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Dmall Inc.

多点数智有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 2586)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025 AND
CHANGE IN USE OF PROCEEDS FROM THE TOP-UP SUBSCRIPTION**

The board (the “**Board**”) of directors (the “**Director(s)**”) of Dmall Inc. (the “**Company**”) is pleased to announce the audited annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) under IFRS Accounting Standards for the year ended December 31, 2025 (the “**Reporting Year**”), together with the comparative figures for the year ended December 31, 2024. These annual results have been reviewed by the audit committee of the Board (the “**Audit Committee**”) and discussed with our management.

FINANCIAL HIGHLIGHTS

	Year ended December 31,		
	2025	2024	Change (%)
	<i>(RMB in thousands, except percentages)</i>		
Revenue	2,226,756	1,859,002	19.8
Cost of revenue	(1,376,974)	(1,112,626)	23.8
Gross profit	849,782	746,376	13.9
Profit/(loss) for the year	127,106	(2,220,276)	N/A
Non-IFRS measure:			
Adjusted profit from continuing operations for the year	203,370	29,795	582.6

GENERAL NOTES

In this announcement: (i) “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group; (ii) certain amount and percentage figure included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding; (iii) unless otherwise stated, the exchange rates used are Renminbi (“**RMB**”) 1 to Hong Kong Dollars (“**HK\$**”) 1.11; and (iv) except as otherwise indicated, “revenue” and “customer” refer to our revenue and customer from continuing operations, excluding the revenue and customer from discontinued operations, respectively.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*for the year ended December 31, 2025**(Expressed in Renminbi)*

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Continuing operations			
Revenue	3	2,226,756	1,859,002
Cost of revenue		<u>(1,376,974)</u>	<u>(1,112,626)</u>
Gross profit		849,782	746,376
Other net income/(loss)		44,598	(102,555)
Research and development expenses		(366,106)	(412,751)
Selling and marketing expenses		(120,610)	(92,439)
General and administration expenses		(278,553)	(307,969)
Impairment loss on trade receivables, contract assets and other receivables reversed/(recognized)		1,940	(4,660)
Impairment loss on goodwill	6	<u>(45,689)</u>	<u>–</u>
Profit/(loss) from operations		85,362	(173,998)
Net finance income/(costs)		3,456	(4,474)
Share of profits/(losses) of associates		45	(215)
Fair value change of convertible redeemable preferred shares		<u>–</u>	<u>(2,275,701)</u>
Profit/(loss) before taxation from continuing operations		88,863	(2,454,388)
Income tax benefit	4	<u>38,243</u>	<u>978</u>
Profit/(loss) for the year from continuing operations		127,106	(2,453,410)
Discontinued operations			
Profit for the year from discontinued operations		<u>–</u>	<u>233,134</u>
Profit/(loss) for the year		<u>127,106</u>	<u>(2,220,276)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended December 31, 2025 (continued)

(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
Attributable to:			
Equity shareholders of the Company		133,724	(2,195,277)
– Continuing operations		133,724	(2,428,411)
– Discontinued operations		–	233,134
Non-controlling interests		(6,618)	(24,999)
– Continuing operations		(6,618)	(24,999)
		<u>127,106</u>	<u>(2,220,276)</u>
Profit/(loss) for the year			
Earnings/(loss) per share (expressed in RMB per share)			
	5		
Basic		0.15	(3.97)
Diluted		0.15	(3.97)
		<u>0.15</u>	<u>(3.97)</u>
Earnings/(loss) per share – Continuing operations (expressed in RMB per share)			
	5		
Basic		0.15	(4.39)
Diluted		0.15	(4.39)
		<u>0.15</u>	<u>(4.39)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2025

(Expressed in Renminbi)

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit/(loss) for the year	127,106	(2,220,276)
Other comprehensive income for the year (after tax and reclassification adjustments):		
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange difference on translation of financial statements of the Company	(11,098)	(124,499)
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange difference on translation of financial statements of subsidiaries with functional currencies other than RMB	(1,713)	(428)
Other comprehensive income for the year	(12,811)	(124,927)
Total comprehensive income for the year	114,295	(2,345,203)
Attributable to:		
Equity shareholders of the Company	120,913	(2,320,218)
– Continuing operations	120,913	(2,553,352)
– Discontinued operations	–	233,134
Non-controlling interests	(6,618)	(24,985)
– Continuing operations	(6,618)	(24,985)
Total comprehensive income for the year	114,295	(2,345,203)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at December 31, 2025

(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Property and equipment		72,064	69,811
Intangible assets		114,328	144,070
Interest in associates		–	585
Goodwill	6	106,304	151,993
Prepayments, deposits and other receivables		5,429	4,933
Deferred tax assets		41,315	4,260
		<u>339,440</u>	<u>375,652</u>
Current assets			
Other financial assets		82,150	87,095
Inventories and other contract costs		18,821	4,657
Contract assets		6,648	2,508
Trade receivables	7	340,424	248,242
Prepayments, deposits and other receivables		86,720	83,388
Restricted bank deposits		–	56,598
Cash and cash equivalents		860,026	801,046
		<u>1,394,789</u>	<u>1,283,534</u>
Current liabilities			
Trade payables	8	110,927	98,533
Accrued expenses and other payables		150,281	261,975
Bank loans and other borrowings		312,628	445,296
Contract liabilities		139,269	88,679
Lease liabilities		23,420	23,582
Current taxation		106	200
		<u>736,631</u>	<u>918,265</u>
Net current assets		<u>658,158</u>	<u>365,269</u>
Total assets less current liabilities		<u>997,598</u>	<u>740,921</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at December 31, 2025 (continued)

(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Bank loans and other borrowings		21,000	84,350
Lease liabilities		11,280	3,865
Deferred tax liabilities		9,139	10,821
Other non-current liabilities		607	856
		<u>42,026</u>	<u>99,892</u>
NET ASSETS		<u>955,572</u>	<u>641,029</u>
CAPITAL AND RESERVES			
Share capital	10	619	592
Reserves		<u>898,669</u>	<u>565,083</u>
Total equity attributable to equity shareholders of the Company		899,288	565,675
Non-controlling interests		<u>56,284</u>	<u>75,354</u>
TOTAL EQUITY		<u>955,572</u>	<u>641,029</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1 GENERAL INFORMATION

Dmall Inc. (the “**Company**”) was incorporated in the British Virgin Islands (“**BVI**”) as an exempted company with limited liability on February 5, 2015 under the BVI Company Law. The Company’s shares have been listed on the Main Board on The Stock Exchange of Hong Kong Limited since December 6, 2024.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in providing retail digitalization solutions to retailers in the local retail industry. The Group’s principal operations and geographic markets are in the People’s Republic of China (“**PRC**”).

2 Material Accounting Policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (the “**IASB**”). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended December 31, 2025 comprise the Company and its subsidiaries and the Group’s interest in associates.

The functional currency of the Company is United States Dollar (“**USD**”). The consolidated financial statements are presented in RMB as the majority of the Group’s operations are conducted by the Company’s subsidiaries established in the mainland China and the functional currency of which is RMB.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair values as explained in the accounting policies set out below:

- other financial assets;
- derivative financial instruments; and
- convertible redeemable preferred shares.

2 Material Accounting Policies (continued)

The preparation of the financial statements in conformity with IFRS Accounting Standards require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) *Changes in accounting policies*

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability*, issued by the IASB to the consolidated financial statements for the current accounting period. The amendments do not have a material impact on the consolidated financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Revenue and Segment Reporting

(a) *Revenue*

The principal activities of the Group are the provision of AI retail core solution and AI retail value-added service to customers.

The Group positions AI at the core of strategic priorities. Driven by technological iteration and business evolution, the Group reorganized revenue structure into two core segments: AI retail core solution (formerly Operating system), and AI retail value-added service (formerly AIoT solutions and other businesses).

3 Revenue and Segment Reporting (continued)

(i) *Disaggregation of revenue*

Revenue of the Group are all from contracts with customers within the scope of IFRS 15. The amount of each significant category of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
– AI retail core solution	1,063,220	873,910
– AI retail value-added service	<u>1,163,536</u>	<u>985,092</u>
	<u>2,226,756</u>	<u>1,859,002</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Disaggregated by timing of revenue recognition		
– Point in time	323,240	208,198
– Over time	<u>1,903,516</u>	<u>1,650,804</u>
	<u>2,226,756</u>	<u>1,859,002</u>

The Group's revenue from customers individually contributing over 10% of the total revenue of the Group during the reporting year is as below.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A*	<u>1,508,493</u>	<u>1,335,816</u>

* Customer A is considered as a group of entities known to be under common control.

(ii) *Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date*

As at December 31, 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB1,116,481,000 (2024: RMB1,245,444,000). These amounts represent revenue expected to be recognized in the future from contracts with customers in existence at the reporting date. The Group will recognize the expected revenue in future when or as the work is completed, which is expected to occur over the next 1 year to 5 years.

3 Revenue and Segment Reporting (continued)

(b) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property and equipment, intangible assets, goodwill, investments in associates, non-current prepayments, deposits and other receivables (“**Specified non-current assets**”). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property and equipment, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of investments in associates.

	Revenues from external customers	
	2025	2024
	RMB'000	RMB'000
The Chinese Mainland	2,034,985	1,701,376
Overseas	191,771	157,626
	2,226,756	1,859,002
	Specified non-current assets	
	2025	2024
	RMB'000	RMB'000
The Chinese Mainland	296,707	368,433
Overseas	1,418	2,959
	298,125	371,392

(c) Segment reporting

Driven by technological iteration and business evolution, in 2025, the Group reorganized revenue structure and changed its reportable segments into the following two core segments. No operating segments have been aggregated to form the following reportable segments.

- AI retail core solution
- AI retail value-added service

These reportable segments are determined based on the nature of the business. This change does not affect the financial statement data and presentation, and it only affects the presentation of segment reporting. Prior year segment disclosures have been represented to conform with the current year's presentation.

3 Revenue and Segment Reporting (continued)

(i) *Segment results*

For the purposes of assessing segment performance and allocating resources among segments, the Group's senior executive management monitors the revenue and gross profit attributable to each reportable segment. Other items in profit or loss are not allocated to reportable segments.

Revenue and costs are allocated to the reportable segments with reference to sales generated by those segments and the costs incurred by those segments.

The measure used for reporting segment profit is gross profit. No inter-segment sales have occurred during the reporting period. The Group's other net income/(loss) and expense items, such as other net income/(loss), selling and marketing expenses, general and administration expenses, research and development expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, operating expenses, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance for the reporting period is set out below.

	2025		
	AI retail core solution <i>RMB'000</i>	AI retail value-added service <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	1,063,220	1,163,536	2,226,756
Segment gross profit	<u>713,803</u>	<u>135,979</u>	<u>849,782</u>
	2024		
	AI retail core solution <i>RMB'000</i>	AI retail value-added service <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	873,910	985,092	1,859,002
Segment gross profit	<u>667,280</u>	<u>79,096</u>	<u>746,376</u>

4 Income Tax in the Consolidated Statement of Profit or Loss

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
Provision for the year	494	704
Deferred tax		
Origination and reversal of temporary differences	<u>(38,737)</u>	<u>(1,682)</u>
	<u>(38,243)</u>	<u>(978)</u>

5 Earnings/(Loss) Per Share

(a) *Basic earnings/(loss) per share*

The following table sets forth the basic earnings/(loss) per share computation and the numerator and then numerator and denominator for the years presented:

	2025	2024
Net profit/(loss) attributable to equity shareholders of the Company (<i>RMB'000</i>)		
– Continuing operations	133,724	(2,428,411)
– Discontinued operations	<u>–</u>	<u>233,134</u>
	133,724	(2,195,277)
Weighted average number of ordinary shares	907,240,054	552,380,621
Basic earnings/(loss) per share (<i>RMB</i>)		
– Continuing operations	0.15	(4.39)
– Discontinued operations	<u>–</u>	<u>0.42</u>
	<u>0.15</u>	<u>(3.97)</u>

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

5 **Earnings/(Loss) Per Share (continued)**

(b) *Weighted average number of shares*

Weighted average number of ordinary shares outstanding:

	2025	2024
Ordinary shares at January 1	899,257,733	525,150,000
Conversion of convertible redeemable preferred shares	–	24,769,632
Issuance of ordinary shares upon initial public offering	–	1,830,940
Issuance of ordinary shares in respect of placing and subscription	15,517,808	–
Effect of exercise of options and vesting of restricted share units (“RSUs”)	1,487,553	892,781
Repurchase of ordinary shares	(9,023,040)	(262,732)
	<u>907,240,054</u>	<u>552,380,621</u>
Weighted average number of ordinary shares outstanding	<u>907,240,054</u>	<u>552,380,621</u>

(c) *Diluted earnings/(loss) per share*

The Company has two categories of potential ordinary shares during the reporting period: share options and RSUs (2024: preferred shares, RSUs, share options and convertible bond). Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares (denominator) outstanding to assume conversion of all potential dilutive ordinary shares arising from share options and RSUs granted by the Company.

