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## Be Friends Holding Limited

交個朋友控股有限公司

*(Incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock Code: 1450)**

### ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

#### FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Be Friends Holding Limited (the “**Company**”) hereby presents the audited consolidated final results of the Company and its subsidiaries (collectively, the “**Group**” or “**we**”) for the year ended 31 December 2025 (the “**Reporting Period**” or the “**Year**”), together with the comparative figures for the year ended 31 December 2024 (the “**Corresponding Period of the Previous Year**” or the “**Previous Year**”). The audited consolidated final results of the Group have been reviewed by the audit committee of the Company.

#### KEY HIGHLIGHTS

#### FINANCIAL SUMMARY

	For the year ended 31 December					
	2025			2024		
	Continuing operations	Discontinued operations	Consolidated total	Continuing Operations	Discontinued Operations	Consolidated Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	1,486,523	61,474	1,547,997	1,138,144	112,360	1,250,504
Gross profit	603,234	27,207	630,441	574,271	32,473	606,744
Profit (Loss) for the year	89,708	(2,054)	87,654	94,257	(22,027)	72,230
Adjusted net profit (loss)*	115,900	166	116,066	142,182	(20,204)	121,978

\* For details of the adjusted net profit based on the non-HKFRS measures, please refer to the paragraph headed “Reconciliation of the Non-HKFRS Measures to the Nearest HKFRS Measures” in this announcement.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

In 2025, China's live-streaming e-commerce industry had fully entered a phase of refined operations, with overall growth slowing to a moderate pace. For live-streaming e-commerce platforms, on the one hand, the cost of acquiring traffic continues to rise, placing higher demands on their ability to conduct refined operations; on the other hand, consumer demands and attitudes are undergoing profound changes, with higher expectations for the quality of live-streaming content, the value for money of products, and after-sales service. At the same time, we deeply recognise that the live-streaming e-commerce model has become deeply integrated into China's consumer market. It is not only an indispensable component of online retail but is increasingly becoming a "new type of infrastructure" that connects production with consumption and urban areas with rural regions.

During the Reporting Period, the Group recorded revenue of approximately RMB1,548 million, representing an increase of approximately 23.8% compared to RMB1,251 million for the Corresponding Period of the Previous Year. This growth was primarily attributable to the steady expansion of our Matrix Live Channel. During the same period, net profit amounted to approximately RMB88 million, representing a year-on-year increase of 21.4%, which is a strong testament to the Group's refined operational capabilities. Adjusted net profit\* amounted to approximately RMB116 million, representing a year-on-year decrease of 4.8%, which was primarily attributable to the Group's adjustment of its annual equity and cash incentive program.

Looking back, we have successfully achieved multiple strategic leaps — from being driven by "personal IP" to corporate-level standardised operations, and further to a matrix, standardised model — by leveraging Douyin and Taobao Live as its core platforms. In 2025, the Company comprehensively upgraded its strategic positioning to become an AI-driven new retail enterprise, establishing a business system that deeply integrates "content + e-commerce + AI" — using high-quality content to build user assets, leveraging efficient e-commerce to achieve a closed-loop commercial ecosystem, whilst AI serves as the underlying capability, permeating the entire business chain to ensure content reaches users more effectively and transactions are converted with greater precision, thereby creating tangible, systemic advantages. At the same time, we continue to advance refined operations, achieving in-depth coverage of consumers' round-the-clock, full-category needs through a coordinated layout across multiple verticals and scenarios. We are continuously building a compliant operational system, embedding product selection review, live-streaming content standards and after-sales services as fundamental organisational capabilities. We are not merely facilitators of e-commerce transactions; we are committed to becoming a trusted partner for a quality lifestyle.

\* For details of the adjusted net profit based on the non-HKFRS measures, please refer to the paragraph headed "Reconciliation of the Non-HKFRS Measures to the Nearest HKFRS Measures" in this announcement.

The Group firmly believes that artificial intelligence (AI) has become the key driver reshaping the structure of the live-streaming e-commerce industry. In 2025, adopting a forward-looking perspective, we continued to increase our investment in technology, establishing a live-streaming e-commerce AI platform that covers the full chain. This platform is deeply embedded throughout the entire business process: at the front-end product selection stage, by analysing real-time consumer data and trends across the entire network, we are attempting to achieve accurate predictions of bestsellers and intelligent supply chain management, driving product selection decisions from experience-driven to data-driven “rational decision-making”; at the mid-end content production stage, AI technology significantly enhances the efficiency of live-streaming material generation and the precision of marketing content reach; in the back-end compliance and risk control phase, relying on an AI review system to automate the verification of qualifications, product efficacy and live-streaming content, thereby significantly improving compliance management efficiency amidst a vast and complex array of SKUs. More importantly, we have not stopped at internal efficiency gains, but are committed to transforming our accumulated AI capabilities into service offerings available to external clients. We firmly believe that our in-depth strategic deployment of AI not only builds a moat for the Company’s current operations but also lays a solid foundation for opening up a second growth curve in the future.

Whilst continuing to refine our “Matrix Live Channel”, we successfully resolved the structural contradiction between “expanding the number of live streaming rooms and improving their quality” during the Reporting Period — optimising the output efficiency of Matrix Live Channel, consolidating underperforming channels, and concentrating resources to build leading vertical-category matrices; through the deep integration of algorithmic recommendations and demand insight technologies, we have achieved precise identification and matching of vertical user groups, creating differentiated content scenarios and interactive experiences for consumers across different segments. By strengthening real-time data feedback mechanisms and dynamically optimising product curation strategies and visual presentation, we have achieved a dual improvement in market penetration efficiency and user retention. Concurrently, we have established a replicable supply chain management system to ensure product quality and timely fulfilment; we have built a systematic talent development pipeline for live streamers, transforming individual capabilities into organisational strengths; we have also refined a sophisticated operational middle-office system to support high-concurrency collaboration across multiple live streams. As a result, the Company’s Matrix Live Channel has become a key driver of the Group’s GMV and revenue growth in 2025, demonstrating robust business resilience and the underlying capabilities for sustainable growth.

During the Year, the Group consistently treated compliance as a redline for corporate development. Addressing the characteristics of the live-streaming e-commerce industry, namely, a vast number of SKUs and rapidly evolving information, we developed an AI review system to automate the screening and multi-verification of product efficacy, advertising claims and risk warnings. Concurrently, we conducted regular legal and regulatory training for staff to enhance compliance awareness; we established a millisecond-level AI compliance risk control system to enable real-time review of live-streaming content, effectively mitigating compliance risks.

Additionally, the Group strictly adhered to the principles of sustainable development. It signed the Shanghai Live-Streaming E-Commerce Industry Self-Discipline Convention, establishing a multidimensional risk control system involving product selection reviews, compliance training and consumer rights protection to promote industry standardisation. The Group focused on creating social value by supporting micro-, small- and medium-sized enterprises' transformation through industrial zone partnerships and launching an "Employee Care Fund" to improve a multi-level protection plan that includes medical, accident, and mental health support, reinforcing corporate social responsibility and long-term talent competitiveness. In October 2025, we signed a Memorandum of Understanding with China Media Group for the "National Brand Project — Co-creation of Business Ecosystems" initiative, aiming to jointly build a new business ecosystem characterised by "resource sharing, value co-creation and shared responsibility". In November 2025, we donated HKD1.00 million in emergency relief for the Tai Po fire in Hong Kong, earmarked specifically for medical treatment, temporary accommodation and transitional living support for affected residents. With its outstanding operational performance and commitment to sustainable development, the Group received prestigious awards, such as the Hangzhou Credit Management Demonstration Enterprise, Outstanding Organisation of 2025, Ecosystem Value-Creating MCN, 2025 Douyin E-commerce Specialist, 2025 China's Best Innovation Practice Case in Consumer Goods, and Influential Digital Influencer E-commerce Agency of the Year, fully demonstrating the high industry recognition for its standardized governance and social value creation capabilities.

To further establish the Group's competitive barriers and market influence in the live-streaming e-commerce sector, the Group entered into an Equity Purchase Agreement on 5 August 2025 to acquire 100% equity interests in Hangzhou Be Friends Education Technology Co., Ltd. ("**E-commerce Academy**"), with the transaction completed in December 2025. Following the completion of the acquisition, E-commerce Academy became an indirect wholly-owned subsidiary of the Company. The Group will undertake resource integration across multiple dimensions to strengthen synergies between the two entities and create greater value for shareholders.

## FUTURE OUTLOOK

During the Year, we have maintained our operational resilience amidst a complex and volatile market environment. Looking ahead, we will remain steadfastly focused on long-term value. Whilst consolidating the foundations of our multi-platform, matrix-based and refined operations, we will fully embrace a new phase driven by AI technology, striving to become a new retail service provider powered by AI, with data as our asset and consumer trust as our cornerstone.

