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Rego Interactive Co., Ltd
(潤歌互動有限公司)

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2422)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

The board of directors of Rego Interactive Co., Ltd is pleased to announce the audited consolidated financial results of the Company and its subsidiaries for the year ended 31 December 2025 together with the comparative figures for the year ended 31 December 2024 as follows. The Annual Results have been reviewed by the audit committee of the Company.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Year-on-year
	2025	2024	Change
	RMB'000	RMB'000	%
Revenue	503,594	244,646	105.8
Gross profit	44,662	65,808	(32.1)
Loss before income tax	(73,416)	(37,846)	94.0
Loss for the year attributable to owners of the Company	(73,213)	(37,960)	92.9
Adjusted net loss ^(Note)	(52,463)	(27,917)	88.0

Note: Please refer to “Non-HKFRS Measures: Adjusted Net Profit” on Page 19 of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Due to the economic pressure in China in 2025, many enterprises business strategies had become more cautious, and their marketing budgets were also more conservative. They focused on cost reduction and efficiency improvement, strengthening brand and product power. In terms of marketing philosophy, they placed increasing emphasis on brand building and pursuing a synergy between brand building and sales performance. In terms of market layout, they were cultivating the domestic market while actively expanding overseas. Also more targeted in their media selection, paying attention to the alignment between media and user perception.

Advertising Market in China

On 14 January 2026, Miaozen Marketing Academy released the “2026 China Digital Marketing Trends Report” which shows that after three consecutive years of declining growth, advertisers’ confidence in investing in China’s digital marketing market is expected to rebound in 2026. The report projects a 10% growth rate in corporate marketing expenditures (including traditional and digital), with 30% of advertisers holding positive investment confidence, an increase of 8% year-on-year.

The report also stated that in 2026, China’s digital marketing industry will stand at the crossroads of technological revolution and value reconstruction. AI technology will upgrade from a content tool to enterprise infrastructure, and the implementation of commercial marketing intelligent agents will propel the industry into a new era of agentic marketing.

Moreover, the report also pointed out that with the decline of traffic dividends, performance-based strategies are becoming unsustainable in the fiercely competitive market. Advertisers increasingly recognise brand as the core driver of long-term growth, but are constrained by business pressures in practice.

The report shows that 30% of advertisers believe that overall marketing investment in China will increase in 2026, an increase of 8 percentage points year-on-year, while 47% believe it will decrease, a decrease of 7 percentage points from the previous year. The proportion of negative investment confidence has dropped from 54% to 47%, indicating a significant improvement in market sentiment.

According to the “2025 China Advertiser Marketing Trends Survey Report” from CTR Market Research published on 28 September 2025, it stated that China’s advertising market exhibited a clear characteristic of “advancing under pressure and growing resiliently.” With the gradual stabilization of the macroeconomic situation, advertisers’ confidence in the market environment has significantly improved compared to the previous two years, and this recovery effect has become a key “stabilizer” supporting the industry’s development. However, survey data shows that companies remain cautious in their overall marketing budget allocation, with approximately 78% of respondents indicating they will maintain or slightly adjust their budgets, and only 22% planning to significantly increase marketing investment.

Behind this budgeting strategy lies a strategic shift by advertisers from scale expansion to quality improvement. “Stable operations and increased profits” has become the core issue facing advertisers in 2025. This is manifested in three aspects of adjustment: First, the average investment in brand building has increased to 35% of the total budget, a 5% increase compared to 2023; second, the annual growth rate of technology innovation budgets remains above 15%; and finally, content creation expenses account for over 40% of digital marketing spending. This structural adjustment indicates that advertisers were addressing market challenges through a three-pronged approach: strengthening brand equity, enhancing product competitiveness, and reinforcing technological innovation.

Our Group can utilise our experience and solid foundation in the intense advertising market competition by our in-depth understanding of advertisers’ core needs, marketing strategies and brand image and values, we can better solve advertisers’ pain points and provide them with more targeted and effective advertising services. At the same time, we keep exploring the chances of AI applications on our advertising solutions.

Lottery Market in China

There are two legal lottery operators in the PRC: the national China Welfare Lottery Issuance and Administration Centre (“**Welfare Lottery**” or “**WLIAC**”) and the national China Sports Lottery Issuance and Administration Center (“**Sports Lottery**”). According to Ministry of Finance of the PRC’s figures, PRC annual lottery sales in 2025 amounted to approximately RMB628.0 billion, representing an increase of approximately 0.7% over 2024. Of this, sales of Welfare Lottery amounted to approximately RMB208.6 billion, representing an increase of approximately 0.3% compared to 2024. Sports Lottery achieved sales of approximately RMB419.4 billion, representing an increase of approximately 0.9% compared to 2024.