5 Earnings/(Loss) Per Share (continued)

The following table sets forth the diluted earnings/(loss) per share computation and the numerator and denominator for the years presented:

	2025	2024
Net profit/(loss) attributable to equity shareholders of the Company (<i>RMB'000</i>)		
– Continuing operations	133,724	(2,428,411)
– Discontinued operations	–	233,134
	133,724	(2,195,277)
Weighted average number of ordinary shares	907,240,054	552,380,621
Adjustments for share options and share award scheme	7,609,037	–
	<u>914,849,091</u>	<u>552,380,621</u>
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings/(loss) per share	914,849,091	552,380,621
Diluted earnings/(loss) per share (<i>RMB</i>)		
– Continuing operations	0.15	(4.39)
– Discontinued operations	–	0.42
	<u>0.15</u>	<u>(3.97)</u>

6 Goodwill

	<i>RMB'000</i>
Balance as of January 1, 2024, December 31, 2024 and January 1, 2025	<u>151,993</u>
Impairment	<u>(45,689)</u>
Balance as of December 31, 2025	<u><u>106,304</u></u>

Impairment tests for cash-generating units containing goodwill of Shenzhen Enjoy Information Technology Co., Ltd (“Shenzhen Enjoy”)

Goodwill acquired in business combination in 2021 with amount of RMB151,887,000 is allocated to the cash-generating unit (“CGU”) of Shenzhen Enjoy.

The recoverable amount of Shenzhen Enjoy has been determined based on a value in use calculation. The Group engaged an independent professional valuer to assist with the calculation. The directors of the Company forecasted an average annual revenue growth rate of 13.5% in 2025 (2024: 17.2%), for the next five-year period, and the cash flows beyond the five-year period was extrapolated using an estimated annual growth rate of 2% (2024: 2%). The cash flows are discounted using a discount rate of 13.6% (2024: 12.8%). The discount rate used was post-tax and reflected market assessment of time value and the specific risks relating to the CGU.

6 Goodwill (continued)

Based on the result of the goodwill impairment tests, as of December 31, 2025, the estimated recoverable amount of Shenzhen Enjoy was approximately RMB133,559,000, lower than carrying amount by RMB45,689,000. Therefore, an impairment loss of RMB45,689,000 has been recognized in the profit or loss account for the year ended December 31, 2025. The impairment loss is fully allocated to goodwill.

Any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

7 Trade Receivables

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	343,409	255,089
Less: loss allowance	<u>(2,985)</u>	<u>(6,847)</u>
	<u>340,424</u>	<u>248,242</u>

Aging analysis

As of the end of the reporting year, the aging analysis of trade receivables, based on the invoice date and net of loss allowance, are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	275,891	171,477
3 to 6 months	36,465	5,224
7 to 12 months	25,330	73,430
More than 1 year but less than 3 years	4,439	3,643
Over 3 years	1,284	1,315
Less: loss allowance	<u>(2,985)</u>	<u>(6,847)</u>
	<u>340,424</u>	<u>248,242</u>

8 Trade Payables

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Intelligent product and service fee payable	107,329	88,659
Procurement cost payable relating to operating system and others	<u>3,598</u>	<u>9,874</u>
	<u>110,927</u>	<u>98,533</u>

The aging analysis of the trade payables, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	104,863	91,472
3 to 6 months	7	2
7 to 12 months	46	120
Over 1 year	<u>6,011</u>	<u>6,939</u>
	<u>110,927</u>	<u>98,533</u>

All trade payables are expected to be settled within one year or are repayable on demand.

9 Dividends

No dividends have been paid or declared by the Company during each of the years ended December 31, 2025 and 2024. There is no final dividend proposed after the end of the reporting period.

10 Share Capital

Authorised share capital

The Company was incorporated in the British Virgin Islands in 2015 with authorized share capital of USD250,000 divided into 2,500,000,000 ordinary shares with par value of USD0.0001 each.

Issued share capital

	<i>Note</i>	<i>No. of shares</i>	<i>Share capital RMB'000</i>
Ordinary shares, issued and fully paid:			
At January 1, 2024		525,150,000	323
Conversion of convertible redeemable preferred shares		335,766,124	241
Issuance of ordinary shares upon initial public offering	<i>(i)</i>	25,774,000	19
Issuance of ordinary shares to settle vested RSUs		<u>12,567,609</u>	<u>9</u>
At December 31, 2024 and January 1, 2025		<u>899,257,733</u>	<u>592</u>
Exercise of share options and vesting of RSUs		2,743,253	2
Issuance of ordinary shares in respect of the placing and subscription shares	<i>(ii)</i>	35,400,000	25
At December 31, 2025		<u><u>937,400,986</u></u>	<u><u>619</u></u>

Notes:

(i) Issuance of ordinary shares upon initial public offering

On December 6, 2024, the Company issued 25,774,000 shares with par value of US\$0.0001, at a price of HK\$30.21 per share by initial public offering. Net proceeds from such issue amounted to RMB691,187,000, out of which USD2,577 (equivalent to RMB19,000) and RMB691,168,000 were recorded in share capital and share premium respectively.

(ii) Issuance of ordinary shares in respect of placing and subscription shares

On July 16, 2025, the Company, the Seller (Odor Nice Limited, a shareholder of the Company) and the Managers (China International Capital Corporation Hong Kong Securities Limited and Guotai Junan Securities (Hong Kong) Limited) entered into the Placing and Subscription Agreement, pursuant to which (i) the Seller agreed to sell, and the Managers agreed to act as the agents of the Seller to procure the 35,400,000 placing shares at of HK\$11.1 for each share; (ii) the Seller agreed to subscribe for, and the Company agreed to allot and issue to the Seller, 35,400,000 new shares (the “**Subscription Shares**”) at a price which is equivalent to the Placing Price of HK\$11.1 for each share. On July 21, 2025, in accordance with the terms and conditions of the Placing and Subscription Agreement, an aggregate of 35,400,000 Placing Shares were successfully placed by the Managers at the price of HK\$11.1 for each share. On July 25, 2025, the Company allotted and issued 35,400,000 Subscription Shares to the Seller at HK\$11.1 per share in accordance with the terms and conditions of the Placing and Subscription Agreement. The net proceeds from the subscription amounted to approximately HK\$388 million (equivalent to RMB354 million). There were USD3,540 (equivalent to RMB25,000) and RMB353 million recorded in share capital and share premium respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Review

2025 Full Year Results Highlights

In the context of the deep integration of the digital economy and consumption transformation, artificial intelligence (“AI”) has become the core driving force for activating consumption growth and restructuring the competitive landscape of the retail industry. Its development not only precisely aligns with national policy directives, but also penetrates the entire retail industry chain with full-scenario empowerment capabilities. Acting as a key lever to boost domestic demand and promote high-quality development of the industry, AI continues to reshape the underlying logic of “people, goods, and venues” in the retail industry. It catalyzes innovation in business formats and revolutions in efficiency, injecting long-term growth momentum into the industry while steering the retail industry towards refined, intelligent, and ecosystem-oriented upgrades.

In 2025, the Group achieved high-quality growth with AI technology as its core driving force. During the Reporting Year, the Group delivered robust operating results: total revenue increased by 19.8% year-on-year to RMB2,226.8 million, and net profit of RMB127.1 million. While maintaining sustainable revenue growth, the Group continuously optimized operational efficiency, and significantly enhanced its financial fundamentals, laying a solid foundation for future long-term sustainable development. With AI technology serving as a core engine, the Group comprehensively advanced product upgrades, innovation, and commercialization. During the Reporting Year, the Group recorded revenue from AI businesses of RMB64.4 million, which was one of the key growth drivers of the Group. This demonstrated the Group’s unwavering adherence to its development philosophy of driving progress in the retail industry through technology, thereby enabling intelligent decision-making and automated growth for retailers. The AI-powered Next-Gen Retail transformation business, anchored by AI Merchandising and launched since early 2025, has successfully assisted multiple retailers in completing their transformations and helped retail enterprises achieve a paradigm shift in decision-making: upgrading from being dominated by personal experience to a scientific decision-making system empowered by data science and driven by AI-powered intelligence, transitioning from extensive scale expansion to sustainable, high-quality development. In the meantime, this has enabled the Group to accumulate more practical industry experience, laying a solid foundation for the rapid development of AI. Leveraging the deep industry trust and business insights accumulated through years of serving benchmark retailers, the Group possesses the comprehensive capability to provide retailers with integrated full-stack ecosystem solutions ranging from Dmall systems to upper-layer AI applications.

During the Reporting Year, the Group focused on product management and store management, which are the core concerns of retailers, and successfully launched ten major AI applications to deliver targeted empowerment, including AI Merchandising (AI優品), AI PreciseFresh (AI鮮算), and AI Pricing (AI定價), AI Dispatch (AI調度), AI Loss Prevention (AI防損), AI Monitoring (AI值守), AI Patrol (AI慧眸), AI Replenishment (AI補貨), AI Customer Service (AI客服), and ChatBI (AI問數). These applications precisely address industry-wide pain points across the entire chain, such as product selection decision-making, processing volume estimation, logistics scheduling, and on-site control. They have assisted retailers in achieving multi-dimensional value improvements such as inventory turnover optimization, dual growth in revenue and profitability, and a leap in operational efficiency, thereby comprehensively driving the upgrade of all retail scenarios towards more refined and intelligent operations. Meanwhile, adhering to the product development philosophy of “Function as the Foundation, Intelligence as the Accelerator, and Security as the Armor (功能為體、智能為翼、安全為甲)”, the Group completed five major functional upgrades, including transparent procurement, digital quality control, omni-domain operations, easy finance, and agile logistics.

In terms of technical cooperation, the Group has established deep cooperative relationships with leading large model providers both domestically and internationally, including Microsoft, ByteDance, and Alibaba. Additionally, we are actively exploring joint development of application-layer AI products with products such as Doubao and Tongyi Qianwen. Volcengine teamed up with the Group to establish the Retail Large Model Ecological Alliance. Initiated by Volcengine and supported technically by the Group, the alliance aims to jointly propel the intelligent upgrade of the retail industry by integrating advanced large models, AI capabilities, and consumer application scenarios. During the Reporting Year, leveraging its innovative AI practices in retail scenarios, the Group won a number of prestigious honors, including the MINDS 2025 award initiated by the World Economic Forum, the Special Jury Prize from the Harvard Business Review (《哈佛商業評論》), and was successfully selected for the 2025 China Retail Digitalization and New Technology Application Innovation Cases (《2025年度中國零售數字化及新技術應用創新案例》).

In terms of market expansion, the Group firmly implemented a dual-driven strategy of “China + Overseas” and “Existing Clients + New Clients”. By establishing deep partnerships with leading domestic and international retailers to create benchmark projects and subsequently penetrating regional markets, the Group continued to acquire large-scale, high-quality clients. In 2025, the Group served a total of 593 clients, achieving remarkable results in benchmark client expansion. A major breakthrough was achieved in the overseas market, as the Group possessed systematic international development capabilities and successfully signed contracts with Cold Storage Singapore (1983) Pte Ltd (“**Cold Storage**”), a century-old retail benchmark in Singapore; the domestic market continued to expand, acquiring several high-quality clients such as Shanghai Tangjiu (Group) Co., Ltd. (上海市糖業煙酒(集團)有限公司) (“**Shanghai Tangjiu Group**”) and Xinjiang Wuika Times (新疆匯嘉時代) (Stock Code: 603101.SH) (“**Xinjiang Wuika**”). Cooperation with existing clients continued to deepen, with the scope and depth of cooperation continuously expanding with our existing clients such as DFI Retail Group Holdings Limited and its subsidiaries (“**DFI Retail Group**”), SM Investments Corporation and its subsidiaries (“**SM Group**”), Seven-Eleven (China) Investment Co., Ltd. (“**7-Eleven China**”), and Guangdong Sai Yi Convenience Stores Limited (“**7-Eleven Guangdong**”). In 2025, the Group recorded the net revenue retention rate of 108%, maintaining a healthy level of above 100% for multiple consecutive periods, with client stickiness and cooperation value steadily improving.

