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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)

DECISION OF THE GEM LISTING COMMITTEE

This announcement is made by Lajin Entertainment Network Group Limited (the "**Company**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**GEM Listing Rules**") and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 18 August 2025 (the "**Announcement**") in relation to, among other matters, the decision of the Listing Division of the Stock Exchange (the "**Listing Division**") that the Company had failed to maintain a sufficient level of operations and assets as required under Rule 17.26 of the GEM Listing Rules (the "**LD Decision**"), and the announcement of the Company dated 26 August 2025 in relation to the request of the Company for a review by the GEM Listing Committee of the Stock Exchange (the "**Committee**") of the LD Decision, respectively. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

DECISION OF THE COMMITTEE

The Board wishes to inform the shareholders and potential investors of the Company that the review hearing of the LD Decision by the Committee (the "**Review Hearing**") was held on 21 October 2025. On 3 November 2025, the Company received a letter from the Stock Exchange (the "**Decision letter**") notifying the Company that the Committee, having considered all submissions (both written and oral) made by the Company and the Listing Division, was of the view that the Company failed to maintain a sufficient level of operations and assets as required under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of the shares of the Company (the "**Shares**") and decided to uphold the LD Decision to suspend trading in the Shares under Rule 9.04(3) of the GEM Listing Rules (the "**GLC Decision**").

REASONS FOR THE GLC DECISION

According to the Decision Letter, the Committee arrived at the GLC Decision for the following reasons:

On operation

1. The Company's operational scale has significantly diminished over the past years, with its total revenue having peaked at RMB68.3 million in 2021 but having fallen to HK$5.3 million in 2024. In the six months ended 30 June 2025, the Company recognised minimal revenue of HK$2.1 million. The Entertainment Business has experienced a substantial decline in revenue, recording losses in four out of the past five financial years, with only a few movie projects in the pipeline and limited resources to finance new projects. The Company has shifted its strategy by focusing on developing the New Media Business. This segment first began with e-commerce business through live-streaming in 2020, then changed to the APP and PASS Cards business in late 2022, generating minimal annual revenue through the sale of music PASS cards. The Company sought to expand this segment through cultural tourism PASS Cards and customised APP and PASS Cards services. However, these initiatives were preliminary and their projected revenue was not supported by a significant number of signed contracts or credible customer demand. Overall, the Company failed to demonstrate to the Committee that its businesses were of substance, viable and sustainable.

Entertainment Business

2. The Entertainment Business has diminished to a very low level of operation. It recorded a substantial decrease in revenue and had sustained continued losses. The situation did not appear to be a temporary downturn, and the Committee did not consider this business to be viable and sustainable, taking into account the following:

    (a) The scale of operation of the Entertainment Business has significantly declined over the years, with a substantial decrease in segment revenue of HK$31.6 million in 2021 to HK$3.8 million in 2024. Despite the surge of segment revenue in 2023, which was attributable to a one-off production income, such improvement was not sustained in subsequent periods. The Committee noted that (a) the Entertainment Business had sustained losses in four out of the past five financial years; and (b) the carrying amount of film rights and films and TV programmes under production substantially reduced by 90.8% from HK$149.5 million in FY2020 to HK$13.7 million in FY2024. The deteriorating trend did not appear to be temporary.

    (b) The Committee noted the Company's effort to improve the performance of the Entertainment Business, including entering into agreements to obtain the box-office sharing rights of a certain movie in global markets and the license for short mini-dramas for broadcast on online platforms in the PRC. However, it was uncertain how these could substantially improve the Company's performance. The Company only expected to generate approximately RMB2.1 million from a certain movie for FY2025, and the release of such movie in the PRC was still subject to the PRC regulatory approval. No revenue was projected from the mini-dramas in either FY2025 or FY2026.

(c) As set out in the Company's profit forecast appended to its supplemental submission dated 13 October 2025 (the "**Profit Forecast**"), the Company's forecasted segment revenue of RMB3.1 million for 2025 was minimal, while the forecasted segment revenue of RMB24.3 million for 2026 was based on a certain comedy movie and an internet drama. As submitted at the Review Hearing, the comedy movie was targeted to start filming in November 2025 and premiere in the fourth quarter of 2026 depending on market conditions, while the Company was still in discussion with streaming platforms regarding the internet drama and the filming and production of the same was yet to commence. The Company also acknowledged at the Review Hearing that it had limited resources to finance these projects and further fundraising would be required. It remained questionable whether and when these projects could be completed and whether the forecasted revenue for the Entertainment Business in 2026 was achievable.

(d) As acknowledged at the Review Hearing, the Company lacked funding to finance new projects. The Company failed to provide any detailed plan or otherwise demonstrate the prospects of substantially improving the operating scale of the Entertainment Business.

