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Yinsheng Digifavor Company Limited

銀盛數惠數字有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3773)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Yinsheng Digifavor Company Limited (the “**Company**”) hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	4	153,808	128,627
Less: Tax surcharge		(657)	(3,065)
Cost of revenue		<u>(56,589)</u>	<u>(23,461)</u>
Gross profit		96,562	102,101
Other income, net	5	5,616	7,060
Distribution and selling expenses		(27,206)	(16,531)
Administrative expenses		(25,657)	(38,496)
Research and development expenses		(12,886)	(12,529)
Finance costs	6	<u>(3,319)</u>	<u>(3,215)</u>
Profit before income tax	7	33,110	38,390
Income tax expense	8	<u>(4,727)</u>	<u>(9,049)</u>
Profit and total comprehensive income for the year		<u>28,383</u>	<u>29,341</u>
Profit and total comprehensive income/(expense) for the year attributable to:			
Owners of the Company		28,683	31,943
Non-controlling interests		<u>(300)</u>	<u>(2,602)</u>
		<u>28,383</u>	<u>29,341</u>
Earnings per share			
– Basic and diluted (RMB cents)	10	<u>6.91</u>	<u>7.70</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2025

	<i>NOTES</i>	2025 RMB'000	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		2,399	3,483
Right-of-use assets		822	1,012
Financial assets at fair value through profit or loss		19,000	–
Rental deposits		227	155
Deferred tax assets		314	410
		<u>22,762</u>	<u>5,060</u>
Current assets			
Inventories		9,107	15,731
Trade receivables	11	210,241	284,437
Prepayments, deposits and other receivables		186,503	195,360
Tax recoverable		75	2,764
Restricted bank deposits		2,004	6,631
Cash and cash equivalents		83,551	50,841
		<u>491,481</u>	<u>555,764</u>
Current liabilities			
Trade payables	12	57,970	42,407
Other payables and accruals		67,427	77,180
Tax liabilities		653	61
Lease liabilities		777	505
Borrowings		31,200	122,000
		<u>158,027</u>	<u>242,153</u>
Net current assets		<u>333,454</u>	<u>313,611</u>
Total assets less current liabilities		<u>356,216</u>	<u>318,671</u>
Non-current liabilities			
Borrowings		9,800	–
Lease liabilities		110	619
Deferred tax liabilities		9,280	9,409
		<u>19,190</u>	<u>10,028</u>
Net assets		<u>337,026</u>	<u>308,643</u>
Capital and reserves			
Share capital		27,221	27,221
Reserves		312,707	284,024
Total equity attributable to owners of the Company		<u>339,928</u>	<u>311,245</u>
Non-controlling interests		(2,902)	(2,602)
Total equity		<u>337,026</u>	<u>308,643</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL

The Company is an exempted company with limited liability in the Cayman Islands and its shares (the “**Share(s)**”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company’s registered office is located at PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business is 13/F, Building C2, Nanshan iPark, No. 1001, Xueyuan Boulevard, Nanshan District, Shenzhen, the People Republic of China (the “**PRC**”).

The Company is an investment holding company. The principal activities of the Group includes the provision of mobile charges/mobile data usage top-up services to mobile subscribers and the provision of digital marketing services business in the PRC.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The mobile top-up service provided by the Group is prohibited and restricted from foreign investment in the PRC pursuant to the applicable PRC laws and regulations. A series of contracts (the “**Structured Contracts**”) were arrived between Daily Charge Technology (Shenzhen) Co., Ltd, a wholly foreign-owned enterprise of the Company, and Shenzhen Niannianka Network Technology Co., Ltd. (“**Shenzhen NNK**”) and its registered shareholders to maintain and exercise the control over the operation of Shenzhen NNK, and to obtain all of its entire economic benefits (the “**VIE Arrangement**”). The Structured Contracts are irrevocable and enable the Group to:

- exercise effective financial and operational control over Shenzhen NNK;
- exercise equity holders’ voting rights of Shenzhen NNK;
- receive substantially all economic returns generated by Shenzhen NNK in consideration for the business support, technical and consulting services provided by the Group;
- obtain an irrevocable and exclusive right to purchase the entire equity interest in Shenzhen NNK from registered shareholders; and
- obtain a pledge over the entire equity interest of Shenzhen NNK from its registered shareholders as collateral security for all of Shenzhen NNK due to the Group and to secure performance of registered shareholders’ obligations under the Structured Contracts.

The Company does not have any equity interest in Shenzhen NNK. However, as a result of the Structured Contracts, the Company has power over Shenzhen NNK, has rights to variable returns from its involvement with Shenzhen NNK and has the ability to affect those returns through its power over Shenzhen NNK and therefore is considered to have control over Shenzhen NNK. Consequently, the Company regards Shenzhen NNK as an indirect wholly-owned subsidiary and consolidated the financial position and results of Shenzhen NNK in the consolidated financial statements of the Group during both years.

