future cash flows are less than original estimated future cash flow, a material impairment loss may arise. As at 31 December 2025, the carrying amount of property, plant and equipment is RMB2,891,000 (2024: RMB4,317,000).

Estimated Impairment of trade receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement at amortised cost in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 31.

As at 31 December 2025, the carrying amount of trade receivables is RMB10,106,000 (net of allowance for doubtful debts of RMB86,931,000) (2024: RMB11,791,000 (net of allowance for doubtful debts of RMB79,780,000)).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. REVENUE

Disaggregation of revenue

Disaggregation of revenue from contracts with customers is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines:		
– Outdoor and digital advertising income	–	471
– Film and entertainment investment income	–	–
– Printed media advertising income	–	–
– Prepaid card income	36,151	34,975
	36,151	35,446

An analysis of the Group's revenue for the year is as follows:

	2025 RMB'000	2024 RMB'000
<i>Recognised over time:</i>		
Outdoor and digital advertising income	–	471
<i>Recognised at a point in time:</i>		
Film and entertainment investment income	–	–
Printed media advertising income	–	–
Prepaid card income	36,151	34,975
Total	36,151	35,446

All revenue contracts are for period of one year or less, as permitted by IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed. Please refer to note 3 for the details of the Group's revenue recognition policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION

The Group determines its operating segments and measurement of segment profits based on the internal reports to the executive directors, the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment. The Group's reportable and operating segments are as follows:

- (a) printed media advertising: sale of advertising spaces in magazines distributed in certain train services in the People's Republic of China (the "PRC");
- (b) outdoor and digital advertising: income generated from online advertising through mobile applications and websites, etc. as well as sale of advertising spaces on the billboards and LEDs installed at certain railway stations, revenue from promotion campaigns conducted in train stations;
- (c) film and entertainment investment: investment for profit sharing on box office of movies and concerts and distribution income of film rights and television drama; and
- (d) prepaid card: transaction fees earned from participating service providers for the use of the prepaid cards by cardholders and other card related fees upon the provision of services.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the year ended 31 December 2025

	Printed media advertising RMB'000	Outdoor and digital advertising RMB'000	Film and entertainment investment RMB'000	Prepaid card RMB'000	Consolidated RMB'000
Revenue – external customers	-	-	-	36,151	36,151
Segment (loss) profit	(1,712)	(132)	(5,517)	3,942	(3,419)
Unallocated other income, other gains and (losses), net					(6,372)
Finance costs					(799)
Corporate and other unallocated expenses					(8,574)
Loss before tax					(19,164)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

For the year ended 31 December 2024

	Printed media advertising RMB'000	Outdoor and digital advertising RMB'000	Film and entertainment investment RMB'000	Prepaid card RMB'000 (Restated)	Consolidated RMB'000 (Restated)
Revenue – external customers	–	471	–	34,975	35,446
Segment (loss) profit	(5,362)	(4,685)	(21,484)	9,457	(22,074)
Unallocated other income, other gains and (losses), net					3,646
Finance costs					(1,713)
Corporate and other unallocated expenses					(3,927)
Loss before tax					(24,068)

For each of the reporting period ended, the accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment result represents the profit earned or loss incurred by each segment without allocation of bank interest income, finance costs, and certain income and other gains and losses, net fair value change of financial assets at FVTPL and corporate and other unallocated expenses. Corporate and other unallocated expenses included selling and distribution expenses and certain administrative expenses. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

During the year ended 31 December 2025, the Group reassessed the allocation basis of certain profit or loss, asset and liability items in each segment precisely and accordingly changed the measurement basis of operating profit or loss earned by each segment and reported to the chief operating decision makers. Comparative figures of the segment information were reclassified to conform with the current year's presentation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

At 31 December 2025

	Printed media advertising RMB'000	Outdoor and digital advertising RMB'000	Film and entertainment investment RMB'000	Prepaid card RMB'000	Consolidated RMB'000
Segment assets	-	-	-	393,915	393,915
Financial assets at FVTPL					6,085
Intangible assets					330
Cash and cash equivalents					60,617
Corporate and other unallocated assets					162
Consolidated assets					461,109
Segment liabilities	(780)	(504)	-	(391,038)	(392,322)
Corporate and other unallocated liabilities					(46,762)
Consolidated liabilities					(439,084)

At 31 December 2024

	Printed media advertising RMB'000 (Restated)	Outdoor and digital advertising RMB'000 (Restated)	Film and entertainment investment RMB'000 (Restated)	Prepaid card RMB'000 (Restated)	Consolidated RMB'000 (Restated)
Segment assets	2,513	-	5,640	292,854	301,007
Financial assets at FVTPL					19,645
Cash and cash equivalents					40,685
Corporate and other unallocated assets					258
Consolidated assets					361,595
Segment liabilities	(13,580)	(5,501)	(179)	(282,684)	(301,944)
Bond payable					(15,328)
Borrowings					(478)
Corporate and other unallocated liabilities					(13,475)
Consolidated liabilities					(331,225)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than intangible assets, financial assets at FVTPL, certain prepayments, deposits and other receivables, and cash and cash equivalents; and
- all liabilities are allocated to operating and reportable segments other than certain other payables and accruals, contract liabilities, lease liabilities, tax payable, borrowings and bond payable.

Other segment information

For the year ended 31 December 2025

Other segment information	Printed media advertising RMB'000	Outdoor and digital advertising RMB'000	Film and entertainment investment RMB'000	Prepaid card RMB'000	Consolidated RMB'000
Amounts included in the measure of segment results or segment assets					
Allowance for expect credit losses on trade receivables, net	-	-	5,512	1,916	7,428
Advertising agency fee and production expenses (included in cost of sales)	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

For the year ended 31 December 2024

Other segment information	Printed media advertising RMB'000	Outdoor and digital advertising RMB'000	Film and entertainment investment RMB'000	Prepaid card RMB'000	Consolidated RMB'000
---------------------------	--	--	--	-------------------------	-------------------------

Amounts included in the measure of segment results or segment assets

Allowance for expect credit losses on trade receivables, net	-	-	21,484	-	21,484
Advertising agency fee and production expenses (included in cost of sales)	-	184	-	-	184

Geographical information

Information about the Group's revenue from external customers presented based on the locations of customers, and information about the Group's non-current assets presented based on the geographical location of the assets are summarised below.