- We will drive matrix and refined operations from a “quantitative deployment” towards “ecosystem building”, harnessing the combined strength of live-streaming channels at different tiers to strengthen user retention and evolve the matrix into an organically coordinated network. By establishing an industrialised content production system and accumulated performance data, we will gradually optimise traffic structure. More importantly, we will consolidate this operational methodology into replicable, standardised capabilities, providing systematic support for the business’s continued expansion.
- We will continue to iterate on the “Friends Cloud” and our AI full-chain platform. Our objective is not only to enhance internal operational efficiency but also to upgrade the operational logic of “people, goods, and venue” through AI. We will prioritise the deep integration of AI capabilities with business processes, further advancing the intelligent upgrading of product selection, content and compliance, so that AI technology truly becomes the driving engine of business growth.
- We will continue to leverage our extensive consumer data to optimise the precise matching of products and users, driving product selection from experience-based judgement towards accurate prediction, and helping brands reach their target audiences more efficiently. The resulting improvements will ultimately manifest as consumers gaining access to products offering better value for money, and partners securing greater value potential.
- We will strictly adhere to industry regulations and platform rules, strengthen compliance governance, and build a robust barrier of brand trust through compliant operations to safeguard the industry’s reputation and our corporate standing. Upgrading product quality control capabilities from “point-based oversight” to “system-driven empowerment”: building upon existing supplier onboarding and random inspection mechanisms, we will systematically consolidate past product selection experience and review cases, transforming fragmented quality control knowledge into standardised internal operational guidelines and tiered management rules, thereby further embedding compliance as an organisational capability. In 2026, the Group consolidated the compliance functions previously scattered across various business units into an independent compliance department, establishing a comprehensive compliance framework. We remain steadfast in safeguarding the fundamental principles of the Company’s survival and development, ensuring steady progress in a complex and volatile market environment.

## **FINANCIAL REVIEW**

### **Revenue**

During the Year, benefited from the expansion of its matrix live-streaming channels and the multiplatform strategies, revenue generated from the Group's continuing operations, being the New Media Services Segment, amounted to approximately RMB1,486.5 million, representing an increase of approximately 30.6% as compared to approximately RMB1,138.1 million for the Previous Year.

### **Cost of services**

The cost of services for the New Media Services Segment of the Group amounted to approximately RMB883.3 million, representing an increase of approximately 56.6% as compared to approximately RMB563.9 million for the Previous Year, which was primarily due to the increase in revenue of the Group's New Media Services Segment during the Year and the rising platform traffic acquisition cost, which in turn, increased the cost of services.

### **Gross profit and gross profit margin**

The gross profit for the New Media Services Segment of the Group amounted to approximately RMB603.2 million, representing an increase of approximately 5.0% as compared to approximately RMB574.3 million for the Previous Year, and the gross profit margin for this segment decreased from approximately 50.5% for the Previous Year to approximately 40.6% for the Year, which was also due to the rising platform traffic acquisition cost.

### **Other gains, net**

Other gains, net of the New Media Services Segment were approximately RMB23.4 million and RMB16.9 million for the Year and the Corresponding Period of the Previous Year respectively. The above mentioned variations were mainly due to the increase in government grant during the Year.

### **Administrative expenses**

The administrative expenses of the New Media Services Segment during the Year and the Previous Year were approximately RMB158.8 million and RMB169.7 million respectively, representing a decrease of 6.4%. The decrease in administrative expenses was primarily due to the digital management upgrades in the New Media Services Segment, which leveraged digital tools to enable cross-departmental resource sharing and the reduction of waste to lower administrative expenses.

## **Selling expenses**

The selling expenses of the New Media Services Segment during the Year and the Previous Year were approximately RMB339.2 million and RMB300.1 million respectively, representing an increase of 13.0%. The increase in selling expenses was mainly due to the increase in marketing manpower cost investment in the New Media Services Segment based on business strategy expansion, core talent reserves and compliance operation needs.

## **Finance (costs) income, net**

During the Year, the net finance costs of the New Media Services Segment were approximately RMB0.7 million and while the net finance income for the Previous Year was approximately RMB2.1 million, representing an increase of approximately RMB2.8 million. The increase in finance costs was mainly due to the adjustment of capital demand of the New Media Services Segment as a result of business expansion and changes in the external financial market environment. In particular, the increase in interest expenses on bank and other borrowings was due to the provision of financial support for the development of core businesses. The decrease in interest income on bank deposits was the Company's decision to actively optimize capital allocation and prioritize business liquidity.

## **Income tax expense**

During the Year and the Previous Year, income tax expense of the New Media Services Segment amounted to approximately RMB35.3 million and RMB29.1 million respectively. The increase in income tax expense was mainly due to the rise in withholding tax resulting from dividend distributions from the Chinese Mainland subsidiary to its overseas parent company.

## **Profit for the year from continuing operations**

As a result of the aforementioned factors, the Group recorded a net profit of the New Media Services Segment of approximately RMB89.7 million and RMB94.3 million for the Year and the Previous Year, respectively. Such change was mainly due to the increase in income tax expense.

## Reconciliation of the Non-HKFRS Measures to the Nearest HKFRS Measures

To supplement the consolidated financial statements, which are presented in accordance with HKFRSs, the Company also uses adjusted net profit as additional financial measures, which are not required by, or presented in accordance with, HKFRSs. The Company believes adjusted net profit facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items which the management considers non-indicative of operating performance of the Group, such as certain non-cash items, one-off items or items which are not operating in nature.

The Company believes adjusted net profit provides useful information in understanding and evaluating its consolidated results of operations to assist management. However, the adjusted net profit may not be comparable to similarly titled measures of other companies. The use of adjusted net profit has limitations as an analytical tool, and anyone should not consider it in isolation from, or as a substitute for an analysis of, its results of operations or financial condition as reported under HKFRSs. In addition, these non-HKFRS financial measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

The following table sets forth the reconciliations of non-HKFRS financial measures of the Group for the years ended 31 December 2025 and 2024 respectively, to the nearest measures prepared in accordance with HKFRSs:

	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit for the year</b>	<b>87,654</b>	72,230
<b>Adjusted for:</b>		
Share based payment expenses	<b>24,775</b>	47,925
Loss on disposal of subsidiaries	<b>2,220</b>	–
Change in fair value of contingent consideration receivable	–	1,823
Change in fair value of financial assets at fair value through profit or loss	<b>1,417</b>	–
<b>Adjusted net profit</b>	<b>116,066</b>	121,978

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Net cash inflow from the Group's operating activities amounted to approximately RMB357.9 million for the Reporting Period and net cash outflow used in the Group's operating activities amounted to approximately RMB27.6 million for the Previous Year. Such increase was mainly due to the year-on-year growth in operating revenue of the Group by expanding its vertical product category matrix and strengthening refined operations, which established the core foundation for the growth of cash inflows from operating activities. Meanwhile, the Group strengthened the collection control of downstream partners and further increased cash inflows from operating activities through measures such as shortening the settlement cycle, optimizing the reconciliation process, and establishing a collection assessment mechanism.

Net cash outflow used in the Group's investing activities amounted to approximately RMB137.0 million for the Year and net cash outflow used in the Group's investing activities amounted to approximately RMB58.4 million for the Previous Year. The increase in cash flow used in investing activities was mainly due to the Group's acquisition of subsidiaries in cash during the Reporting Period.

Net cash outflow used in the Group's financing activities amounted to approximately RMB19.9 million for the Reporting Period and net cash inflow from the Group's financing activities amounted to approximately RMB52.5 million for the Corresponding Period of the Previous Year. The net cash outflow of financing activities during the Reporting Period was mainly attributable to the reduction in bank and other borrowings.

The total bank and other borrowings of the Group decreased from approximately RMB212.1 million as at 31 December 2024 to approximately RMB60.0 million as at 31 December 2025. The decrease was mainly attributable to derecognise through the disposal of subsidiaries during the Reporting Period.

As at 31 December 2025, the Group had current assets of approximately RMB664.2 million (as at 31 December 2024: approximately RMB704.2 million) and current liabilities of approximately RMB388.3 million (as at 31 December 2024: approximately RMB470.9 million). The current ratio (which is calculated by dividing current assets by current liabilities) slightly increased to approximately 1.7 as at 31 December 2025 from approximately 1.5 as at 31 December 2024.

The overall strategy for capital management of the Group remains unchanged from the prior years. The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued capital and reserves. The Group has adopted a prudent financial management and treasury policy. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its capital requirements from time to time, while maximising the return to Shareholders through the optimisation of the debt and equity balance.

Bank balances and cash of the Group as at 31 December 2025 were mainly denominated in Renminbi (“RMB”) and Hong Kong Dollar (“HKD”).

### **FOREIGN EXCHANGE EXPOSURE**

The Group is mainly exposed to foreign exchange risk arising from various currency exposures, primarily with respect to HKD and United States Dollars (“USD”). Foreign exchange risk arose from future commercial transactions, recognised assets and liabilities which are denominated in non-RMB.

The management of the Group has formulated policies to require the Group's companies to manage their foreign exchange risk against their functional currency. The Group's companies are required to control the exposure of the foreign currency during the business operation. Save for certain bank balances are denominated in HKD and USD, the impact of foreign exchange exposure on the Group was minimal and there was no significant adverse effect on normal operations. During the Reporting Period, the Group did not commit to any financial instruments to hedge its exposure to foreign exchange risk. However, the management of the Group monitors foreign exchange exposure of the Group and will consider hedging significant foreign currency exposure should the need arise.

### **INTEREST RATE RISK**

Other than bank balances with variable interest rates, the Group has no other significant interest-bearing assets. The management of the Group does not anticipate significant impact on interest-bearing assets resulting from the changes in interest rates since the interest rates of bank balances are not expected to change significantly.

The Group's interest rate risk arises from bank and other borrowings with fixed interest rates. Bank borrowings carried at fixed rates expose the Group to cash flow interest rate risk which is partially offset by bank balances with variable rates. The Group has not hedged its cash flow interest rate risks.

## **CHARGE OVER ASSETS OF THE GROUP**

As at 31 December 2025, the Group's bank balance of RMB19.7 million was pledged for general trade facilities used (2024: bank borrowing of RMB12 million are secured by the buildings with carrying amount of RMB20.4 million and bank borrowing of RMB42.8 million are secured by the pledged bank deposits of RMB42.5 million).

