

*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.*



## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

### **CHARACTERISTICS OF 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, 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 the 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 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 remain on the “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its posting and the Company’s website at [www.china33media.com](http://www.china33media.com).*

The board (the “**Board**”) of Directors of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**”), together with comparative figures for the corresponding period in 2024.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Revenue</b>	<i>3</i>	<b>36,151</b>	35,446
Cost of sales		<b>(12,972)</b>	(11,945)
Gross profit		<b>23,179</b>	23,501
Other income	<i>5</i>	<b>7,538</b>	9,520
Other (losses) and gains, net	<i>6</i>	<b>(8,025)</b>	3,004
Selling and distribution expenses		<b>(3,882)</b>	(3,445)
Allowance for expected credit losses on trade receivables, net		<b>(7,428)</b>	(21,484)
Administrative expenses		<b>(29,747)</b>	(33,451)
Finance costs	<i>8</i>	<b>(799)</b>	(1,713)
<b>Loss before tax</b>		<b>(19,164)</b>	(24,068)
Income tax		<b>–</b>	–
<b>Loss for the year</b>		<b>(19,164)</b>	(24,068)
<b>Other comprehensive (expense) income, net of income tax</b>			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation to presentation currency		<b>(20,785)</b>	20,046
<b>Total comprehensive expense for the year</b>		<b>(39,949)</b>	(4,022)

	<i>Notes</i>	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
<b>(Loss) profit for the year attributable to:</b>			
– Owners of the Company		<b>(20,680)</b>	(23,085)
– Non-controlling interests		<b>1,516</b>	(983)
		<u><b>(19,164)</b></u>	<u>(24,068)</u>
<b>Total comprehensive (expense) income for the year attributable to:</b>			
Owners of the Company		<b>(41,465)</b>	(3,039)
Non-controlling interests		<b>1,516</b>	(983)
		<u><b>(39,949)</b></u>	<u>(4,022)</u>
		<b><i>RMB cents</i></b>	<i>RMB cents</i> (Restated)
<b>Loss per share</b>	<i>10</i>		
Basic and diluted		<u><b>(18.45)</b></u>	<u>(51.29)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

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

## 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 (i) prepaid card business; (ii) film and entertainment investment and (iii) provision of advertising services.

### 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.

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

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> 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.

## **3. REVENUE**

### **Disaggregation of revenue**

Disaggregation of revenue from contracts with customers is as follows:

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

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

	<b>2025</b>	2024
	<b>RMB'000</b>	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	–	–
Printed media advertising	–	–
Prepaid card income	<b>36,151</b>	34,975
	<hr/>	<hr/>
Total	<b>36,151</b>	35,446
	<hr/> <hr/>	<hr/> <hr/>

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.

#### 4. 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 <i>RMB'000</i>	Outdoor and digital advertising <i>RMB'000</i>	Film and entertainment investment <i>RMB'000</i>	Prepaid card <i>RMB'000</i>	Consolidated <i>RMB'000</i>
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)

### For the year ended 31 December 2024

	Printed media advertising <i>RMB'000</i>	Outdoor and digital advertising <i>RMB'000</i>	Film and entertainment investment <i>RMB'000</i>	Prepaid card <i>RMB'000</i> (Restated)	Consolidated <i>RMB'000</i> (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 fair value through profit or loss 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.

### 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 <i>RMB'000</i>	Outdoor and digital advertising <i>RMB'000</i>	Film and entertainment investment <i>RMB'000</i>	Prepaid card <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Segment assets	-	-	-	393,915	393,915
Financial assets at fair value through profit or loss					6,085
Intangible assets					330
Cash and cash equivalents					60,617
Corporate and other unallocated assets					162
<b>Consolidated assets</b>					<b>461,109</b>
Segment liabilities	(780)	(504)	-	(391,038)	(392,322)
Corporate and other unallocated liabilities					(46,762)
<b>Consolidated liabilities</b>					<b>(439,084)</b>

## At 31 December 2024

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

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 fair value through profit or loss, 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 <i>RMB'000</i>	Outdoor and digital advertising <i>RMB'000</i>	Film and entertainment investment <i>RMB'000</i>	Prepaid card <i>RMB'000</i>	Consolidated <i>RMB'000</i>
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)	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### For the year ended 31 December 2024

Other segment information	Printed media advertising <i>RMB'000</i>	Outdoor and digital advertising <i>RMB'000</i>	Film and entertainment investment <i>RMB'000</i>	Prepaid card <i>RMB'000</i>	Consolidated <i>RMB'000</i>
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
	<u>-</u>	<u>184</u>	<u>-</u>	<u>-</u>	<u>184</u>

## 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 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Hong Kong	36,151	34,975	10,339	11,647
The PRC	-	471	-	1,669
	<u>36,151</u>	<u>35,446</u>	<u>10,339</u>	<u>13,316</u>

## 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.

### 5. OTHER INCOME

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

*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.