2025 Full Year Business Progress

I. Product Iteration Acceleration and AI-Powered Business Growth

During the Reporting Year, the Group continued to advance the implementation of AI technology in retail scenarios, assisting retail clients in reconstructing business processes, improving decision-making efficiency, and optimizing personnel allocation efficiency. AI technology has fully penetrated the Group’s existing systems and functional modules, becoming the core support for product iteration upgrades and efficiency optimization. During the Reporting Year, the Group comprehensively promoted AI-assisted research and development. 100% of R&D personnel used AI-assisted development tools. The product iteration speed significantly improved, and the project delivery cycle was notably shortened.

During the Reporting Year, the Group successfully deployed ten major AI application scenarios, effectively resolving critical pain points in core business operations, including product selection strategy, dynamic pricing, processing volume forecasting, intelligent replenishment, and logistics distribution for retailers by relying on advanced AI technology.

1. AI Merchandising (AI優品): Driving Product Category Optimization with AI

The precision of category management bears directly on a retailer's profitability and competitiveness. However, the industry has long been constrained by a "comprehensive gross profit-oriented" selection model, facing structural pain points such as inappropriate selection logic, data silos, disconnections between headquarters and store-level demands, high trial-and-error costs for new products, and low decision-making efficiency. Consequently, there is an urgent demand among retailers for an intelligent, "consumer demand-oriented" selection solution. To this end, the Group has deeply addressed these industry challenges by leveraging its expertise in product analysis and combining AI algorithms with multi-dimensional consumer data to launch "AI Merchandising (AI優品)". Capitalizing on four differentiated advantages, including deep integration of consumer data, visualized demand insights, flexible customization, and dynamic product health scoring, the solution constructs a full-process selection closed loop centered on consumer demand. This reconstructs traditional selection logic and facilitates a leapfrog transformation for the industry from a "supplier push" to a "consumer pull" model.

Following the deployment of AI Merchandising (AI優品), the solution has generated substantial commercial value for clients. The average category health score of partnering merchants increased by 5%. By leveraging the system's insights into consumer demand to accurately identify and phase out redundant stock keeping units (SKU) with low consumer traction, the survival rate of new products increased from 35% to 68%, and the product selection decision-making cycle was shortened from 14 days to 2 days. Driven by product assortments that are better aligned with consumer needs, the repurchase rate increased by 12%, leading to a marked improvement in in-store customer satisfaction.

2. AI PreciseFresh (AI鮮算): Hourly Processing Volume Estimation for 3R^{Note} Products

With the sustained growth in consumer demand for fresh, ready-to-eat, and high-quality freshly prepared goods, categories such as bread, fresh-cut fruit, deli, and staple foods have become one of the most important core segments for driving store traffic and revenue in retail stores. However, these products are characterized by a heavy reliance on on-site processing, high sensitivity to timing and freshness, and substantial spoilage volumes. Against this backdrop, AI PreciseFresh (AI鮮算) was developed as a next-generation intelligent decision-making system designed specifically for production and stocking in fresh preparation scenarios. Integrating multi-dimensional features such as weather, holidays, sub-categories, packaging specifications, production capacity, and display, leveraging time-series models and multivariate forecasting, and establishing rules and strategies in collaboration with industry experts, the system precipitates experience into model capabilities, accurately guiding overall stocking and real-time processing rhythms, while supporting voice feedback on store activities and anomalies, thereby upgrading from “passive data monitoring” to “active reminders + natural communication”.

Based on internal estimates, AI PreciseFresh (AI鮮算) has delivered significant results. Product-level prediction accuracy exceeded 90%, and overall product spoilage was reduced by approximately 30%. The system not only effectively minimizes waste and secures the supply of best-selling products but also facilitates the optimization of gross margin structures and enhances personnel efficiency of stores.

3. AI Pricing (AI定價): Dynamic Pricing to Balance Sales and Gross Profit

In the retail business of fresh and short-shelf-life products, achieving “timely sell-through” is a core operational objective; failure to sell products within their shelf-life results in direct inventory write-offs. Consequently, markdown clearance strategies serve as a critical lever for stores to boost revenue and control spoilage. Traditional markdown models, however, rely heavily on manual intervention or overly simplistic pricing patterns, which resulted in a lack of precision, fragmentation between online and offline operations, and high system configuration costs. Against this backdrop, the AI dynamic pricing solution was developed to address these challenges. By leveraging the capabilities of Large Models, combined with best industry practices, the solution facilitates smarter, real-time, and scalable dynamic pricing decisions.

Note: 3R refers to Ready-to-Eat, Ready-to-Cook, and Ready-to-Heat.

AI Pricing (AI定價) can optimize model understanding for complex retail logic, effectively mitigating issues such as operational oversight caused by one person managing a large number of products, inconsistent operational standards due to varying staff experience, and margin erosion resulting from rigid pricing rules. Based on multi-dimensional variables, including historical store sales, remaining inventory ratios, real-time sales velocity, holidays, promotional activities, and weather conditions, the Large Model dynamically generates clearance discounts to achieve omni-channel coverage.

Based on internal estimates from a pilot program involving 20 products across 60 stores, the solution drove a 10% increase in the full-price sell-through rate and a 15% reduction in daily promotional costs for fresh products, achieving a multi-dimensional breakthrough characterized by dual growth in revenue and profit alongside the optimization of marketing expenses.

4. AI Dispatch (AI調度): The Central Nervous System of Transport Scheduling

The low efficiency and stability of traditional manual route planning and load arrangement are critical bottlenecks constraining the optimization of logistics efficiency and costs for retailers. The Group has innovatively integrated AI-powered intelligent load and route planning capabilities with the Transportation Management System (“TMS”). By substituting experience-driven processes with data-driven operations, the system achieves automatic matching of transport demand and carrier resources through advanced algorithms. By integrating multi-dimensional data including cargo details, fleet information, road networks, and delivery windows, and utilizing deep learning algorithms, it calculates the global optimal solution in real-time across massive route combinations. This constructs a quantifiable, intelligent load and route planning model, realizing the leap from “manual dispatching” to “intelligent decision-making.”

AI Dispatch (AI調度) has been deployed by numerous domestic and international retail clients. It has empowered retailers to significantly enhance transport efficiency, boosting route planning efficiency by 80%, reducing transportation trips by 15%, and increasing on-time delivery rates by 10%, earning high recognition from clients.

5. AI Loss Prevention (AI防損): Self-Checkout Loss Prevention

The AI self-checkout loss prevention solution addresses critical pain points such as high shrinkage caused by missed scans and fake scans during self-checkout processes. Utilizing AI and automation technologies, this solution triggers real-time pop-up alerts and interceptions, effectively reducing shrinkage while alleviating operational pressure on on-site staff. During the Reporting Year, the Group further optimized its AI self-checkout loss prevention functions. Adopting a new hardware architecture with high computing power, it supports multi-algorithm parallelism as well as scenario-based online expansion and upgrades. The Group upgraded algorithms for real-time missed/fake scans, unsuccessful re-scans, and handheld scanner alerts, while simultaneously enhancing the recognition capability of self-checkout counter surfaces to filter out interference from non-commodity items. The Group also established a database for high-value items and utilized self-learning modes to accumulate recognition capabilities, enabling specific pre-warnings for “Scan A, Take B” behaviors. By integrating computer vision loss prevention technology with existing weight-based loss protection, the Group has further optimized staff workflows. This solution has been successfully implemented in Xinjiang Aijia Supermarket Group (新疆愛家超市集團) (“**Xinjiang Aijia**”), achieving significant improvements in both efficiency and effectiveness of loss prevention.

6. AI Monitoring (AI值守): Enabling Effortless 24/7 Operations

The Group’s AI Monitoring (AI值守) system empowers convenience store clients to implement unattended nighttime operations. During the Reporting Year, the Group iteratively optimized the system to precisely balance consumer experience with operational costs. To address compliance risks regarding minors purchasing tobacco and alcohol in unattended scenarios, the Group independently developed an integrated hardware and software solution for intelligent tobacco cabinets. Combined with a companion mini-program for age verification, this establishes a robust defense line for regulatory compliance. In the remote customer service module, the Group enhanced its speech-to-text recognition model, elevating recognition accuracy to over 98%, which significantly optimized response quality and interaction experience. In terms of shrinkage control, the Company upgraded its risk management system to strengthen protection for high-value items. Utilizing a “snapshot capture + Large Model analysis” technical architecture, the system achieves precise identification and real-time alerting for high-risk scenarios, such as entry/exit tailgating and leaving the store with items without a purchase order, effectively reducing shrinkage during nighttime operations.

The AI Monitoring (AI值守) system has been successfully deployed by multiple convenience store clients, including numerous stores under chain brands such as 7-Eleven Guangdong (廣東711), Sichuan Hongyuan Shangcheng Supermarket Co., Ltd. (四川宏遠上誠超市有限公司) (“**Sichuan Hongyuan**”), and Chengdu Laolinju (成都老鄰居). The system has demonstrated significant operational effectiveness, achieving a qualitative leap in customer service personnel efficiency.

7. AI Patrol (AI慧眸): Empowering Every Camera with Smart Vision

The Group completed the iterative upgrade of its existing Luwu Intelligent Inspection (陸吾智能巡檢) system. Leveraging the synergy between large and small AI models and multi-modal Vision-Language Model (VLM) capabilities, the system maximizes the utility of existing security cameras in supermarkets. By bridging data and task linkages with operating systems, it constructs a comprehensive intelligent management system for offline retail scenarios, covering customer insights, shelf auditing, staff management, and shrinkage control. Addressing industry pain points such as the underutilization of camera data, difficulties in cross-camera recognition, low accuracy of specific algorithms, inefficiency in personnel and loss management, and challenges in compliance and privacy control, the Group collaborated with Intel and other partners during this upgrade to establish an edge computing power scheduling center. This facilitates the flexible processing of data from nearly 100,000 camera feeds. The system links the self-checkout loss prevention system with store-wide security cameras to ensure comprehensive protection without blind spots. Furthermore, a scenario-based visual computing middle-end platform was built to support “plug-and-play” functionality for partnering merchants. By adopting a configuration mode that synergizes large and small models, the Group significantly reduced development costs and accelerated the deployment of recognition scenarios, effectively reinforcing store operational control capabilities, improving management efficiency, and achieving a balance between compliance and cost.

Based on internal estimates, the intelligent store inspection function replaces 60% of manual inspection work, ensuring the unified implementation and strict execution of store operation standards. Relying on customer flow data analysis, the system optimizes shelf display layouts, effectively driving simultaneous improvements in personnel efficiency and sales per unit area. Additionally, it automatically identifies high-risk individuals, helping reduce store theft rates by 80% and recovering over RMB1 million in economic losses annually.

In addition, the Group launched three major AI products, namely AI Replenishment (AI補貨), AI Customer Service (AI客服), and ChatBI (AI問數) to precisely target core pain points in the retail industry. AI Replenishment (AI補貨), achieves accurate inventory demand forecasting; AI Customer Service (AI客服) enables intelligent, timely, and precise responses to online inquiries, alongside standardized quality inspection; and ChatBI (AI問數) supports the real-time retrieval and flexible access to all reporting data. By deeply empowering full-scenario retail operations with AI technology, these products significantly improve business workflow efficiency and drive the optimization of refined and intelligent business processes.

