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PHOENITRON

PHOENITRON HOLDINGS LIMITED

品創控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8066)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE
INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2025
AND
DISCLOSEABLE TRANSACTION IN RELATION TO
THE TECHNOLOGY DEVELOPMENT AGREEMENT**

Reference is made to the interim report of Phoenitron Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the six months ended 30 June 2025 (the “**2025 Interim Report**”). Unless otherwise defined, capitalised terms used herein should have the same meanings as those defined in the 2025 Interim Report.

The Board would like to provide the following additional information with respect to the E-Commerce Business disclosed in the 2025 Interim Report.

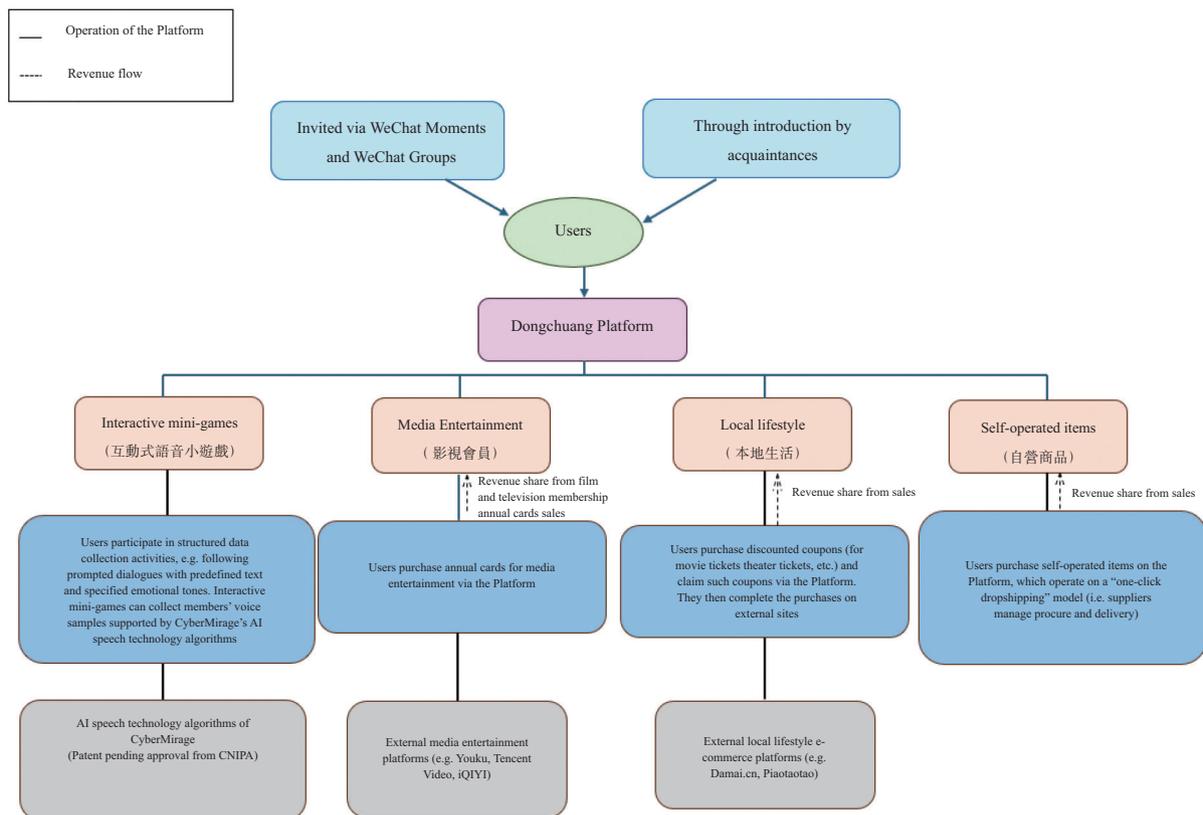
Overview of the Dongchuang Platform

The newly developed private domain e-commerce “Dongchuang Shuyu” platform (the “**Dongchuang Platform**”) generates revenue primarily from (i) the profit sharing income from upstream supply chain partners, including (a) entertainment content providers, (b) ticketing agencies, (c) lifestyle merchants, such as KFC, Starbucks, McDonalds, Luckin Coffee, (d) external e-commerce platforms, such as Taobao, Tmall and JD.com and (e) technology vendors, such as 山東海威華諾數字科技有限公司 (Shandong Haiwei Huanuo Digital Technology Co., Ltd.*) and 深圳市雲中鶴科技股份有限公司 (Shenzhen Yunzhonghe Technology Co., Ltd.*); and (ii) profit sharing arrangement in respect of sales of self-operated items (such as souvenirs, jewellery and collectibles etc.).

During the Reporting Period, Dongchuang recorded revenue of approximately HK\$54.9 million and a pre-tax profit of HK\$49.8 million.

Business Model of the Dongchuang Platform

The business model of the Dongchuang Platform is as follows:



The above diagram illustrates the operation and revenue flow of the Dongchuang Platform. At the top, users are attracted via invitations through WeChat Moments and WeChat Groups or through introductions by acquaintances. Users then engage with the Dongchuang Platform, which branches into four main sections: (1) Interactive mini-games: where users participate in structured data collection activities (e.g., following prompted dialogues with predefined text and specified emotional tones) to collect members' voice samples, supported by AI speech technology algorithms of CyberMirage (patent pending approval from CNIPA); (2) Media Entertainment: where users purchase annual cards for media entertainment, such as iQIYI, Youku and Tencent Video via the Dongchuang Platform, generating revenue share from film and television membership annual cards; (3) Local Lifestyle: where users purchase discounted coupons (for movie tickets, theatre tickets, etc., from external local lifestyle e-commerce platforms such as Damai.cn and Piaotaotao) and claim such coupons via the Dongchuang Platform before completing purchases on external sites, generating revenue share from successful transactions; and (4) Self-operated Items: where users purchase self-operated items (e.g., souvenirs, accessories and collectibles) on the Dongchuang Platform, which operates on a "one-click drop-shipping" model (i.e., suppliers manage procurement and delivery), generating revenue share from sales.