### 6. OTHER (LOSSES) AND GAINS, NET

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss on disposal of property, plant and equipment	<b>(1,012)</b>	(67)
Loss on bond modification	–	(413)
Gain on early termination on lease arrangement	–	13
Fair value change of financial assets at fair value through profit or loss	<b>(5,689)</b>	3,471
Others	<b>(1,324)</b>	–
	<u><b>(8,025)</b></u>	<u>3,004</u>

## 7. LOSS BEFORE TAX

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
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
	<hr/>	<hr/>
Total employee benefit expenses	14,633	16,068
	<hr/>	<hr/>
Advertising agency fees and production expenses for outdoor and digital advertising (included in cost of sales)	–	184
Payment to short-term lease	135	164
	<hr/> <hr/>	<hr/> <hr/>

## 8. FINANCE COSTS

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

## 9. DIVIDENDS

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

## 10. LOSS PER SHARE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the purpose of basic and diluted loss per share		
Loss for the year attributable to owners of the Company	<u>(20,680)</u>	<u>(23,085)</u>
	<b>Number of shares</b>	
	2025	2024
	<i>'000</i>	<i>'000</i>
		(Restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share ( <i>Note</i> )	<u>112,067</u>	<u>45,006</u>

*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.

## 11. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### Trade receivables

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	97,037	91,571
Less: Allowance for expected credit losses (“ECL”)	<u>(86,931)</u>	<u>(79,780)</u>
	<u>10,106</u>	<u>11,791</u>

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:

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

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:

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

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.

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

## Prepayments, deposits and other receivables

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

### Note:

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.

## 12. 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 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	4,766	3,808
91 – 180 days	–	66
Over 180 days	934	3,137
	<u>5,700</u>	<u>7,011</u>

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

### Other payables and accruals

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
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	–
	<u>430,913</u>	<u>301,786</u>

#### *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.

## 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.

### **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. With phasing out of the film and entertainment investment business, 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.

## **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.

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).

## **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).

## **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.

## **SHARE OPTION SCHEME**

The 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”).

No share option was granted, exercised, lapsed or cancelled under the Share Option Scheme during the Year. As at 31 December 2025, there was no outstanding share option under the Share Option Scheme.

## **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.

## **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.

## **DIRECTORS’ INTERESTS IN COMPETING BUSINESS**

During the Year, 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.

## **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.

## **EVENTS AFTER THE REPORTING PERIOD**

On 18 March 2026, the Board proposed to subdivide each existing issued and unissued share of US\$0.004 each into five (5) subdivided shares of US\$0.0008 each. Please refer to the announcement of the Company dated 18 March 2026 for details.

## **AUDIT COMMITTEE**

The Company established the Audit Committee on 17 December 2010 with written terms of reference in compliance with the GEM Listing Rules and the CG Code. 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 31 December 2025, the Audit Committee has three members comprising Ms. Tay Sheve Li (Chairperson), Mr. Chan Wing Wah Terence and Ms. Wipada Kunna, all being independent non-executive Directors. The Group's final results for the Year had been reviewed by the Audit Committee. 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.

By Order of the Board  
**China 33 Media Group Limited**  
**Ruan Deqing**  
*Executive Director*

Hong Kong, 31 March 2026

*As at the date of this announcement, the executive Directors are Mr. Ruan Deqing (Chairman) and Ms. Wang Linlin; and the independent non-executive Directors are Ms. Tay Sheve Li, Mr. Chan Wing Wah Terence and Ms. Wipada Kunna.*

*This announcement, for which the Directors 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 of Hong Kong Limited 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 remain on the "Latest Listed Company Information" page of the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its posting and the Company's website at [www.china33media.com](http://www.china33media.com).*