

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

RESULTS

Due to weak market sentiment, the Group’s total revenue decreased to HK\$189.8 million (2024: HK\$207.2 million) during the year ended 31 December 2025 (“Year”). Revenue from digital advertising was HK\$183.3 million (2024: HK\$199.3 million) and remained a key revenue contributor, accounting for 96.6% (2024: 96.2%) of the Group’s total revenue. The Group’s net profit was HK\$12.7 million (2024: HK\$13.5 million). The basic earnings per share was HK2.1 cents (2024: HK2.2 cents). The Group has recommended the payment of a final dividend of HK2.5 cents (2024: HK2.5 cents) per share. Together with the interim dividend of HK1.67 cents (2024: HK1.67 cents) per share, the total dividends for the full year are HK4.17 cents (2024: HK4.17 cents) per share.

MARKET REVIEW

In a changing economic landscape marked by heightened uncertainty and rising geopolitical tensions during the Year, advertisers across different sectors generally adopted a prudent approach and tightened their advertising spending. The changes in the consumption patterns of Hong Kong’s inbound visitors and domestic consumers, and the relatively strong Hong Kong dollar, continued to pose challenges to the local consumption market. Hence, advertisers tended to reach their target audiences more efficiently and effectively by the increased use of social media platforms, search engines and video-sharing sites, apparently transforming the advertising landscape to focusing on smartphones and mobile applications. Meanwhile, advertisers were dedicated to creating immersive and interactive experiences that engaged target audiences at a deeper emotional level. As online advertising continued growing, demand for experiential services further escalated, offering unique opportunities for brands and merchants to stand out from a crowded marketplace. Hence, the digital media market became fiercely competitive.

BUSINESS REVIEW

The Group has established its online business since 2011, and currently operates 9 media brands, including “*Weekend Weekly*”, “*Oriental Sunday*”, “*Economic Digest*”, “*New Monday*”, “*More*”, “*GOtrip*”, “*Sunday Kiss*”, “*SSwagger*” and “*Madame Figaro*”. Each brand has its dedicated content pillars covering dining and local attractions, gourmet and gastronomy, fashion and beauty, travel, entertainment news, kids and parenting, electronic gadgets and gaming, finance and investment, as well as designer and luxury labels. The target positions of each media brand are as follows:

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

“*Oriental Sunday*” – A comprehensive wellness and entertainment information platform providing health and wellness tips from specialists of various medical fields, practical household consumption advice and latest entertainment and celebrity news.

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

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

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

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

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

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

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

During the Year, “*SSwagger*” achieved an encouraging multi-fold revenue growth, demonstrating its enormous market opportunities. Advertisers fully utilised “*SSwagger*” by taking advantage of its unique market edge of lifestyles and modern trends.

Strong Market Presence with Extensive Coverage

As at 31 December 2025, the Group had 9 media brands, covering 9 websites, 10 fanpages on Facebook, 10 profiles on Instagram and 4 profiles on RedNote. The Group has a strong digital presence with millions of subscribers who follow its contents on the websites, mobile applications and third-party social media platforms. This social media engagement creates an ideal platform for advertisers to communicate with and collect feedback from their current and potential consumers and broaden their reach.

Subsequent to the Year, the Group received several accolades in the 10th Media Convergence Awards, organised by Hong Kong Association of Interactive Marketing, in recognition of its efforts and excellence in using technology to transform and innovate in the delivery of news and information. “Economic Digest” received three awards under the Magazine category, namely “Overall — Bronze Award”, “Social Media — Silver Award” and “Mobile Applications — Silver Award”.

Effective Cost Saving Strategies

Facing the challenging operating environment, the Group maintained a prudent financial management with an aim of enhancing the operational efficiency. Dedicated to the Group’s efforts on restructuring of the sales force and enhancement of the commission scheme, the percentage of cost of sales over total advertising revenue (other than programmatic advertising) maintained at a low level of 7.1% (2024: 6.7%) during the Year, which provided a competitive advantage for the Group in the market.

Broad Range of Advertising Products and Services

The Group offers a wide spectrum of advertising products and integrated services on various media platforms including display banners, advertorials and reviews and social newsfeeds, along with creative production and strategic services such as search engine optimisation (SEO) and segment marketing. The Group has an in-house platform team dedicated to analysing audience behaviour on the Group’s media platforms via analytic tools for gaining insights into the behaviour and preferences of target audiences. During the Year, the Group successfully secured several new projects and facilitated marketing collaboration campaigns among the advertisers. The Group has made unremitting efforts to enhance the users’ experience and increase customer satisfaction by boosting search engine success rates and strengthening competitive edge across the media platforms.

Well-established Relationships with Clients Across Different Industries

The Group has been engaged in the media industry in Hong Kong for over 20 years and is renowned for its popular flagship media brands including “*Oriental Sunday*”, “*Weekend Weekly*”, “*New Monday*” and “*Economic Digest*”. With a long history in the advertising business in the print media and an early entry into the digital marketing business, the Group has established an extensive client network. The Group’s diverse client portfolio ranges from 4A’s and non-4A’s advertising agencies, multinational corporations and brand owners to small and medium-sized enterprises, covering a large variety of business sectors, including banks, insurance companies and financial institutions, luxury labels, fashion design and sports brands, cosmetics and wellness brands, electronic gadgets, catering chains, public utilities and government organisations.