As of 30 June 2025, the Dongchuang Platform had over 200,000 users. All transactions on the Dongchuang Platform are processed automatically via a digital application programming interface (the “API”) provided by supply chain companies. The API distributes the transaction proceeds among suppliers, logistics providers, and Dongchuang. Essentially, Dongchuang, as a fourth-party private domain e-commerce platform, provides a pool of potential customers and a transaction interface to facilitate online transactions and earns income via profit sharing arrangement with suppliers and logistics providers, at rates predetermined for each stock keeping unit (SKU) by the respective e-commerce companies based on the respective product categories. This structure reflects the Dongchuang Platform’s design to optimise overall transaction through centralized merchandise sourcing and efficient supply chain management powered by API integration.

The Dongchuang Platform has also adopted various measures to optimise its revenue dynamics and enhance user engagement and retention, including (1) the establishment of VIP membership tiers, where the tier promotion is driven by user’s level of spending across coupon redemptions and purchases of self-operated product transactions; (2) the provision of intermediary services and position as a gateway for (a) local lifestyle services and (b) external merchants through offering discount coupons; and (3) the provision of free access to interactive mini-games on the Dongchuang Platform.

Membership tiers

The membership tiers operation generates recurring revenue through spending thresholds, with free registration for all users and no annual membership fees. Members gain access to a dedicated app that provides access to a curated selection of products, exclusive membership benefits and features, including discounted prices. Users achieve VIP status by reaching predetermined spending thresholds through purchases on the Dongchuang Platform, unlocking discounts and referral points. To facilitate user engagement, the Dongchuang Platform offers a “share to earn” referral points reward system that members are rewarded by referral points when they promote the Dongchuang Platform to family members, friends and other social contacts, and the Group also intends to place advertisements on other social platforms in the foreseeable future to attract new members. To maintain VIP status, users must continue to meet spending thresholds annually, driving recurring revenue. Specifically, users become VIP members upon cumulative spending of RMB399, SVIP members at RMB7,999, and SSVIP members at RMB40,000, with higher tiers enjoying greater discount rates ranging from 5% to 15%.