2026 is a big year for sports, featuring top-level competitions with high profiles such as the Winter Olympics, the World Cup, and the Asian Games, etc. Therefore, the 2026 World Cup will support sales of sports lottery betting. On the other hand, there are new regulations for Super Lotto and Double Color Ball are mainly aimed at improving the operational control capabilities of lottery issuing institutions, and lottery sales are expected to continue to grow steady.

Our Group

Our Group has deeply engaged in the field of digital marketing services since 2015. Our business covers the lottery industry, virtual goods sourcing and delivery services with integration, and the physical goods supply chain.

Our Group is equipped with the strong R&D capabilities in respect of lottery solutions and built business relationships with the provincial WLIACs in 23 provinces, municipalities and autonomous regions in the PRC covering over 130,000 lottery sales points. We are an early mover and innovator of lottery security systems in the lottery solutions market and industry digitalisation in the PRC, having well-established business relationships with various provincial WLIACs and offering relatively comprehensive IT solutions that cover the various key areas in the business operation of lottery sales points; as a leading lottery solution provider, our Group could take advantage of its strong brand recognition and proven track records of cooperating with the WLIACs to secure its leading position in the industry. We will comprise our major competitive advantages in our provision of IT solutions on lottery-related software systems and equipment for the development of the Group.

With the accumulated massive supply chain resources of the virtual goods and physical goods, and abundant customers base of financial services and institutions and telecom operators, our Group can customise the integration packages of various coupons, vouchers, and other marketing online vouchers and interests products. We have been deeply engaged in top-up services for telecommunication services and online vouchers and interests since 2017, our Group provided a stable and efficient service to customers. Through the integration of our supply chain resources, we provide the enterprises' customers for their employee's welfare.

Due to the rapid changes in the consumption pattern in China, identification or cultivation of high-value users and development on users' lifetime value have become important. Our Group, as a marketing service provider based in the PRC, focused on the strategy of provision of "Online-Merge Offline" ("OMO") solution services in order to better empower digital transformation for customers, which represents an integration of online and offline experiences and creates a marketing services operation platform for our consumers. OMO is to break the barriers between online and offline and use data and technology to strengthen and enrich customer experience, thereby achieving true online and offline integration.

As a lead marketing service provider in PRC, we restructured the operating segments to two main segments, including "Corporate digitalisation solutions services" (企業數字化服務) and "Industry digitalisation solutions services" (行業數字化服務) as the core, to achieve the "Cross industry Empowerment solutions services" (異業賦能服務) in the future.

Theme of 2025: Resilience and Structural Evolution

“The financial year 2024–2025 marked a period of profound structural transformation for Rego Interactive. In a macroeconomic climate defined by enterprise caution and ‘value reconstruction’, the Group demonstrated exceptional top-line resilience, achieving a total revenue of RMB503.6 million – a remarkable 105.8% increase year-over-year.

This aggressive expansion of our market footprint was mirrored by a deliberate shift in our internal DNA. While we recorded a net loss of RMB74.8 million, this figure represents a calculated investment in our future. We have prioritised the development of high-moat technologies – most notably our AI Lottery Station Agents and AI Sports – over short-term margin retention in traditional, compressing segments. By optimising our cost structures and enhancing marketing ROI, we have successfully navigated the ‘short-term pressures’ of our transition.”

Corporate digitalisation solutions services

Our corporate digitalisation solutions services focused on providing the promotions and advertising services and the solutions to the enterprise on user acquisition and user maintenance for their employees or customers which is serving the enterprises’ private domain traffic. To achieve these focus, we kept developing to serve our customers private traffic through the digitalisation products and marketing services operation platform services to empower the enterprises.

Virtual goods sourcing and delivery services

Our Group seizes the opportunities on the development of the digitalisation economy, we started to focus on the digital technology strategy and the digitalisation marketing track in previous years. Our virtual goods sourcing and delivery services are supported by platform-based technological capabilities through our Rego Virtual Goods Platform, we are committed to providing our customers with innovative, tailored made packages marketing solutions.