## **GEARING POSITION**

The gearing ratio, which represented net debt (total debts less long-term bank deposits, pledged bank deposits and bank balances and cash) divided by total equity multiplied by 100%, was approximately 17% as at 31 December 2024. As at 31 December 2025, the Group was in a net cash position and accordingly the gearing ratio is not applicable. This transition to a net cash position was primarily attributable to the combined effect of a decrease in bank borrowings and an increase in bank balances during the Reporting Period.

## **CONTINGENCIES**

As at 31 December 2025, the Directors were not aware of any significant events that would have resulted in material contingent liabilities.

## **FINAL DIVIDEND**

The Board recommends the payment of a final dividend of HKD0.05 per share for the year ended 31 December 2025 (2024: Nil), totaling approximately HKD70.2 million based on the number of shares issued (excluding treasury shares) as at the date hereof. The 2,550,000 shares of treasury shares of the Company held by the Company do not carry dividend. This proposed dividend is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting.

## **DISTRIBUTABLE RESERVES**

As at 31 December 2025, based on the financial information, the Company's reserves available for distribution to equity holders, comprising the share premium and accumulated loss, amounted to approximately RMB61.9 million (as at 31 December 2024: approximately RMB17.2 million), of which the share premium amounted to approximately RMB323.0 million.

## **MAJOR CUSTOMERS AND SUPPLIERS**

For the Reporting Period, revenue generated from the Group's five largest customers accounted for approximately 9.5% (2024: 11.0%) of the Group's total revenue and the revenue from the largest customer included therein accounted for approximately 5.0% (2024: 5.3%) of the Group's total revenue.

For the Reporting Period, supplies provided by the Group's five largest suppliers accounted for approximately 60.2% (2024: 36.5%) of the Group's total cost of sales and supplies provided by the largest supplier included therein accounted for approximately 24.7% (2024: 9.1%) of the Group's total cost of sales.

None of the Directors or any of their close associates or any shareholders of the Company (which, to the knowledge of the Directors, own more than 5% of the Company's issued shares) had any interests in the Group's five largest customers and/or five largest suppliers for the Reporting Period.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2025, the Group had a total of 1,408 employees, including the Group's full-time, part-time, and intern staff (as at 31 December 2024: 1,475 employees).

The Group has formulated its emolument policy which sets out the basis for the remuneration of the employees and their remuneration structure comprising basic wage, allowances, benefits, and others, and grants employees share awards as appropriate based on the assessment of individual performance. The Company has made contributions to, among others, social insurance, medical insurance, housing provident fund and mandatory provident fund on behalf of its employees in accordance with the relevant laws and regulations requirements of the PRC and Hong Kong.

Further details of the remuneration policies for the Directors will be set out in the 2025 annual report of the Company.

## SHARE AWARD PLANS AND SHARE OPTION SCHEME

In order to recognise and reward the contribution of certain eligible participants to the growth and development of the Group and comply with the requirements of the Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) which has become effective on 1 January 2023, the Company adopted 2022 share award plan (the “**2022 Share Award Plan**”) on 8 December 2022.

Pursuant to 2022 Share Award Plan, the Board has resolved on 10 April 2025 to award an aggregate of 10,473,300 awarded shares (the “**First-half 2025 Awarded Shares**”) at nil consideration to several selected participants. In addition, the Board has resolved on 10 October 2025 to award an aggregate of 865,000 awarded shares (the “**Second-half 2025 Awarded Shares**”) at nil consideration to several selected participants. Subject to the satisfaction of the vesting criteria and conditions of the 2022 Share Award Plan, the First-half 2025 Awarded Shares and Second-half 2025 Awarded Shares shall be transferred from Tricor Trust (Hong Kong) Limited (the “**2022 Share Award Plan Trustee**”) to the selected participants upon expiry of the respective vesting period.

Save as disclosed above, no other awarded shares were granted by the Company during the Reporting Period under the 2022 Share Award Plan.

Further details of the 2022 Share Award Plan will be set out in the 2025 annual report of the Company.

## SIGNIFICANT INVESTMENT, ACQUISITION AND DISPOSAL

During the Reporting Period, in order to further enhance the Group’s comprehensive service capabilities and core competitiveness in the new media services sector, and to establish competitive barriers and market influence in the live-streaming e-commerce sector, on 5 August 2025, the Group entered into an agreement to acquire 100% of the equity interests in E-commerce Academy together with its subsidiaries (the “**Target Group**”), with the transaction completed in December 2025. Upon completion of the acquisition, E-commerce Academy became an indirect wholly-owned subsidiary of the Company. The Target Group’s course content and industry insights will serve as strategic assets. By integrating customer resources and thoroughly exploring cross-selling opportunities to expand revenue streams, these assets will support the Group’s business innovation, ensuring the Group remains dynamic and competitive in a rapidly changing market, thereby enhancing shareholder value. For further details, please refer to the Company’s announcements dated 5 August 2025, 22 August 2025 and 25 September 2025, and the circular dated 17 October 2025.

Furthermore, given the impact of the rapid development of new media formats (such as short videos and live-streaming e-commerce) on traditional broadcasting and television operations, the Group's television broadcasting business faces challenges including audience fragmentation, shrinking advertising demand and a single-dimensional profit model, resulting in the growth of this business lagging behind the Group's overall strategic direction. On 28 March 2025, the Group entered into an agreement with an independent third party to sell 100% equity interests in its subsidiary which principally engages in the Group's television broadcasting business, and the aforesaid transaction was completed on 31 July 2025. Following the completion of the disposal, the Group optimised its asset structure, reduced pressure from inventory and accounts receivable, freed up cash flow and improved financial indicators, thereby providing stronger support for technology-driven businesses and achieving dynamic alignment of resource allocation with industry trends; meanwhile, the Group retained core experts in the television broadcasting business to continue driving the deep integration of video technology and new media business, whilst concentrating resources to strengthen high-potential sectors. For further details, please refer to the Company's announcements dated 28 March 2025 and 23 April 2025, and the circular dated 23 May 2025. The television broadcasting business is also classified as a discontinued operation in this announcement.

Save as disclosed above, during the Year, the Group had no material acquisitions, disposals and significant investment.

#### **EVENTS AFTER THE REPORTING PERIOD**

On 20 January 2026, the Company completed the allotment and issue of 20,000,000 new shares to 2022 Share Award Plan Trustee for the purpose of granting or vesting awards to the grantees of 2022 Share Award Plan.

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

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

The Company holds 2,550,000 Shares as treasury shares of the Company. The Company will utilize such treasury shares as permitted under the Listing Rules including but not limited to sale or transfer, subject to market conditions and its capital management needs.

#### **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

There was no specific plan for material investments or capital assets as at 31 December 2025. In the event that the Group is engaged in any plan for material investments or capital assets, the Company will make announcement(s) and comply with relevant rules under the Listing Rules as and when appropriate.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i> <i>(re-presented)</i>
<b>Continuing operations</b>			
<b>Revenue</b>	4	<b>1,486,523</b>	1,138,144
<b>Cost of services</b>	5	<u><b>(883,289)</b></u>	<u>(563,873)</u>
<b>Gross profit</b>		<b>603,234</b>	574,271
Other gains, net	4	<b>23,447</b>	16,874
Selling expenses	5	<b>(339,166)</b>	(300,054)
Administrative expenses	5	<b>(158,794)</b>	(169,703)
Loss allowance on trade receivables		<b>(790)</b>	(145)
Change in fair value of financial assets at fair value through profit or loss		<u><b>(1,417)</b></u>	<u>–</u>
<b>Operating profit</b>		<b>126,514</b>	121,243
Finance (costs) income, net	6	<b>(736)</b>	2,112
Share of results of associates		<u><b>(767)</b></u>	<u>–</u>
<b>Profit before income tax</b>		<b>125,011</b>	123,355
Income tax expense	7	<u><b>(35,303)</b></u>	<u>(29,098)</u>
<b>Profit for the year from continuing operations</b>		<b>89,708</b>	94,257
<b>Discontinued operations</b>			
Profit (Loss) from the discontinued operations	8(a)	<b>166</b>	(22,027)
Loss on disposal of subsidiaries	8(c)	<u><b>(2,220)</b></u>	<u>–</u>
Loss attributable to the discontinued operations		<u><b>(2,054)</b></u>	<u>(22,027)</u>
<b>Profit for the year</b>		<u><b>87,654</b></u>	<u>72,230</u>

		<b>2025</b>	2024
	<i>Notes</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i> <i>(re-presented)</i>
<b>Profit (Loss) attributable to:</b>			
Owners of the Company		<b>90,225</b>	81,708
Non-controlling interests		<b>(2,571)</b>	(9,478)
		<u><b>87,654</b></u>	<u>72,230</u>
<b>Profit (Loss) attributable to the owners of the Company</b>			
Continuing operations		<b>92,847</b>	98,298
Discontinued operations		<b>(2,622)</b>	(16,590)
		<u><b>90,225</b></u>	<u>81,708</u>
<b>(Loss) Profit attributable to the non-controlling interests</b>			
Continuing operations		<b>(3,139)</b>	(4,041)
Discontinued operations		<b>568</b>	(5,437)
		<u><b>(2,571)</b></u>	<u>(9,478)</u>
		<i>RMB cents</i>	<i>RMB cents</i> <i>(re-presented)</i>
<b>Earnings per share from continuing and discontinued operations</b>			
Basic earnings per share	9	<b>6.58</b>	6.07
Diluted earnings per share	9	<u><b>6.49</b></u>	<u>5.93</u>
<b>Earnings per share from continuing operations</b>			
Basic earnings per share	9	<b>6.77</b>	7.30
Diluted earnings per share	9	<u><b>6.68</b></u>	<u>7.13</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i> <i>(re-presented)</i>
<b>Profit for the year</b>		<b>87,654</b>	72,230
<b>Other comprehensive income (loss):</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences from continuing operations		637	(839)
Currency translation differences from discontinued operations		910	(36)
Release upon disposal of subsidiaries	8(c)	2,523	–
<i>Item that may not be reclassified subsequently to profit or loss:</i>			
Currency translation differences		(277)	84
Total other comprehensive income (loss) for the year		<b>3,793</b>	(791)
<b>Total comprehensive income for the year</b>		<b>91,447</b>	71,439
<b>Total comprehensive income (loss) attributable to:</b>			
Owners of the Company		94,018	80,917
Non-controlling interests		(2,571)	(9,478)
		<b>91,447</b>	71,439
<b>Total comprehensive income (loss) attributable to the owners of the Company</b>			
Continuing operations		93,207	97,543
Discontinued operations		811	(16,626)
		<b>94,018</b>	80,917
<b>Total comprehensive (loss) income attributable to the non-controlling interests</b>			
Continuing operations		(3,139)	(4,041)
Discontinued operations		568	(5,437)
		<b>(2,571)</b>	(9,478)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 31 December 2025*