Intermediary services

The Dongchuang Platform acts as an intermediary for local lifestyle services (e.g. dining or entertainment) and external e-commerce merchants (e.g. Taobao, Tmall and JD.com), earning profit share on user activity. When users claim these coupons via the Dongchuang Platform and complete the purchases on the external sites, the Company earns profit share for facilitating the referral. This expands the Dongchuang Platform’s value proposition without requiring it to manage inventory for these large-scale merchants.

During the Reporting Period, profit sharing rates for local lifestyle coupons range from 2% to 10% and for external merchants from 2% to 21%. In particular, fast-moving consumer goods like healthcare products and household products typically carry a rate of 2%, and higher-margin products like health supplements and cosmetics can reach up to 21%. The Dongchuang Platform maintains approximately 3,000 SKUs, strategically selected based on feedback and members’ consumption profiles to align with high-profit sharing and high-demand products.

Interactive mini-games

The interactive mini-game serves as an operational tool designed to drive traffic to private domain ecosystems and enhance user retention. Its content is based on a historical war story, featuring a soldier-versus-soldier card battle game with various in-game equipment, where players receive corresponding equipment rewards upon winning.

Self-operated items

While the Dongchuang Platform offers products from mainstream and emerging brands, the Group also provides self-operated items which are higher-gross-margin and Dongchuang Platform-exclusive products to enhance user stickiness, such as souvenirs, accessories, collectibles, etc.

Background of Dongchuang

Dongchuang was established on 7 July 2023. As disclosed in the announcement of the Company dated 10 January 2025 and the 2025 Interim Report, the Company completed the acquisition of the entire equity interest in Dongchuang in December 2024. The seasoned management team of Dongchuang was retained, and leveraging on the reputation of the management of the Group (in particular, Mr. Guo Rongxiang, the executive Director, who possesses more than 20 years of experience in the information technology industry and operation of online trading platforms) and capital resources of the Group (including readily available cash of the Group), subsequently the Dongchuang Platform launched its public beta in around January 2025. For the year ended 31 December 2023, Dongchuang recorded no revenue and a net loss of approximately RMB8,900. For the year ended 31 December 2024, Dongchuang recorded revenue of approximately RMB42,500 and a net loss of approximately RMB202,000. During the Reporting Period, the E-Commerce Business became the largest revenue-generating segment of the Group, with segment revenue of HK\$60.9 million and segment profit of HK\$55.6 million, representing approximately 69.1% and 97.9% of the Group's total revenue and total segment profit, respectively. The E-Commerce Business comprises operations from Dongchuang, which contributed approximately HK\$54.9 million in revenue and a pre-tax profit of HK\$49.8 million during the Reporting Period.

The E-Commerce Business incurred total development costs of approximately HK\$4.0 million during the Reporting Period, including platform architecture enhancements, technology development and upgrades, specifically for developing a mobile e-commerce app platform.

Dongchuang procures customers through users attracted via invitations through WeChat Moments and WeChat Groups or through referrals from its existing customers via social platforms, and strategic partnerships with well-established businesses, offering high-frequency consumption products and rewarding points for purchase and referrals that can offset future transactions. As at 30 June 2025, Dongchuang has over 200,000 registered users, with approximately 28,000 daily active users, and periodically hosts shopping festivals and product promotion to boost sales.

The Dongchuang Platform's daily active users' conversion rate is approximately 14%, which is notable in the private domain e-commerce sector, supported by its user acquisition and retention approaches. For example, viral growth within the WeChat ecosystem through WeChat Moments sharing and group invitations, combined with a referral points reward system, supports cost-effective user growth with a "share to earn" approach. Coupled with the various measures to optimise its revenue dynamics and enhance user engagement and retention as mentioned above, these help activate users and increase engagement.