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which includes all Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and the Hong Kong Companies Ordinance.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company and its subsidiaries. All values are rounded to the nearest thousand except when otherwise indicated.

The consolidated financial statements have been prepared on the historical cost basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Other than changes in accounting policies resulting from application of amendments to an HKFRS Accounting Standard, the accounting policies and methods of computation used in the consolidated financial statements for the year ended 31 December 2025 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2024.

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Type of service, at the point in time		
Mobile charges and mobile data usage top-up services	78,963	104,232
Telecommunication equipment business	63	269
Digital marketing services		
– Commission income for marketing campaign services	73,291	21,217
– Service income for marketing campaign services	–	628
Type of service, over time*		
Digital marketing services		
– Service income for live streaming	1,491	2,281
	<u>153,808</u>	<u>128,627</u>

* The Group applies the practical expedient in paragraph 21 of HKFRS 15 and does not disclose information about remaining performance obligation that have original expected duration of one year or less.

Segment information

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive directors (being the chief operating decision makers (the “CODMs”)) in order to allocate resources to the segments and to assess their performance.

Following the Group’s diversified business, the Group reorganised its reporting structure in the current year and presented the following two operating and reportable segments under HKFRS 8:

Top-up services: – provision of mobile charges and mobile data usage top-up services to mobile subscribers

Digital marketing services: – provision of one-stop live streaming services and sourcing and delivery of products and related value-added services

The Group’s operating segments are strategic business units that offer different services. They are managed separately because each business requires different marketing strategies. The Group’s CODMs make decision according to the operating results of each segment.

No information on segment assets and liabilities was prepared for review by the Group’s CODMs for the year for the purpose of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

(a) *Segment revenue and results*

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODMs monitor the results attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment profit is gross profit.

	Top up services		Digital marketing services		Total	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	79,026	104,501	74,782	24,126	153,808	128,627
Less: Tax surcharge	(338)	(2,490)	(319)	(575)	(657)	(3,065)
Cost of revenue	<u>(11,455)</u>	<u>(14,765)</u>	<u>(45,134)</u>	<u>(8,696)</u>	<u>(56,589)</u>	<u>(23,461)</u>
Reportable segment profit (gross profit)	<u>67,233</u>	<u>87,246</u>	<u>29,329</u>	<u>14,855</u>	<u>96,562</u>	<u>102,101</u>

(b) *Reconciliations of reportable segment revenue and profit before income tax*

	2025	2024
	RMB'000	RMB'000
Revenue		
Reportable segment revenue (Note 4)	<u>153,808</u>	<u>128,627</u>
Reportable segment profit derived from the Group's external customers	96,562	102,101
Other income, net	5,616	7,060
Distribution and selling expenses	(27,206)	(16,531)
Administrative expenses	(25,657)	(38,496)
Research and development expenses	(12,886)	(12,529)
Finance costs	<u>(3,319)</u>	<u>(3,215)</u>
Profit before income tax	<u>33,110</u>	<u>38,390</u>

Segment profit represented the profit earned by each segment without allocation of other income (net), distribution and selling expenses, administrative expenses, research and development expenses and finance costs.

Geographical information

All significant external customers of the Group are located in the PRC and the non-current assets are principally located in the PRC. Therefore, no geographical segment information is presented.

Information about major customers

During the year ended 31 December 2025, the Group's customer base is diversified and had no customer with whom transactions have exceeded 10% of the Group's total revenue (2024: Nil).

5. OTHER INCOME, NET

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income:		
– from bank deposits	207	216
Other income:		
Government subsidy (Note i)	3,106	8,159
Income from selling the technological products (Note ii)	1,589	–
	4,695	8,159
Other gains/(losses), net:		
Reversal/(provision) of impairment loss in respect of trade receivables	387	(1,321)
Write-down of inventories	(63)	(185)
Net foreign exchange loss	(74)	(128)
Gain on disposals of property, plant and equipment	3	356
Others	461	(37)
	714	(1,315)
	5,616	7,060

Notes:

- (i) During the year ended 31 December 2025, the relevant government authority granted a subsidy of approximately RMB2,760,000 (2024: RMB8,159,000) to the Group in relation to the Group's industry related funding scheme. The remaining government subsidiaries are certain interest subsidies, one-time job expansion subsidies and job stabilisation subsidies. These government subsidies were recognised in profit or loss in the year in which they became receivable and there were no unfulfilled conditions attached to these subsidies (2024: Same).
- (ii) During the year ended 31 December 2025, the Company entered into a sale agreement in relation of selling the technological products to the independent third party which is an overseas company incorporated in Australia. Such sale had been completed upon delivery of the technological products at the place designated by the customer. The respective costs of selling the technological products are included in distribution and selling expenses (Note 7).

6. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank overdrafts	712	1,344
Interest on bank borrowings	2,218	1,589
Interest on other borrowing	330	201
Interest on lease liabilities	59	81
	<u>3,319</u>	<u>3,215</u>

7. PROFIT BEFORE INCOME TAX

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before income tax has been arrived at after charging:		
Directors' emoluments	6,538	9,067
Salaries and other benefits, excluding those of directors	37,091	37,557
Retirement benefit scheme contributions, excluding those of directors	5,995	5,187
	<u>49,624</u>	<u>51,811</u>
Total staff costs		
Depreciation of property, plant and equipment	1,490	1,488
Depreciation of right-of-use assets	721	684
Expenses related to short-term leases	598	393
Cost of selling the technological products (Note 5)	1,438	–
Auditor's remuneration		
– Audit services	1,168	1,168
– Non-audit services	180	180
	<u>180</u>	<u>180</u>

Total staff costs of approximately RMB20,412,000 (2024: RMB13,511,000), RMB17,274,000 (2024: RMB27,278,000) and RMB11,938,000 (2024: RMB11,022,000) have been charged to distribution and selling expenses, administrative expenses and research and development expenses, respectively for the year ended 31 December 2025.

Total depreciation of property, plant and equipment of approximately RMB226,000 (2024: RMB165,000), RMB66,000 (2024: RMB69,000), RMB918,000 (2024: RMB972,000) and RMB280,000 (2024: RMB282,000) has been charged to cost of revenue, distribution and selling expenses, administrative expenses and research and development expenses, respectively for the year ended 31 December 2025.

Total depreciation of right-of-use assets of approximately RMB721,000 (2024: RMB684,000) are charged to administrative expenses for the year ended 31 December 2025.

8. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax:		
– PRC Enterprise Income Tax (“EIT”)	4,526	8,862
– PRC Withholding Tax	111	1,000
	<u>4,637</u>	<u>9,862</u>
Under/(over) provision in prior years:		
– PRC EIT	123	(219)
	<u>4,760</u>	<u>9,643</u>
Deferred tax, net	(33)	(594)
	<u><u>4,727</u></u>	<u><u>9,049</u></u>

Hong Kong and Singapore

No provision for taxation in Hong Kong and Singapore has been made in the consolidated financial statements as no assessable profit was generated in Hong Kong and Singapore for both years.

The PRC

Under the Law of the PRC on Enterprise Income Tax (the “**PRC EIT Law**”) and Implementation Regulations of the PRC EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Certain PRC subsidiaries of the Group, which are small-size and low-profit enterprise under the PRC EIT Law, are entitled to effective PRC EIT rate of 5% for first RMB3 million of their annual taxable income with effective period from 1 January 2023 to 31 December 2027. The PRC EIT is calculated at 25% (2024: 25%) of the estimated assessable profits of remaining subsidiaries operating in the PRC.

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the Reporting Period (2024: Nil).

10. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on profit attributable to owners of the Company of approximately RMB28,683,000 (2024: RMB31,943,000) and the weighted average of 415,000,000 (2024: 415,000,000) ordinary shares in issue during the year ended 31 December 2025.

No diluted earnings per share for the year were presented as there were no potential ordinary share in issue (2024: Nil).

11. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables		
– Mobile charges and mobile data usage top-up services	80,088	113,760
– Telecommunication equipment business	7,088	9,895
– Digital marketing services	124,318	162,422
Less: allowance of credit losses	(1,253)	(1,640)
	<hr/>	<hr/>
Amount due for settlement with 12 months shown under current assets	210,241	284,437
	<hr/> <hr/>	<hr/> <hr/>

As at 1 January 2024, trade receivables from contracts with customers amounted to approximately RMB182,386,000.

Trade receivables from mobile charges and mobile data usage top-up services mainly represent receivables from financial institutions which the settlement period is normally within 1 day from transaction date. Due to deepening cooperation with major PRC banks for their promotion activities, the Group has granted credit period of 30 to 45 days for those financial institutions based on the invoice date. For certain channels of customers, the credit period was about 30 to 60 days granted by the Group based on the invoice date. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances (2024: Nil).

Trade receivables from the telecommunication equipment business mainly represent receivables from telecommunication operators, which are repayable by instalments ranged from 6 months to 36 months (2024: Same).

Trade receivables from digital marketing services mainly represent receivables from marketing campaign services, which the Group usually grants credit period for those trade receivables for no more than 60 days (2024: Same).