	<i>Notes</i>	<b>2025</b>	2024
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>6,514</b>	31,836
Goodwill	<i>10</i>	<b>209,527</b>	80,112
Intangible assets		<b>16,733</b>	14,837
Right-of-use assets		<b>29,729</b>	27,506
Trade and other receivables	<i>12</i>	<b>3,895</b>	11,007
Interest in associates		<b>133</b>	37,479
Deferred income tax assets		<b>5,129</b>	6,906
Long-term bank deposits		<b>10,000</b>	10,000
		<hr/>	<hr/>
Total non-current assets		<b>281,660</b>	219,683
		<hr/> <hr/>	<hr/> <hr/>
<b>Current assets</b>			
Inventories		<b>359</b>	54,220
Other current assets		<b>147,265</b>	197,380
Trade and other receivables	<i>12</i>	<b>156,197</b>	294,466
Financial assets at fair value through profit or loss		<b>12,282</b>	–
Pledged bank deposits		<b>19,700</b>	44,859
Bank balances and cash		<b>328,396</b>	113,316
		<hr/>	<hr/>
Total current assets		<b>664,199</b>	704,241
		<hr/> <hr/>	<hr/> <hr/>
<b>Total assets</b>		<b>945,859</b>	923,924
		<hr/> <hr/>	<hr/> <hr/>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	<i>13</i>	<b>11,330</b>	11,330
Treasury shares	<i>13</i>	<b>(24)</b>	(24)
Share premium		<b>322,966</b>	322,966
Other reserves		<b>129,783</b>	91,248
Retained earnings (Accumulated losses)		<b>67,733</b>	(6,529)
		<hr/>	<hr/>
		<b>531,788</b>	418,991
		<hr/>	<hr/>
<b>Non-controlling interests</b>		<b>(35)</b>	(5,281)
		<hr/>	<hr/>
<b>Total equity</b>		<b>531,753</b>	413,710
		<hr/> <hr/>	<hr/> <hr/>

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank and other borrowings	<i>14</i>	–	20,535
Deferred income tax liabilities		<b>11,278</b>	2,753
Lease liabilities		<b>14,504</b>	16,024
		<hr/>	<hr/>
Total non-current liabilities		<b>25,782</b>	39,312
		<hr/>	<hr/>
<b>Current liabilities</b>			
Contract liabilities		<b>96,007</b>	62,269
Trade and other payables	<i>15</i>	<b>208,808</b>	187,238
Current income tax liabilities		<b>4,719</b>	19,387
Bank and other borrowings	<i>14</i>	<b>60,000</b>	191,522
Lease liabilities		<b>18,790</b>	10,486
		<hr/>	<hr/>
Total current liabilities		<b>388,324</b>	470,902
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>414,106</b>	510,214
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>945,859</b>	923,924
		<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2025*

## 1. GENERAL INFORMATION

Be Friends Holding Limited (the “**Company**”) was incorporated in the Cayman Islands on 18 December 2012 as an exempted company with limited liability under the Companies Act (Cap. 22, as consolidated and revised) of the Cayman Islands. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Starlink Vibrant Holdings Ltd., a company incorporated in the British Virgin Islands (the “**BVI**”) and wholly owned by the executive Director of the Company, Mr. Li Jun, which holds 23.32% of the Company’s shares issued (including treasury shares) as at 31 December 2025.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together the “**Group**”) are continued to be principally engaged in the provision of new media services, including live-streaming e-commerce and new media operation. The Group has operations mainly in the People’s Republic of China (the “**PRC**”).

These consolidated financial statements are presented in Renminbi (“**RMB**”) and rounded to the nearest thousands (“**000**”), unless otherwise stated.

## 2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

### 2.1 Basis of preparation

#### (a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and disclosure requirements of the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

**(b) Historical cost convention**

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss and contingent compensation receivable.

**(c) Amended standards adopted by the Group**

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following revised HKFRS Accounting Standards that is relevant to the Group and effective from the current year.

Amendments to HKAS 21                      Lack of Exchangeability

*Amendments to HKAS 21: Lack of Exchangeability*

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

**(d) New standards and interpretations not yet adopted**

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRS Accounting Standards that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Annual Improvements to HKFRS Accounting Standards	Volume 11 <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
HKFRS 18 HKFRS 19	Presentation and Disclosure in Financial Statements <sup>2</sup> Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> The effective date to be determined

The Group is in the process of making a detailed assessment of the possible impact on the future adoption of the new/revised HKFRS Accounting Standards. So far, the management is of the opinion that the adoption of the new/revised HKFRS Accounting Standards will not have any significant impact on the consolidated financial statements.

### 3. SEGMENT INFORMATION

The chief operating decision-maker (“**CODM**”) mainly include the board of directors of the Company, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the CODM considers the business from both business and geographical perspective.

During the year ended 31 December 2025, the revenue and results of the television broadcasting business are presented as discontinued operation in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. Details are further disclosed in note 8 to the announcements.

The Group’s operating and reportable segments under HKFRS 8 “Operating Segments” are as follows:

#### **Continuing operations**

- (i) New media services

#### **Discontinued operations**

- (ii) Television broadcasting business (as disclosed in note 8)

The CODM assesses the performance of the operating segments mainly based on profit for the year from each segment. Certain unallocated items are not allocated to each segment as they are not directly relevant to the operating results upon performance measurement and resource allocation by the CODM.

Inter-segment revenue and transfers are transacted with reference to the cost of sales and are eliminated on consolidation.

The segment information provided to the CODM for the reportable segments during the year is as follows:

**For the year ended 31 December 2025**

	Continuing operations	Discontinued operations		
	New media services RMB'000	Television broadcasting business RMB'000	Unallocated RMB'000	Total RMB'000
Segment revenue (from external customers)	<u>1,486,523</u>	<u>61,474</u>	<u>-</u>	<u>1,547,997</u>
Segment results	<u>97,858</u>	<u>(2,054)</u>	<u>(8,150)</u>	<u>87,654</u>
<b>Other information</b>				
Segment assets	<u>930,019</u>	<u>-</u>	<u>15,840</u>	<u>945,859</u>
Segment liabilities	<u>408,275</u>	<u>-</u>	<u>5,831</u>	<u>414,106</u>
<b>Additions to non-current segment assets during the year:</b>				
— Property, plant and equipment				
— Additions	3,028	-	-	3,028
— Additions — acquisition of subsidiaries (note 17)	640	-	-	640
— Intangible assets				
— Additions	3,680	-	-	3,680
— Additions — acquisition of subsidiaries (note 17)	7,300	-	-	7,300
— Right-of-use assets				
— Additions	23,365	-	-	23,365
— Additions — acquisition of subsidiaries (note 17)	<u>2,343</u>	<u>-</u>	<u>-</u>	<u>2,343</u>
<b>Amounts included in segment results:</b>				
Loss allowance on trade receivables	(790)	-	-	(790)
Share of results of associates	(767)	1,506	-	739
Share-based payment in respect of share awards	(24,775)	-	-	(24,775)
Depreciation of property, plant and equipment	(7,095)	(1,361)	-	(8,456)
Depreciation of right-of-use assets	(18,279)	(132)	-	(18,411)
Amortisation of intangible assets	(7,617)	(903)	-	(8,520)
Change in fair value of financial assets at fair value through profit or loss	-	-	(1,417)	(1,417)
Loss on disposal of subsidiaries (note 8(c))	-	(2,220)	-	(2,220)
Lease payment on short-term lease	-	(500)	-	(500)
Finance costs (excluding net foreign exchange gain)	(3,975)	(6,056)	-	(10,031)
Interest income on long-term bank deposits	339	-	-	339
Interest income on short-term bank deposits	<u>1,251</u>	<u>2</u>	<u>11</u>	<u>1,264</u>