Furthermore, high frequency consumption products from strategic partners (such as dining and entertainment discount coupons), paired with shopping festival promotions, ease user decisions and support conversion from registration to active use. Overall, this closed loop private domain traffic model (acquisition, activation, retention, monetization) reaches conversion rates of approximately 20% to 30% within the WeChat environment, higher than the 1% to 5% typical of public domain e-commerce platforms, reflecting the Dongchuang Platform's precision in operational strategies.

The significant growth of Dongchuang during the Reporting Period is primarily driven by the following factors: (a) the diverse selection of products available on the Dongchuang Platform, which successfully capitalizes on strong market demand for daily trading of various products by offering a wide range of products that aligns with consumer needs; (b) the transfer of significant followers across social platforms of the Company, resulting in a rapid increase in the user base; (c) access to high-quality supply chains offering products at lower prices than competitors like JD.com and Taobao, enhancing user engagement; and (d) the advantages of its asset-light operational structure as it does not engage in capital intensive activities like goods procurement and inventory management, which leverages existing traffic to enable profitable scaling to meet broad demand.

Additionally, the strategic integration of an experienced management team with deep expertise in e-commerce and digital marketing, including key personnel boasting extensive industry experience, has enabled rapid platform development and user acquisition, further accelerating growth in this segment. Moreover, the Company's strategic development of the E-Commerce Business has involved hiring a talented pool of marketing and promotion professionals and forging strategic partnerships with traffic drivers who had accumulated significant follower bases across social platforms including WeChat groups and WeChat Moments. Upon the launch of the Dongchuang Platform in January 2025, many of their followers registered as users and converted into active transactors and enabling the Dongchuang Platform to generate significant revenue growth in a short period. This approach effectively leverages word-of-mouth marketing to attract a critical mass of users to transact on the Dongchuang Platform, which has been instrumental in driving this rapid expansion.

Background of CyberMirage and the AI Business

CyberMirage (formerly known as PMIS Limited) is a wholly owned subsidiary of the Company with over 20 years of operational history. Please refer to the 2025 Interim Report for detailed background of CyberMirage.

As disclosed in the 2025 Interim Report and as at the date of this announcement, CyberMirage is principally engaged in the provision of artificial intelligence ("AI") speech technology data services (the "AI Business"), which contributed approximately HK\$6.0 million and a pre-tax profit of approximately HK\$5.8 million during the Reporting Period. Total development costs of approximately HK\$9.8 million were invested in AI model training, data processing and system integration for AI speech technology data services during the Reporting Period. CyberMirage procures customers through referral, with customer numbers of two as of 30 June 2025.

In 2024, the Company established an internal research and development team within CyberMirage dedicated to the development of algorithms relating to speech recognition, natural language processing and speech synthesis. The relevant proprietary technologies have been submitted for national invention patent applications in the PRC. The AI speech technology services business of CyberMirage comprises three main components: (i) algorithm research; (ii) provision of customised AI speech technology development projects for clients; and (iii) collection, processing and production of high-quality speech corpus databases, which are supplied as training data to global AI speech technology companies. The Group regards the collection and production of high-quality native speech training data as its principal competitive strength. This is underpinned

by the Dongchuang Platform’s existing base of over 200,000 registered users – a scale of willing voice-data contributors that has no known direct equivalent in the market – at a time when publicly available premium raw speech data has been largely exhausted and has become the key bottleneck limiting AI speech model accuracy. Furthermore, virtually all real-world AI voice applications require customisation, which in turn depends fundamentally on access to large, high-quality native speech databases of the type the Group is building.

The Group is building one of the world’s leading native speech training databases and providing highly personalised speech model training data services to clients. This is precisely the function that the Software Platform currently under development by Hangzhou Tiankuisheng is designed to fulfil.

To rapidly establish market presence, the Group’s current strategy is twofold: first, to undertake project-based custom development of AI speech applications for clients (such as the fire alarm call service project referred to in the Announcement (as defined below)); and second, to continuously accumulate speech data and produce various types of speech training databases that can be sold or offered on a subscription basis to global AI users.