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the date of service provided and revenue recognised, at the end of each reporting period:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 30 days	125,342	184,007
31 to 90 days	62,792	78,943
91 to 180 days	9,672	15,698
181 to 365 days	5,170	5,060
Over 365 days	7,265	729
	210,241	284,437

As at 31 December 2025, certain of the Group's trade receivables of approximately RMB53,795,000 (2024: RMB107,405,000) were pledged to the borrowings and bank overdrafts with amounts of approximately RMB11,000,000 (2024: RMB110,000,000).

12. TRADE PAYABLES

The Group normally grants credit terms of about 90 days (2024: Same). The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

All the trade payables are non-interest bearing.

The following is an aged analysis of trade payables presented based on the transaction date, at the end of each reporting periods:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	36,163	34,016
91 to 180 days	3,798	3,003
181 to 365 days	11,005	745
Over 365 days	7,004	4,643
	57,970	42,407

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We continued to deepen our efforts in the area of digital equity and digital marketing in 2025. The digital marketing services business achieved a high compound growth rate of approximately 132.6% in the past three years and revenue from digital marketing services business accounted for approximately 48.6% of the total revenue of the Group in 2025. The Group's operating revenue for the year also increased by approximately 19.6% as compared to last year. With the improved and stabilized financial condition, the significantly optimized liability structure and the milestone breakthrough attained in the research and development of artificial intelligence products, the operating quality reached a new level. The Group achieved simultaneous improvement in operational efficiency and decision-making quality by adopting three major initiatives: constructing an intelligent analysis system for operational data, promoting the governance of core business rules, and implementing automation and model-based empowerment. The scratch building of the PowerBI analysis model, the standardization of core business processes and the wide application of Robotic process automation robots laid a solid foundation for the scale-up development and refined management and control of the Group.

In terms of digital marketing in the financial industry, we continued to provide digital equity and digital marketing services to the head offices and branches of large-scale state-owned banks, such as Bank of China Limited, China Construction Bank Corporation, Industrial and Commercial Bank of China Limited, Bank of Communications Co., Ltd., Postal Savings Bank of China Co., Ltd., while providing quality services to joint-stock banks, such as China Merchants Bank Co., Ltd, China Everbright Bank Company Limited, Industrial Bank Co., Ltd and China Minsheng Banking Corp., Ltd., and city commercial banks and rural credit cooperatives type customers, such as Bank of Beijing Co., Ltd., Bank of Shanghai Co., Ltd. and Zhongyuan Bank Co., Ltd.. Certain projects received written approval from customers, which established us as a leader in the digital equity and digital marketing industry.

The Group's e-commerce and rights distribution business ecosystem have continued to expand. We had also actively deployed Consumer-end business while continuing to expand Business-end business, and successfully deployed in the sales channels of major e-commerce platforms such as Taobao and Tmall, JD.com and Douyin in 2025. The "Niannianka Lifestyle Service Franchised Store (年年卡生活服務專營店)" under the Group won the "2025 Outstanding Collaborative Partner Award in Digital Life Industry (2025 數字生活行業優秀協同夥伴獎)" issued by Taobao and Tmall Group. During 2025, we successfully served as the third-party operator of official flagship stores of well-known brands such as Mixue Ice Cream & Tea, and strengthened in-depth cooperation with online platforms such as Alipay, Bestpay and Ping An Good Car Owner (平安好車主), realizing the two-way expansion of horizontal categories and vertical resources.

We were awarded the "2025 Excellent Content Rights Partner (2025年度內容權益優秀合作夥伴)" by Guangdong Mobile (廣東移動) for our excellent content rights integration and operation capabilities. By launching a series of co-branded marketing campaigns with leading consumer brands, such as Wanda Film, CHAGEE, Luckin Coffee and KFC, and China Mobile, we successfully extended our services to core consumption scenarios such as entertainment, tea, coffee and catering, creating an immersive consumption experience for our users.

The Company achieved a milestone breakthrough in intelligent construction and comprehensively upgraded its empowerment business through technological innovation. We launched Digifavor Assistant (數惠助手), an AI agent for WeChat Ecosystem first launched in the industry, which aims to accumulate data assets and empower internal informatization upgrade. Meanwhile, Digifavor Jucai (數惠聚採), our innovative digital equity procurement platform, is evolving steadily from a transaction matching platform that addresses the pain points of information asymmetry and high costs to a closed-loop sales lead acquisition and ecosystem-based platform. In addition, we have launched a comprehensive upgrade plan for our core technology platform, Digifavor Master System (數惠Master系統), which aims to build a highly flexible business support platform through cloud-native transformation and service-oriented transformation.

FUTURE OUTLOOK

Looking forward to 2026, we believe that China's digital economy is entering a new stage of development with higher quality and more inclusive benefits, driven by both policy support and technological innovation. Despite the uncertainties in the macro environment, the continuous optimization of the economic structure and the steady recovery of the consumer market have provided a vast growth opportunity for the digital rights and digital marketing industry. We have observed that the needs of various industries to reduce costs and increase efficiency, innovate user experience, and expand service scenarios through digital means have become more urgent and specific. In particular, the digital transformation of the financial industry has entered "deep waters", transforming from product digitalization to comprehensive business and ecological digitalization, which has brought historical opportunities for partners like us with full-link service capabilities.

