



Lajin Entertainment Network Group Limited

拉近網娛集團有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8172)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE “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 of the Stock Exchange 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 announcement, 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 announcement.

This announcement, for which the directors (the “Directors”) of Lajin Entertainment Network Group Limited (the “Company”) collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this announcement 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 in this announcement misleading.

* For identification only

UNAUDITED INTERIM RESULTS

The board of Directors (the “Board”) of Lajin Entertainment Network Group Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months and six months ended 30 June 2025, together with the comparative unaudited figures for the corresponding periods in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2025

		For the three months ended 30 June		For the six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
	Notes				
Revenue	5	2,026	895	2,145	4,658
Cost of sales		(982)	(1,289)	(1,293)	(3,950)
Gross profit/(loss)		1,044	(394)	852	708
Other income and gains	6	1,288	610	1,856	3,320
Selling and distribution expenses		–	(33)	–	(123)
Administrative expenses		(7,224)	(7,274)	(13,847)	(16,363)
Share of losses of:					
Associates		–	(409)	–	(697)
Loss before tax	7	(4,892)	(7,500)	(11,139)	(13,155)
Income tax expense	8	–	–	–	–
Loss for the period		(4,892)	(7,500)	(11,139)	(13,155)

	For the three months ended		For the six months ended	
	30 June		30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
OTHER COMPREHENSIVE				
INCOME/(LOSS):				
<i>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	1,455	(681)	1,963	(2,235)
OTHER COMPREHENSIVE	1,455	(681)	1,963	(2,235)
INCOME/(LOSS) FOR THE PERIOD,				
NET OF TAX	1,455	(681)	1,963	(2,235)
TOTAL COMPREHENSIVE LOSS				
FOR THE PERIOD	(3,437)	(8,181)	(9,176)	(15,390)
Income/(loss) for the period attributable to:				
Owners of the parent	(3,741)	(4,908)	(8,377)	(10,140)
Non-controlling interests	(1,151)	(2,592)	(2,762)	(3,015)
	(4,892)	(7,500)	(11,139)	(13,155)
Total comprehensive loss for the period				
attributable to:				
Owners of the parent	(1,780)	(5,746)	(5,769)	(12,763)
Non-controlling interests	(1,657)	(2,435)	(3,407)	(2,627)
	(3,437)	(8,181)	(9,176)	(15,390)
Loss per share attributable to ordinary				
equity holders of the parent				
— Basic and diluted	(0.09) cent	(0.12) cent	(0.20) cent	(0.24) cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment		136	193
Investment properties		68,138	68,643
Investments in associates		5,332	5,178
Equity investment of designated fair value through other comprehensive income		250	243
Other non-current assets		17,398	16,911
Total non-current assets		91,254	91,168
Current assets			
Trade receivables	10	769	7,035
Film rights and films and TV programmes under production	11	14,638	15,940
Prepayments, deposits and other receivables		13,650	13,683
Inventories		834	810
Cash and cash equivalents		8,685	7,626
Total current assets		38,576	45,094

		At 30 June 2025 (Unaudited) <i>HK\$'000</i>	At 31 December 2024 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
LIABILITIES			
Current liabilities			
Trade payables	12	343	427
Other payables and accruals		<u>22,460</u>	<u>20,755</u>
Total current liabilities		<u>22,830</u>	<u>21,182</u>
Net current assets		<u>15,773</u>	<u>23,912</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>107,027</u>	<u>115,080</u>
Non-current liabilities			
Other payables		<u>38,932</u>	<u>37,809</u>
Net assets		<u><u>68,095</u></u>	<u><u>77,271</u></u>
EQUITY			
Share capital	13	42,090	42,090
Reserves		<u>51,090</u>	<u>56,859</u>
Equity attributable to owners of the parent		93,180	98,949
Non-controlling interests		<u>(25,085)</u>	<u>(21,678)</u>
Total equity		<u><u>68,095</u></u>	<u><u>77,271</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent									
	Share capital – Ordinary shares <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Fair value reserve <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	42,090	1,138,909	(21,955)	28,294	14,426	(25,479)	(1,042,093)	134,192	(15,764)	118,428
Loss for the period	–	–	–	–	–	–	(10,140)	(10,140)	(3,015)	(13,155)
Other comprehensive (loss)/ income for the period	–	–	–	–	–	(2,623)	–	(2,623)	388	(2,235)
Total comprehensive loss for the period	–	–	–	–	–	(2,623)	(10,140)	(12,763)	(2,627)	(15,390)
At 30 June 2024 (unaudited)	<u>42,090</u>	<u>1,138,909</u>	<u>(21,955)</u>	<u>28,294</u>	<u>14,426</u>	<u>(28,102)</u>	<u>(1,052,233)</u>	<u>121,429</u>	<u>(18,391)</u>	<u>103,038</u>
At 1 January 2025	42,090	1,138,909*	(23,398)*	28,294*	14,426*	(28,002)*	(1,073,370)*	98,949	(21,678)	77,271
Loss for the period	–	–	–	–	–	–	(8,577)	(8,377)	(2,762)	(11,139)
Other comprehensive (loss)/income for the period	–	–	–	–	–	2,608	–	2,608	(645)	1,963
Total comprehensive loss for the period	–	–	–	–	–	2,608	(8,377)	(5,769)	(3,407)	(9,176)
At 30 June 2025 (unaudited)	<u>42,090</u>	<u>1,138,909*</u>	<u>(23,398)*</u>	<u>28,294*</u>	<u>14,426*</u>	<u>(25,394)*</u>	<u>(1,081,747)*</u>	<u>93,180</u>	<u>(25,085)</u>	<u>68,095</u>