The Dongchuang Platform and CyberMirage operate in deep synergy. Users on the Dongchuang Platform participate in structured voice collection tasks (recording designated text with specified tones and emotions) and explicitly authorize the use of their voice data. After cleaning and annotation, such data become the core raw material for CyberMirage to produce premium customized speech training databases. Potential customers include, but are not limited to, AI speech technology companies, government bodies, financial institutions, large enterprises and small and medium-sized enterprises.

For CyberMirage, the AI voice technology services are built on proprietary language technology, developed through technical collaborations and protected by patents that have been applied for authorization. On 19 September 2025, CyberMirage has submitted a patent application for the model training method, speech recognition method, and device, equipment and storage medium (模型訓練方法、語音辨識方法、裝置、設備及存儲介質) (the “**Patent**”) to China National Intellectual Property Administration (the “**CNIPA**”). The Board is pleased to provide further update on the Patent application that on 4 November 2025, the CNIPA issued the Notice of Entry into Substantive Examination Stage for Invent Patent Application* (發明專利申請進入實質審查階段通知書), pursuant to which, among other things, the CNIPA has examined the said application and found it to comply with the relevant provisions of the Patent Law Implementation Rules of the People’s Republic of China* (《中華人民共和國專利法實施細則》) and will proceed to the substantive examination stage. The patents, if successfully granted, are expected to be used for: (1) developing and integrating AI voice recognition systems for public call services, including automated call answering, order processing, proactive marketing outreach, and after-sales support for various organizations. For example, one project for a local government’s fire alarm call service improved efficiency by over 200% and reduced labor costs by 60%; and (2) leveraging the Dongchuang Platform’s more than 200,000 users to collect 10,000 hours of voice data from 200,000 users for AI model training, producing specialized datasets sold to global AI voice training institutions. Nevertheless, the Group cannot guarantee that it will be able to obtain approval, develop or ultimately market the Patent successfully.

To comply with the privacy laws in the PRC, the Dongchuang Platform uses strong safeguards for collecting voice data. Users must provide clear consent via a pop-up agreement before playing interactive mini-games. They are informed that their data will be used only for AI model training, fully anonymized, and can be withdrawn anytime. Once uploaded, voice samples are immediately stripped of personal identifiers, user identities are turned into irreversible anonymous codes, and only key acoustic features are kept, while original recordings are never stored. Data is encrypted

and logged on a blockchain for authenticity, traceability, and security. Raw and processed data are stored separately in secure environments, with access strictly limited to authorized AI training staff. Independent third-party audits occur every quarter, and users can request full data deletion at any time; removal is completed within 24 hours and recorded. All data in transit and at rest is protected with strong encryption, in full alignment with the applicable laws in the PRC. These steps ensure the process is lawful, transparent, and designed to protect user privacy.

Save as disclosed, all other information as set out in the 2025 Interim Report remains unchanged, while this announcement is supplemental to and should be read in conjunction with the 2025 Interim Report.

DISCLOSEABLE TRANSACTION IN RELATION TO THE TECHNOLOGY DEVELOPMENT AGREEMENT

Reference is made to the announcement of the Company dated 14 November 2025 in relation to the technology development agreement (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

In addition to the information disclosed in the Announcement, the Board wishes to provide the shareholders of the Company and potential investors with additional information regarding the Technology Development Agreement.

As the Group has not yet established a dedicated in-house software development department, it engaged a reliable and experienced specialist to develop a platform customised for voice data collection, processing and training using AI (the “**Software Platform**”).

The Company had actively explored other potential suppliers capable of providing development services for the Software Platform. However, as this involved the practical implementation and integration of AI technology, it remained a relatively new and highly specialised field in the market. At that time, there were very few suppliers with comparable mature development experience and proven successful track records in delivering similar platforms.

After thorough comparison and evaluation, the Company considered Hangzhou Tiankuisheng to be the most suitable and practicable choice. Hangzhou Tiankuisheng is a duly licensed software development company in the PRC. Although its primary focus is not on AI algorithm research, it possesses extensive and successful track record in developing large-scale computer application platforms, including gaming platforms, e-commerce platforms, and social platforms. Such expertise equips with the necessary capabilities to deliver the required software platform functions for AI applications, such as data interfacing, data exchange, data processing, and human-machine interaction interfaces.