	Revenue from external customers		Non-current assets	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Hong Kong	36,151	34,975	10,339	11,647
The PRC	-	471	-	1,669
	36,151	35,446	10,339	13,316



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

Information about major customers

No customer contributed over 10% of the total revenue of the Group for the year ended 31 December 2024 and 2025.

7. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Bank interest income	3,728	5,837
Others (<i>Note</i>)	3,810	3,683
	7,538	9,520

Note:

Included the amount contributed by the other income received from managing prepaid card sales counters for co-branded partners amounted to approximately RMB3,133,000 (2024: RMB3,043,000). The relevant other income is recognised in accordance with the IFRS 15 revenue recognition at a point in time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

8. OTHER (LOSSES) AND GAINS, NET

	2025 RMB'000	2024 RMB'000
Loss on disposal of property, plant and equipment	(1,012)	(67)
Loss on bond modification	–	(413)
Gain on early termination on lease arrangement	–	13
Fair value change of financial assets at FVTPL	(5,689)	3,471
Others	(1,324)	–
	(8,025)	3,004

9. LOSS BEFORE TAX

	2025 RMB'000	2024 RMB'000
Loss before tax has been arrived at after charging:		
Auditor's remuneration	636	600
Depreciation of property, plant and equipment	1,993	1,855
Depreciation on right-of-use assets	1,092	906
Employee benefit expense (including directors' emoluments)		
Salaries, bonuses and other benefits	14,182	15,409
Contributions to retirement benefits schemes	451	659
Total employee benefit expenses	14,633	16,068
Advertising agency fees and production expenses for outdoor and digital advertising (included in cost of sales)	–	184
Payment to short-term lease	135	164



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest expense on corporate bond	457	1,582
Interest expense on borrowings	5	6
Interest expense on lease liabilities	337	125
	799	1,713

11. DIRECTORS' AND EMPLOYEES' REMUNERATION

Directors' remuneration

Directors' remuneration are as follows:

	For the year ended 31 December 2025			
	Directors' fees RMB'000	Salaries and allowances RMB'000	Retirement benefits scheme contributions RMB'000	Total emoluments RMB'000
Executive directors				
Mr. Ruan Deqing	–	859	17	876
Ms. Wang Linlin ¹	259	–	–	259
Mr. Ma Pun Fai ³	159	–	–	159
	418	859	17	1,294
Independent non-executive directors				
Ms. Tay Sheve Li	166	–	–	166
Mr. Chan Wing Wah Terence ²	58	–	–	58
Ms. Wipada Kunna ⁴	111	–	–	111
Mr. Yau Kit Yu ⁵	27	–	–	27
	362	–	–	362
Total emoluments	780	859	17	1,656

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

11. DIRECTORS' AND EMPLOYEES' REMUNERATION (continued)

Directors' remuneration (continued)

	For the year ended 31 December 2024			
	Directors' fees RMB'000	Salaries and allowances RMB'000	Retirement benefits scheme contributions RMB'000	Total emoluments RMB'000
Executive directors				
Mr. Ma Pun Fai ³	333	–	–	333
Mr. Ruan Deqing	–	1,720	17	1,737
	333	1,720	17	2,070
Independent non-executive directors				
Ms. Tay Sheve Li	166	–	–	166
Ms. Wipada Kunna ⁴	97	–	–	97
Mr. Yau Kit Yu ⁵	55	–	–	55
	318	–	–	318
Total emoluments	651	1,720	17	2,388

¹ Ms. Wang Linlin was appointed as an executive director on 21 March 2025.

² Mr. Chan Wing Wah Terence was appointed as an independent non-executive director on 23 June 2025.

³ Mr. Ma Pun Fai was resigned as an executive director on 23 June 2025.

⁴ Ms. Wipada Kunna was appointed as an independent non-executive director on 15 February 2024.

⁵ Mr. Yau Kit Yu was resigned as an independent non-executive director on 23 June 2025.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Save for disclosed in note 34 to these consolidated financial statements, no significant transaction, arrangement and contract in relation to the Group's business to which the Company was a party and in which the directors of the Company and the directors' connected party had a material interest, whether directly or indirectly, subsisted at the end of the both years or at any time during the both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

11. DIRECTORS' AND EMPLOYEES' REMUNERATION (continued)

Employees' emoluments

Of the five individuals with the highest emoluments of the Group, one (2024: one) was director of the Company. The emoluments of the remaining four (2024: four) individuals are set out as follows:

	2025 RMB'000	2024 RMB'000
Salaries, bonuses and other benefits	4,616	3,902
Contributions to retirement benefits schemes	66	60
	4,682	3,962

Their emoluments are within the following band:

	2025 Number of employees	2024 Number of employees
Nil to HK\$1,000,000	1	2
HK\$1,000,001 to HK\$1,500,000	3	2
	4	4

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived or agreed to waive any emoluments during both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. INCOME TAX

	2025 RMB'000	2024 RMB'000
Current tax – PRC Enterprise Income Tax: Charge for the year	–	–
	–	–

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group had sufficient tax losses brought forward to set off estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Taxation for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and OCI as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Loss before tax	(19,164)	(24,068)
Tax credit at applicable tax rate*	(3,162)	(3,971)
Tax effect for tax loss not recognised	1,819	824
Tax effect of expenses not deductible for tax purpose	5,311	5,075
Tax effect of income not taxable for tax purpose	(3,167)	(1,538)
Tax effect of temporary difference not recognised	198	–
Tax effect of different tax rates in other jurisdictions	(230)	87
Tax loss utilised	(769)	(477)
Tax for the year	–	–

* The tax rate of 16.5% represents the domestic tax rate (which is Hong Kong Profit Tax) in jurisdiction where the major current tax is charged.

As at 31 December 2025, the Group had estimated unused tax losses of RMB91,400,000 (2024: RMB96,061,000) available for offset against future profits. Included in unrecognised tax losses are losses of RMB21,936,000 (2024: RMB21,936,000) that can be carried forward for five years from the year in which the losses arose for offsetting against future taxable profits of the companies in which the losses arose. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. INCOME TAX (continued)

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB7,604,000 (2024: RMB13,322,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

13. DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2025 (2024: Nil).

14. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	2025 RMB'000	2024 RMB'000
Loss for the purpose of basic and diluted loss per share		
Loss for the year attributable to owners of the Company	(20,680)	(23,085)

	Number of shares	
	2025 '000	2024 '000 (Restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (<i>Note</i>)	112,067	45,006

Note: The weighted average number of ordinary shares for the years ended 31 December 2025 and 2024 for the purpose of calculating the basic earnings per share, had been adjusted to account for the effect of the bonus element of the rights issue of the Company which was completed on 5 February 2025 ("Rights Issue") and the effect of placing shares which was completed on 14 July 2025.