* These reserve accounts comprise the total consolidated other reserves of HK\$51,090,000 as at 30 June 2025 (31 December 2024: HK\$56,859,000) in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash flows used in operating activities	241	(7,869)
Cash flows from investing activities		
Purchases of items of property, plant and equipment	<u>(33)</u>	<u>(6)</u>
Net cash flows used in investing activities	<u>(33)</u>	<u>(6)</u>
Net increase/(decrease) in cash and cash equivalents	208	(7,875)
Cash and cash equivalents at the beginning of the reporting period	7,626	26,339
Effect of foreign exchange rate changes, net	<u>851</u>	<u>459</u>
Cash and cash equivalents at the end of the reporting period	<u><u>8,685</u></u>	<u><u>18,923</u></u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	<u>8,685</u>	<u>18,923</u>
Cash and cash equivalents as stated in the statement of cash flows	<u><u>8,685</u></u>	<u><u>18,923</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 11 June 2001 and continued in Bermuda on 16 March 2009. The Company's shares have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 26 March 2002.

The registered office and principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Unit 3903A, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, respectively.

The Company's principal activity is investment holding and the principal activities of the Group are provision of artiste management services, and investment in movies, TV programmes and internet contents.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by HKICPA and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2024. The Interim Financial Statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (HK\$'000) except otherwise indicated.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The accounting policies used in the preparation of the Interim Financial Statements are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31 December 2024, except for those as described below.

- Lack of Exchangeability (Amendments to HKAS 21 The Effects of Changes in Foreign Exchange Rates and HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards)¹

¹ Effective for annual periods beginning on or after 1 January 2025.

The adoption of the revised HKFRSs has no material effect on the Interim Financial Statements.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has three reportable operating segments as follows:

- (a) the artiste management segment comprises the provision of artiste management service;
- (b) the movies, TV programmes and internet contents segment comprises investment, production and distribution of movies, TV programmes and investment in internet contents;
- (c) the new media segment comprises the promotion and demonstration through live video on the website.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's loss before tax except that impairment loss recognised in respect of trade and other receivables and prepayments, impairment loss on investments in associates, recovery of amount due on an impaired financial assets at FVTPL, share of losses of associates, other income as well as head office and corporate and other unallocated expenses are excluded from such measurement.

A. Segment revenue and results

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

	Artiste management		Movies, TV programmes and internet contents		New media business		Total	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2025	2024	2025	2024	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue								
Revenue from external customers	<u>105</u>	<u>205</u>	<u>397</u>	<u>3,569</u>	<u>1,643</u>	<u>884</u>	<u>2,145</u>	<u>4,658</u>
Segment results	<u>(6)</u>	<u>628</u>	<u>(9,181)</u>	<u>(4,840)</u>	<u>(334)</u>	<u>(3,683)</u>	<u>(9,521)</u>	<u>(7,895)</u>
Reconciliation:								
Unallocated other income							3	28
Corporate and other unallocated expenses							(2,395)	(4,591)
Impairment loss recognised in respect of trade and other receivables, net							774	—
Share of profits/(losses) of associates							—	(697)
Loss before tax							(11,139)	(13,155)
Income tax expense							—	—
Loss for the period							<u>(11,139)</u>	<u>(13,155)</u>

B. Geographical information

	Hong Kong		Mainland China		Korea		Total	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2025	2024	2025	2024	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<u>—</u>	<u>—</u>	<u>2,145</u>	<u>4,658</u>	<u>—</u>	<u>—</u>	<u>2,145</u>	<u>4,658</u>
	At 30 June 2025	At 31 December 2024	At 30 June 2025	At 31 December 2024	At 30 June 2025	At 31 December 2024	At 30 June 2025	At 31 December 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
*Non-current assets	<u>—</u>	<u>—</u>	<u>91,003</u>	<u>89,143</u>	<u>—</u>	<u>1,782</u>	<u>91,003</u>	<u>90,925</u>

* Non-current assets represent property, plant and equipment, investments in associates, right-of-use assets and intangible assets.