In the meantime, the Group has also iterated and upgraded its business systems related to the digital transformation of fresh produce operations for retail enterprises, as well as instant retail, group buying operations, and membership operations. Addressing the pain points of fresh produce procurement business for retail chain enterprises with pilot practices, the Group innovatively launched the Dmall Fresh Produce Procurement System. This system covers five core functional modules: tiered supplier management, intelligent operation management, mobile procurement work flows, refined cost control, and full-link loss monitoring. Validated through pilot programs, it helps partners reduce fresh produce procurement costs by an average of 15% and improve operational efficiency by 40%, providing a mature one-stop solution for the digital transformation of retail enterprises' fresh produce businesses. In terms of channel capabilities, the Group has aligned with industry trends to complete a comprehensive upgrade of its public domain channel systems. Building on existing supermarket instant retail and group buying businesses, the Group has expanded into catering, local life services, and nationwide Business-to-Consumer (B2C) scenarios. For instance, the Group integrated with Meituan's on-demand F&B retail service, jointly launched “Douyin Instant Group Buy (抖音隨心團)” with Douyin to achieve an end-to-end closed loop for group buying, added support for the verification and fulfillment of group-buying vouchers on Kuaishou and Meituan, and added support for the JD flagship store model. These initiatives help retailers expand their nationwide sales reach, with new channels becoming key contributors to transaction volume growth. In terms of membership operations, the Group conducted a deep upgrade of its membership system, successfully integrating fragmented operation tools into a unified member management system that covers experience, benefits, marketing, and growth. This supports clients in achieving a strategic transformation from “traffic acquisition” to “user retention and long-term growth.” The Group established a traceable, closed-loop, and quantifiable member communication service system. On the marketing level, it supported full user lifecycle operations to reduce reliance on one-off marketing campaigns. Meanwhile, it achieved

comprehensive connectivity with mainstream public domain platforms such as Meituan, Douyin, and Kuaishou, creating a standardized growth path of “Public Domain Acquisition – Private Domain Retention – Omni-domain Conversion,” empowering retailers to scale new memberships acquisition and unlock long-term user commercial value.

II. Accelerating Benchmark Client Expansion and Continuously Deepening Cooperation

1. AI Retail Core Solution

During the Reporting Year, leveraging its forward-looking insights into industry trends and leading technological advantages, the Group achieved continuous expansion of its new client base and deepened collaboration with existing clients, propelling the business towards a stage of higher quality and larger scale development.

In the domestic market, cooperation with existing clients continued to evolve. The Group’s collaboration with Pangdonglai has continued to deepen and expand over the years. Beginning with the digital solutions for WeChat mini-programs and membership systems, the partnership has evolved to encompass AI Retail Core Solution integrating modules such as store operations and TMS. Recently, the two parties have jointly developed a front-end service APP, further integrating technology with customer-centric service. Through this progressive build-out of full-process digital infrastructure, their cooperation has set a benchmark for mutually beneficial partnerships in the retail industry. Following the commencement of cooperation with 7-Eleven China at the end of 2024, the Group completed the upgrade of the membership digitalization system within one year. In 2025, the cooperation covered a network of nearly 1,000 stores. The Group also deepened strategic cooperation with partners such as Qingdao Kehao Convenience Store Co., Ltd. (青島可好便利店有限公司), Sichuan Hongyuan (四川宏遠), Wushang Group Co., Ltd. (武商集團股份有限公司), Xi’an SAGA Commercial Operation Management Co., Ltd. (西安賽格商業運營管理有限公司), Guangzhou GrandBuy Co., Ltd. (廣州市廣百股份有限公司), Xinyulou Department Store Group Co., Ltd. (信譽樓百貨集團有限公司) and Inzone Group Co., Ltd (銀座集團股份有限公司), empowering them to enhance operational efficiency and digital management capabilities through newly signed system modules. Meanwhile, the Group secured multiple rounds of additional purchase orders from numerous existing clients, fully demonstrating their high recognition of the Group’s comprehensive capabilities.

During the Reporting Year, the Group achieved remarkable results in new client acquisition. It successively entered into strategic partnerships with multiple regional leaders and industry benchmark enterprises, establishing regional lighthouse cases for digital intelligence.

Strategic Cooperation with Shanghai Tangjiu Group, a “Leading Enterprise in China’s Food Industry”: Shanghai Tangjiu Group is a comprehensive food industry group wholly owned by the Shanghai SASAC through Bright Food Group. The Group’s core businesses are sugar, alcohol, commerce and student meal, with operations covering multiple sectors including bulk commodity trading, retail chains, brand agency, logistics and distribution, food processing, and e-commerce. It owns well-known brands such as “Yutang (玉棠)”, “Shikumen (石庫門)”, and “Jinfeng (金楓)”. This cooperation provides comprehensive support for the full digital and intelligent transformation of commercial sectors under Shanghai Tangjiu Group, helping Bright Commerce to further improve efficiency, enhance scientific management, and strive to build the lighthouse cases for digital intelligence as a “Benchmark Enterprise in the East China Retail Industry”.

Strategic Cooperation with Xinjiang Wuika (新疆匯嘉), a “Xinjiang Retail Benchmark Enterprise”: Xinjiang Wuika (新疆匯嘉) operates with a “department store + supermarket” dual-core model, covering over 10 prefectural-level cities and prefectures across Xinjiang. Its core competitiveness lies in “high-cost-performance products + comfortable environment + quality service”. The Group continuously assists its high-quality development with “accompanying services”. Both parties will jointly create a “Western Region Oasis” digital intelligence lighthouse case, leading the high-quality development of the retail industry and making commerce better.

Strategic Cooperation with Zhuzhou Department Store Co., Ltd. (Stock Code: 834898) (“**Zhuzhou Department Store**”), a “Leading Local Department Store Retail Enterprise in Hunan”: As a leading retail enterprise in Zhuzhou City, Zhuzhou Department Store has established a network of 17 stores in Zhuzhou with a total business area of nearly 150,000 square meters, forming a comprehensive ecosystem layout comprising “department stores + supermarkets + home appliances + logistics”. Both parties will jointly build a new benchmark for high-quality development in the retail industry in Zhuzhou, injecting strong impetus into regional commercial prosperity.

Strategic Cooperation with Ningxia Xiaoren Fruit Industry Development Co., Ltd. (寧夏小任果業發展有限公司) (“**Ningxia Xiaoren Fruit Industry**”), a “National Agricultural Industrialization Leading Enterprise”: Since its establishment in 2005, Ningxia Xiaoren Fruit Industry (寧夏小任果業) has deeply cultivated the entire fruit and vegetable industry chain and has now become a leading national agricultural industrialization enterprise. As of 2025, Ningxia Xiaoren Fruit Industry (寧夏小任果業) operates 32 chain supermarkets, 3 wholesale stores, and 2 warehouse membership stores, selling over 500 varieties of premium fruits and vegetables. It has consecutively won “Top 100 Private Enterprises in Ningxia” and “Top 100 Fruit Dealers Nationwide” for many years. Its brands “Xiaoren Fruit Industry (小任果業)” and “Xiaoren Fruit and Vegetable (小任果蔬)” firmly hold the leading position in Ningxia’s fruit and vegetable industry. This cooperation will assist Ningxia Xiaoren Fruit Industry’s comprehensive digital and intelligent transformation.

Strategic Cooperation with Sichuan Jinzhong Food Co., Ltd. (“**Jinzhong Food**”): Founded in 1994, Jinzhong Food is a national key leading enterprise focused on the development of the entire live hog industry chain. As of 2025, the company has built 2 live pig slaughtering production lines, 6 meat product processing production lines at internationally advanced levels, and over 100 terminal stores and counters. Its “Kizon (金忠)” brand chilled meat and Sichuan-style cooked food are sold nationwide. The enterprise has been selected for the “Top 100 Private Enterprises in Chengdu” and “China’s Advanced Meat Food Enterprises” for many consecutive years. The Group assisted Jinzhong Food in achieving a full-chain digital upgrade across terminal retail. Both parties leverage technology to empower the industry and drive development through innovation, jointly building a new benchmark for high-quality development in the Southwest China meat retail industry and injecting new vitality into ensuring the people’s food supply.

Strategic Cooperation with Hebi Jiayuan Convenience Store (鶴壁家園便利) (“**Hebi Jiayuan Convenience**”), a “Leader in the Convenience Store Industry in the Northern Henan Region”: Centered in Hebi and radiating across the province, Hebi Jiayuan Convenience has ranked in the 2024 China Convenience Store TOP 100, with over 260 stores, leveraging its “localized operations + distinctive franchise model + continuous innovation.” It has become a “good community neighbor” for consumers in Northern Henan. This cooperation will inject new digital momentum into Hebi Jiayuan Convenience, jointly exploring a new model of “Retail + Technology + Ecology” to bring higher quality goods and services to consumers in Northern Henan.

In the international market, the Group's internationalization capabilities have been continuously iterated and upgraded, achieving both significant overseas breakthroughs and deepened existing partnerships during the Reporting Year. During the Reporting Year, the Group has reached a milestone cooperation with Cold Storage, a century-old retail benchmark in Singapore and one of the country's most revered supermarket brands, to jointly build a leading digital retail project in the Asia-Pacific region. Both parties focus on key aspects of the retail operation value chain, collaborating closely to create co-developed solutions. Leveraging its integrated omnichannel retail technology platform and combining with Cold Storage's profound local retail experience, the Group achieves full-chain data connectivity and efficient collaboration. This project aims to strengthen core operational capabilities while building a data-driven retail ecosystem connecting headquarters, stores, supply chain operations, and consumer interactions. The project will be implemented in two phases: the first phase focuses on deploying the OS operating system and store operation systems, and integrating them with the existing POS infrastructure. This phase aims to enhance operational efficiency, optimize decision-making capabilities, and help stores respond more effectively to evolving consumption scenarios. The second phase will further introduce AI-driven digital solutions to accelerate automation process and achieve more advanced data-driven retail management. The entire project is expected to be completed in the second quarter of 2027. Upon completion, the project will establish the first end-to-end digitalization retail benchmark in Singapore covering the entire "Headquarters – OS Operating System – Store – AI Decision" chain. The project can achieve seamless connection from back end supply chain operations to front end consumer experiences, providing a replicable benchmark solution for the digital transformation of retail across the Asia-Pacific region.

The Group continued to deepen its cooperation with international top-tier retail groups, DFI Retail Group and SM Group. During the Reporting Year, the Group deepened its partnership with DFI Retail Group, successfully completing the rollout and switchover of POS and store systems for certain brands in Hong Kong, Macau, and Singapore in 2025. Concurrently, a joint effort was undertaken to create benchmark overseas projects for Warehouse Management System ("WMS") and TMS. Among these, the WMS was successfully deployed and launched for multiple brands in the Southeast Asian region. Notably, the Indonesia Mannings e-commerce warehouse project fully leveraged the mature experience of e-commerce warehouse management from leading domestic retail enterprises, building an integrated e-commerce warehousing solution adapted to the Southeast Asian market from the ground up. In the field of TMS, the Group, empowered by AI technology,

successfully completed the system rollout and implementation for multiple brands in Hong Kong, providing intelligent management support for the entire transportation process and effectively enhancing their operational efficiency. This project also marks the Group's first overseas implementation of its TMS system, laying a solid foundation for subsequent global expansion.

In 2025, the Group's cooperative relationship with SM Group reached a new level of depth, successfully promoting the full-scale implementation of the POS in over 100 large-format stores under two core business types of SM Markets, namely SM Supermarket and SM Hypermarket. Both teams maintained efficient and synergistic coordination, continuously iterating and optimizing system versions to precisely meet the diverse operational needs of the two business formats. The planned Phase II cooperation project will integrate core modules such as master data management, supply chain collaboration, WMS, basic financial accounting, and supplier lifecycle management, completely replacing the legacy systems to build a digital hub supporting the efficient operation of SM Markets' business ecosystem. This project completed the overall blueprint signing in November 2025 and has now officially entered the development and implementation phase. Furthermore, in September 2025, both parties jointly launched the "SM Retail Partners' POS Sales Terminal Upgrade Project," covering over 600 stores under more than ten brands within the SM Group. Through close team collaboration, the project successfully completed blueprint signing and commenced development within the year. The successive implementation of these cooperation outcomes signifies that the mutually trusting and win-win cooperation between the Group and SM Group has officially entered a new stage of development, further solidifying its presence in the Philippines and the broader Southeast Asian region.

2. AI Retail Value-Added Services

AI retail value-added services focus on retail store scenarios, providing retailers with flexible, adaptable, and innovative scenario-based solutions that precisely meet the differentiated operational needs of various store formats. The product matrix encompasses diverse categories such as intelligent loss prevention, intelligent patrol inspection, unattended night receiving systems, remote duty, intelligent picking, intelligent merchandising, intelligent checkout, intelligent delivery, smart energy efficiency, intelligent cleaning, and electronic shelf labels. Currently, the Group has signed contracts with multiple new domestic and international retail clients to jointly build smart store solutions tailored to actual operational needs.