At the same time, the rapid development of artificial intelligent technology is not only reshaping the business ecosystem, but also profoundly changing the nature of marketing. The industry competition is upgrading from the competition of resources and channels to the comprehensive competition of data capabilities, scenario innovation and intelligent operations. This means that pure resource supply can no longer meet customer needs, and the market is looking for service providers that can provide integrated solutions of "technology + operation + insight".

Faced with this environment, the Group's strategy is clear and firm: we will continue to adhere to the principle of "benefiting enterprises and people", focusing on the core link of digital rights, deepening the B-end empowerment and expanding C-end reach. Specifically, we will not only keep up with the technological trend and fully embrace AI to improve our internal efficiency and innovation capabilities, but also actively transform our accumulated digital capabilities into direct assistance to customers' business growth. We will integrate more deeply into the ecosystems of financial institutions and consumer brands, which transforms us from a "supplier" to a "co-operator" and help partners to build sustainable competitive advantages in the digital economy era through scenario co-construction, data co-research and value sharing. To achieve this target, we will focus on the following core strategic approaches:

Deepening core customer operation and scenario innovation: with the focus on five core customer groups and scenarios, namely B2B2C batch scenarios, green consumption and livelihood consumption, cross-border scenarios, elderly care and consumption upgrading, young people and the “goods economy”, we will implement in-depth operations on the customer base of state-owned banks. Through the core strategy of “building special zones + refined customer segment operation”, we provide a full range of scenario-based solutions, from corporate salary and benefits to carbon benefits, from cross-border services to Metaverse social finance.

Fully embrace artificial intelligence and enhance digital marketing capabilities: we will continue to promote the capability development of AI agents, and use AI technology to comprehensively enhance our digital marketing capabilities in areas such as demand insight, marketing planning and user operations. Meanwhile, the Company insisted on developing self-developed products and exploring innovative business models.

Building a solid operation and system support framework: at the customer business level, the financial customer strategy of “deepening cooperation between head office + differentiated operation of branches + scenario-based marketing” and the corporate customer strategy of “operator dual-track promotion + core customer empowerment + channel distribution optimization” is implemented. At the operation management level, we will build a standardized, refined and intelligent execution path focusing on segments like event marketing, user operation, account settlement, customer empowerment, system assurance and dynamic adjustment of resources, and ensure efficient resource allocation and operational excellence through upgrading data center BI, establishing customer business classification model, restructuring and optimizing the process.

Financial Review

Revenue

For the Reporting Period, the Group recorded a revenue of approximately RMB153.8 million, representing an increase of approximately 19.6% as compared with approximately RMB128.6 million for the year ended 31 December 2024. The increase in revenue was primarily due to the increase of transaction volume of digital marketing services business during the Reporting Period.

In 2025, the Group achieved a revenue of approximately RMB74.8 million in the digital marketing services business, representing a significant increase as compared with the revenue of approximately RMB24.1 million for the same period in 2024, which was mainly due to the continuous expansion of cooperation between operating subsidiaries of the Group and China's mainstream platforms such as Douyin, Taobao, Tmall, JD.com and Pinduoduo in 2025 and strengthening of cooperation with customers in financial channels and large state-owned banks such as the Industrial and Commercial Bank of China Limited, Bank of Communications Co., Ltd. and China Construction Bank Corporation, which led to a significant increase in digital commodity transactions.

Cost of Revenue

Cost of revenue increased by approximately 140.9% to approximately RMB56.6 million for the year ended 31 December 2025 from approximately RMB23.5 million for the year ended 31 December 2024, primarily due to the increase in the cost of digital marketing related services during the year ended 31 December 2025.

Gross Profit and Gross Profit Margin

Gross profit decreased by approximately 5.4% to approximately RMB96.6 million for the year ended 31 December 2025 from approximately RMB102.1 million for the year ended 31 December 2024.

The Group's overall gross profit margin decreased slightly to approximately 62.8% for the year ended 31 December 2025 from approximately 79.4% for the year ended 31 December 2024.

Other Income, net

Other income, net decreased by approximately 21.1% to approximately RMB5.6 million for the year ended 31 December 2025 from approximately RMB7.1 million for the year ended 31 December 2024. Such decrease was primarily due to the net effect of the decrease in government subsidy and the increase in service income from selling of the technological products.

Distribution and Selling Expenses

Distribution and selling expenses increased by approximately 64.8% to approximately RMB27.2 million for the year ended 31 December 2025 from approximately RMB16.5 million for the year ended 31 December 2024, mainly due to the structure reorganization of the marketing team by the Group in response to business expansion during the year ended 31 December 2025, which led to an increase in labor costs and business sales expenses as compared to the previous year.