**For the year ended 31 December 2024**

	Continuing Operations	Discontinued operations		
	New media services	Television broadcasting business	Unallocated	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue	1,138,144	113,143	–	1,251,287
Inter-segment revenue	–	(783)	–	(783)
Segment revenue (from external customers)	<u>1,138,144</u>	<u>112,360</u>	<u>–</u>	<u>1,250,504</u>
Segment results	<u>100,891</u>	<u>(22,027)</u>	<u>(6,634)</u>	<u>72,230</u>
<b>Other information</b>				
Segment assets	<u>669,805</u>	<u>251,540</u>	<u>2,579</u>	<u>923,924</u>
Segment liabilities	<u>252,981</u>	<u>253,587</u>	<u>3,646</u>	<u>510,214</u>
<b>Additions to non-current segment assets during the year:</b>				
— Additions to property, plant and equipment	5,969	485	–	6,454
— Additions to intangible assets	11,657	–	–	11,657
— Additions to right-of-use assets	<u>25,556</u>	<u>433</u>	<u>–</u>	<u>25,989</u>
Amounts included in segment results:				
(Loss allowance) Reversal of loss allowance on trade receivables	(145)	2,977	–	2,832
Share of results of an associate	–	2,847	–	2,847
Share-based payment in respect of share awards	(47,925)	–	–	(47,925)
Depreciation of property, plant and equipment	(6,676)	(2,930)	–	(9,606)
Depreciation of right-of-use assets	(19,453)	(1,402)	–	(20,855)
Amortisation of intangible assets	(7,371)	(1,559)	–	(8,930)
Write-down of inventories	–	(7,440)	–	(7,440)
Change in fair value of contingent consideration receivable	–	(1,823)	–	(1,823)
Lease payment on short-term lease	(2,294)	(534)	–	(2,828)
Finance costs (excluding net foreign exchange gain)	(1,131)	(11,745)	–	(12,876)
Interest income on long-term bank deposits	320	–	–	320
Interest income on short-term bank deposits	3,318	19	–	3,337
Written off of property, plant and equipment	<u>(67)</u>	<u>–</u>	<u>–</u>	<u>(67)</u>

### Information about major customers

No revenue from any customer individually accounted for 10% or more of the Group's revenue for the years ended 31 December 2025 and 2024.

All Group's revenue from continuing operations was derived from the business carried out in the PRC.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Total of non-current assets other than deferred income tax assets, trade and other receivables, long-term bank deposits and interest in associates		
The PRC	258,753	147,792
United States of America	3,750	6,001
Others	–	498
	<u>262,503</u>	<u>154,291</u>

#### 4. REVENUE AND OTHER GAINS, NET

An analysis of the Group's revenue by type is as follows:

	2025	2024
	RMB'000	RMB'000
		(re-presented)
<b>Revenue from contracts with customers within the scope of HKFRS 15:</b>		
Live-streaming e-commerce	1,274,807	929,790
New media operation	211,716	208,354
	<u>1,486,523</u>	<u>1,138,144</u>
<b>Timing of revenue recognition</b>		
At a point in time	1,472,973	1,138,144
Over time	13,550	–
	<u>1,486,523</u>	<u>1,138,144</u>

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
		<i>(re-presented)</i>
<b>Other gains</b>		
Government grants <i>(note)</i>	<b>25,046</b>	17,680
Value added tax refund	<b>782</b>	833
Gain on early termination of lease	<b>205</b>	–
Others	<b>949</b>	76
	<u>26,982</u>	<u>18,589</u>
<b>Other losses</b>		
Loss on disposal of property, plant and equipment	–	(67)
Loss on early termination of lease	–	(144)
Loss on lease modification	<b>(1,296)</b>	–
Others	<b>(2,239)</b>	(1,504)
	<u>(3,535)</u>	<u>(1,715)</u>
<b>Other gain, net</b>	<b>23,447</b>	16,874
	<u><u>23,447</u></u>	<u><u>16,874</u></u>

*Note:* Government grants represented cash subsidies received from the PRC local government for the Group's operating activities during the years ended 31 December 2025 and 2024. There are no unfilled conditions or contingencies relating to such government grant income.

## 5. EXPENSES BY NATURE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> <i>(re-presented)</i>
Cost of services	866,815	554,060
Employee benefits expenses	424,537	382,373
Office expenses	12,492	12,673
Depreciation expenses of right-of-use assets	18,279	19,453
Travelling and transportation expenses	11,968	14,121
Legal fee and professional charges	8,952	6,244
Amortisation expenses of intangible assets	7,617	7,371
Depreciation expenses of property, plant and equipment	7,095	6,676
Testing expenses	4,888	2,985
Others	4,090	5,953
Other transaction taxes	4,045	4,794
Business development	3,786	6,004
Advertising and promotion	3,530	6,729
Leases expenses under short term leases	–	2,294
Auditor's remuneration	1,800	1,900
Donation	1,000	–
Servicing and agency costs	355	–
	<u>1,381,249</u>	<u>1,033,630</u>

Employee benefits expenses, depreciation expenses of property, plant and equipment and others expenses disclosed above include an amount of RMB9,268,000 (2024: RMB1,283,000), RMB1,225,000 (2024: RMB375,000) and RMB363,000 (2024: RMBNil) respectively incurred relating to research and development activities.

## 6. FINANCE (COSTS) INCOME, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> <i>(re-presented)</i>
<b>Finance income</b>		
Dividend income from financial assets at fair value through profit or loss	1,175	–
Interest income on long-term bank deposits	339	320
Interest income on short-term bank deposits	1,262	3,318
Net foreign exchange gain	463	–
	<u>3,239</u>	<u>3,638</u>
<b>Finance costs</b>		
Interest expenses on bank and other borrowings	(2,669)	(215)
Interest expenses on lease liabilities	(1,306)	(916)
Net foreign exchange loss	–	(395)
	<u>(3,975)</u>	<u>(1,526)</u>
<b>Finance (costs) income, net</b>	<u>(736)</u>	<u>2,112</u>

## 7. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> <i>(re-presented)</i>
<b>Continuing operations</b>		
PRC enterprise income tax (“EIT”)		
— Current income tax	28,046	23,382
— (Over) Under provision in prior years	<u>(1,220)</u>	<u>846</u>
	<u>26,826</u>	<u>24,228</u>
Deferred income tax	<u>8,477</u>	<u>4,870</u>
Income tax expense	<u><u>35,303</u></u>	<u><u>29,098</u></u>

### **Cayman Islands income tax**

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (Cap. 22, as consolidated and revised) of the Cayman Islands and accordingly, is exempted from the Cayman Islands income tax.

### **BVI income tax**

Some of the subsidiaries of the Group, incorporated in BVI as exempted companies with limited liability under the Companies Law of BVI, are exempted from BVI income tax.

### **Hong Kong profits tax**

Entities of the Group incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% for the year ended 31 December 2025 (2024: 16.5%) on the estimated assessable profit for the year. Hong Kong profits tax has not been provided as the Group incurred a loss for taxation purposes during both years.

### **USA federal corporate tax**

Entities of the Group incorporated in the USA are subject to federal corporate tax rate of 21% for the year ended 31 December 2025 on the estimated assessable profit for the year. USA federal corporate tax has not been provided as the Group did not have any assessable profits for the year.

## **PRC EIT**

Entities of the Group incorporated in the PRC are subject to EIT. According to the EIT law effective from 1 January 2008, all PRC enterprises are subject to a standard EIT rate of 25%, except for enterprises which are allowed to enjoy the preferential policies and provisions as discussed below:

Certain subsidiaries obtained the High and New Technology Enterprise qualification. A reduced tax rate of 15% (2024: 15%) was granted as long as those PRC subsidiaries meet the high-tech enterprise qualification.

Certain subsidiaries of the Group meet the criteria of Micro-enterprise. Pursuant to the Announcement of Ministry of Finance and the State Administration of Taxation No. 13 of 2022\* (《財政部稅務總局公告2022年第13號》) and the Announcement of Ministry of Finance and the State Administration of Taxation No. 6 of 2023\* (《財政部稅務總局公告2023年第6號》), Micro-enterprise could enjoy an EIT at 20% on the assessable profits below RMB3,000,000 after reduction of 75% of assessable profits.

A subsidiary of the Group meets the criteria of Preferential Tax Policy for Building a Guangdong-Macao In-Depth Cooperation Zone in Hengqin. Pursuant to the Notice of the Ministry of Finance and the State Taxation Administration on the Preferential Policies on Enterprise Income Tax in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (Cai Shui 2022 No. 19)\* (《財政部稅務總局關於橫琴粵澳深度合作區企業所得稅優惠政策的通知》(財稅202219號)), corporate income tax for eligible industrial enterprises in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin can be reduced to 15% so as to support the development of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin.

## **PRC withholding tax**

Under the EIT Law, dividends, interests, rent, royalties and gains on transfers of property received by a foreign enterprise, i.e., non-China tax resident enterprise, will be subject to the PRC withholding tax at 10% or a reduced treaty rate depending on provisions of tax treaty entered between the PRC and the jurisdiction where the foreign enterprise incorporated. The withholding tax rate is 5% for the holding company in Hong Kong if the holding company is the beneficial owner of the dividend received from the invested enterprises in the PRC and obtained the approval of enjoying the treaty rate from the PRC tax authorities. The withholding tax imposed on the dividend income received from the Group's PRC entities will reduce the Group's net income.

\* *For identification only*

## 8. DISCONTINUED OPERATIONS

On 28 March 2025, the Company and Winner Team Limited (the “**Purchaser**”), an independent third party and a company incorporated in the BVI with limited liabilities, entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the entire issued share capital of Century Sage Scientific International Limited, a direct wholly-owned subsidiary of the Company and its subsidiaries and an associate (the “**Disposal Group**”), for a cash consideration of RMB2,540,000 (the “**Disposal**”). The Disposal Group was principally engaged in the television broadcasting business. The Disposal was completed on 31 July 2025. Details of the Disposal have been disclosed in the Company’s announcements dated 28 March 2025 and 23 April 2025 and the Company’s circular dated 23 May 2025 respectively.

The management considers that the Disposal Group constituted discontinued operations and the comparative figures in the consolidated statement of profit or loss and consolidated statement of comprehensive income have been re-presented to separately reflect the results of television broadcasting business. The profit (loss) for the period/year from the discontinued television broadcasting business are set out below.