The diluted loss per share was the same as the basic loss per share as there were no potential dilutive ordinary shares in existence during both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings RMB'000	Leasehold improvement RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Total RMB'000
COST					
At 1 January 2024	6,689	4,471	2,969	8,977	23,106
Addition	–	1,148	–	1,433	2,581
Disposal/written off	(3,529)	(4,477)	(2,969)	(61)	(11,036)
Effect of foreign currency exchange difference	–	30	–	1,512	1,542
At 31 December 2024 and 1 January 2025	3,160	1,172	–	11,861	16,193
Addition	–	74	1,667	487	2,228
Disposal/written off	(3,160)	–	–	–	(3,160)
Effect of foreign currency exchange difference	–	(56)	(41)	(568)	(665)
At 31 December 2025	–	1,190	1,626	11,780	14,596
ACCUMULATED DEPRECIATION					
At 1 January 2024	3,941	4,140	2,292	8,540	18,913
Provided for the year	575	–	163	1,117	1,855
Disposals/written off	(3,025)	(4,146)	(2,455)	(61)	(9,687)
Effect of foreign currency exchange difference	–	6	–	789	795
At 31 December 2024 and 1 January 2025	1,491	–	–	10,385	11,876
Provided for the year	142	608	370	873	1,993
Disposals/written off	(1,633)	–	–	–	(1,633)
Effect of foreign currency exchange difference	–	(15)	(9)	(507)	(531)
At 31 December 2025	–	593	361	10,751	11,705
CARRYING AMOUNTS					
At 31 December 2025	–	597	1,265	1,029	2,891
At 31 December 2024	1,669	1,172	–	1,476	4,317

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2024, the Group is in the process of obtaining the title deeds from relevant government authorities for residential properties in the PRC received by the Group in consideration for advertising services rendered, amounting to RMB1,669,000. In the opinion of the directors of the Company, the Group is not required to incur additional cost in obtaining the title deeds for its buildings in the PRC. During the year, the Group disposed all leasehold land and buildings with the consideration of RMB515,000.

Impairment assessment

In accordance with the Group's accounting policies, the Group reviews the carrying amount of its property, plant and equipment to determine whether there is any indication of that these assets have suffered an impairment loss. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made at the reporting period.

During the year, although the Group recorded a loss before tax of approximately RMB19,666,000, the corresponding CGU related to the prepaid card business demonstrated improved performance. Specifically, the segment recorded profit of approximately RMB8,744,000 (2024: RMB579,000). As the remaining carrying amounts of the associated assets relate largely to this segment, the directors of the Company are of the opinion that any associated assets pertaining to other segments and their related impairment impact are insignificant.

16. INTANGIBLE ASSETS

	Cross-boarder license plate RMB'000	Total RMB'000
COST		
At 1 January 2024, 31 December 2024 and 1 January 2025	–	–
Addition	330	330
At 31 December 2025	330	330
CARRYING AMOUNTS		
At 31 December 2025	330	330
At 31 December 2024	–	–

During the year ended 31 December 2025, the Group has acquired a cross-boarder license plate, with a legal life of 1 year but is renewable every year at minimal cost. The directors of the Company are of the opinion that the Group would renew the cross-boarder license plate continuously and has the ability to do so. As a result, the cross-boarder license plate is considered by the management of the Company as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The cross-boarder license plate will not be amortised until its useful life is determined to be finite. Instead, it will be tested for impairment annually and whenever there is an indication that it may be impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

17. RIGHT-OF-USE ASSETS

	Leased properties RMB'000
Cost	
At 1 January 2024	1,429
Additions	3,284
Written-off upon lease expiration or early termination	(1,448)
Effect of foreign currency exchange difference	89
At 31 December 2024 and 1 January 2025	3,354
Effect of foreign currency exchange difference	(158)
At 31 December 2025	3,196
Accumulated depreciation	
At 1 January 2024	595
Provided for the year	906
Written-off upon lease expiration or early termination	(1,327)
Effect of foreign currency exchange difference	13
At 31 December 2024 and 1 January 2025	187
Provided for the year	1,092
Effect of foreign currency exchange difference	(36)
At 31 December 2025	1,243
Carrying amounts	
At 31 December 2025	1,953
At 31 December 2024	3,167

Lease liabilities of RMB2,304,000 (2024: RMB3,418,000) are recognised with related right-of-use assets of RMB1,953,000 (2024: RMB3,167,000) as at 31 December 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of total cash outflow of leases is set out in note 33 to the consolidated financial statements.

During the current year, the Group leases properties for self-own use. Lease contracts are entered into for fixed term of two to three years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

17. RIGHT-OF-USE ASSETS (continued)

Impairment assessment

In accordance with the Group's accounting policies, the Group reviews the carrying amount of its right-of-use assets to determine whether there is any indication of that these assets have suffered an impairment loss. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made at the reporting period.

During the year, although the Group recorded a loss before tax of approximately RMB19,666,000, the corresponding CGU related to the prepaid card business demonstrated improved performance. Specifically, the segment recorded profit of approximately RMB8,744,000 (2024: RMB579,000). As nearly all the remaining carrying amounts of the associated assets pertain to this segment, the directors are of the opinion that an impairment assessment of the recoverable amounts is unnecessary.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Financial assets at FVTPL		
– Equity securities listed in Hong Kong	6,085	19,645

Fair value are determined with reference to quoted market bid prices.

19. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Trade receivables

	2025 RMB'000	2024 RMB'000
Trade receivables	97,037	91,571
Less: Allowance for ECL	(86,931)	(79,780)
	10,106	11,791

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Trade receivables (continued)

The Group's credit terms with its customers generally range from 30 days to 365 days. The Group seeks to apply strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing. As at the end of the reporting period, an aged analysis of the trade receivables, net of allowance for bad and doubtful debts, presented based on the respective dates on which revenue was recognised, are as follows:

	2025 RMB'000	2024 RMB'000
Trade receivables:		
Within 90 days	5,766	7,592
91 – 180 days	2,138	–
181 – 365 days	1,987	–
Over 1 year	215	4,199
	10,106	11,791

Movement in lifetime ECL that have been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9 for the years ended 31 December 2025 and 2024, is as follows:

	Total RMB'000
Balance as at 1 January 2024	60,463
Allowance for ECL, net	21,484
Written-off as bad debts	(4,646)
Exchange realignment	2,479
Balance as at 31 December 2024 and 1 January 2025	79,780
Allowance for ECL, net	7,428
Exchange realignment	(277)
Balance as at 31 December 2025	86,931

During the year ended 31 December 2025, the additional ECL amount to RMB7,428,000 (2024: RMB21,484,000) provided mainly due to the increase in the overdue balance for the trade receivables and further increase in the default rate for the long outstanding trade receivables. Details of impairment assessment under ECL model of trade receivables for the years ended 31 December 2025 and 2024 set out in note 31.

The trade receivables are mainly dominated in RMB and HK\$ for both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Prepayments, deposits and other receivables

	2025 RMB'000	2024 RMB'000
Current:		
Prepayments	1,393	2,840
Deposits	31	–
Other receivables (Note (iii))	3,113	1,003
Prepayments for agency fees for outdoor and digital advertising	–	891
Refundable deposits for termination of film investments (Note (i), (ii) and (iii))	–	836
	4,537	5,570
Non-current:		
Refundable deposits	5,165	5,832
	9,702	11,402

Notes:

- (i) Amount represented refundable deposit to be received from a co-investor upon the termination of one film investment as at 31 December 2024 and receivables from co-investors for joint investments of movies.
- (ii) Movement in allowance for ECL that has been recognised for deposits and other receivables under ECL model of IFRS 9 for the years ended 31 December 2025 and 2024 was detailed in note 31.
- (iii) The carrying amount was net of impairment loss of approximately RMB31,784,000 recognised in prior years based on the impairment assessment performed by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

20. RESTRICTED CASH/CASH AND CASH EQUIVALENTS

	2025 RMB'000	2024 RMB'000
Cash and bank balances and restricted cash are denominated in foreign currencies of respective group entities:		
United States dollars ("US\$")	31	510
Japanese Yen ("JPY")	186	220
Euro ("EUR")	347	390

The cash and bank balances and bank deposits of RMB424,000 (2024: RMB999,000), denominated in RMB, are not freely convertible into other currencies. However, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term bank deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The Group's prepaid card service is regulated by the SVF license issued by the Hong Kong Monetary Authority ("HKMA"). The prepaid card services required to maintain certain level of cash balance in the bank account with reference to the cash received from client and it is under the monitor of HKMA. As at 31 December 2025, cash balances of RMB369,425,000 (2024: RMB270,588,000) has been received from and restricted for the use by prepaid card customers. The Group has recognised the corresponding liabilities to respective external clients as restricted cash received from prepaid card holders of RMB356,206,000 (2024: RMB253,800,000). However, the Group does not have a currently enforceable right to offset those payables with the restricted cash.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

21. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Trade payables

The normal credit period on trade payables is generally ranged from 30 days to 180 days.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Within 90 days	4,766	3,808
91 – 180 days	–	66
Over 180 days	934	3,137
	5,700	7,011

Trade payables are mainly dominated in RMB and HK\$ for both years.

Other payables and accruals

	2025 RMB'000	2024 RMB'000
Other payables (<i>Note</i>)	429,518	299,959
Accrued salaries and staff welfare	1,065	89
Other tax payable	–	1,738
Payable for acquisition of intangible assets	330	–
	430,913	301,786

Note:

Other payables mainly included amount of RMB356,206,000 (2024: RMB253,800,000) related to restricted cash received from prepaid card holders and held for who in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

22. BORROWINGS

Borrowings represent other borrowings obtained from a financial institution in Hong Kong, which are unsecured, denominated in Hong Kong dollars, carry a fixed effective interest rate of 18% per annum. The Group early repaid the borrowings in January 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

23. LEASE LIABILITIES

At 31 December 2025 and 2024, the Group had lease liabilities repayable as follows:

	2025		2024	
	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000
Within 1 year	1,197	1,398	1,001	1,345
After 1 year but within 2 years	1,107	1,166	1,256	1,467
After 2 years but within 5 years	–	–	1,161	1,223
	2,304	2,564	3,418	4,035
Less: total future interest expenses		(260)		(617)
Present value of lease liabilities		2,304		3,418
Less: Amount due for settlement within 12 months (shown under current liabilities)		(1,197)		(1,001)
Amount due for settlement after 12 months (shown under non-current liabilities)		1,107		2,417

The weighted average incremental borrowings rates applied to lease liabilities was 12% (2024: 12%) per annum.

24. BOND PAYABLE

On 23 July 2020, the Company entered a bond agreement with a company which is independent to the Group with a principal value of HK\$12,000,000 (equivalent to approximately RMB10,843,000). The bond bears interest rate at 12% per annum and are due for repayments on 22 July 2023.

On 23 July 2023, the Company renewed the above bond agreement with a renewed principal value of HK\$13,440,000 (equivalent to approximately RMB12,260,000). The renewed bond bears interest rate at 12% per annum and are due for repayments on 22 July 2024.

On 23 July 2024, the Company renewed the above bond agreement with a renewed principal value of HK\$15,500,000 (equivalent to approximately RMB14,621,000). The renewed bond bears interest rate at 12% per annum and are due for repayments on 22 July 2025.

On initial recognition, the fair value of bond issued by the Company were determined based on the present value of the contractual stream of future cash flows discounted at rate at 12% per annum. The discount rate is determined with reference to the yield rate with credit rating and duration similar to the bond note.