PROSPECTS

Facing the uncertain economic outlook, the Group expects the operating environment will remain challenging, with consumption sentiment staying cautious. The Group will therefore maintain stringent financial discipline and a prudent management philosophy. Meanwhile, the Group will continue enhancing resources by adding digital platform talents, innovations and technologies, to meet the rising demand for digital advertising solutions, and further expand its market presence. As artificial intelligence (“AI”) applications are commonly used in a variety of industries, the Group will optimise the benefits by leveraging on AI in consumer engagements and content productions. With ever-increasing penetration of digital devices and internet connectivity, digital advertising will certainly be the key market growth driver. The Group will utilise the diversity of its media brands, enabling advertisers to seize unprecedented opportunities for reaching vast audiences.

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

Cash and cash equivalents of the Group as at 31 December 2025 amounted to HK\$147.6 million (2024: HK\$150.0 million), and were mainly denominated in Hong Kong dollars. As at 31 December 2025, the Group did not have any bank borrowings (2024: Nil). The strong liquidity position enables the Group to retain high flexibility for future development.

As at 31 December 2025, the Group’s current assets and current liabilities were approximately HK\$199.6 million (2024: HK\$213.1 million) and HK\$34.4 million (2024: HK\$38.7 million), respectively. Current ratio and quick ratio of the Group were 5.8 (2024: 5.5) and 5.8 (2024: 5.5), respectively.

In view of the Group’s financial position as at 31 December 2025, the Board considered that the Group had sufficient working capital for its operations and future development plans.

Initial Public Offering (“IPO”) and Use of Proceeds

The Company has been successfully listed on the Main Board of the Stock Exchange on the Listing Date, and raised net proceeds of approximately HK\$103.5 million. The actual use of the net proceeds up to 31 December 2025 is set out in the table below:

	Approximate percentage of net proceeds	Allocation of use of net proceeds (HK\$ million)	Actual use of net proceeds up to 31 December 2025 (HK\$ million)	Unutilised net proceeds as at 31 December 2025 (HK\$ million)	Expected timetable for use of the unutilised net proceeds
Expand and enhance product lines and enhance data collection and analytical capabilities	44.5%	46.0	<u>19.9</u>	<u>26.1</u>	By 31 December_ <u>2027</u>
Mergers and acquisitions and/or strategic alliances with other media or e-Commerce market players	26.3%	27.2	<u>Nil</u>	<u>27.2</u>	By 31 December_ <u>2027</u>
Construct in-house media content management platform	12.5%	13.0	<u>4.0</u>	<u>9.0</u>	By 31 December <u>2027</u>
General working capital	9.9%	10.2	10.2	Nil	N/A
Repay bank borrowings	<u>6.8%</u>	<u>7.1</u>	<u>7.1</u>	<u>Nil</u>	N/A
Total	<u>100%</u>	<u>103.5</u>	<u>41.2</u>	<u>62.3</u>	

According to its prospectus during the IPO, the Group originally expected to deploy all net proceeds from the share offer by 31 December 2025. As at 31 December 2025, approximately HK\$41.2 million of the net proceeds had been utilised and approximately HK\$62.3 million remained unutilised, which are now expected to be applied by 31 December 2027 as set out above. The change in the expected timetable is attributable to the following key factors:

1. AI-driven enhancements and cost-effective execution

The rapid advancement of AI-related and data-driven advertising technologies since the Listing Date has enabled the Group to execute parts of its original business plan in a more cost-effective manner than initially anticipated, while maintaining the same strategic focus and project scope. By leveraging updated AI and machine-learning solutions in the development and enhancement of the Advertisement Placement Platform, Personal Smart Spending Platform and E-Commerce Solution Platform, and by optimising related technology and staffing plans, the Group has been able to achieve greater automation and productivity with lower-than-budgeted cash outlays. As a result, the actual cash requirements up to 31 December 2025 for “Expand and enhance product lines and enhance data collection and analytical capabilities” and “Construct in-house media content management platform” were lower than originally expected, and the remaining unutilised proceeds will continue to be invested into these same projects in subsequent years in order to fully realise their long-term potential.

2. Timing of mergers, acquisitions and strategic alliances

Approximately HK\$27.2 million (about 26.3% of the net proceeds) would be applied to mergers and acquisitions and/or strategic alliances with media or e-Commerce market players, with completion targeted by 31 December 2025, subject to availability of suitable targets and progress of negotiations. Although the Group has actively approached and engaged in discussions with potential target companies and brands, the Board has remained disciplined on valuation, strategic fit and risk, and has not completed any such transaction up to 31 December 2025. Given current market conditions and the continued existence of attractive opportunities identified in the segment, the Board considers it appropriate to extend the timeframe for deployment of mergers and acquisitions related proceeds to 31 December 2027 so that the transactions can be executed at terms that are commercially sound and accretive to shareholders.

As at 31 December 2025, the unutilised net proceeds of approximately HK\$62.3 million were held in the form of bank deposits with licensed banks or authorised financial institutions in Hong Kong. Save for the extension of the expected timetable as described above, there is no change to the intended use of proceeds as disclosed in the prospectus. The Board is of the view that the revised timetable will not have any material adverse impact on the Group’s business objectives and that the extended period will allow the Group to continue to deploy the remaining funds in a disciplined, value-accretive and technologically up-to-date manner.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had 201 (2024: 219) employees. Total staff costs including Director's remuneration and the other staff costs for the Year were approximately HK\$95.1 million (2024: HK\$103.4 million). Each employee's remuneration was determined in accordance with the individual's responsibilities, competence and skills, experience and performance as well as market pay levels. Staff benefits include medical insurance, retirement benefits and other competitive fringe benefits. The Company has adopted a share option scheme on 26 June 2023, which became effective on the Listing Date to provide incentives or rewards to its staff. Particulars of the scheme will be set out in the section headed "Share Options" of the annual report of the Company.