**(a) The results of the discontinued operations are summarised as follows:**

	<b>Period from 1 January 2025 to 31 July 2025</b>	Year ended 31 December 2024
<i>Note</i>	<b>RMB’000</b>	<b>RMB’000</b>
Revenue	<b>61,474</b>	112,360
Cost of sales	<b>(34,267)</b>	(79,887)
Gross profit	<b>27,207</b>	32,473
Other gains, net	<b>3,282</b>	1,504
Selling expenses	<b>(13,081)</b>	(19,205)
Administrative expenses	<b>(13,743)</b>	(22,828)
Reversal of loss allowance on trade receivables	–	2,977
Change in fair value of contingent consideration receivables	–	(1,823)
Provision for inventories	–	(7,440)
Finance costs, net	<b>(4,937)</b>	(10,344)
Share of results of an associate	<b>1,506</b>	2,847
Profit (Loss) before income tax	<b>234</b>	(21,839)
Income tax expense	<b>(68)</b>	(188)
Profit (Loss) from the discontinued operations	<b>166</b>	(22,027)
Loss on disposal of subsidiaries	<b>(2,220)</b>	–
Loss attributable to the discontinued operations	<b>(2,054)</b>	(22,027)

(b) Net cash (outflow) inflow from discontinued operations are summarised as follows:

	Period from 1 January 2025 to 31 July 2025 <i>RMB'000</i>	Year ended 31 December 2024 <i>RMB'000</i>
Net cash used in operating activities	(16,352)	(12,340)
Net cash from investing activities	920	2,950
Net cash from financing activities	<u>2,740</u>	<u>15,744</u>
Net cash (outflow) inflows	<u>(12,692)</u>	<u>6,354</u>

(c) Loss on disposal of subsidiaries and net cash outflow from disposal of subsidiaries are summarised as follows:

	<i>RMB'000</i>
<b>Net liabilities disposed of:</b>	
Property, plant and equipment	20,534
Intangible assets	564
Right-of-use assets	641
Interest in an associate	38,985
Trade and other receivables	91,137
Inventories	61,277
Other current assets	56,080
Bank balances and cash	2,605
Contract liabilities	(17,210)
Bank and other borrowings	(152,010)
Trade and other payables	(103,062)
Lease liabilities	(102)
Current income tax assets	<u>546</u>
Total identifiable net liabilities	(15)
Less: Non-controlling interests	2,252
Less: Release of exchange reserve upon disposal	<u>2,523</u>
	4,760
Loss on disposal of subsidiaries	<u>(2,220)</u>
Total consideration	<u><u>2,540</u></u>
<b>Analysis of net outflow of cash and cash equivalents in respect of disposal of subsidiaries</b>	
Cash consideration received	2,540
Cash and cash equivalents disposed	<u>(2,605)</u>
	<u><u>(65)</u></u>



	<b>2025</b> <i>RMB cents</i>	2024 <i>RMB cents</i> <i>(re-presented)</i>
<b>Basic earnings (loss) per share</b>		
Continuing operations	<b>6.77</b>	7.30
Discontinued operations	<b>(0.19)</b>	(1.23)
	<u><b>6.58</b></u>	<u>6.07</u>
<b>Diluted earnings (loss) per share</b>		
Continuing operations	<b>6.68</b>	7.13
Discontinued operations	<b>(0.19)</b>	(1.20)
	<u><b>6.49</b></u>	<u>5.93</u>

*Note:*

- (a) The weighted average number of ordinary shares in issue during the years ended 31 December 2025 and 2024 excluding ordinary shares held for the share award scheme.

## 10. GOODWILL

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Reconciliation of carrying amount		
As at 1 January	<b>80,112</b>	80,112
Business combination ( <i>note 17</i> )	<b>129,415</b>	–
As at 31 December	<u><b>209,527</b></u>	<u>80,112</u>

Goodwill arose because the consideration paid for the acquisition effectively included amount in relation to the benefits originated from future market development and the economies of scale expected to arise. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

## 11. INTANGIBLE ASSETS

	Cooperation agreement RMB'000	Media accounts RMB'000	Computer software RMB'000	Electronic platform RMB'000	Curriculum system RMB'000	Total RMB'000
Reconciliation of carrying amount — year ended 31 December 2024						
As at 1 January 2024	5,803	2,526	3,781	–	–	12,110
Addition	–	–	3,657	8,000	–	11,657
Amortisation	(3,488)	(583)	(4,793)	(66)	–	(8,930)
As at 31 December 2024	<u>2,315</u>	<u>1,943</u>	<u>2,645</u>	<u>7,934</u>	<u>–</u>	<u>14,837</u>
Reconciliation of carrying amount — year ended 31 December 2025						
As at 1 January 2025	2,315	1,943	2,645	7,934	–	14,837
Addition	–	–	3,680	–	–	3,680
Additions — business combination ( <i>note 17</i> )	–	–	–	–	7,300	7,300
Disposal of subsidiaries ( <i>note 8(c)</i> )	–	–	(564)	–	–	(564)
Amortisation	(2,315)	(581)	(4,524)	(800)	(300)	(8,520)
As at 31 December 2025	<u>–</u>	<u>1,362</u>	<u>1,237</u>	<u>7,134</u>	<u>7,000</u>	<u>16,733</u>
As at 31 December 2024						
Cost	8,100	2,910	24,916	8,202	–	44,128
Accumulated amortisation	(5,785)	(967)	(22,271)	(268)	–	(29,291)
Net book value	<u>2,315</u>	<u>1,943</u>	<u>2,645</u>	<u>7,934</u>	<u>–</u>	<u>14,837</u>
As at 31 December 2025						
Cost	8,100	2,910	12,643	8,000	7,300	38,953
Accumulated amortisation	(8,100)	(1,548)	(11,406)	(866)	(300)	(22,220)
Net book value	<u>–</u>	<u>1,362</u>	<u>1,237</u>	<u>7,134</u>	<u>7,000</u>	<u>16,733</u>

Employee benefits expenses of RMBNil (2024: RMB6,523,000) was capitalised as expenditure on development projects for the year ended 31 December 2025.

Amortisation expense of RMB7,617,000 (2024 (re-presented): RMB7,371,000) for the year ended 31 December 2025 has been charged in administrative expenses.

## 12. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
<b>Trade receivables</b>			
From third parties		<b>108,930</b>	246,251
From an associate		–	716
	(i)	<b>108,930</b>	246,967
Less: provision for impairment of trade receivables		<b>(1,110)</b>	(54,196)
Trade receivables, net		<b>107,820</b>	192,771
<b>Other receivables</b>			
Deposit for guarantee certificate over tendering and performance		<b>4,017</b>	14,501
Deposit paid for acquisition of a subsidiary	(ii)	–	16,934
Cash advance to employees		–	7,881
Consideration receivable	(ii)	–	1,920
Contingent compensation receivable in relation to acquisition of Hangzhou Be Friends ET Group	(iii)	–	–
Due from an associate	(ii)	–	203
Due from related parties	(iv)	–	24,305
Receivable from disposal of a subsidiary	(ii)	–	3,602
Loan to a third party	(v)	–	21,000
Other deposits paid		<b>11,911</b>	12,087
Other tax receivables		<b>31,708</b>	22,867
Others		<b>4,636</b>	4,336
		<b>52,272</b>	129,636
Less:			
Provision for impairment of deposits paid for acquisition of a subsidiary	(ii)	–	(16,934)
		–	(16,934)
Other receivables, net		<b>52,272</b>	112,702
Total trade and other receivables		<b>160,092</b>	305,473
Less: Non-current portion			
Receivable from disposal of a subsidiary	(ii)	–	3,602
Other deposits paid		–	2,000
Trade receivables — third parties		<b>3,895</b>	5,459
Less: provision for impairment of trade receivables		–	(54)
<b>Non-current portion</b>		<b>3,895</b>	11,007
<b>Current portion</b>		<b>156,197</b>	294,466

As at 31 December 2025 and 2024, the fair values of trade and other receivables of the Group approximate their carrying amounts.

*Notes:*

- (i) Invoices issued to the customers (both third parties and an associate) are payable on issuance and no credit terms are stipulated in the service agreement for new media services generally. The majority of the Group's trade receivables will be settled from three months to two years based on the historical record. The Group has put in place control measures so that the accounting and finance department will keep regular tracking of outstanding receivables, and the heads of sale department would supervise the sale personnel to closely monitor and follow up with the customers on settlement of the outstanding receivables.

The ageing analysis of the trade receivables based on invoice date is as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Up to 3 months	<b>101,860</b>	132,583
Over 3 months but less than 6 months	<b>4,648</b>	9,167
Over 6 months but less than 1 year	<b>2,101</b>	24,056
Over 1 year but less than 2 years	<b>321</b>	13,482
Over 2 years but less than 3 years	–	10,639
Over 3 years	–	57,040
	<b>108,930</b>	246,967

The Group applies simplified approach to measuring expected credit loss which uses a lifetime expected loss allowance for all trade receivables.

- (ii) The amounts are derecognised through the disposal of subsidiaries during the year.
- (iii) The amount represented contingent compensation receivable for acquisition of Hangzhou Be Friends ET Group (as defined in note 17) in December 2025. The contingent compensation receivable will be settled only when the audited consolidated net profit of the Hangzhou Be Friends ET Group (before deducting non-recurring gains and losses) attributable to shareholders of the Hangzhou Be Friends ET Group for the Performance Guarantee Period (as defined in note 17) less than RMB18,000,000, RMB21,000,000 and RMB24,000,000 for the year ended 31 December 2025, and years ending 31 December 2026 and 2027 respectively.