During the year ended 31 December 2025, the Group has fully repaid the bond payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

24. BOND PAYABLE (continued)

The details of the bond note for the year are set out below:

	2025 RMB'000	2024 RMB'000
At 1 January	15,328	12,918
Imputed interest charged	457	1,582
Repayments during the year	(15,502)	–
Loss on bond modification	–	413
Exchange realignment	(283)	415
At 31 December	–	15,328
Less: Amount due within one year classified as current liabilities	–	(15,328)
Amount due after one year classified as non-current liabilities	–	–

25. SHARE CAPITAL

	Number of shares	Share capital US\$'000	Shown in the consolidated financial statements as RMB'000
Ordinary shares of US\$0.004 each (2024: US\$0.004 each)			
Authorised:			
As at 1 January 2024	40,000,000,000	40,000	N/A
Share Consolidation (<i>Note (i)</i>)	(30,000,000,000)	–	N/A
As at 31 December 2024, 1 January 2025 and 31 December 2025	10,000,000,000	40,000	N/A
Issued and fully paid:			
As at 1 January 2024	172,800,000	173	1,115
Share Consolidation (<i>Note (i)</i>)	(129,600,000)	–	–
As at 31 December 2024 and 1 January 2025	43,200,000	173	1,115
Rights issue (<i>Note (ii)</i>)	64,800,000	260	232
Placing of new shares (<i>Note (iii)</i>)	21,600,000	86	611
As at 31 December 2025	129,600,000	519	1,958

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

25. SHARE CAPITAL (continued)

Notes:

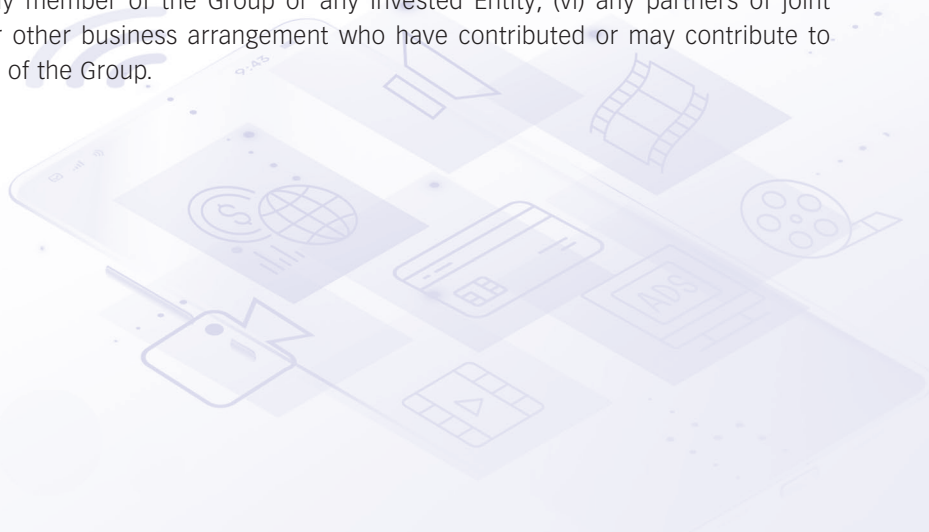
- (i) Effective on 9 December 2024, consolidation of every four existing shares of US\$0.001 each in the issued and unissued share capital of the Company into one consolidated share of US\$0.004 each pursuant to the share consolidation. For further details, please refer to the circular of the Company dated 15 November 2024 and the announcement of the Company dated 5 December 2024.
- (ii) On 5 February 2025, the Company completed an allotment and issue of 64,800,000 rights shares of HK\$0.3 each at a subscription price of HK\$0.3 per rights share on the basis of three rights shares for every two shares held on the record date, raising approximately HK\$19,231,000 (approximately RMB17,307,000), after deducting all relevant expense, details of which are set out in the prospectus and announcement of the Company dated 19 December 2024 and 4 February 2025, respectively.
- (iii) On 14 July 2025, a total of 21,600,000 placing shares have been successfully placed by the placing agent to not less than six places at the placing price of HK\$0.70 per placing share pursuant to the terms and conditions of the placing agreement, representing approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the placing shares immediately upon the completion, raising approximately HK\$14,820,000 (approximately RMB13,339,000) after deducting all relevant expense.

26. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

A share option scheme was adopted by the Company pursuant to a resolution passed by the shareholders of the Company on 30 June 2021 (the "Share Option Scheme").

The purpose of the Share Option Scheme is to enable the Group to grant options to eligible participants as incentives or rewards for their contribution to the Group. The directors of the Company consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the directors and other eligible participants for their contributions to the Group.

The participants of the Share Option Scheme include (i) any full-time or part-time employees (including any directors, whether executive or non-executive and whether independent or not) of the Group or any entity ("Invested Entity") in which any member of the Group holds an equity interest; (ii) any supplier of goods or services to any member of the Group or any Invested Entity; (iii) any customer of any member of the Group or any Invested Entity; (iv) any substantial shareholder of any member of the Group or any Invested Entity; (v) any adviser (professional or otherwise) or consultant to any area of finance or business development of any member of the Group or any Invested Entity; (vi) any partners of joint venture, business alliance or other business arrangement who have contributed or may contribute to the development and growth of the Group.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

The maximum number of the shares that may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Company) under the Share Option Scheme and any other share option scheme of the Company shall not exceed 10% of the number of shares in issue on the adoption date (the "General Scheme Limit") i.e., on 30 June 2021. The Company may seek approval of the shareholders in a general meeting to refresh the General Scheme Limit provided that the total number of shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company shall not exceed 10% of the number of shares in issue as at the date of approval of the limit. The maximum number of share option which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Company must not in aggregate exceed 30% of the share capital of the Company in issue from time to time in accordance with the terms of the Share Option Scheme.

The total number of shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of the Company (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (the "Individual Limit"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the shareholders in a general meeting of the Company with such grantee and his, her or its close associates abstaining from voting. The number and terms (including the exercise price) of options to be further granted must be fixed before the approval of the shareholders and the date of the board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price.

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the directors to each grantee, which period may commence from the date of offer for the grant of options is made, but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination of the Share Option Scheme.

Unless otherwise determined by the directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for which an option must be held or any performance target which must be achieved before an option can be exercised under the terms of the Share Option Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The exercise price for the shares under the Share Option Scheme shall be a price determined by the directors, but shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer for the grant, which must be a business day; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer for the grant; and (iii) the nominal value of a share.

The Share Option Scheme will remain in force for a period of 10 years commencing on 30 June 2021, which is the date it is adopted.

During the year ended 31 December 2022, aggregate share options of 69,120,000 were granted to certain employees on 11 April 2022. The share options granted were vested immediately. The validity period of the share options is 2 years from the date of grant. The fair value of the options granted on 11 April 2022 determined using the Binomial Model was RMB2,447,000.

During the years ended 31 December 2025 and 2024, no additional share option was granted under the Share Option Scheme.

During the year ended 31 December 2024, all remaining share options granted were lapsed.