Administration Expenses

Administration expenses decreased by approximately 33.2% to approximately RMB25.7 million for the year ended 31 December 2025 from approximately RMB38.5 million for the year ended 31 December 2024, mainly attributable to the decrease in staff costs in response to the structure organization during the Reporting Period.

Research and Development Expenses

Research and development expenses increased by approximately 3.2% to approximately RMB12.9 million for the year ended 31 December 2025 from approximately RMB12.5 million for the year ended 31 December 2024, primarily due to the increase in staff costs during the Reporting Period.

Finance Costs

Finance costs increased by approximately 3.1% to approximately RMB3.3 million for the year ended 31 December 2025 from approximately RMB3.2 million for the year ended 31 December 2024, primarily due to the capital needs for various new digital marketing services business projects, which led to an increase in average bank borrowings during the Reporting Period.

Income Tax Expense

The Group's income tax expense decreased from approximately RMB9.0 million for the year ended 31 December 2024 to approximately RMB4.7 million for the year ended 31 December 2025, which was mainly due to the decrease in total assessable profit for the Reporting Period.

Profit for the Year Attributable to Owners of the Company

As a result of cumulative effects of the foregoing, profit attributable to owners of the Company for the year ended 31 December 2025 was approximately RMB28.7 million, as compared with profit attributable to owners of the Company for the year ended 31 December 2024 of approximately RMB31.9 million, mainly because the Group continued to develop new businesses related to digital marketing services during the Reporting Period, which led to an increase in costs and expenses as compared to the corresponding period of previous year.

Liquidity, Financial Resources and Capital Structure

There has been no change in the capital structure of the Company during the Reporting Period. The capital of the Company consists of net debts (including borrowings), net cash and cash equivalents and equity attributable to owners of the Company (including issued share capital, retained earnings and other reserves). The cash and cash equivalents were mainly denominated in RMB and Hong Kong dollars. Certain financial data are summarized as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cash and cash equivalents	83,551	50,841
Net current assets	333,454	313,611
Net cash generated from/(used in) operating activities	134,653	(123,716)
Net cash used in investing activities	(17,196)	(2,745)
Net cash (used in)/generated from financing activities	(54,673)	47,648

As at 31 December 2025, cash and cash equivalents of the Group was approximately RMB83.6 million, as compared with approximately RMB50.8 million as at 31 December 2024. The Group reported net current assets of approximately RMB333.5 million as at 31 December 2025, as compared with approximately RMB313.6 million as at 31 December 2024. The Group's current ratio was approximately 3.1 as at 31 December 2025, as compared with approximately 2.3 as at 31 December 2024.

For the year ended 31 December 2025, net cash generated from operating activities was approximately RMB134.7 million, as compared with net cash used in operating activities of approximately RMB123.7 million for the year ended 31 December 2024. For the year ended 31 December 2025, net cash used in investing activities was approximately RMB17.2 million, as compared with net cash used in investing activities of approximately RMB2.7 million for the year ended 31 December 2024. For the year ended 31 December 2025, net cash used in financing activities was approximately RMB54.7 million, as compared with net cash generated from financing activities of approximately RMB47.6 million for the year ended 31 December 2024. The increase in net cash generated from operating activities was due to decrease in advance payments to upstream suppliers and decrease in trade receivables from customers.

The Group generally finances its operation with internally generated cash flow and credit facilities provided by its principal bankers. The management reviews the Group's capital needs on a monthly basis to meet the capital requirement for mobile top-up services and new business operations related to digital marketing services. As at 31 December 2025, the borrowings of the Group were approximately RMB41.0 million, as compared with approximately RMB122.0 million as at 31 December 2024. As at 31 December 2025, the total borrowings, being interest-bearing borrowings which were denominated in RMB, carried interest rate ranging from 2.6% to 3.9% per annum (31 December 2024: interest rate ranging from 3.1% to 4.9% per annum) and were repayable within one to five years (31 December 2024: within one year). For the years ended 31 December 2024 and 2025, the Group had not used any financial instruments for hedging purposes.

The Group continues to adopt a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. The Board closely monitors the liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Trade Receivables

Trade receivables mainly represent receivables from the Group's customers in relation to its mobile charges and mobile data usage top-up services, digital marketing services and telecommunication equipment business with amounts of approximately RMB80.1 million, RMB124.3 million and RMB7.1 million, respectively. Trade receivables from mobile top up service decreased from approximately RMB113.8 million for the year ended 31 December 2024 to approximately RMB80.1 million for the year ended 31 December 2025, primarily due to the decrease in transactions with longer credit period (about 30 to 45 days from invoice date) with the banks.