The Company has conducted due diligence on Hangzhou Tiankuisheng and is satisfied that it maintains a standardised software development process encompassing full quality-control procedures, including requirements management, requirements analysis, detailed design, programming, unit testing, module testing and functional testing. Several senior engineers in its core technical team previously held key technical positions at well-known internet companies in China and possess extensive experience in large-scale project development. The Company is therefore satisfied that Hangzhou Tiankuisheng possesses sufficient technical capability and resources to complete the development of the Software Platform in accordance with the agreed timetable, thereby fully meeting the Group’s current development needs.

Nature and function of the Software Platform and the roles and responsibilities of the Dongchuang Platform and the Software Platform

The Software Platform is an AI technology service platform custom-developed exclusively for CyberMirage by Hangzhou Tiankuisheng. It is a back-end data-processing system that specialises in the management of voice data collection, cleaning, structuring, annotation and production of training databases, and is entirely distinct in function and technical complexity from the Dongchuang Platform. The Software Platform itself does not face the end-user market and generates no direct consumer revenue. The cost base is predominantly development costs, server and storage costs, and ongoing data annotation and quality-control expenses.

Dongchuang is responsible for supplying raw voice materials to CyberMirage, whereas CyberMirage is responsible for providing AI voice technology services to its customers. Both companies are wholly-owned subsidiaries of the Company and fully share resources with each other. Accordingly, Dongchuang is also a party to the Technology Development Agreement as (a) the Software Platform requires direct and seamless technical integration with the Dongchuang Platform in order to distribute structured voice-collection tasks to users, retrieve raw voice recordings and manage user incentives in real time; (b) that Dongchuang is the controller of the user base and the authorized voice data collected from its members; and (c) Dongchuang as a company incorporated in the PRC would facilitate efficient RMB settlement and on-shore coordination with Hangzhou Tiankuisheng's PRC-based development team.

The Software Platform itself does not face the end-user market and generates no direct consumer revenue. All revenue is B2B and derived from the high-margin sale or licensing of processed speech data and related technical services delivered by CyberMirage. The cost base is predominantly development costs (already disclosed), server and storage costs, and ongoing data annotation and quality-control expenses. The Group adopts an asset-light model in that it does not hold inventory and relies almost entirely on voice data voluntarily contributed by Dongchuang Platform users (with explicit consent) as its core raw material.

Further, in accordance with customary practice in the software development industry in the PRC, development fees are typically calculated based on engineer man-hours. The "daily service fee" represents the standard service fee for a single working day and serves as the basis for determining both the total development cost and any liquidated damages for delay.

The consideration for developing the Software Platform was arrived at by multiplying the estimated total man-days by the agreed daily service fee. It is common industry practice to divide the development cycle into three roughly equal phases (requirements analysis and detailed design, programming, and testing and acceptance), each accounting for approximately 33% of the timeline. Where coding requires approximately 50 days, the overall cycle is typically around 150 days, and the total consideration is therefore equivalent to 150 times the daily service fee.

In the event that delay and rework are caused by Hangzhou Tiankuisheng, it shall compensate Dongchuang and CyberMirage on the basis of twice the daily service fee for each day of delay, thereby ensuring that the software development is completed on schedule and to the required quality standards.

By order of the Board
Phoenitron Holdings Limited
Guo Rongxiang
Executive Director

Hong Kong, 12 December 2025

As at the date of this announcement, the Board comprises four executive Directors, Ms. Lily Wu (Chairman), Mr. Guo Rongxiang, Mr. Chang Wei Wen (Chief Executive Officer) and Mr. Yang Meng Hsiu, and three independent non-executive Directors, Ms. Wong Ka Wai, Jeanne, Mr. Yeung Man Chit, Daniel and Mr. Chan Siu Wing, Raymond.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, 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 in this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.phoenitron.com.

* *The English transliteration of the Chinese name(s) in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*