Details of the movements of the share options granted by the Company pursuant to the Share Option Scheme from the date of grant are as below:

Category	Date of grant (Note i)	Exercise price (adjusted after share consolidation) HK\$	Outstanding at 1 January 2024	Number of share options	Lapsed during the year	Outstanding at 31 December 2024, 1 January 2025 and 31 December 2025
Employees	11 April 2022	0.448	17,280,000	-	(17,280,000)	-
Total			17,280,000	-	(17,280,000)	-
Exercisable at 31 December 2024 and 2025						-
Weighted average exercise price (HK\$)			0.448	-		N/A

Note:

- (i) The period within which the share options must be exercised shall not be more than 2 years from the date of grant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

27. RETIREMENT BENEFIT SCHEMES

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group and the employees shall make contributions based on a percentage of the employee's basic salary with a cap of HK\$1,500 per month and recognised in profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the plan are held separately from those of the Group in funds under the control of trustees.

The PRC employees of the Group are members of a state-managed retirement benefit scheme operated by the local government. The Group is required to contribute 20%-22% (2024: 20%-22%) of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

During the year ended 31 December 2025, the Group made total contributions to the retirement benefits schemes of RMB451,000 (2024: RMB659,000).

During the years ended 31 December 2025 and 2024, the Group had no forfeited contributions under the MPF Scheme and the retirement benefit scheme in the PRC that might be used by the Group to reduce the existing level of contributions.

28. OPERATING LEASE COMMITMENTS

At the end of the reporting period, except as disclosed in note 23, the Group did not have other significant commitments.

29. COMMITMENTS

At the end of the reporting period, the Group did not have any significant commitments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure on a continuous basis taking into account the cost of capital and risk associated with the capital. The Group will balance its overall capital structure through new share issues or the dividend payment to shareholders.

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the interest-bearing borrowings.

The Group receives a report from the share registrars weekly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year.

No changes were made in the Group's overall strategy on its objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

31. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
Financial assets at amortised costs (including restricted cash and cash equivalents)	448,457	330,735
Financial assets at FVTPL	6,085	19,645
Financial liabilities		
Amortised cost	436,613	324,603

Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, refundable deposits and other receivables, restricted cash, cash and cash equivalents, trade payables, other payables and accruals, lease liabilities, borrowings and bond payable. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (continued)

Market risk

Currency risk

The Group collects most of its revenue in HKD and incurs most of the expenditures as well as capital expenditures in HKD. The Group also has certain foreign currency denominated monetary assets, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

As at end of the reporting period, the carrying amounts of the Group's monetary assets and liabilities that are denominated in currencies other than functional currencies of the respective group entities are as follows:

	JPY		EUR	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Cash and bank balances and restricted cash	186	220	347	390

Sensitivity analysis

As US\$ is pegged to Hong Kong Dollars, the management of the Group considers the risk of movements in exchange rates between HK\$ and US\$ to be insignificant.

The following table details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in the functional currency of the respective group entities against JPY and EUR and all other variables were held constant. 5% (2024: 5%) is the sensitivity rate used by management in the assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% (2024: 5%) change in foreign currency rates. The negative numbers below indicate decrease in post-tax loss for the year ended 31 December 2025 where the functional currency of the respective group entities strengthens 5% (2024: 5%) against the relevant foreign currencies. For a 5% (2024: 5%) weakening of the functional currency of the respective group entities against the relevant foreign currencies, there would be an equal and opposite impact on the result for the year.

	2025 RMB'000	2024 RMB'000
Profit or loss	27	31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to short-term bank deposits and cash and cash equivalents. The management has considered that the cash flow interest rate risk is limited because the current market interest rates on general deposits are relatively low and stable. The Group currently does not have interest rate hedging policy. However, the management of the Group will consider hedging significant interest rate exposure should the need arise.

The management considers that the Group's exposure to cash flow interest rate risk on variable-rate restricted cash and cash and cash equivalents as a result of the change of market interest rate is insignificant due to its short-term maturity and thus no sensitivity analysis is prepared for interest rate risk.

Price Risk

The Group is exposed to equity price risk through its investments in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity instruments quoted on the Stock Exchange. In addition, the Group has delegated the chief financial officer of the Group to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date. For sensitivity analysis purpose, the sensitivity rate is set as 10% as a result of the volatile financial market.

If the prices of the respective equity instruments had been 10% higher/lower, the loss for the year ended 31 December 2025 would decrease/increase by RMB609,000 (2024: RMB1,965,000) as a result of the changes in fair value of FVTPL.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (continued)

Credit risk

The Group's credit risk is primarily attributable to trade receivables, deposits and other receivables, restricted cash and cash and cash equivalents.

The Group applies the simplified approach to provide for ECL prescribed by IFRS 9, which permits the use of the lifetime ECL provision for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics. The Group has performed historical analysis and identified the key economic variables impacting credit risk and ECL. It considers available reasonable and supportive forwarding-looking information.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risks with exposure limited to certain customers. Trade receivables (after impairment) from the five largest debtors at 31 December 2025 represented 85.6% (2024: 71.3%) of the total trade receivables. The management closely monitors the subsequent settlement of the customers. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

As at 31 December 2025	Not past due	0 to 90 days	91 to 180 days	181 days to 1 year	Over 1 year	Total
Expected credit loss rate (%)	N/A	4%	12%	25%	99%	90%
Gross carrying amount (RMB'000)	–	6,013	2,441	2,648	85,935	97,037
Lifetime ECL (RMB'000)	–	(247)	(303)	(661)	(85,720)	(86,931)
Carrying amount (RMB'000)	–	5,766	2,138	1,987	215	10,106

As at 31 December 2024	Not past due	0 to 90 days	91 to 180 days	181 days to 1 year	Over 1 year	Total
Expected credit loss rate (%)	0%	N/A	N/A	N/A	95%	87%
Gross carrying amount (RMB'000)	7,592	–	–	–	83,979	91,571
Lifetime ECL (RMB'000)	–	–	–	–	(79,780)	(79,780)
Carrying amount (RMB'000)	7,592	–	–	–	4,199	11,791

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (continued)

Refundable Deposits and other receivables

For other receivables, the directors of the Company make periodic individual assessment on the recoverability of other receivables and other deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

The movement of loss allowances for refundable deposits and other receivables during the year are as follows:

	Other receivables RMB'000	Refundable deposits RMB'000
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	995	31,748

As at the years ended 31 December 2025 and 2024, there is no significant increase in the other receivables and refundable deposit balance. The directors of the Company believe that there are no significant increase in credit risk of refundable deposit since initial recognition and the Group has realistic prospect of recovery.