New Media Business

3. The New Media Business began with e-commerce business through live-streaming services in 2020, which essentially ceased in 2022. In late 2022, the Company commenced the APP and PASS Cards business and generated minimal revenue from sales of music PASS Cards of HK$0.4 million in 2023 and HK$1.2 million in 2024. The Company expected to generate annual revenue of HK$0.3 million only from sale of music PASS Cards for both 2025 and 2026. In May 2025, the Company launched the sale of cultural tourism PASS Cards for themed projects and the provision of customised APP and PASS Cards services targeting individuals and corporates in the PRC. The Company seeks to expand the New Media Business through the new initiatives under the APP and PASS Cards business. However, the Committee did not consider that the New Media Business to be of substance, viable and sustainable taking into account the following:

(a) The sales of the APP and PASS Cards business only started in late 2022, with the trial launch of cultural tourism PASS Cards (which the Company sought to focus on) in May 2025. Since then, the revenue generated from cultural tourism PASS Cards was minimal. The business lacked an established track record to support the projection of its viability and sustainability.

(b) The APP and PASS Cards business was at an early stage of development and the plans to expand the business were preliminary and/or lacked concrete details:

   (i) Although the Company had signed a cooperation agreement with Alipay in August 2025, the Company had not clearly demonstrated how Alipay would promote its products or provided a credible business strategy to leverage Alipay's network.

   (ii) While the Company had entered into cooperation agreements with certain tourist attraction and museum operators as well as strategic cooperation agreements with state-owned enterprises in various cities in the PRC, the Company acknowledged at the Review Hearing that most of these agreements did not include binding purchase commitments. Further, the Company did not have exclusivity rights to sell the APP and PASS Cards at the relevant sites under these agreements.

   (iii) In respect of the agreements entered into with the cooperation partners to expand the distribution channel of the PASS Cards, the Company did not provide details on the revenue and cost sharing arrangements.

   (iv) The Company had sought to expand its business by providing customised APP and PASS Cards services. However, the revenue of RMB3.8 million from the two secured contracts remained small. The Company's plan for this initiative was preliminary with other projects still under discussion.

4. The projected revenue for the New Media Business of RMB27.9 million for FY2025 and RMB53.3 million for FY2026 in the Profit Forecast was not supported by a clear basis or a significant number of signed agreements. The Committee noted that the projections in relation to the cultural tourism PASS Cards, which accounted for a majority of the forecasted revenue for FY2025 and FY2026, were largely based on the management's assumption of the sales targets and the estimated tourist traffic of the tourist attractions. Without binding purchase commitments in most of the agreements and the exclusivity right, the Company failed to substantiate its projections with credible customer demand. Coupled with the concerns mentioned in paragraph 3 above, the Company failed to demonstrate that the Profit Forecast was credible and achievable.

Artiste Management Business

5. The Artiste Management Business had been operating on a small scale. The Company did not provide any plan to improve this business. Its forecasted revenue remained minimal.

6. In light of the above, the Committee did not consider the Company's businesses to be of substance, viable and sustainable.

On assets

7. For the year ended 31 December 2024, the Company recorded a net loss of HK$37.8 million and net cash used in operating activities of HK$20.3 million, with limited cash and cash equivalents of HK$7.6 million as at the end of that year. Its auditor included an emphasis of matter paragraph in its report, drawing attention to the material uncertainty related to the Company's ability to continue as a going concern. While the Company submitted that its cash and cash equivalents had improved to a balance of approximately HK$9.5 million as at 30 September 2025, additional fundraising would still be required to support and/or develop its businesses. The Committee was not satisfied that the Company had sufficient assets to support the operation of a viable and sustainable business.

RIGHT TO REVIEW

Under Chapter 4 of the GEM Listing Rules, the Company has the right to have the GLC Decision to be referred to the GEM Listing Review Committee for review. Pursuant to Rule 4.08(1) of the GEM Listing Rules, the Company may request the GLC Decision be reviewed by the GEM Listing Review Committee within 7 business days of issue of the GLC Decision (i.e. on or before 12 November 2025). The Company is in the process of seeking advice from its external adviser and will consider whether to make a request for the GLC Decision to be referred to the GEM Listing Review Committee for review. Trading in the Company's shares will be suspended after the expiry of seven business days from the date of the GLC Decision (i.e. 13 November 2025), unless the Company applies for a review of the GLC Decision. Pending the decision as to whether or not to request for a review of the GLC Decision, trading in the shares of the Company will continue.

Even if a request is made, shareholders of the Company (the "**Shareholders**") and potential investors of the Company are reminded that the outcome of the review of the Decision by the GEM Listing Review Committee is uncertain.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules. Shareholders who have any queries about the implication of the GLC Decision are advised to obtain appropriate professional advice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 3 November 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.

* *For identification only*