On the domestic front, in the first half of 2025, the Group entered into a comprehensive cooperation with Xinjiang Aijia, one of the top three supermarket chains in the Xinjiang region, regarding AI retail value-added services business. This cooperation provides services including intelligent loss prevention, intelligent patrol inspection, and intelligent checkout systems, along with comprehensive solutions covering consulting, systems, services, operations, and training. Based on operational data from existing stores, the efficiency of checkout and customer service positions per store increased by 18%, a result that earned recognition from the client. The remote duty project continued to expand its partnership with Guangdong 7-Eleven. The cooperation began in 2024 and, in 2025, was extended to a fifth-phase contract, covering over 200 stores. By the end of 2025, contracts were signed with multiple retailers for nearly 1,000 stores. Leveraging mature remote operation solutions, the Group helps retailers unlock incremental nighttime revenue, significantly reduce labor costs, and achieve the dual benefits of cost reduction and efficiency increase.

At the international business level, AI retail value-added services were expanded into overseas markets. Notably, for the electronic shelf label project, we reached a cooperation with DFI Retail Group, successfully signing contracts for its retail brand Wellcome. This project, built upon the existing Dmall OS operating system, enables rapid deployment. The system inherently possesses connectivity advantages, supporting real-time linkage between inventory data and electronic shelf labels, and one-click issuance of promotional strategies. It provides intelligent guidance for replenishment and picking processes, significantly optimizing overall store operational workflows.

3. Future Outlook

Looking ahead, the Group will remain steadfast in its core AI strategy and international development direction. We will deeply integrate AI technology into the entire R&D chain, spare no effort to advance the R&D and implementation of retail AI agents, and steadily facilitate the strategic transition from being a “Retail digital solutions provider” to a “Retail AI agents provider”, enabling retail enterprises to thrive in the AI era. At the product level, we will assist retailers in advancing from digital and intelligent upgrades to comprehensive AI transformation. At the business level, we will shift from focusing on cost reduction and efficiency enhancement in operational processes to driving dual growth in retail sales revenue and operational efficiency. At the business model level, we will transition from traditional software service fee collection to a long-term cooperation mechanism characterized by value co-creation and revenue sharing. The Group is committed to propelling retail digitalization from the “tool-assisted era”

to the “agent-driven decision-making era”. By directly empowering and enhancing the core “merchandising capability” and “on-site operational capability” of retail enterprises through AI technology, we aim to help our clients achieve quantifiable and sustainable business growth.

I. AI-Native R&D: Advancing R&D System Upgrades

The Group is resolutely committed to upgrading its R&D system in 2026. Adhering to the concept of AI-native R&D, we will deeply integrate AI technology into the entire R&D chain, completing the paradigm shift from “AI-assisted R&D” to “AI-driven R&D,” and further enhancing overall R&D efficiency compared to the previous year. Our Group will focus on upgrading AI programming capabilities, setting clear quantitative goals, and implementing a series of key initiatives to drive the transformation of AI R&D:

Firstly, construct an AI Skills system to promote the vectorization of existing system code, consolidate the foundation for AI autonomous programming, enable AI to accurately understand code structure, logic, and business intent, reduce generation hallucinations, and enhance code specification consistency and accuracy in complex business logic.

Secondly, rely on multi-agent collaboration to reconstruct traditional R&D processes, define exclusive responsibilities for each agent, and create an end-to-end fully automated R&D loop encompassing requirements analysis, product design, coding implementation, automated testing, deployment release, and operation and maintenance monitoring. This will drive AI to deeply lead the entire process of requirement development, comprehensively improving R&D efficiency, quality, and automation levels.

Thirdly, reshape the R&D organizational structure. Under the new paradigm of AI programming, we will break down the barriers of sequential collaboration and segmented delivery among the product, development, and testing departments, redefine role responsibilities, and upgrade the traditional R&D pipeline into an efficient R&D unit characterized by human-machine collaboration and integrated operation. Strengthen AI R&D capability certification for all employees, cultivate compound talents with business understanding, architectural design, and AI tool application skills, establish incentive and evaluation mechanisms suitable for the new model of human-machine collaboration, and provide continuous talent support and cultural backing for AI-driven R&D.

Fourthly, establish an AI R&D quality and efficiency measurement system, unify quantitative indicators such as AI code output, requirement delivery, quality compliance, and business accuracy, and improve the review, traceability, evaluation, and iteration mechanisms for AI-generated content, with a view to driving continuous optimization of the AI R&D paradigm through data and ensuring the efficient, stable, and trustworthy operation of AI-driven R&D.

II. Fully Advancing R&D and Implementation of Retail AI Agents

The Group is making every effort to advance the R&D of retail AI agents, deeply penetrate all operational scenarios across the retail chain, ultimately achieve autonomous decision-making, closed-loop management, and continuous evolution, and construct an intelligent operation system covering all aspects of retail. In terms of business model, the Group will adopt a value co-creation, pay-for-performance cooperation model, upgrading traditional software procurement cooperation into a deep partnership characterized by shared risks, shared benefits, and shared value.

Merchandise and stores are the two core elements determining the long-term development of retail enterprises. In the short term, the Group will focus on the core of retail operations. Through the collaborative deployment of the “**AI Merchandise Agent**” and the “**AI Store Agent**”, we will form an agile optimization closed loop for “merchandise-in-store” within retail enterprises, driving incremental performance for retail clients and laying a foundation of trust. By developing an AI Merchandise Agent, we will achieve automated decision-making throughout the merchandise operation process, gradually replacing traditional manual decision-making and execution through real-time performance monitoring and dynamic iterative optimization. We will provide retail enterprises with comprehensive merchandise management capabilities, covering core scenarios such as product portfolio optimization and replacement, omnichannel merchandise sourcing, quality control management, dynamic pricing, replenishment forecasting, shelf display, AI visual store inspections, and consumer psychology insights. By virtue of in-depth co-creation with industry benchmark clients, the Group continuously accumulates industry best practices, vast operational data, and the professional expertise of seasoned buyers, forming a fully autonomous decision-making capability from market insights and intelligent product selection to pricing execution, enabling every store to achieve expert-level merchandise operations. At the store level, we will create an “AI Store Agent” with real-time perception, intelligent analysis, and proactive management capabilities by establishing a visual perception hub and intelligent scheduling system covering all scenarios. This will deeply cover core scenarios of daily store operations, precisely addressing key operational pain points such as on-duty employee management, intelligent identification of customer service needs, shelf display audits, real-time out-of-stock monitoring, and dynamic analysis of customer traffic heatmaps, comprehensively enhancing in-store operational efficiency and service quality.

In the medium term, the Group will extend the capabilities of retail AI agents to more areas such as supply chain & logistics and headquarters management, achieving intelligent coverage across the entire retail operation chain and constructing a complete **“Retail AI Agent Matrix covering the entire chain”**.

In the long run, we will build an **“AI+Data”-driven supply chain and merchandise development platform** based on validated consumer insights and data accumulation, efficiently transmitting deterministic retail demand to the manufacturing end, evolving from an efficiency enabler to an ecosystem co-builder.

III. Intensifying Overseas Market Expansion Efforts

In terms of market layout, the Group will continue to focus on deepening its presence in the Chinese domestic market while intensifying efforts to expand into overseas markets, accelerating the systematic upgrade of its global business and solidifying its regional layout to expand its global footprint. In the Chinese domestic market, the Group will continue to deepen relationships with existing clients while exploring potential new clients and optimizing service capabilities, continuously enhancing customer satisfaction and loyalty. We will consolidate our core competitiveness and lay a solid foundation for global expansion by relying on advanced AI technology, high-quality product delivery, efficient operational support, and full-cycle service capabilities. In overseas markets, the Group will continue to strengthen its go-global strategy, deepening benchmark cases and filling market gaps. We will capitalize on the historical opportunities presented by the system upgrades, digitalization, and AI transformation of retail enterprises in Asia-Pacific and the Middle East, leveraging advanced AI products to seize the initiative in system replacement. We will continue to empower partners in Hong Kong, Singapore, the Philippines, Indonesia, Cambodia, Malaysia, and other regions, utilizing powerful benchmark cases for rapid replication, gradually deepening regional presence, expanding product coverage, and enhancing business value. Meanwhile, we will strive to achieve breakthroughs in blank markets such as the Middle East and establish regional benchmarks.

2. Financial Review

Revenue by Operating Segment

We position AI at the core of our strategic priorities. Through continuous technological advancement and innovation, we are deeply exploring AI’s application potential across retail scenarios. This has enabled deep integration of AI technology throughout the entire retail value chain, empowering retailers to build efficient management systems

and precise decision-making mechanisms. Driven by technological iteration and business evolution, we reorganized our revenue structure into two core segments: AI retail core solution (formerly operating system), and AI retail value-added service (formerly AIoT solutions and other businesses).

During the Reporting Year, the Group’s revenue increased by 19.8% from RMB1,859.0 million for the year ended December 31, 2024 to RMB2,226.8 million for the Reporting Year. This increase in our revenue was mainly driven by our continuous business expansion of our AI retail core solution and AI retail value-added service described below.

The following table sets forth a breakdown of our revenue by operating segment both in absolute amount and as a percentage of our revenue for the years presented:

	Year ended December 31,			
	2025		2024	
	<i>RMB in thousands</i>	<i>%</i>	<i>RMB in thousands</i>	<i>%</i>
AI retail core solution	1,063,220	47.7	873,910	47.0
AI retail value-added service	1,163,536	52.3	985,092	53.0
Revenue	<u>2,226,756</u>	<u>100.0</u>	<u>1,859,002</u>	<u>100.0</u>

AI retail core solution

During the Reporting Year, we primarily provided the advanced AI-powered Dmall OS system under our AI retail core solution business segment. We offer the option to either charge a percentage of the customers’ gross merchandise volume (the total value of merchandise sold in a given period, regardless of whether the goods are settled or returned) (“GMV”) processed by our system or provide a subscription fee tailored to suit customers’ individual needs or financial situation. In addition, for customers requiring customization, implementation, software development, and maintenance services, we offer tailored solutions. The Group’s revenue from AI retail core solution increased by 21.7% from RMB873.9 million for the year ended December 31, 2024 to RMB1,063.2 million for the Reporting Year, primarily due to additional revenue from expansion of service scope to a larger customer base.

The following table sets forth our revenues from our AI retail core solution by pricing model in absolute amount and as a percentage of our revenues from our AI retail core solution for the years indicated:

	Year ended December 31,			
	2025		2024	
	<i>RMB in thousands</i>	<i>%</i>	<i>RMB in thousands</i>	<i>%</i>
– Take rate ⁽¹⁾	188,313	17.7	397,480	45.5
<i>Related Entities</i>	23,976	2.3	271,110	31.0
<i>Independent Customers</i>	164,337	15.4	126,370	14.5
– Subscription ⁽¹⁾	467,987	44.0	260,051	29.8
<i>Related Entities</i>	422,671	39.7	204,218	23.4
<i>Independent Customers</i>	45,316	4.3	55,833	6.4
– Customization, implementation, software development and maintenance and others ⁽²⁾	406,920	38.3	216,379	24.7
<i>Related Entities</i>	76,488	7.2	35,185	4.0
<i>Independent Customers</i>	330,432	31.1	181,194	20.7
Total revenue for AI retail core solution	1,063,220	100.0	873,910	100.0

Notes:

- (1) The decrease in take rate revenue and increase in subscription fee in the Reporting Year, as compared to the year ended December 31, 2024, was primarily due to the charging model having shifted from take rate to subscription of certain customers.
- (2) Our customization, implementation, software development and maintenance and others revenue increased from RMB216.4 million for the year ended December 31, 2024 to RMB406.9 million for the Reporting Year, mainly attributable to additional revenue from expansion of service scope to a larger customer base.

AI retail value-added service

We mainly offer intelligent solutions under AI retail value-added service, with the product matrix encompassing diverse categories such as intelligent loss prevention, self-service night receiving systems, remote duty, intelligent picking, intelligent merchandising, intelligent cashier, intelligent distribution, and intelligent cleaning. Additionally, we provide offline marketing services and products based on retailers' requirement. We continuously develop our products, expand our service offerings to existing customers, and acquire new customers.

The Group's revenue from AI retail value-added service increased by 18.1% from RMB985.1 million for the year ended December 31, 2024 to RMB1,163.5 million for the Reporting Year, primarily due to the increase from intelligent cashier solutions, intelligent package sorting solutions, intelligent merchandising solutions, intelligent loss prevention solutions and intelligent cleaning solutions.