5. REVENUE

	For the three months ended 30 June		For the six months ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
New media business	1,525	458	1,643	884
TV and Internet programme	395	242	396	2,713
Distribution agency service	—	69	—	855
Film distribution	—	—	—	—
Artiste management	105	126	105	205
Others	<u>1</u>	<u>—</u>	<u>1</u>	<u>1</u>
	<u>2,026</u>	<u>895</u>	<u>2,145</u>	<u>4,658</u>

6. OTHER INCOME AND GAINS/(LOSSES)

	For the three months ended 30 June		For the six months ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other income				
Gains on investment in films	—	250	—	1,039
Interest income	3	28	6	39
Rental income	513	334	1,077	1,037
	<u>516</u>	<u>612</u>	<u>1,083</u>	<u>2,115</u>
Gains/(losses)				
Exchange differences, net	(3)	5	(5)	10
Others	775	(7)	778	1,195
	<u>772</u>	<u>(2)</u>	<u>773</u>	<u>1,205</u>
	<u>1,288</u>	<u>610</u>	<u>1,856</u>	<u>3,320</u>

7. LOSS BEFORE TAX

Loss before tax is arrived at after charging/(crediting):

	For the three months ended 30 June		For the six months ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	1,282	1,339	2,556	2,683
Amortisation of other assets	7	7	14	14
Lease payment not included in the measurement of lease liabilities	122	113	245	238
Exchange (gain)/loss, net	3	5	5	10
Staff costs (including Directors' remuneration)				
– Salaries and allowance	3,840	3,967	7,576	8,067
– Pension scheme contributions	248	234	484	495
	<u>4,088</u>	<u>4,201</u>	<u>8,060</u>	<u>8,562</u>

8. INCOME TAX EXPENSE

No provision for Hong Kong profits tax and Korea corporate income tax has been provided as the Group did not generate any assessable profits arising in Hong Kong and Korea or the estimated assessable profit was wholly absorbed by tax losses brought forward during the period under review (for the six months ended 30 June 2024: Nil).

During the period, no assessable profits earned in the PRC were subject to tax at the rate of 25% (for the six months ended 30 June 2024: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share is based on the loss attributable to ordinary equity holders of the parent for the three months ended 30 June 2025 of approximately HK\$3,741,000 (for the three months ended 30 June 2024: HK\$4,908,000) and loss attributable to ordinary equity holders of the parent for the six months ended 30 June 2025 of approximately HK\$8,377,000 (for the six months ended 30 June 2024: HK\$10,140,000) and the weighted average number of 4,209,130,000 ordinary shares in issue during the three months ended 30 June 2025 (for the three months ended 30 June 2024: 4,209,130,000 ordinary shares) and the weighted average number of 4,209,130,000 ordinary shares in issue during the six months ended 30 June 2025 (for the six months ended 30 June 2024: 4,209,130,000 ordinary shares).

As the Company's share options and preferred shares where applicable had an anti-dilutive effect to the basic loss per share calculation for the three months and six months ended 30 June 2025, the conversion of the above potential dilutive shares is not assumed in the calculation of diluted loss per share.

10. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period is generally 6 months to 1 year. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Within 1 year	769	7,035
	<u>769</u>	<u>7,035</u>

11. FILMS RIGHTS AND FILMS AND TV PROGRAMMES UNDER PRODUCTION

The balance consists of (i) films and TV programmes under production; and (ii) the rights of films and TV programmes upon completion. At the end of each reporting period, the Group will assess whether there is any indication that the film rights and films and TV programmes under production may be impaired. If any such indication exists, the management will estimate the recoverable amount of the corresponding asset and recognize an impairment loss when its carrying amount exceeds its recoverable amount.

For the purpose of impairment testing, films and TV programmes rights have been allocated to the cash-generating unit of movies, TV programmes and internet contents operation. In light of the circumstances of the film industry, the Group regularly reviews its library of films and TV programmes rights to assess their marketability and the corresponding recoverable amounts to determine if any impairment is necessary.

At 30 June 2025, no indication of impairment for the films and TV programmes rights has been identified and thus the Group did not recognize any impairment loss during the six-month period ended 30 June 2025 (30 June 2024: Nil).

12. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Within 1 year	343	427
	<u>343</u>	<u>427</u>

13. SHARE CAPITAL

	At 30 June 2025		At 31 December 2024	
	Number of shares (Unaudited) '000	Share capital (Unaudited) HK\$'000	Number of shares (Audited) '000	Share capital (Audited) HK\$'000
Ordinary shares of HK\$0.01 each				
Issued and fully paid:				
At the beginning of the reporting period/year	4,209,130	42,090	4,209,130	42,090
At the end of the reporting period/year	<u>4,209,130</u>	<u>42,090</u>	<u>4,209,130</u>	<u>42,090</u>
Preferred shares of HK\$0.01 each				
Issued and fully paid:				
At the beginning of the reporting period/year	—	—	—	—
Conversion into ordinary shares	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
At the end of the reporting period/year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

14. FAIR VALUE MEASUREMENT

The Directors of the Company considered that the carrying amounts of the Group's financial instruments were approximate to their fair values as at 30 June 2025 and 31 December 2024.