Trade receivables turnover days (calculated by the average of the beginning and ending balances of trade receivables of the year, divided by the gross transactions value for the year and multiplied by 365 days) for the year ended 31 December 2025 was 7.45 days (for the year ended 31 December 2024: 5.96 days). The Company realised that the increase in transactions with longer credit period would require a much closer monitoring of the settlement in order to ensure business turnover. The Company will continue to monitor the credit risk by ongoing review the settlement of customers, and evaluate the credit limits annually accordingly to the track record and financial position of the counterparties. The Group's trading terms with the customers of the telecommunication equipment business, are mainly on credit with credit periods ranging from three months to three years depending on several factors including trade practice, the size of the contracts, credibility and reputation of the customers. In order to manage the credit risks associated with trade receivables with these customers effectively, credit limits of these customers are evaluated periodically. Overdue balances are reviewed regularly by the senior management. An impairment analysis is performed at each reporting date to measure expected credit losses.

Gearing Ratio

As at 31 December 2025, the gearing ratio (calculated by dividing borrowings by total equity as at the end of the year) of the Group decreased to approximately 12.2% from approximately 39.5% as at 31 December 2024 due to the decrease in borrowings during the Reporting Period.

Capital Expenditures

For the year ended 31 December 2025, the Group had capital expenditure of approximately RMB0.4 million, as compared with approximately RMB1.5 million for the year ended 31 December 2024.

Significant Investments

On 1 September 2025, Shenzhen NNK entered into a partnership agreement (the "**Partnership Agreement**") with an independent third-party fund management company and an independent third-party individual for the establishment of Jiaxing Yunhui Xinzhi Equity Investment Partnership (Limited Partnership)* (嘉興雲惠新智股權投資合夥企業(有限合夥)) ("**Jiaxing Yunhui**") with an investment amount of RMB19.0 million.

Save as disclosed above, the Group did not hold any significant investments during the year ended 31 December 2025.

Capital Commitments

During the Reporting Period, the Group paid the capital commitment of RMB19.0 million which was related to the establishment of Jiaxing Yunhui.

Foreign Exchange Risk

The Group's reporting currency is in RMB to which the Group's material transactions are denominated. The net proceeds from global offering are denominated in Hong Kong Dollars, which exposes the Group to market risk arising from fluctuations in foreign exchange rate. The Group currently does not have a foreign currency hedging policy. However, the management of the Group will monitor foreign exchange exposure closely and consider the usage of hedging instruments when the need arises.

Charges on Assets

As at 31 December 2025, borrowings with amounts of RMB11.0 million were partially secured by certain trade receivables of the Group (2024: RMB112.0 million were partially secured by certain trade receivables and bank deposits of the Group).

Contingent Liabilities and Guarantees

As at 31 December 2025 and 2024, the Group did not have any significant contingent liabilities, guarantees or any litigation.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 1 September 2025, Shenzhen NNK entered into the **Partnership Agreement** with an independent third-party fund management company and an independent third-party individual for the establishment of Jiaxing Yunhui. Pursuant to the Partnership Agreement, the Group fully subscribed to the capital contribution of RMB19.0 million for Jiaxing Yunhui in 2025.

Jiaxing Yunhui intends to invest primarily in unlisted enterprises which are in the early stage and growth stage, of which have innovative capacity, in the new consumption and artificial intelligence fields, and support the development of such enterprises by way of equity investment. The Group believes that participating in potential growth areas such as new consumption and artificial intelligence through fund platforms can help the Group expand its investment portfolio and diversify investment risks. The technologies or products of some potential investees may be complementary to the Group's existing business, creating possibilities for future cooperation.

Save as disclosed above, for the year ended 31 December 2025, the Group did not have any specific plan for material investments or acquisition of material capital assets.

MATERIAL ACQUISITIONS OR DISPOSALS

During the Reporting Period, there was no material acquisition or disposal of subsidiaries, associated companies and joint ventures by the Group.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (“AGM”) will be held on Monday, 11 May 2026. Notice of the AGM will be published in due course.

For determining the entitlement to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from Wednesday, 6 May 2026 to Monday, 11 May 2026, both days inclusive, during which period no share transfers can be registered. In order to qualify for attending and voting at the AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 5 May 2025. Shareholders of the Company (the “Shareholders”) whose names are recorded in the register of members of the Company on Monday, 11 May 2026 are entitled to attend and vote at the AGM.