	Year ended December 31,			
	2025		2024	
	<i>RMB in thousands</i>	<i>%</i>	<i>RMB in thousands</i>	<i>%</i>
– Take rate	12	*	140	*
<i>Related Entities</i>	12	*	140	*
<i>Independent Customers</i>	–	–	–	–
– Subscription ⁽¹⁾	1,151,251	98.9	967,489	98.2
<i>Related Entities</i>	1,076,196	92.5	905,728	91.9
<i>Independent Customers</i>	75,055	6.4	61,761	6.3
– Product sales	12,273	1.1	17,463	1.8
<i>Related Entities</i>	10,415	0.9	15,985	1.6
<i>Independent Customers</i>	1,858	0.2	1,478	0.2
Total revenue for AI retail value-added service	1,163,536	100.0	985,092	100.0

Note:

* less than 0.1%

(1) The increase in the subscription fees under our AI retail value-added service for the Reporting Year, as compared to the year ended December 31, 2024, was mainly attributable to the increase from intelligent cashier solutions, intelligent package sorting solutions, intelligent merchandising solutions, intelligent loss prevention solutions and intelligent cleaning solutions.

Revenue by Geographic Location

Apart from the Chinese mainland, the Group has successfully expanded its businesses into markets outside the Chinese Mainland, namely Hong Kong, Cambodia, Singapore, Malaysia, Poland, Macau, Indonesia, the Philippines, Brunei and Australia.

The following table sets forth the breakdown of our revenue by geographic region, expressed as an absolute amount and as a percentage of our revenue, for the years presented:

	Year ended December 31,			
	2025		2024	
	<i>RMB in thousands</i>	<i>%</i>	<i>RMB in thousands</i>	<i>%</i>
The Chinese Mainland	2,034,985	91.4	1,701,376	91.5
Overseas	191,771	8.6	157,626	8.5
Total	<u>2,226,756</u>	<u>100.0</u>	<u>1,859,002</u>	<u>100.0</u>

The Chinese Mainland

In 2024 and 2025, revenue generated from the Chinese mainland were RMB1,701.4 million and RMB2,035.0 million, respectively, representing 91.5% and 91.4% of our revenue in the same year. Our revenue growth in the Chinese mainland from 2024 to 2025 was mainly attributable to a greater adoption of such solutions by customers as we expanded our AI retail value-added service, including intelligent cleaning solutions, intelligent cashier solutions intelligent package sorting solutions, intelligent merchandising solutions and intelligent loss prevention. In addition, with the expansion of new customers and the expansion of service scope under the Dmall OS system, its revenue has continued to increase.

Overseas

In 2024 and 2025, revenue generated from overseas markets were RMB157.6 million and RMB191.8 million, respectively, representing 8.5% and 8.6% of our revenue from continued operations in the same year. Our revenue growth in overseas markets was primarily due to an increase in the adoption of our AI retail core solution in Singapore, the Philippines, Malaysia, Indonesia, Macau and Brunei, etc. As we enter into long-term cooperation agreements with leading overseas enterprise retailers, more modules of the Dmall OS system are gradually being launched, and the increase in GMV processed through our operating system from overseas retailer customers which is attributed to the growing number of stores that have gone live.

Cost of revenue

During the Reporting Year, the three largest components of our cost of revenue were outsourcing and other labor costs, cost of inventories sold and employee benefit expenses.

The following table sets forth a breakdown of our cost of revenue by nature in amounts and as percentages of our revenue for the years presented:

	Year ended December 31,			
	2025		2024	
	<i>RMB in thousands</i>	<i>%</i>	<i>RMB in thousands</i>	<i>%</i>
Outsourcing and other labor costs	979,541	44.0	856,477	46.1
Employee benefit expenses	79,945	3.6	95,978	5.2
Text messaging cost	22,370	1.0	41,409	2.2
Cloud service, bandwidth and server custody fees	20,745	0.9	29,455	1.6
Cost of inventories sold	197,117	8.9	24,389	1.3
Payment processing costs	–	–	12,322	0.7
Customer service fees	–	–	13	*
Others	77,256	3.4	52,583	2.8
Total	<u>1,376,974</u>	<u>61.8</u>	<u>1,112,626</u>	<u>59.9</u>

Note:

* Less than 0.1%.

The Group's cost of revenue increased by 23.8% from RMB1,112.6 million for the year ended December 31, 2024 to RMB1,377.0 million for the Reporting Year. This increase in our cost of revenue was primarily driven by (i) increase in cost of inventories sold from RMB24.4 million for the year ended December 31, 2024 to RMB197.1 million in the Reporting Year, primarily due to the cost incurred for procurement of the products related to integrated solutions the Group delivered to customers in need, and (ii) increase in our outsourcing and other labor costs from RMB856.5 million for the year ended December 31, 2024 to RMB979.5 million in the Reporting Year, primarily due to the expansion of our AI retail value-added service. This was partially offset by a decrease in text messaging cost and a decrease in employee benefit expenses.

Gross Profit and Gross Margin

As a result of the foregoing, the Group's gross profit increased by 13.9% from RMB746.4 million for the year ended December 31, 2024 to RMB849.8 million for the Reporting Year, and the gross profit margin decreased from 40.1% for the year ended December 31, 2024 to 38.2% for the Reporting Year.

The following table sets forth our gross profit in absolute amounts and as percentages of relevant segment revenue, or gross margin, for the years indicated:

	Year ended December 31,			
	2025		2024	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	<i>RMB in thousands</i>	<i>%</i>	<i>RMB in thousands</i>	<i>%</i>
AI retail core solution	713,803	67.1	667,280	76.4
AI retail value-added service	135,979	11.7	79,096	8.0
Total	849,782	38.2	746,376	40.1

The AI retail core solution segment had gross margins of 76.4% and 67.1% for the year ended December 31, 2024 and the Reporting Year, respectively. The decline in gross margin for our AI retail core solution was attributed to the ramp-up in Dmall OS projects implementation and delivery with relatively lower margin at early stage, and increase in revenue from certain new customer in demand of selected product and service scope which has a relatively low gross profit margin. The AI retail value-added service saw an increase in gross profit margin for the Reporting Year as compared to the year ended December 31, 2024, which was primarily driven by the Company's continuous improvement in business operations. Our AI retail value-added service initially incurred higher costs due to outsourcing and labor needs, which led to relatively lower gross margin. As these solutions mature, the need for outsourcing decreases, leading to a gradual reduction in costs until they stabilize at a lower level.

Other Net Income/(Loss)

The Group's other net income/(loss) primarily consists of, (i) government grants and tax preference, (ii) investment income from wealth management products and disposal of an equity investment, (iii) fair value change in financial assets measured at fair value through profit or loss ("FVPL"), (iv) dividends income, (v) loss on disposal of intangible assets, and (vi) others. There were no unfulfilled conditions or contingencies relating to the government grants income recorded during the Reporting Year. The Group recorded

other net loss of RMB102.6 million for the year ended December 31, 2024 and other net income of RMB44.6 million for the Reporting Year. The increase was primarily due to (i) the increase in fair value change in financial assets measured at FVPL, as a result of the disposal of Guoquan Food (Shanghai) Co., Ltd. (鍋圈食品(上海)有限公司) (stock code: 2517.HK) (“**Guoquan**”) during 2025 and (ii) increase in government grants.

Selling and Marketing Expenses

The Group’s selling and marketing expenses primarily consist of (i) employee benefit expenses for our selling and marketing personnel, (ii) professional service fees, which primarily represent fees paid to third parties for professional service they provided, (iii) promotion and marketing expenses, which primarily represent marketing incentives and branding and business promotion to enhance our brand recognition, and (iv) others, which primarily represent travel and entertainment expenses and depreciation and amortization. The Group’s selling and marketing expenses increased by 30.5% from RMB92.4 million for the year ended December 31, 2024 to RMB120.6 million for the Reporting Year. The increase was primarily due to increases in professional service fees attributable to the business development for overseas markets.

General and Administration Expenses

The Group’s general and administration expenses primarily consist of (i) employee benefit expenses for our administrative personnel, (ii) outsourcing and other labor costs, (iii) depreciation and amortization, (iv) professional service fees, which primarily represent fees paid to third parties for professional services they provided, (v) expenses relating to short-term leases and leases of low-value assets, incurred primarily for office leases with lease terms no more than 12 months, property management services fees, and leases for low-value assets representing leases of printers for general office use, and (vi) others, which primarily represent travel and entertainment expenses as well as general office expenses. The Group’s general and administration expenses decreased by 9.6% from RMB308.0 million for the year ended December 31, 2024 to RMB278.6 million for the Reporting Year. The decrease was primarily due to (i) decrease in professional service fees after our initial public offering, and (ii) decrease in employee benefit expenses along with our structure optimization progress which enabled us to strengthen cross functional synergy. This was partially offset by increases in outsourcing and other labor costs driven by the addition of outsourced personnel for management of intelligent package sorting solutions, intelligent cashier solutions and intelligent cleaning solutions.

Research and Development Expenses

The Group's research and development expenses primarily consist of (i) employee benefit expenses for our research and development personnel, (ii) cloud service, bandwidth and server custody fees, which are internally allocated cost, incurred when we purchase cloud and bandwidth services and rent service from third party service suppliers for the purpose of ramping up and maintaining sufficient technological capacity for our research and development efforts, (iii) depreciation and amortization, (iv) expenses relating to short-term leases and leases of low-value assets, incurred primarily for office leases with lease terms no more than 12 months, property management services fees, and leases for low-value assets representing leases of printers for general office use by our research and development function, among which leases for low-value assets account for less than 4% of the total short-term leases and leases of low-value assets, (v) outsourcing and other labor costs, and (vi) other expenses, which include travel expenses for research and development activities. The Group's research and development expenses decreased by 11.3% from RMB412.8 million for the year ended December 31, 2024 to RMB366.1 million for the Reporting Year. The decrease was primarily due to decrease in employee benefit expenses driven by our cost control measures, the use of AI tools to enhance employees' work efficiency and reduce labor costs, and the accumulation of technological capabilities, which enabled us to replicate and upgrade our product offerings without significant further investments.

Net Finance Income/(Costs)

The Group's finance income and costs primarily consist of (i) interest income from bank deposits; (ii) interest on bank loans and other borrowings; (iii) net foreign currency exchange gain; (iv) interest on lease liabilities; (v) accrued financial charges of convertible bond; (vi) changes in fair value on the derivative components of convertible bond; and (vii) gains on derecognition of convertible bond. The Group recorded net finance costs of RMB4.5 million for the year ended December 31, 2024 and net finance income of RMB3.5 million for the Reporting Year. The increase was primarily due to (i) the increase in interest income from bank deposits; and (ii) absence of changes in fair value on the derivative components of convertible bond, accrued financial charges of convertible bond, and gains on derecognition of convertible bond followed by our repayment in full in December 2024.

Fair Value Change of Convertible Redeemable Preferred Shares

The Group's fair value changes of convertible redeemable preferred shares represent changes in fair value of the preferred shares issued by us. The Group designated the preferred shares as financial liabilities at FVPL. They are initially recognized at fair value. Any directly attributable transaction costs are recognized as general and administration expenses. Subsequent to initial recognition, the preferred shares are carried at fair value with changes in fair value recognized through profit or loss. The

Group had no fair value changes of convertible redeemable preferred shares in the Reporting Year, as compared to negative RMB2,275.7 million for the year ended December 31, 2024, as a result of changes in the valuation of the Company. Upon the completion of the initial public offering, all of such redeemable convertible preferred shares have been automatically converted to our ordinary shares, and we will no longer recognize change in fair value liabilities.

Profit/(Loss) for the Year from Continuing Operations

As a result of foregoing, the Group recorded profit for the year from continuing operations in the Reporting Year of RMB127.1 million, as compared to loss for the year from continuing operations of RMB2,453.4 million in the year ended December 31, 2024.

Profit for the Year from Discontinued Operations

In April 2024, we conducted a series of restructuring transactions to divest all of our equity interests in Dmall Fresh (Beijing), our former consolidated affiliated entity, to minimize the underlying legal and regulatory risks. The restructuring led to the divestment of online advertising services and the cessation of the operation of the Dmall APP and mini programs. At the time of the restructuring, Dmall APP was primarily associated with the provision of online advertising services under the marketing and advertising service cloud we previously operated and payment processing services under the retail core service cloud. For details, please refer to the section headed “RECENT DEVELOPMENTS – Product Optimization and Restructuring” of the prospectus of the Company dated November 28, 2024 (the “**Prospectus**”). Revenue from such payment processing services was RMB14.7 million and nil million in the year ended December 31, 2024 and the Reporting Year, respectively. Gross profit from such payment processing services was negative RMB2.9 million and nil in the year ended December 31, 2024 and the Reporting Year, respectively. The financial results of our online advertising services were classified as discontinued operations in the historical financial information. Please also refer to the following table which sets forth the results of the discontinued operations.