As at 31 December 2025, the fair value of the contingent compensation receivable is determined by an independent professional valuer by applying income approach on the estimated profits from Hangzhou Be Friends ET Group for the Performance Guarantee Period and the probability of occurrence of each expected earning scenario.

During the year ended 31 December 2025, no fair value change on the contingent compensation receivable was recognised in the consolidated statement of profit or loss.

A decrease in the estimated profits of the Hangzhou Be Friends ET Group would result in an increase in the fair value of the contingent compensation receivable.

- (iv) The amounts due were unsecured and interest-free. The amounts were derecognised through the disposal of subsidiaries during the year.

Details of amounts due from related companies are as follows:

	Notes	As at 31 December		Maximum amount During the year ended 31 December	
		2025	2024	2025	2024
		RMB'000	RMB'000	RMB'000	RMB'000
北京世紀睿科工程技術有限公司 (Beijing Century Sage Scientific System and Technology Company Limited*)	(a)	-	9,957	<b>9,957</b>	10,316
北京格非信息技術有限公司 (Beijing Gefei Information Technology Co., Limited*)	(b)	-	14,348	<b>14,348</b>	14,348
		<u>-</u>	<u>24,305</u>		

\* The official names are in Chinese and the English names are translated for identification purpose only.

Notes:

- (a) Mr. Lo Chi Sum (“**Mr. Lo**”), the former executive director of the Company, has direct beneficial interests in, and control over, the related company.
- (b) Certain directors of a non-wholly owned subsidiary of the Disposal Group have direct beneficial interests in, and control over, the related companies.
- (v) The amount due was unsecured, bore interest at a fixed rate of 3% per annum and was wholly repaid during the year.

### 13. SHARE CAPITAL AND TREASURY SHARES

	Number of ordinary shares	Nominal value of ordinary shares <i>HKD'000</i>
<b>Authorised:</b>		
Ordinary shares of HKD0.01 each		
As at 1 January 2024, 31 December 2024, 1 January 2025 and <b>31 December 2025</b>	<u>5,000,000,000</u>	<u>50,000</u>

Ordinary shares of HKD0.01 each:

	Number of ordinary shares	Share capital		Treasury shares	
		Nominal value of ordinary shares <i>HKD'000</i>	Equivalent nominal value of ordinary shares <i>RMB'000</i>	Nominal value of ordinary shares <i>HKD'000</i>	Equivalent nominal value of ordinary shares <i>RMB'000</i>
<b>Issued and fully paid</b>					
Balance as at 1 January 2024	1,390,841,163	13,908	11,363	–	–
Shares repurchased	<u>(6,188,000)</u>	<u>(36)</u>	<u>(33)</u>	<u>(25)</u>	<u>(24)</u>
Balance as at 31 December 2024, 1 January 2025 and 31 December 2025	<u>1,384,653,163</u>	<u>13,872</u>	<u>11,330</u>	<u>(25)</u>	<u>(24)</u>
<b>Shares repurchased but not cancelled</b>					
Number of shares ( <i>Note (a)</i> )	<u>2,550,000</u>				
	<u>1,387,203,163</u>				

On 20 January 2026, the Company completed the allotment and issue of 20,000,000 new shares (“**Allotment and Issue**”) to 2022 Share Award Plan Trustee to be awarded and vested to the grantees of 2022 Share Award Plan. Immediately after the completion of the Allotment and Issue, the Company has a total of 1,407,203,163 shares issued (including the treasury shares).

*Notes:*

- a. As at 31 December 2025 and 2024, there are repurchased shares that were not cancelled of 2,550,000 shares. The Company will utilise the treasury shares as permitted under the Listing Rules, including, but not limited to, sales or transfer, subject to market conditions and its capital managements needs.

## 14. BANK AND OTHER BORROWINGS

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Bank borrowings, unsecured and guaranteed	<i>(a)</i>	<b>60,000</b>	43,535
Bank borrowings, secured and guaranteed	<i>(b)</i>	–	12,000
Bank borrowings, unsecured and unguaranteed	<i>(c)</i>	–	34,654
Bank borrowings, secured and unguaranteed	<i>(d)</i>	–	42,833
Other borrowings, unsecured and unguaranteed	<i>(e)</i>	–	79,035
		<u><b>60,000</b></u>	<u>212,057</u>
Non-current		–	20,535
Current		<u><b>60,000</b></u>	<u>191,522</u>
		<u><b>60,000</b></u>	<u>212,057</u>

*Notes:*

### (a) Bank borrowings, unsecured and guaranteed

The bank borrowings are unsecured, bear interest at fixed rates ranging from 2.2% to 3.2% per annum (2024: (i) at fixed rates ranging from 1.98% to 4.3% per annum; or (ii) at the prevailing interest rate of 台灣央行專案融通利率 plus 1.4% per annum).

The bank borrowings of RMB60,000,000 (2024: RMB10,000,000) are guaranteed by a subsidiary and are wholly repayable within one year.

The bank borrowings of RMB535,000 as at 31 December 2024 (denominated in New Taiwan dollar) were guaranteed by Mr. Lo and a director of a former subsidiary. The bank borrowings were derecognised through the disposal of subsidiaries during the year.

The bank borrowings of RMB15,000,000 as at 31 December 2024 were guaranteed by non-controlling shareholders of a former subsidiary. The bank borrowings were derecognised through the disposal of subsidiaries during the year.

The bank borrowings of RMB5,000,000 as at 31 December 2024 were guaranteed by an independent third party, Beijing Guohua Culture & Technology Financing Guarantee Co., Ltd., a director of a former subsidiary and his spouse. The bank borrowings were derecognised through the disposal of subsidiaries during the year.

The bank borrowings of RMB13,000,000 as at 31 December 2024 were guaranteed by an independent third party, Beijing Zhongguancun Sci-Tech Financing Guaranty Co., Limited. The bank borrowings were derecognised through the disposal of subsidiaries during the year.

**(b) Bank borrowings, secured and guaranteed**

The bank borrowings bear interest at fixed rate of 2.08% per annum (2024: at the prevailing interest rate of Loan Prime Rate in the PRC).

The bank borrowings of RMB12,000,000 as at 31 December 2024 were secured by the buildings with carrying amount of RMB20,363,000 and were guaranteed by an independent third party, Beijing Zhongguancun Sci-Tech Financing Guaranty Co., Limited. The bank borrowings were derecognised through the disposal of subsidiaries during the year.

**(c) Bank borrowings, unsecured and unguaranteed**

The bank borrowings are unsecured, bear interest at fixed rates ranging from 1.98% to 15.01% per annum.

As at 31 December 2024, amount of RMB24,654,000 included in the balance were repayable within one year and classified as current liabilities. The remaining balance of RMB10,000,000 was repayable during January 2026 to October 2026.

During the year, the bank borrowings of RMB10,000,000 was repaid and the remaining balance of RMB24,654,000 were derecognised through the disposal of subsidiaries during the year.

**(d) Bank borrowings, secured and unguaranteed**

The bank borrowings were secured by the pledged bank deposits of RMB42,451,000, bore interest at a fixed rate of 4.8% per annum. The bank borrowings were repaid during the year.

**(e) Other borrowings, unsecured and unguaranteed**

The other borrowings were derecognised through the disposal of subsidiaries during the year.

## 15. TRADE AND OTHER PAYABLES

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Trade payables</b>			
To third parties	<i>(a)</i>	<u>119,767</u>	<u>82,684</u>
<b>Other payables</b>			
Other taxes payables		–	11,681
Employee benefits payables		79,241	41,813
Due to a related company/a shareholder	<i>(b)</i>	–	8,765
Accrual for professional service fees		1,800	1,900
Accrual for operating expenses		–	1,484
Interest payables		–	26,893
Loans from third parties	<i>(c)</i>	–	5,500
Consideration payables		347	–
Others		<u>7,653</u>	<u>6,518</u>
		<u>89,041</u>	<u>104,554</u>
		<u>208,808</u>	<u>187,238</u>

Notes:

- (a) The credit period of trade payables is normally within 60 (2024: 60) days. The ageing analysis of the trade payables based on invoice date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	118,698	55,395
Over 3 months but within 6 months	1,069	3,641
Over 6 months but within 1 year	–	5,059
Over 1 year but within 2 years	–	11,672
Over 2 years but within 3 years	–	762
Over 3 years	–	6,155
	<u>119,767</u>	<u>82,684</u>

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
RMB	119,767	82,355
USD	–	102
HKD	–	227
	<u>119,767</u>	<u>82,684</u>

- (b) The balance represented the amount due to Cerulean Coast Limited (“**Cerulean**”), a company wholly owned by Mr. Lo. As at 31 December 2024, the balance was unsecured and bore interest at rate of 5.25% per annum. The amounts were derecognised through the disposal of subsidiaries during the year.
- (c) The loans were unsecured, interest-free and derecognised through the disposal of subsidiaries during the year.

## 16. DIVIDENDS

Subsequent to the end of the reporting period, a final dividend in respect of year ended 31 December 2025 of HKD0.05 per ordinary share, amounting to a total final dividend of approximately HKD70,233,000 based on the number of shares issued (excluding treasury shares) as at the date hereof, is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These consolidated financial statements do not reflect this dividend payables.