15. COMMITMENTS

Commitments that are contracted but not provided for at the end of the reporting period are as follows:

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Film rights and films and TV programmes under production	<u>45,741</u>	<u>45,060</u>
	<u>45,741</u>	<u>45,060</u>

16. MATERIAL RELATED PARTY AND CONNECTED TRANSACTIONS

(i) Compensation of key management personnel

	For the six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Salaries and allowances	996	1,006
Pension scheme contributions	73	66
	<u>1,069</u>	<u>1,072</u>

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The revenue of the Group was approximately HK\$2,145,000 for the six months ended 30 June 2025 (2024: HK\$4,658,000), representing a decrease of 54.0% as compared with that for the six months ended 30 June 2024. The decrease was mainly due to the decrease in revenue from movies, TV programmes, internet content business of the Group.

Cost of sales for the six months ended 30 June 2025 decreased to approximately HK\$1,293,000 (2024: HK\$3,950,000), which was mainly due to the decrease in the related cost of movies, TV and Internet programmes of the Group. Administrative expenses were mainly staff costs, depreciation and other general administrative expenses of the Group incurred during the period under review. Administrative expenses decreased to approximately HK\$13,847,000 from approximately HK\$16,363,000 in the corresponding period last year.

Loss for the period attributable to owners of the parent was approximately HK\$8,377,000 (2024: HK\$10,140,000).

Movies, TV Programmes and Internet Contents

During the period under review, the revenue contributed by such segment was approximately HK\$397,000 (2024: HK\$3,569,000), mainly representing the shared revenue and production fee from movies, TV programmes and internet contents.

Artiste Management

During the period under review, the revenue contributed by such segment was approximately HK\$105,000 (2024: HK\$205,000).

New Media Business

During the period under review, the revenue contributed by such segment was approximately HK\$1,643,000 (2024: HK\$884,000).

BUSINESS REVIEW

Movies, TV Programmes and Internet Contents

In the five years following the pandemic, the Chinese internet film market has remained in a development bottleneck. According to data from Beacon (燈塔數據) (www.dengtadata.com), in the first half of 2025, only 3 newly released films generated over RMB10 million in revenue sharing, and the number of films with box office exceeding RMB10 million, total box office, and average box office per film all significantly decreased compared to the same period in previous years. The number of movie, production, and distribution companies has declined for five consecutive years. All long video platforms continuously implemented “cost reduction and efficiency enhancement” in the internet movie sector, with the predominant genre increasingly narrowing towards action and crime films. In conclusion, internet films must adopt more precise content positioning and explore additional commercialization channels to maintain their own living space.

The Group has paid attention to this major trend change and has continued to implement a prudent investment strategy for the internet movie sector in the first half of 2025. As of 30 June this year, the Group remains actively seeking suitable internet film projects for investment. In 2025, the Group continued to seek opportunities for distributing previous reserve again, actively pushing forward the second and third rounds of overseas work of historical projects and other new media pre-sales work actively, so as to strive for more profit. Among them, the suspense/action/adventure internet film “Tibetan Raiders” (《藏地奇兵》), first released in 2022, was re-released on CCTV6 Movie Channel and has been scheduled for broadcast. In terms of overseas distribution, the action/thriller/monster internet film “Detrimental” (《見怪》), first released in 2023, secured overseas distribution opportunities. The multi-round distribution of the above projects has effectively improved the capital recovery rate. Meanwhile, the Group will always keep abreast of the latest industry trends and prudently invest in premium internet content under the small but professional investment strategy. The Group also maintained a close cooperative relationship with the platforms to jointly explore new opportunities in business formats, products, and models such as internet films, platform-customized movies or drama series, and short plays.

In terms of theatrical movies, according to data from the National Film Development Funds Management Committee and Maoyan Pro, as of 30 June, the cumulative box office for the first half of 2025 reached RMB29.231 billion, ranking third in China's film history for first-half year box office, only behind 2018 and 2019. However, the data showed a clear polarization. On the one hand, the single film "Ne Zha 2" (《哪吒之魔童鬧海》) contributed RMB15.446 billion to the box office, accounting for over 52% of the total; on the other hand, for four consecutive months after the "Spring Festival", no film achieved a box office of more than RMB500 million. The relative lack of major blockbusters has kept the film market in a "lackluster" state since the Spring Festival, with the films during the Qingming Festival, Labor Day holiday, and other smaller holiday periods all performing unsatisfactorily. The imbalance between supply and demand reflects the deep-seated crisis in the film industry, where over half of the box office revenue was supported by a single holiday or a single film exposes the overall fragility of the industry. The films are required by market performance to have a higher industrial standard, stronger narrative capability, and more diverse and novel subject matters in the future. In terms of film genres, films incorporating comedic elements remain a rigid demand across all release windows, indicating that comedy films that incorporate sharper social commentary and deeper insights into human nature, along with more robust comedic material will gain audience trust.