Restricted cash/cash and cash equivalents

The credit risk on restricted cash and cash and cash equivalents are limited because the majority of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no other significant concentration of credit risk.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on internal fundings as a significant source of liquidity.

	Weighted average interest rate	Carrying amount RMB'000	2025			
			Total Contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000
Trade payables	N/A	5,700	5,700	5,700	-	-
Other payables and accrual	N/A	430,913	430,913	430,913	-	-
Lease liabilities	12%	2,304	2,564	1,398	1,166	-
		438,917	438,917	438,011	1,166	-

	Weighted average interest rate	Carrying amount RMB'000	2024			
			Total Contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000
Trade payables	N/A	7,011	7,011	7,011	-	-
Other payables and accrual	N/A	301,786	301,786	301,786	-	-
Bonds payable	12%	15,328	16,376	16,376	-	-
Lease liabilities	12%	3,418	4,035	1,345	1,467	1,223
Borrowings	18%	478	521	521	-	-
		328,021	329,729	327,039	1,467	1,223

The directors of the Company consider that liquidity risk is limited after considering the future cash flows of the Group in the foreseeable future the short-term liabilities are required to be repaid within three months from the end of the reporting period. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (continued)

Fair value measurements of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

The Group's financial assets at FVTPL are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets	Fair value as at 31 December 2025	Fair value hierarchy	Valuation technique and key inputs
Financial assets at FVTPL – listed securities in Hong Kong	RMB6,085,000 (2024: RMB19,645,000)	Level 1	Quoted share prices in an active market.

There is no transfer between different levels of the fair value hierarchy for the years ended 31 December 2024 and 2025.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values as at 31 December 2024 and 2025.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flow were, or future cashflows will be classified in the Group's consolidated statement of cash flows from financing activities.

	Borrowings RMB'000 (Note 22)	Bond payable RMB'000 (Note 24)	Lease liabilities RMB'000 (Note 23)
At 1 January 2024	–	12,918	873
Addition	472	–	–
Accrued interest	6	1,582	125
Early termination of lease arrangement	–	–	(134)
Loss on bond modification	–	413	–
New leases entered	–	–	3,284
Financing cash outflows	–	–	(813)
Exchange realignment	–	415	83
At 31 December 2024 and 1 January 2025	478	15,328	3,418
Accrued interest	5	457	337
Financing cash outflows	(467)	(15,502)	(1,314)
Exchange realignment	(16)	(283)	(137)
At 31 December 2025	–	–	2,304

33. RELATED PARTY TRANSACTIONS

The Group had the following material related party transactions during the year:

Key management personnel compensation

Remuneration for key management personnel of the Group, including amounts paid/payable to the Company's directors as disclosed in note 11, is as follows:

	2025 RMB'000	2024 RMB'000
Short term employee benefits	1,639	2,371
Retirement benefits scheme contributions	17	17
	1,656	2,388

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2025 and 2024 are as follows:

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by		Principal activities
			the Company 2025	2024	
Directly owned					
香港奧神投資有限公司 Hong Kong Ao Shen	Hong Kong	HK\$100	100%	100%	Provision of management services
三七三金融集團有限公司 373 Finance Group Limited ("373 Finance") (formerly known as 香港奧神製作 有限公司 Hong Kong Ao Shen Production Limited)	British Virgin Islands	US\$100	100%	100%	Investment holding
Level Up Holdings Limited	British Virgin Islands	US\$1	100%	100%	Investment holding
Indirectly owned					
三三金融服務有限公司 33 Financial Services Limited	Hong Kong	HK\$112,000,000	100%	100%	Prepaid card business
三三服務有限公司 33 Services Limited (formerly known as 三三信貸服務有限公司 33 Credit Services Limited)	Hong Kong	HK\$10,000	100%	100%	Film and entertainment investment
奧神技術服務(福州)有限公司 ¹ Ao Shen Technology	PRC	US\$15,000,000	100%	100%	Provision of consulting services
福建省奧神傳媒廣告有限責任公司 ^{2,3} Fujian Ao Shen	PRC	RMB31,630,000	–	–	Provision of advertising services
北京大提速傳媒廣告有限公司 ^{2,3} Beijing Datisu	PRC	RMB27,000,000	–	–	Provision of advertising services
香港三三金融科技控股有限公司 Hong Kong Sansan Fintech Holdings Limited	Hong Kong	HK\$10,000	100%	100%	Dormant
33穩定幣有限公司 ⁵ 33 Stablecoin Company Limited	Hong Kong	HK\$5,000,000	100%	–	Dormant
富優同貿易有限公司 ⁶ Fu You Tong Trading Limited	Hong Kong	HK\$22,000	100%	–	Dormant

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
			2025	2024	
深圳市三三萬物電子商務有限公司 ^{3,6} (formerly known as 深圳市富優同 科技有限公司)	PRC	HK\$1,000,000	100%	–	Software development; Agency sales of single- purpose commercial prepaid cards; Advertising production, etc
北京奧神傳媒廣告有限公司 ³ Beijing Aoshen Media Advertising Co., Ltd. ("Beijing Aoshen")	PRC	RMB20,000,000	100%	100%	Provision of advertising services
瀋陽奧神傳媒廣告有限公司 ⁴ Shenyang Aoshen Media Advertising Co., Ltd.	PRC	RMB2,000,000	–	85%	Provision of advertising services

Notes:

¹ The entity is registered as a wholly-foreign-owned enterprise under PRC law.

² The Group does not have any equity interest in the registered capital of the Contracting Entities as they are established and owned as to 50% and 50% by Mr. Lin and Mr. Ruan. Pursuant to the Contractual Arrangements as disclosed in note 4, the registered shareholders of the Contracting Entities agreed to assign all the shareholders' rights of the Contracting Entities and to assign the power to appoint and remove all the members of the board of directors and to govern the financial and operating policies of the Contracting Entities to the Group. The directors of the Company consider that such agreements give the Group the current ability to direct the relevant activities of the Contracting Entities. In the opinion of the directors of the Company, all the terms of these agreements are valid, binding and legally enforceable on all parties under the applicable laws in the PRC. With the power over the Contracting Entities and the ability to use the power over the Contracting Entities to affect the amount of the Group's return, the Group treats the Contracting Entities as wholly-owned subsidiaries of the Company under IFRS 10 and the Contracting Entities' results, assets and liabilities are consolidated with those of the Group.