DIVIDEND

The Directors did not recommend payment or the declaration of final dividend for the year ended 31 December 2025.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had 159 (31 December 2024: 156) full-time employees. Total staff cost (including Directors’ remuneration) was approximately RMB49.6 million for the year ended 31 December 2025, as compared with approximately RMB51.8 million for the year ended 31 December 2024. The Group believes that employees are one of its most important assets and the Group strives to offer a competitive remuneration to its employees. The Group has been recruiting and promoting individuals based on merit and their development potentials. Remuneration package offered to all employees including Directors is determined with reference to their performance, qualifications, experience and the prevailing salary levels in the market. Apart from basic remuneration, share options or award may be granted under the share schemes of the Company to eligible participants (including employees or Directors) by reference to the Group’s performance as well as the individual’s contribution. Besides, the Group has been providing training opportunities for its employees in order to enhance their qualifications and equip them with necessary skills.

The Company adopted a share option scheme (the “**2024 Share Option Scheme**”) on 30 October 2024 in order to recognise and acknowledge the contributions which the eligible participants have made or may make to the Group. No share option has been granted, exercised, lapsed nor cancelled by the Company under the 2024 Share Option Scheme since its adoption up to the year ended 31 December 2025.

The Company adopted a share award scheme (the “**2024 Share Award Scheme**”) on 30 October 2024 in order to recognise and acknowledge the contributions which the eligible participants have made or may make to the Group. No share award has been granted by the Company under the 2024 Share Award Scheme since its adoption up to the year ended 31 December 2025.

The terms and details of the 2024 Share Option Scheme and the 2024 Share Award Scheme are set out in the circular of the Company dated 14 October 2024.

USE OF PROCEEDS FROM GLOBAL OFFERING

The Company's Shares were listed on the Main Board of the Stock Exchange on 7 January 2016 and the Company raised net proceeds (after the exercise of the over-allotment option and after deducting the underwriting fees, commissions and other expenses payable by the Company in connection with the global offering of the Company) of approximately HK\$52.0 million. The utilisation of the net proceeds was in accordance with the proposed allocation as set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 24 December 2015 (the "**Prospectus**").

The table below sets out the detailed items of the use of proceeds from the initial public offering as at 31 December 2025:

	Net proceeds from the initial public offering as stated in the Prospectus <i>Approximately in HK\$ million</i>	Net proceeds after the exercise of the over-allotment option <i>Approximately in HK\$ million</i>	Balance unutilised as at 1 January 2025 <i>Approximately in HK\$ million</i>	Amount utilised during the year ended 31 December 2025 <i>Approximately in HK\$ million</i>	Balance unutilised as at 31 December 2025 <i>Approximately in HK\$ million</i>
Intensify the internet marketing campaigns and online advertisements	15.7	10.4	–	–	–
Upgrade the hardware and network infrastructure	15.7	10.4	–	–	–
Software and research and development activities	11.8	7.8	–	–	–
Source mobile top-up credits	15.7	10.4	–	–	–
Potential acquisitions of businesses and assets that are complementary to the Group's business and operations, such as online services and other internet related businesses, or forming strategic alliance with value chain partners	11.8	7.8	2.4	2.4	–
General working capital and other general corporate purposes	8.0	5.2	–	–	–
Total	78.7	52.0	2.4	2.4	–

As at 31 December 2025, the proceeds from the initial public offering has been fully utilized.

EVENTS AFTER THE REPORTING PERIOD

There was no significant event that might affect the Group since 31 December 2025.

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

As at 31 December 2025, the Company did not hold any treasury shares.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Director's securities transactions. Specific enquiries have been made to all Directors and all Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the year ended 31 December 2025.

CORPORATE GOVERNANCE

It is the belief of the Board that good corporate governance plays a vital part in maintaining the success of the Company. The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate accountability.

The Company has complied with all the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules throughout the year ended 31 December 2025. The Company will continue to review the current corporate governance structure from time to time and shall make necessary changes when appropriate and report to Shareholders accordingly.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the code provision of CG Code. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process, risk management and internal control system of the Group, oversee the audit process and select external auditors and assess their independence and qualifications. The Audit Committee consists of three independent non-executive Directors, being Mr. Zhang Mingqun, Dr. Li Yao and Ms. Hong Ting. Ms. Hong Ting is the chairwoman of the Audit Committee.

The Audit Committee have reviewed the annual results of the Group for the year ended 31 December 2025 and agreed to the accounting principle and practices adopted by the Group.

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Moore CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 26 March 2026. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no opinion or assurance conclusion has been expressed by Moore CPA Limited on the preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ysdf.com.cn). The 2025 annual report will be published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Yinsheng Digifavor Company Limited
Mr. Chong Wing Kin
Chairman and Non-executive Director

Hong Kong, 26 March 2026

As at the date of this announcement, Dr. Zhou Jinhuang, Mr. Huang Junmou and Mr. Guo Wei are the executive Directors; Mr. Chong Wing Kin and Mr. Yu Zida are the non-executive Directors; and Mr. Zhang Mingqun, Dr. Li Yao and Ms. Hong Ting are the independent non-executive Directors.

The English text of this announcement shall prevail over its Chinese text in case of inconsistency.