In this context, the Group has participated in the investment in the comedy film "Out of Order" (《窗前明月，咣！》), which was directed by Wei Jiacheng (魏迦丞) and Du Xiaoyu (杜曉宇), starring Fei Xiang (費翔), Fu Jing (傅菁), Zuo Lingfeng (左凌峰), Ma Dongxi (馬東錫), Song Xiaobao (宋小寶), and a group of comedy stars. The project has premiered in Mainland China during the New Year's schedule on 31 December 2024. Unfortunately, the project was affected by a combination of factors such as intense market competition during the same period, a lower-than-expected screening arrangements, and insufficient promotional efforts, ultimately garnering a box office of nearly RMB40 million only, which was below pre-release expectations. The Group has reserved investment for another comedy film "Dreams of Getting Rich II" (《發財日記2》), which was the sequel to the 2021 internet movie shared box office champion "Dreams of Getting Rich" (《發財日記》) after its IP upgraded. The previous film's on-demand and shared box office in the whole network hit a record high, and its effective playtime market share reached 25.45%. "Dreams of Getting Rich II" (《發財日記2》) has been further upgraded, which is expected to start shooting in November 2025 and be released in 2026.

After years of strategic planning, the Group has possessed the Permit to Produce and Distribute Radio and Television Programs (《廣播電視節目製作經營許可證》), Internet Culture Operation Licence (《網絡文化經營許可證》), Value-added Telecommunications Business Operation Licence (《增值電信業務經營許可證》) and the Licence for Spreading Audio-Visual Programs via Information Network (《信息網絡傳播視聽節目許可證》), which are required for the entertainment and culture business in the PRC. In the second half of 2025, the Group will continue to leverage on the advantages of licences and channels to actively explore new business lines in the film and television segment, jointly developing and producing custom-made films or drama series for online platforms with leading scale and impact with partners, provided that funding conditions are met. Under the premise of locking in risks and reaping stable returns, the Group will maintain its brand participation in the film market, continue to closely monitor market changes, and seize new business opportunities.

The Group is actively researching and deploying to create a decentralized short-video copyright trading platform through the aforementioned qualifications and licenses. With the explosive growth of short-video content domestically and internationally, the traditional copyright trading model can no longer meet the fragmented and high-frequency content circulation demands. By utilizing blockchain technology, it will achieve copyright confirmation and tokenized transactions, fragment short-video content, significantly increase the number of investors and copyright holders and build a decentralized copyright trading platform to promote efficient content circulation and commercialization.

Fragmentation refers to breaking down short-video content into independently tradable units, reducing the investment threshold for single episode and facilitating flexible licensing and trading. Fragmented content is authorized by the platform for commercialization by third parties, allowing creators to earn revenue whilst investors can share in the growth dividends through copyright operation income. Simultaneously, blockchain technology is used to confirm the copyright of fragmented content (China Copyright Chain) and convert it into tradable Tokens to ensure transparency and security of transactions.

If the short-video copyright trading platform is successfully implemented, it can address the pain points of traditional copyright trading, such as difficulties in copyright confirmation, low transaction volume and poor liquidity, through a fragmented, rights-confirmed and tokenized trading model to provide an innovative solution for the industry. With blockchain at its core technology, a reliable, efficient and transparent copyright trading ecosystem can be constructed, supporting global operations and revenue distribution, thereby creating greater value for authors, investors and operators.

Artiste Management

The Group continues to explore various artists with potentials and cooperate with outstanding talent management teams in the industry, which emerges in different projects and injects new impetus into the business of artiste management segment.

Leveraging its own resources and combining its various business segments, the Group will develop income sources for artists, increase exposure opportunities so as to bring returns and make contributions to the Group through various channels, such as providing customized performance opportunities and increasing exposure under the new media business.

Music

Lajin Music has augmented the copyright of a large number of high quality original music compositions through the efforts over the past few years, covering a variety of mainstream and non-mainstream music in styles of pop, rock, classical, electronic, rap, etc..

The Group has developed a comprehensive music promotion and distribution network and commenced copyright operation in full swing: Lajin Music collaborated with various domestic mainstream music platforms, such as QQ Music, KuGou Music, Kuwo Music, NetEase Cloud Music, Xiami Music as well as TikTok and gradually opened overseas issuance channels. It also established strategic partnerships with nearly 100 radio stations and internet radio channels in China. However, despite the efforts made in an attempt to realize the music copyrights on hand accumulated over the years, estimated recoverable amounts are less than the costs of these assets. As a result, the management made an impairment of the difference accordingly.