	Year ended December 31,	
	2025	2024
	<i>RMB in</i>	<i>RMB in</i>
	<i>thousands</i>	<i>thousands</i>
Revenue	–	41,781
Cost of revenue	–	(2,510)
Gross profit	–	39,271
Profit for the year from discontinued operations	–	233,134

Income Tax Benefit

The Group's income tax benefit comprised primarily of deferred tax benefit and current tax expense attributable to withholding income tax pertaining to our income generated from overseas. We recorded tax benefits of RMB1.0 million and RMB38.2 million in the year ended December 31, 2024 and the Reporting Year, respectively. For the year ended December 31, 2024 and the Reporting Year, our tax benefits primarily resulted from the recognition of deferred tax assets in respect of unused tax losses, for which future taxable profits are probable to be generated and reversal of deferred tax liabilities arising from the amortization of customer relationships and technological know-how recognized due to the acquisition of Shenzhen Enjoy Information Technology Co., Ltd.

Profit/(Loss) for the Year

As a result of the foregoing, the Group recorded profit for the year of RMB127.1 million in the Reporting Year, as compared to loss for the year of RMB2,220.3 million in the year ended December 31, 2024.

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted profit from continuing operations (non-IFRS measure) and adjusted net margin from continuing operations (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, the IFRS Accounting Standards.

The Group believes adjusted profit from continuing operations (non-IFRS measure) and adjusted net margin from continuing operations (non-IFRS measure) provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted profit from continuing operations (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit from continuing operations (non-IFRS measure) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

The Group defines adjusted profit from continuing operations (non-IFRS measure) as profit for the year from continuing operations adjusted by adding back equity-settled share-based payment expenses, fair value change of convertible redeemable preferred shares, fair value change of an equity investment, gains arising from the sale of equity investment, impairment loss on goodwill and listing expenses. The Group excludes

equity-settled share-based payment expenses because they are non-cash in nature, and do not result in cash outflow. Fair value change of convertible redeemable preferred shares represents fair value changes of the convertible redeemable preferred shares issued by the Group and relate to the changes in the valuation of the Group. Fair value change of an equity investment and gains arising from the sale of equity investment represent fair value changes and sale of our investment in Guoquan. Goodwill impairment represents the impairment loss recognized during the period on the goodwill arising from the acquisition of Shenzhen Enjoy Information Technology Co., Ltd.

The following table reconciles adjusted profit from continuing operations (non-IFRS measure) for the years presented in accordance with IFRS Accounting Standards, which is profit/(loss) for the years from continuing operations:

	Year ended December 31,	
	2025	2024
	<i>RMB in</i>	<i>RMB in</i>
	<i>thousands</i>	<i>thousands</i>
Profit/(loss) from continuing operations for the year	<u>127,106</u>	<u>(2,453,410)</u>
Add:		
Equity-settled share-based payment expenses	31,457	19,257
Fair value change of convertible redeemable preferred shares	–	2,275,701
Fair value changes of an equity investment	2,433	143,915
Gains arising from the sale of equity investment	(3,315)	–
Impairment loss on goodwill	45,689	–
Listing expenses	–	44,332
Adjusted profit from continuing operations (non-IFRS measure) for the year	<u>203,370</u>	<u>29,795</u>

Principal Risks and Uncertainties

Details of the main risks and uncertainties of the Group as of the end of the Reporting Year will be set out in the “Report of the Board of Directors” in the annual report of the Group for the Reporting Year.

Foreign Exchange Risk

The functional currency of the Company is United States Dollars (“USD” or “US\$”). The consolidated financial statements are presented in RMB as the majority of the Group’s operations are conducted by the Company’s subsidiaries established in the PRC and the functional currency of which is RMB. Fluctuations in exchange rates between other currencies in which the Group conducts its business may affect the Group’s financial position and operation results and the Group’s foreign currency risk is mainly due to exchange rate fluctuations between USD and RMB. As at the date of this announcement, the Group has not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. However, the Group’s management will manage foreign currency exchange risk through regular reviews and consider to enter into hedging transactions in the future.

Capital Structure

The Group’s primary objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders of the Company (the “**Shareholders**”) and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher Shareholders’ returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions. There was no significant change in the capital management objectives, policies or procedures in 2025 and 2024.

The Group monitors its capital structure on the basis of adjusted liability-to-asset ratio. For this purpose, adjusted liabilities are defined as total liabilities less convertible redeemable preferred shares and convertible bond. The adjusted liability-to-asset ratio of the Group as of December 31, 2025 was approximately 44.9% (as of December 31, 2024: approximately 61.4%).

Liquidity and Financial Resources

The Group maintains an excellent financial position and sufficient liquidity for the Reporting Year. The Group’s current assets amounted to RMB1,394.8 million as of December 31, 2025 (as of December 31, 2024: RMB1,283.5 million), representing an increase of approximately 8.7% as compared to the previous year, primarily due to (i) an increase of RMB92.2 million in trade receivables and (ii) an increase of RMB14.2 million in inventories and other contract costs. As of December 31, 2025, the Group had cash and cash equivalents of RMB860.0 million (as of December 31, 2024: RMB801.0

million), representing an increase of approximately 7.4% primarily due to cash generated from operations and proceeds from issuance of ordinary shares relating to placing and subscription. This was partially offset by repayment of bank loans and acquisition of non-controlling interests and repurchases of ordinary shares. Cash and cash equivalents were denominated in USD, HK\$, Singapore Dollars, RMB, Hungarian Forints, EUR and Philippine Pesos. The Group had a gearing ratio of 44.9% as of December 31, 2025 (as of December 31, 2024: 61.4%). The gearing ratio is equal to total liabilities minus convertible redeemable preferred shares and convertible bond, divided by total assets.

Capital Expenditures

The Group's capital expenditures during the Reporting Year are primarily incurred for purchase of property and equipment and intangible assets. For the Reporting Year, the Group's capital expenditures amounted to RMB45.9 million (for the year ended December 31, 2024: RMB8.8 million), including the payment for the purchase of property and equipment which amounted to RMB4.5 million (for the year ended December 31, 2024: RMB8.3 million) and the payment for the purchase of intangible assets which amounted to RMB41.4 million (for the year ended December 31, 2024: RMB0.5 million).

The Group intends to fund future capital expenditures with the existing cash balance, cash generated from the operating activities and proceeds from the global offering. The Group may reallocate the fund to be utilized on capital expenditure and long-term investments based on the ongoing business needs.

Bank Loans and Other Borrowings

The Group's total outstanding bank loans and other borrowings decreased from RMB529.6 million as at December 31, 2024 to RMB333.6 million as at December 31, 2025, primarily due to the scheduled repayment of principal and interest in accordance with the loan agreements, and a reduction in new borrowing during the Reporting Year.

As of December 31, 2025, the Group had interest-bearing borrowings of RMB333.6 million, with effective interest rates ranging from 2.5% to 3.65% per annum. RMB312.6 million of bank loans and other borrowings are repayable within one year or on demand; RMB21.0 million of bank loans and other borrowings are repayable after 1 year but within 2 years; and no bank loans and other borrowings are repayable after 2 years but within 5 years and repayable after 5 years. The Group's bank borrowing agreements contain standard terms, conditions and covenants that are customary for commercial bank loans.

Contingent Liabilities and Guarantees

As of December 31, 2025, the Group had no material contingent liabilities or guarantees.

The Group did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees as of December 31, 2025.

Pledge of Assets

As of December 31, 2025, none of the Group's assets were pledged.

Capital Commitments

As of December 31, 2025, the Group did not have any material capital commitments.

Significant Investments

As of December 31, 2025, the Group did not hold any significant investments.

Future Plans for Material Investments or Capital Assets

The Group had no other plans for material investments or capital assets as at December 31, 2025.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

On March 28, 2025, Dmall (Shenzhen) Digital Technology Co., Ltd. (多點(深圳)數字科技有限公司) (“**Dmall (Shenzhen) Digital**”), being an indirect wholly-owned subsidiary of the Company, and Beijing Wumart Supermarket Co., Ltd. (北京物美超市有限公司) (“**Beijing Wumart**”) entered into an equity transfer agreement, pursuant to which Dmall (Shenzhen) Digital has conditionally agreed to acquire, and Beijing Wumart has conditionally agreed to transfer the 20% equity interest of Dmall Zhilian (Beijing) Technology Co., Ltd. (多點智聯(北京)科技有限公司) at a consideration of RMB47,000,000 in cash. For details, please refer to the announcements of the Company dated March 28, 2025 and May 23, 2025 and the circular of the Company dated April 30, 2025.

Save as disclosed above, during the Reporting Year, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Property and Equipment

The Group's property and equipment during the Reporting Year primarily consist of (i) buildings, (ii) electronic equipment, (iii) right-of-use assets associated with properties leased for own use, (iv) office equipment and furniture and (v) leasehold improvement. The Group's property and equipment increased from RMB69.8 million as of December 31, 2024 to RMB72.1 million as of December 31, 2025, primarily due to the renewal and addition of leases for office premises and equipment, partially offset by depreciation charges recognized for property and equipment.

Inventories and Other Contract Costs

The Group's inventories and other contract costs during the Reporting Year primarily consist of finished goods, raw materials, goods in transit and other contract costs. Other contract costs relate to costs and expenses incurred to fulfill a contract if the costs and expenses relate directly to an existing contract or to a specifically identifiable anticipated contract and are expected to be recovered. Other contract costs are recognized as cost of revenue or research and development expenses in the period in which revenue from the related sales is recognized. The Group's inventories and other contract costs increased from RMB4.7 million as of December 31, 2024 to RMB18.8 million as of December 31, 2025, primarily due to new fulfillment costs for Dmall OS projects.

Trade Receivables

The Group's trade receivables during the Reporting Year primarily represent outstanding product and service fees associated with our AI retail core solution, service fees associated with our AI retail value-added service. The Group recognizes a loss allowance for expected credit losses on trade receivables measured at amortized cost. The Group's trade receivables increased from RMB248.2 million as of December 31, 2024 to RMB340.4 million as of December 31, 2025, primarily due to (i) expansion of intelligent replenishment and intelligent loss prevention businesses and (ii) increase in business volume from existing Dmall OS customers.

Prepayments, Deposits and Other receivables

The Group's prepayments, deposits and other receivables during the Reporting Year primarily consist of receivable from a supplier, receivable for transferring software copyright, deductible input value-added tax, receivable from third party payment platform, receivables from retailers and advertisers, lease and security deposits, and others. The Group's prepayments, deposits and other receivables are partially offset by a loss allowance. The Group's prepayments, deposits and other receivables increased from RMB88.3 million as of December 31, 2024 to RMB92.1 million as of December 31, 2025, representing an insignificant change.

Trade Payables

The Group's trade payables during the Reporting Year primarily consist of intelligent product and service fees, procurement cost payable relating to operating system and others. The Group's trade payables increased from RMB98.5 million as of December 31, 2024 to RMB110.9 million as of December 31, 2025, primarily due to additional cost generated from intelligent replenishment and intelligent loss prevention business.

EMPLOYEES

As of December 31, 2025, the Group had a total of 1,290 employees, most of them are located in China. The following table sets forth the number of the Group's employees categorized by function as of December 31, 2025:

Function	Number of Employees	%
Sales and marketing	85	6.6
Research and development	664	51.5
Operation	356	27.6
General and administrative	185	14.3
Total	1,290	100.0

The Group's staff costs decreased from RMB729.6 million in the year ended December 31, 2024 to RMB608.1 million in the Reporting Year. The remuneration packages of our employees mainly include salaries, allowances, retirement scheme contributions and share-based payment expense, the amount of which is generally determined by their qualifications, industry experience, position and performance. The Group believes it offers its employees competitive remuneration packages and an environment that encourages self-development and creativity. The Group provides training programs for its employees in order to enhance their professional and technical skills and understanding of the industry. The Group designs and offers different training programs for employees at different positions and departments based on their differing needs. As a result, the Group has generally been able to attract and retain qualified personnel. The employees are not currently represented by any labor union. The Group believes that it maintains a good working relationship with its employees, and the Group has not experienced any work stoppages due to labor disputes in the past.