Fujian Ao Shen holds 70% equity interests of Fuzhou Haidu and Beijing Datusu holds 60% equity interests of Beijing Zhong Shi for 2019. On 2 January 2019, Beijing Datusu acquire 100% of the entire issued share capital of Beijing FanPei. Pursuant to the respective Memorandum and Articles of Association of Fuzhou Haidu, the daily operating and financial affairs are decided by board of directors with simple majority of votes. Fujian Ao Shen controls two-thirds of the voting powers in the board of directors of Fuzhou Haidu which give the Group the current ability to direct the relevant activities of these entities. Pursuant to the Memorandum and Articles of Association of Beijing Zhong Shi, the daily operating and financial affairs are decided by board of directors with two-thirds of votes. Beijing Datusu controls 100% of the voting powers in the board of directors of Beijing Zhong Shi which give the Group the current ability to direct the relevant activities of this entity. Accordingly, Fuzhou Haidu, Beijing Zhong Shi and Beijing FanPei are treated as subsidiaries of the Company under IFRS 10 and their results, assets and liabilities are consolidated with those of the Group. On 25 September 2020, Fuzhou Haidu completed the deregistration process, and Fujian Ao Shen no longer held any equity interest in Fuzhou Haidu.

On 21 February 2025, the Company made an announcement on its update on certain operations that, the business operation of Fujian Aoshen and Beijing Datusu (together referred to as the "Opcos") involves the business of publication and general distribution of books, periodicals and newspaper in the PRC (the "Restricted Businesses"). As the applicable PRC laws and regulations in force restrict foreign investment in the Restricted Businesses, the Group adopted the Contractual Arrangements in December 2010, with respect to the Opcos, which have enabled the Group, through the Contractual Arrangements, to obtain effective control over, and receive all the economic benefits generated by the Opcos. As the restriction on foreign ownership in the Restricted Businesses have now been fully lifted in accordance with the PRC laws and regulations the Board hereby announces that the respective parties of the Contractual Arrangements have entered into agreements to (i) transfer all assets and liabilities and business contracts, if any, from the Opcos to Aoshen Technology, a wholly-owned subsidiary of the Company; and (ii) unwind the Contractual Arrangements. As further detailed of the Company's announcement dated 21 February 2025, the Contractual Arrangements have been terminated and unwound and Fujian Aoshen and Beijing Datusu have been ceased to be deemed as subsidiaries of the Company.

³ These entities are registered as limited liability companies under the applicable PRC's laws.

⁴ The entity de-registered on 5 August 2025.

⁵ The entity was established during the year ended 31 December 2025.

⁶ The entity was acquired during the year ended 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

In the opinion of the directors of the Company, there is no subsidiary that have non-controlling interests individually that are material of the Group and therefore no information is disclosed for these non-wholly owned subsidiaries.

None of the subsidiaries had any debt securities outstanding at the end of the year or any time during the year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

35. FINANCIAL INFORMATION OF THE COMPANY

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Investments in subsidiaries		–	53,942
		–	53,942
Current assets			
Prepayment, deposits and other receivables		162	–
Cash and cash equivalents		11,723	1,575
		11,885	1,575
Current liabilities			
Other payables and accruals		975	5,649
Amounts due to subsidiaries (<i>Note (i)</i>)		7,650	7,832
Bond payable		–	15,328
Borrowings		–	478
		8,625	29,287
Net current assets/(liabilities)		3,260	(27,712)
Total assets less total current liabilities		3,260	26,230
NET ASSETS			
		3,260	26,230
Capital and reserves			
Share capital	25	1,958	1,115
Reserves (<i>Note (ii)</i>)		1,302	25,115
		3,260	26,230

The financial statements were approved and authorised for issue by the board of directors on 31 March 2026 and signed on its behalf by:

Ruan Deqing
DIRECTOR

Wang Linlin
DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

35. FINANCIAL INFORMATION OF THE COMPANY (continued)

Notes:

- (i) Amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.
- (ii) Reserves of the Company

	Share premium RMB'000	Capital reserve RMB'000	Share redemption reserve RMB'000	Share option reserve RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	626,463	43,452	19	2,447	10,422	(651,557)	31,246
Loss for the year	-	-	-	-	-	(6,548)	(6,548)
Exchange differences on translation	-	-	-	-	417	-	417
Total comprehensive income (expense) for the year	-	-	-	-	417	(6,548)	(6,131)
Lapse of share option	-	-	-	(2,447)	-	2,447	-
At 31 December 2024 and 1 January 2025	626,463	43,452	19	-	10,839	(655,658)	25,115
Loss for the year	-	-	-	-	-	(60,711)	(60,711)
Exchange differences on translation	-	-	-	-	7,095	-	7,095
Total comprehensive income (expense) for the year	-	-	-	-	7,095	(60,711)	(53,616)
Right issue	17,075	-	-	-	-	-	17,075
Placing of new shares	12,728	-	-	-	-	-	12,728
At 31 December 2025	656,266	43,452	19	-	17,934	(716,369)	1,302

36. CHANGE IN PRESENTATION OF COMPARATIVES

Certain comparative figures of consolidated financial statements were re-presented to conform with the current year's presentation.

37. AUTHORISATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 31 March 2026.

FIVE YEAR FINANCIAL SUMMARY

RESULTS

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	36,151	35,446	34,608	71,049	97,941
Loss before tax	(19,164)	(24,068)	(55,726)	(57,508)	(113,422)
Income tax	–	–	–	–	–
Loss for the year	(19,164)	(24,068)	(55,726)	(57,508)	(113,422)
Attributable to:					
Owners of the Company	(20,680)	(23,085)	(55,686)	(57,469)	(113,154)
Non-controlling interests	1,516	(983)	(40)	(39)	(268)
	(19,164)	(24,068)	(55,726)	(57,508)	(113,422)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Total assets	461,109	361,595	273,406	364,879	343,925
Total liabilities	(439,084)	(331,225)	(239,014)	(280,854)	(217,855)
Non-controlling interests	–	2,474	1,491	1,451	1,412
Equity attributable to owners of the Company	22,025	32,844	35,883	85,476	127,482

The summary above does not form part of the audited consolidated financial statements.