The Group has been trying to integrate its various business segments to create synergy and increase efficiency. Leveraging on the channel resources established in the music sector in the early years, and relying on the innovative thinking and technological advantages of its new media business, the Group has created a business model of providing “self-publishing” one-stop services for original independent musicians. It is committed to solving the problems of musicians in terms of creation, publication, copyright and revenue, providing them with comprehensive services such as individual host station, private domain operation, digital album publication, Music PASS Card issuance, and originality protection, providing a new path for the development of original musicians, allowing them to have more certainty in growth and alter the ecology of the original music market.

New Media Business

In the global boom of the Web3.0 authors economy, the Group has keenly captured the huge potential of the new media business segment. We have invested a lot of resources to build an innovative platform called AMBER APP, which has combined blockchain, Artificial Intelligence Generated Content (AIGC), digital watermark, NFC, Augmented Reality (AR) and other technologies to provide authors with unprecedented creation and publishing experience. In the wave of Web3.0, we not only pay attention to the needs of authors, but also combine the uniqueness of the music industry to seek a new business model of “authors economy + musician self-publishing + music art-toy”, injecting new momentum into the growth of new media business.

The AMBER APP opens the door to self-publishing for a large number of original musicians, allowing them to own 100% of the copyright. Through in-depth cooperation with China Copyright Chain Company* (中國版權鏈公司), it provides official blockchain storage for each original music work to ensure that the rights and interests of musicians are fully protected. In addition, AMBER also combines ISRC certification to enhance the value of original music in an all-round way. We have never stopped on the road of technological innovation, continuously invested in research and development, and are committed to improving user experience. We have integrated cutting-edge technologies such as AI, blockchain and AR into the music industry, bringing unprecedented experience to users and opening a new chapter of self-publishing for musicians.

With the continuous advancement of the digital wave, various industries are undergoing unprecedented transformations. The Company, leveraging its forward-looking business layout and innovative AMBER PASS Card product, has demonstrated strong development potential. In addition to the application of the PASS Card in music, the new media business has achieved significant collaboration and breakthroughs in cultural tourism and cultural innovation, and membership services in the first six months of 2025:

Strategic cooperation with Alipay

The Group has become a partner in Alipay's payment ecosystem, jointly cooperating on cultural and tourism projects, with Alipay also assisting in promoting the Group's Cultural Tourism PASS Cards at over 500 AAAAA national grade Scenic Spots, National Tourist Resorts and World Cultural/Natural Heritage sites. Such strategic cooperation for both parties can take from cultural tourism products to another level, including various discounts for PASS Card users on their consumption. Alipay has agreed to provide the required technical support to jointly develop the "ticket stub" economy.

With the technical support of Alipay, the PASS Cards can be used for purchases at retail shops and restaurants that cooperate with Alipay or the operator of the tourist attractions. The Group will be entitled to receive commission income when users of the PASS Cards make purchases. Additional revenue generating opportunities will arise when the application of the PASS Cards continues to evolve.



Cooperation with numerous tourist attractions

Based on available information, Beijing's tourism industry saw a huge rebound in 2023 and 2024, in which both domestic and international visitor numbers surged. In 2023, the total length of stay for domestic tourists organized by travel agencies reached 13.26 million days, up from 5.33 million days in 2022, showing a strong recovery after the pandemic.

According to Smart Travel Creative Development Execution Plan (the “Execution Plan”) (《智慧旅游創新發展行動計劃》) published by Ministry of Culture and Tourism of the People’s Republic of China on 6 May 2024, although driven by market the government will assist in nurturing and enriching smart travel products and encourages different tourist attractions and museums to deploy VR and AR and other technologies to provide tourists an immersive experience (section 13 of the Execution Plan) (https://zwgk.mct.gov.cn/zfxxgkml/zykf/202405/t20240513_952825.html). The Company’s strategy to focus on the application of PASS cards in this field exactly responds to the policy imposed by the national government.

Leveraging on the technology infrastructure of Music PASS Cards, the Group developed the Cultural Tourism PASS Cards which soft-launched in Badaling Great Wall from May 2025. The Group has been continuously working with the site operators/representatives to fine-tune the business model and operation processes. Under the latest cooperation arrangement, the operator will purchase the Cultural Tourism PASS Cards from the Company and sell and promote such Cultural Tourism PASS Cards at the ticket windows and souvenir stores on the spot, as well as on the Badaling Great Wall official platform and online channels. This arrangement has changed from the original “to C” business model to “to B” which will help increase the exposure and recognition of the PASS Cards.