As required by regulations in China, the Group participates in various employee social insurance plans that are organized by applicable municipal and provincial governments for its PRC-based employees, including pension, unemployment insurance, childbirth insurance, work-related injury insurance, medical insurance and housing insurance. The Group is required under PRC law to make contributions from time to time to employee benefit plans for its PRC-based employees at specified percentages of the salaries, bonuses and certain allowances of such employees, up to a maximum amount specified by the local governments in China. Bonuses are generally discretionary and based in part on employee performance and in part on the overall performance of our business. The Group has granted, and plans to continue to grant, share-based incentive awards to its employees in the future to incentivize their contributions to the Group's growth and development. Moreover, the Group also provides insurance coverage for its international employees in compliance with local statutory requirements in overseas jurisdictions.

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

During the Reporting Year, the Company repurchased a total of 10,884,700 ordinary shares (the “**Shares Repurchased**”) of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) at an aggregate consideration of approximately HK\$73,951,894. The repurchase of shares was conducted to enhance the value in the shares of the Company (the “**Share(s)**”) and for the benefits of the Company and the Shareholders as a whole. Particulars of the Shares Repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Highest repurchase price per Share (HK\$)	Lowest repurchase price per Share (HK\$)	Aggregate consideration ⁽¹⁾ (HK\$)
November	590,000	7.48	7.04	4,315,677
December	10,294,700	7.33	6.11	69,636,217
Total	10,884,700	-	-	73,951,894

Note:

(1) Aggregate consideration exclusive of expenses

The Shares Repurchased from November 24, 2025 to December 31, 2025 were subsequently reserved as treasury shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including any sale of treasury shares (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”))) listed on the Stock Exchange during the Reporting Year.

USE OF PROCEEDS

Use of proceeds from the Global Offering

The Shares were listed on the Stock Exchange on December 6, 2024. The net proceeds raised from the global offering, after deduction of the underwriting fees and other related listing expenses paid or payable by the Group in connection with the global offering, amounted to approximately HK\$630.4 million (the “**Net Proceeds**”).

As of the date of this announcement, there was no change in the intended use of the Net Proceeds as previously disclosed in the section headed “Future Plans and Use of Proceeds – Use of Proceeds” in the Prospectus. The following table illustrates the planned use and utilisation of the Net Proceeds:

Planned use of the Net Proceeds	Percentage to total Net Proceeds	Net Proceeds (HK\$ million)			Unutilized amount as of December 31, 2025	Expected timeline for full utilization of the remaining Net Proceeds
		Net Proceeds incurred from the global offering	Unutilized amount as of December 31, 2024	Actual amount of Net Proceeds utilized during the Reporting Year		
1. To develop new applications and new service modules	42.1%	265.5	259.2	158.7	100.5	December 31, 2026
2. For talent acquisition associated with the expansion of our operations	30.0%	189.1	189.0	144.7	44.3	December 31, 2026
3. To selectively pursue strategic cooperation, investments and acquisitions that are complementary to our organic growth strategies, particularly those that can complement our product offerings, strengthen our technology capabilities, and solidify our market position	10.0%	63.0	63.0	0	63.0	December 31, 2026
4. To expand our sales network and further strengthen our brand reputation	7.9%	49.8	49.8	49.8	0	–
5. For working capital and general corporate purposes	10.0%	63.0	45.0	45.0	0	–
Total	100.0%	630.4	606.0	398.2	207.8	

As of December 31, 2025, we had not utilized approximately HK\$207.8 million of the Net Proceeds. The Company expects to utilize the remaining Net Proceeds by the end of December 2026.

Use of proceeds from the Top-up Subscription and change in use of proceeds from the Top-up Subscription

On July 16, 2025, the Company entered into a placing and subscription agreement (the “**Placing and Subscription Agreement**”) with Odor Nice Limited (the “**Seller**”) and China International Capital Corporation Hong Kong Securities Limited and Guotai Junan Securities (Hong Kong) Limited (collectively, the “**Managers**”), pursuant to which (i) the Seller has agreed to sell, and the Managers have severally agreed to act as the agents of the Seller to procure, on a best effort basis, places to purchase the placing shares at the placing price of HK\$11.1 per placing share; and (ii) the Seller has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to the Seller, 35,400,000 subscription shares at a price which is equivalent to the placing price of HK\$11.1 per placing share under the general mandate (the “**Top-up Subscription**”).

On July 21, 2025, the completion of the placing took place in accordance with the terms and conditions of the Placing and Subscription Agreement, where an aggregate of 35,400,000 placing shares were successfully placed by the Managers, on a best effort basis, to not less than six places, at the placing price of HK\$11.1 per placing share.

On July 25, 2025, all conditions for the completion of the Top-up Subscription had been fulfilled and the Company allotted and issued 35,400,000 subscription shares to the Seller at HK\$11.1 per subscription share in accordance with the terms and conditions of the Placing and Subscription Agreement.

The intended use and the expected timeline of the net proceeds from the Top-up Subscription, which amounted to approximately HK\$388.0 million, were disclosed in the announcements of the Company dated July 16, 2025 and July 25, 2025 (the “**Top-up Subscription Announcements**”).

As of December 31, 2025, we had utilized approximately HK\$134.6 million of the net proceeds from the Top-up Subscription in accordance with its intended use as stated in the Top-up Subscription Announcements and we had not utilized approximately HK\$253.4 million of the net proceeds from the Top-up Subscription. The Company expects to utilize the remaining net proceeds from the Top-up Subscription by the end of December 2026.

Following prudent deliberation, the Board has resolved for the Group to fully advance the implementation and commercialization of AI research and development, aiming to achieve a strategic transformation from a “Retail digital solutions provider” to a “Retail AI agents provider”. In light of the foregoing, the Group will further increase its level of investment in the AI domain. As such, the Board has resolved to change the use of the unutilized net proceeds from the Top-up Subscription and the expected timeline of the use of the unutilized net proceeds from the Top-up Subscription as follows:

Planned use of the net proceeds from the Top-up Subscription	Net proceeds from the Top-up Subscription (HK\$ million)						Expected timeline for full utilization of the remaining net proceeds from the Top-up Subscription
	Original percentage to total net proceeds from the Top-up Subscription	Original net proceeds incurred from the Top-up Subscription	Actual amount of net proceeds from the Top-up Subscription utilized during the Reporting Year	Unutilized amount as of December 31, 2025	Revised allocation of unutilized net proceeds from the Top-up Subscription		
1. For the R&D investment in stablecoins and blockchain and technology advancement, all of which will be used in payment of staff cost of the Company’s blockchain experts for developing and maintaining relevant systems and interfaces in relation to the development of the new business (including various systems in the areas of trading, reserve fund management, settlement, clearing, compliance and issuance)	50.0%	194.0	0.1	193.9	–	–	
2. For loan repayments	25.0%	97.0	97.0	0	–	December 31, 2026	
3. For further expansion of existing business and product upgrades	20.0%	77.6	31.0	46.6	46.6	December 31, 2026	
4. For other general expenditures	5.0%	19.4	6.5	12.9	12.9	December 31, 2026	

	Net proceeds from the Top-up Subscription (HK\$ million)					Expected timeline for full utilization of the remaining net proceeds from the Top-up Subscription
	Original percentage to total net proceeds from the Top-up Subscription	Original net proceeds from the Top-up Subscription	Actual amount of net proceeds from the Top-up Subscription utilized during the Reporting Year	Unutilized amount as of December 31, 2025	Revised allocation of unutilized net proceeds from the Top-up Subscription	
5. Investments in the AI sector, specifically including but are not limited to: 1) AI talent acquisition and native application R&D: strengthen the recruitment of AI specialists and the development of AI R&D teams, with a focus on developing next-generation AI-native products. We aim to create AI retail agents covering core scenarios such as merchandise management and store operations; 2) AI-driven product evolution and R&D efficiency enhancement: drive the deep integration of AI with existing operations, continuously advance the upgrading of our intelligent OS products, and simultaneously implement an AI-native re-engineering of R&D and delivery processes to comprehensively enhance R&D and delivery efficiency; 3) AI computing power and cloud infrastructure investment: invest in AI computing power, cloud service resources, and related infrastructure operations and maintenance	–	–	–	–	193.9	December 31, 2026
Total	100.0%	388.0	134.6	253.4	253.4	

The Board confirms that there is no material change in the business nature of the Group as set out in annual report of the Group for the year ended December 31, 2024 published on April 23, 2025 and considers that the change in the use of the unutilized net proceeds from the Top-up Subscription as set out above is in line with the Group's strategy, does not result in any adverse impact on the Group's operation and business and therefore is in the best interests of the Company and its Shareholders as a whole.

On the progress of the use of the unutilized net proceeds from the Top-up Subscription, the Company will provide updates to its Shareholders through disclosures in its interim reports and annual reports going forward. The Company will make further announcement(s) in accordance with the requirements under the Listing Rules and other applicable laws as and when appropriate.

The Board will continuously assess the planned utilization of the net proceeds from the Top-up Subscription and may revise or amend such planned utilization when necessary to cope with the changing market conditions, and strive for better business performance of the Group.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING YEAR

From January 2026 to February 2026, the Group repurchased 8,960,000 ordinary shares, representing approximately 0.96% of the total number of issued shares of the Group as at December 31, 2025. The total amounts paid were approximately HKD73.5 million (equivalent to approximately RMB65.8 million).

Save as disclosed above, subsequent to December 31, 2025 and up to the date of this announcement, so far as the Directors are aware, there have been no significant events that have materially affected the Group.

ROUNDING

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules as its own corporate governance code. During the Reporting Year, the Group has complied with all applicable provisions of the CG Code.

More information on the Group’s corporate governance practices will be included in the Corporate Governance Report of the Group’s annual report for the Reporting Year.

The Group will continue to review and monitor its corporate governance practices on a regular basis to ensure compliance with the CG Code and to maintain the Group’s high standard of corporate governance practices.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding the Directors’ dealings in the securities of the Company. Specific enquiries have been made of all the Directors, and they have confirmed that they have complied with the Model Code during the Reporting Year.

The Company has also adopted written guidelines on terms no less exacting than the Model Code for those relevant employees (including employees of the Company or directors or employees of its subsidiaries who, because of such office or employment, is likely to be in possession of inside information in relation to the Company or its securities) in respect of their dealings in the securities of the Company.

ESTABLISHMENT OF ESG COMMITTEE

The Board has resolved to establish the environmental, social and governance (“**ESG**”) committee (the “**ESG Committee**”) for the purposes of, among others, reviewing and monitoring the Company’s ESG policies and practices to ensure compliance with the relevant legal and regulatory requirements, monitoring and responding to emerging ESG issues and making recommendations to the Board where appropriate to improve the ESG performance of the Group, with effect from March 18, 2025.

Mr. Curtis Alan Ferguson, a non-executive Director and the chairman of the Board, has been appointed as a member and the chairperson of the ESG Committee; Mr. Zhang Feng, an executive Director and the president of the Company, and Ms. Cai Lin, an independent non-executive Director, have been appointed as members of the ESG Committee, with effect from March 18, 2025.

The terms of reference of the ESG Committee has been published on the Company’s website (<https://ir-tc.dmall.com>) and the website of the Stock Exchange (www.hkexnews.hk).

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Reporting Year and discussed with the management of the Group and the Group’s auditor, KPMG, Certified Public Accountants, the accounting principles and practices adopted by the Group, risk management and internal controls and financial reporting.

The Audit Committee considered that the audited financial statements of the Group for the Reporting Year are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

SCOPE OF WORK OF KPMG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

FINAL DIVIDEND

The Board does not recommend the payment of the final dividend for the Reporting Year.

ANNUAL GENERAL MEETING

The notice of the forthcoming annual general meeting of the Company (the "2025 AGM"), which contains the date, time and place of the 2025 AGM, as well as details of the period during which the register of members and the registration of share transfers is closed, will be published and dispatched to the Shareholders who requested for a printed copy in due course.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement has been published on the Company's website (www.dmall.com) and the website of the Stock Exchange (www.hkexnews.hk). The annual report of the Group for the Reporting Year, which contains all the information required under the Listing Rules, will be dispatched to the Shareholders who requested for a printed copy and published on the above websites in due course.

By Order of the Board
Dmall Inc.
Mr. Curtis Alan Ferguson
Chairman

Hong Kong, March 18, 2026

As at the date of this announcement, the Board comprises (i) Mr. ZHANG Feng as executive Director; (ii) Mr. Curtis Alan FERGUSON, Mr. CHEN Zhiyu and Mr. WANG Zhenghao as non-executive Directors; and (iii) Dr. HOU Yang, Ms. CAI Lin, Dr. MAO Jiye and Mr. LI Wei as independent non-executive Directors.

* *For identification purposes only*