## 17. BUSINESS COMBINATION

On 5 August 2025, Mr. Li Liang, Mr. Li Jun, both are the executive directors of the Company, Longquan Be Friends Technology Partnership (Limited Partnership)\*, a limited partnership established in the PRC, Mr. Li Xiang, an independent third party and Longquan Mangyuan Technology Partnership (Limited Partnership)\*, a limited partnership established in the PRC (the “**Partnership**”) (collectively as the “**Vendors**”) and Be Friends Selected Technology Limited\*, a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company (“**Be Friends Selected**”) (as purchaser) and Hangzhou Be Friends Education Technology Co., Ltd.\* (“**Hangzhou Be Friends ET**” or the “**Target Company**”), a limited liability company established in the PRC entered into the equity purchase agreement (“**Equity Purchase Agreement**”), pursuant to which the Vendors and the Partnership have conditionally agreed to sell, and Be Friends Selected has conditionally agreed to acquire, entire equity interests in Hangzhou Be Friends ET Group, at a total cash consideration of RMB180,000,000 (“**Hangzhou Be Friends ET Group Acquisition**”).

The Partnership is owned as to 85% and 15% by Ms. Xu Lixia, its general partner and the mother of Mr. Li Liang and Mr. Cui, its limited partner and the director of Hangzhou Be Friends Wisdom Technology Co., Ltd. \*, an indirect wholly-owned subsidiary of the Company (collectively as the “**Vendors of the Partnership**”),

On 25 September 2025, the supplemental agreement (the “**Supplemental Agreement**”) was signed by Be Friends Selected and Hangzhou Yijiang Future Wisdom Technology Co., Ltd.\*, a limited liability company established in the PRC, and an indirect wholly-owned subsidiary of the Company (“**Hangzhou Yijiang Future**”) (collectively as “**Subsidiaries**”) and the relevant parties to amend the terms and the structure of the Hangzhou Be Friends ET Group Acquisition (the “**Amendments**”). Among the Amendments, the Partnership will cease to be a vendor selling 34.935% of equity interest in Hangzhou Be Friends ET under the Equity Purchase Agreement. Instead, the Vendors of the Partnership have agreed to sell, and the Subsidiaries have agreed to purchase, the entire partnership interest in the Partnership. The sale and purchase of the total of 65.065% equity interests held by Vendors in Hangzhou Be Friends ET remain unchanged.

Under the Equity Purchase Agreement (as amended by the Supplemental Agreement), the Vendors of the Partnership, Mr. Li Liang, and Mr. Li Jun (together, the “**Guarantors**”) have provided a performance guarantee in respect of the Hangzhou Be Friends ET Group’s consolidated financial results for the three years ending 31 December 2025, 2026 and 2027 (the “**Performance Guarantee Period**”).

The Guarantors have guaranteed that the audited consolidated net profit of the Hangzhou Be Friends ET Group (before deducting non-recurring gains and losses) attributable to shareholders of the Hangzhou Be Friends ET Group for the Performance Guarantee Period shall not be less than RMB18,000,000, RMB21,000,000 and RMB24,000,000 for the year ended 31 December 2025, years ending 31 December 2026 and 2027 respectively (the “**Total Guarantee Profit**”).

\* The official names are in Chinese and the English names are translated for identification purpose only

If the audited consolidated net profit of the Hangzhou Be Friends ET Group (before deducting non-recurring gains and losses) attributable to shareholders of the Hangzhou Be Friends ET in any year during the Performance Guarantee Period is less than the guaranteed amount for that year, the Subsidiaries shall have the right to request the Guarantors to pay, by 30 April of the year following the end of the relevant year of the Performance Guarantee Period, a cash compensation calculated as shortfall amount multiplied by 2.86.

Based on the estimate profits for aggregate performance of the Hangzhou Be Friends ET Group during the Performance Guarantee Period, the fair value of contingent compensation receivable were RMBNil at the date of completion.

Details of the Hangzhou Be Friends ET Group have been disclosed in the Company's announcements dated 5 August 2025 and 25 September 2025 and the Company's circular dated 16 October 2025 respectively.

Upon the completion of Hangzhou Be Friends ET Group Acquisition in December 2025, the Partnership became an indirect wholly-owned partnership owned by the Company, and Hangzhou Be Friends ET Group became indirect wholly-owned subsidiaries of the Company with the Group holding 65.065% of its equity interest directly by the Subsidiaries and 34.935% indirectly by the Partnership.

Hangzhou Be Friends ET Group principally engages in the business of providing diverse training solutions of livestreaming e-commerce and e-commerce operation for corporate and individual clients, offering online and offline courses and dedicated live-streaming e-commerce partnership for customers. The directors of the Company considered that Hangzhou Be Friends ET Group Acquisition would strengthen the Group's new media services in terms of ecological capability and brand influence.

The following summarises the consideration paid and the amounts of the assets acquired and liabilities assumed at the date of acquisition:

	<i>RMB'000</i>
<b>Initial consideration</b>	
Cash consideration	180,000
Contingent compensation receivable	—
	<hr/>
<b>Total consideration</b>	<u>180,000</u>

RMB'000

**Recognised amounts of identifiable assets acquired and liabilities assumed:**

Property, plant and equipment	640
Intangible assets	7,300
Right-of-use assets	2,343
Inventories	220
Trade and other receivables <sup>^</sup>	19,726
Bank balances and cash	48,065
Contract liabilities	(13,944)
Trade and other payables	(9,381)
Lease liabilities	(2,559)
Deferred income tax liabilities	(1,825)
	<hr/>
Total identifiable net assets	50,585
	<hr/>
Goodwill	129,415
	<hr/>
Total consideration	180,000
	<hr/> <hr/>
<b>Net cash outflow on acquisition of subsidiaries</b>	
Cash consideration paid	(180,000)
Bank balances and cash acquired from the subsidiaries	48,065
	<hr/>
	(131,935)
	<hr/> <hr/>
<b>Acquisition-related costs</b>	330
	<hr/> <hr/>

<sup>^</sup> The fair value of trade and other receivables at the date of acquisition amounted to RMB19,726,000. The gross contractual amounts of those trade and other receivables acquired amounted to RMB19,726,000 at the date of acquisition, of which no balance is expected to be uncollectible.

The goodwill is attributable to the economies of scale expected to arise after the Group's acquisitions. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

Since acquisition, the acquired business has contributed RMB13,550,000 and RMB1,864,000 to the revenue and results of the Group respectively.

If the business combinations effected during the year had been taken place at the beginning of the year, the revenue and profit from the continuing operations for the Group would have been RMB1,618,111,000 and RMB106,941,000 respectively.

## **OTHER INFORMATION**

### **Corporate Governance**

Throughout the Reporting Period and up to the date of this announcement, the Company continued to apply the principles set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance. The Directors consider that except for the deviation from the code provision C.2.1 of the CG Code, the Company had complied with all the applicable code provisions of the CG Code during the Reporting Period and up to the date of this announcement.

Mr. Li Liang concurrently holds the dual positions of Chairman and Chief Executive Officer of the Company. In this regard, although Code Provision C.2.1 of Part 2 of the Corporate Governance Code in Appendix C1 to the Listing Rules stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be held by the same individual, the Board is confident that Mr. Li Liang’s dual role as Chairman and Chief Executive Officer will enable more effective formulation and execution of the Group’s business strategies and is in the best interests of the Group. Therefore, the Board considers it appropriate to deviate from Code Provision C.2.1 of Part 2 of the Corporate Governance Code in this circumstance. Furthermore, the Board currently comprises three executive Directors and three independent non-executive Directors. Under its supervision, the Board structure is reasonable and maintains a balance of powers, providing sufficient checks and balances to protect the interests of the Company and its shareholders. The Board will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

### **Model Code For Directors’ Securities Transactions**

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) (with certain modifications).

The Company has made specific enquiry of all Directors and all Directors have confirmed with the Company that they complied with the required standard set out in the Model Code and the Company’s code of conduct regarding Directors’ securities transactions during the Reporting Period.

## **Dividends**

As at 26 March 2026, the Board recommended the payment of a final dividend for the year ended 31 December 2025, of HKD0.05 per share (2024: Nil), totaling approximately HKD70.2 million based on the number of shares issued (excluding treasury shares) as at the date hereof, paying to shareholders whose names appear on the register of members of the Company on 30 June 2026 (the record date for entitlement to the final dividend). This final dividend is subject to approval by the Company's shareholders at the annual general meeting ("AGM") to be held on 16 June 2026, dividend will be despatched to shareholders of the Company on or around Wednesday, 22 July 2026.

## **Closure of Register of Members**

### *The entitlement to attend and vote at the AGM*

The AGM will be held on Tuesday, 16 June 2026. The register of members of the Company will be closed from Thursday, 11 June 2026 to Tuesday, 16 June 2026, both days inclusive, during which period no transfer of shares will be registered. To determine entitlement to attend and vote at the AGM, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. Hong Kong time on Wednesday, 10 June 2026.

### *Final dividend*

To determine the identity of shareholders entitled to receive the final dividend, the register of members of the Company will be closed from Friday, 26 June 2026 to Tuesday, 30 June 2026, both days inclusive, during which period no transfer of shares will be registered. To qualify for the proposed final dividend, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. Hong Kong time on Thursday, 25 June 2026.

## **Scope of Work of Auditor**

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

## **Publication**

This final results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.befriends.com.cn](http://www.befriends.com.cn)) respectively. The 2025 annual report of the Company will be made available to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company and dispatched to the shareholders of Company (when necessary) in due course.

By order of the Board  
**Be Friends Holding Limited**  
**Li Liang**  
*Chairman and Chief Executive Officer*

Hong Kong, 26 March 2026

*As at the date of this announcement, the executive Directors are Mr. Li Liang, Mr. Li Jun and Ms. Zhao Hui Li; and the independent non-executive Directors are Mr. Ma Zhan Kai, Dr. Yu Guo Jie and Mr. Kong Hua Wei.*