In addition to Badaling Great Wall, the Cultural Tourism PASS Cards are currently distributing and selling in other national grade sight-seeing attractions and popular museums. Take Yunjin Museum (雲錦博物館) as an example, the innovation and technology of the PASS Cards used in promoting the ancient Chinese culture has been reported by the CCTV News Channel. Coverage from a national media further serves as an evidence of the high recognition of the PASS Cards.



Strategic Cooperation with major cities

The Group is negotiating strategic cooperation with major cities nationwide for the promotion of PASS Cards and marketing them in the local famous tourist attractions. First trial city is Xi'an (西安) which contains many famous tourist attractions such as Terracotta Warriors (兵馬俑), Datang Everbright City (大唐不夜城), Xi'an City Wall (西安城牆), to name just a few. Cooperation at city level helps increase exposure of the PASS Cards to a large scale and in turn boost the local economy for these cities benefitting from the consumption using the PASS Cards, thus creating a win-win situation.

Cooperations in relation to personalized membership services

The Company provided a one-stop membership services system to the customer through the use of Membership APP and Membership PASS Cards. Since the launch and expansion of the PASS Cards application into this area, several contracts have been secured in the first half of 2025, namely a medical system to facilitate communication between medical practitioners and patients, developing a management system to manage the members of an online consumption platform, and is in serious negotiation with a property developer to design PASS Cards utilizing VR and AR technology to promote the sale of the properties.

In light of the above, the application of the AMBER PASS Card across three major business segments of music, cultural tourism and cultural innovation, and membership services demonstrated strong development potential, offering unique solutions to improve weaknesses and address difficulties in various industries. By keeping up with the development trends of various industries, meeting member needs, and continuously innovating and optimizing the AMBER PASS Card products, the Group is expected to achieve comprehensive business expansion and sustained growth.

EVENT AFTER THE REPORTING PERIOD

There is no significant event occurred subsequently after the balance sheet date.

LIQUIDITY AND FINANCIAL RESOURCES

At 30 June 2025, the Group had total assets of approximately HK\$129,830,000 (31 December 2024: HK\$136,262,000), including cash and cash equivalents of approximately HK\$8,685,000 (31 December 2024: HK\$7,626,000). During the period under review, the Group financed its operation with the proceeds from fund raising activities.

CAPITAL STRUCTURE

As at the date of this announcement, the Company has in issue a total of 4,209,131,046 ordinary shares.

GEARING RATIO

The gearing ratio, expressed as percentage of total liabilities excluding deferred tax liabilities over total equity attributable to owners of the parent, was approximately 66.3% (31 December 2024: 59.6%).

CHARGE ON THE GROUP'S ASSETS

At 30 June 2025, the Group did not have any charge on its assets.

FOREIGN EXCHANGE RISKS

Most of the income and expenses of the Group are determined in RMB. The Group has not used any foreign currency derivative instruments to hedge its exposure to foreign exchange risk. However, the management monitors closely the exposures and will consider hedging the exposures should the need arise.

COMMITMENTS

At 30 June 2025, the Group had capital commitments of approximately HK\$45,741,000 (31 December 2024: HK\$45,060,000).

CONTINGENT LIABILITIES

At 30 June 2025, the Group had no material contingent liabilities (31 December 2024: Nil).

EMPLOYEES

At 30 June 2025, the Group had 54 employees, including approximately 50 employees in PRC and 4 employees in Hong Kong. Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experience and the prevailing industry practices. The employees in Hong Kong joined the mandatory provident fund scheme.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment during the period ended 30 June 2025.

SHARE OPTION SCHEME

On 21 June 2024, the Company adopted a new share option scheme ("Share Option Scheme") after the expiry of the share option scheme adopted by the Company on 9 June 2024. The purpose of the Share Option Scheme is to enable the Company to grant options to the eligible participants ("Participants") in order to recognise and motivate the contribution of the Participants to the Group. The Share Option Scheme is effective for 10 years and will be expired in June 2034.

As at 30 June 2025, there are no outstanding options.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the Share Option Scheme and employee award plan, at no time during the six months ended 30 June 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors and chief executive of the Company or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights.

SUBSTANTIAL SHAREHOLDERS

At 30 June 2025, the register of substantial shareholders maintained by the Company under Section 336 of the SFO showed that the following shareholders had an interest of 5% or more in the issued share capital of the Company:

Long positions in ordinary shares of HK\$0.01 each of the Company

Name of substantial shareholders	Capacity	Notes	Interest in shares	Approximate percentage of the Company's issued share capital
Jiaxuan Group Company Limited ("Jiaxuan")	Beneficial owner	(i)	1,982,561,725	47.10%
Eagle King Investment Holding Limited	Interest of controlled corporation	(i)	1,982,561,725	47.10%
Mr. Wong Kwong Yu	Interest of controlled corporation	(i)	1,982,561,725	47.10%
Great Majestic Global Holdings Limited	Interest of controlled corporation	(i)	1,982,561,725	47.10%
Mr. Xu Zhong Min	Interest of controlled corporation	(i)	1,982,561,725	47.10%
CITIC Group Corporation	Interest of controlled corporation	(ii)	459,934,954	10.93%
CITIC Limited	Interest of controlled corporation	(ii)	459,934,954	10.93%
Famous Peak Investments Limited	Beneficial owner	(ii)	459,934,954	10.93%
First Charm Investments Limited	Beneficial owner	(iii)	311,545,414	7.40%
Mr. Ko Chun Shun, Johnson	Interest of controlled corporation	(iii)	311,545,414	7.40%

Notes:

- (i) Jiaxuan is owned as to 55% by Eagle King Investment Holding Limited (“Eagle King”) and as to 45% by Great Majestic Global Holdings Limited (“Great Majestic”). Mr. Wong Kwong Yu owns 100% of Eagle King and Mr. Xu Zhong Min owns 100% of Great Majestic.
- (ii) Famous Peak Investments Limited is a wholly-owned subsidiary of CITIC Investment (HK) Limited, being one of the wholly-owned subsidiaries of CITIC Limited. CITIC Group Corporation is the holding company of CITIC Limited.
- (iii) Mr. Ko Chun Shun, Johnson owns 100% of First Charm.

Save as disclosed above, at 30 June 2025, the Company has not been notified by any persons (other than the Directors and chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which were to be recorded in the register required to be kept under Section 336 of the SFO and/or who were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

None of the Directors and chief executives, nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2025.

COMPETING INTEREST

At 30 June 2025, none of the Directors, the substantial shareholders nor their respective associates had an interest in any business which competes or may compete with the business of the Group.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

CORPORATE GOVERNANCE PRACTICES

The corporate governance principles of the Company emphasise a quality Board, sound internal controls, transparency and accountability to all shareholders. By applying rigorous corporate governance practices, the Group believes that its accountability and transparency will be improved thereby instilling confidence to shareholders and the public.

The Company has complied with the code provisions in the Corporate Governance Code (the “CG Code”) and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules for the six months ended 30 June 2025, with the exception of CG Code Provisions A.2.1 (separation of roles of chairman and chief executive officer), A.4.1 (specific terms of non-executive Directors) and A.6.7 (non-executive Directors attending general meetings).

a. Chairman and Chief Executive Officer

Under the CG Code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As at the date of this announcement, both of the positions of chairman and chief executive officer of the Company were still left vacant. The Company will continue to look for the appropriate candidates to fill the vacancy as chairman and the chief executive officer.

b. Terms of non-executive Directors

Under the CG Code provision A.4.1, all non-executive Directors should be appointed for a specific term, subject to re-election. The term of office for non-executive Directors is subject to retirement from office by rotation and is eligible for re-election in accordance with the provisions of the Company’s bye-laws. At each annual general meeting, one-third of the Directors for the time being, (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. As such, the Company considers that such provisions are sufficient to meet the underlying objective of this Code provision.

c. Non-executive Directors attending general meeting

Under the Code provision A.6.7 of CG Code, non-executive Directors and independent non-executive Directors should attend general meetings. Certain non-executive Directors and independent non-executive Directors were unable to attend the annual general meeting and special general meeting of the Company due to other business commitments.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2025, the Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, the Company's Directors confirmed they have complied with the required standards of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company.

AUDIT COMMITTEE

The audit committee consists of three members, namely Mr. Lam Cheung Shing Richard (chairman of the audit committee), Mr. Zhou Ya Fei and Mr. Ng Wai Hung, all being non-executive Directors or independent non-executive Directors. The primary duties of the audit committee are to review the Company's annual report and financial statements, quarterly reports and interim report and to provide advice and comment thereon to the Board. The audit committee will also be responsible for reviewing and supervising the financial reporting and internal control procedures of the Group.

The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters with the management team of the Company. The audit committee has reviewed the interim report and results for the six months ended 30 June 2025 before proposing to the Board for approval.

By order of the Board
Lajin Entertainment Network Group Limited
Leung Wai Shun Wilson
Executive Director

Hong Kong, 29 August 2025

As at the date of this announcement, the executive directors are Mr. Colin Xu and Mr. Leung Wai Shun Wilson; the non-executive directors are Mr. Zou Xiao Chun, Mr. Zhou Ya Fei, Mr. Li Xue Song and Ms. Wu Qian and the independent non-executive directors are Mr. Ng Wai Hung, Mr. Lam Cheung Shing Richard and Mr. Wang Ju.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement 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 announcement misleading.

This announcement will be published on the GEM website on the "Latest Company Announcement" page for at least 7 days from the date of publication and on the Company's website at www.irasia.com/listco/hk/lajin/index.htm.