With one-stop marketing solutions as core products, our Group aggregates upstream and downstream resources of the supply chains to build a digital marketing service platform to achieve in-depth mining and sustainable growth of user value.

On the other hand, our Group expands our innovative business such as the tailored made packages or products for our customers and the Lottery experience tickets (彩票體驗券), etc. to empower our core business for expansion our business boundaries and to promote the coordinated and integrated growth of various businesses synergies.

During 2025, our revenue of virtual goods sourcing and delivery services was affected by those enterprise customers have reduced the amount of marketing budgets and the overall level of advertisement and the adjustment of agency policies of communication operations. But we are still actively exploring the integrated innovation on the different package products in cross cooperation with our different business partners. We aim to improve the experience quality of our customers' private domain traffic through our Group's experience on the modifying our selection on our suppliers every day and enriching the choices of the virtual goods for our customers together with other revenue stream to have the synergy effect.

Tangible goods sourcing and delivery service

Our focus on this sub-segment started in 2024, we aim to establish a comprehensive supply chain for our customers on their user acquisition and user maintaining for their employees or customers by our marketing services operation platform. Our aims to serve our enterprises' customers for their group purchases together with the employee welfare purchases. To fulfil the purposes of real time delivery, we had 2 warehouses with over 3,944 types of stock keeping unit ("SKU") to ensure the efficiency on meeting our customers' demand. At the same time, we provide customised online shopping mall solutions with the well-developed supply chain sourcing and fulfillment services. For the purpose of maintaining the loyalty of the employees and customers, we provide tailored loyalty systems solutions. In 2025, our Group kept looking for new brands or products to expand our choices for our customers.

Industry digitalisation solutions services

Our Industry digitalisation solutions services focused on the lottery sector, by utilising the advantage of the Group which had served over 23 provinces in the welfare lottery in previous years. The industry value chain of the lottery market in China involves issuance of lottery (R&D and issuance), lottery production (security systems, lottery terminals, printing services, etc.), lottery sales (various sales channels, marketing, offline sales channel expansion) and other lottery related services (data analysis, payment system operations, logistics, etc.). The entire value chain is regulated and supervised by the PRC government. Lottery solutions providers refer to companies that provide hardware, system and software, printing, marketing and/or other related services of the lottery market in China. Lottery hardware mainly includes lottery terminals and lottery draw machines, while lottery system and software generally include sales management systems, information management systems, security systems, monitoring systems and SaaS platforms. Our Group is one of the leading suppliers of lottery solutions providers in China.

During 2025, the Group had disposed of the subsidiary of Xi'an Tiantai Innovation Technology Company Limited ("**Xi'an Tiantai**") from this segment, but also acquired Caipingfang Technology Co., Ltd ("**Caipingfang**") was primarily driven by the strategic value of Caipingfang's established customer base and its ongoing development of artificial intelligence applications in the lottery business. The acquisition was made in line with the further development and expansion of the one-stop lottery solution business under the industry digitalisation solutions services.

Our focus will be on AI digital lottery store (AI數字彩票門店) to gather private domain traffic from lottery players/lottery stores. We keep to explore the opportunities for the combination of the in Sports and Athletic Trends. We are leveraging AI to provide sports enthusiasts with real-time data analysis and interactive experiences, bridging the gap between professional athletic content and digital entertainment. This cross-industry approach expands our user base and opens new revenue streams in sports lottery-related services and specialised sports marketing.

Development History of Our Group



2009–2016: Foundation of value-added services for operators (marketing services)

Over the years, we have endeavoured to expand our capacities in providing marketing services in accordance with the prevailing market trends and developments. Initially providing marketing services for advertisers through traditional offline channels, we have built up our service offerings with such additions as online marketing services via large-scale media platform operators. Meanwhile, we focused on the research and development of value-added service products for operators in China with diversified value-added service solutions. At the same time, we accumulated the core technologies as the foundation for subsequent development of the Group.

By continuously optimising the products and services, we have accumulated a large customer base in the operator field which paved a solid customer foundation for the further development of the Company.

2017–2020: Development of digital platform

We developed and rolled out a series of platforms for specific areas of our operations, such as Rego Virtual Goods Platform, RegoAd SDK, and Rego Advertisement Operations and Management Platforms successfully and began to provide professional marketing services to enterprises which had opened a new chapter in digital transformation.

We believed that platform-based approach has been a driving force behind our business growth over the years: on top of maximisation of operational efficiency, platform-based operation favours the conduct of transactions and revenue generation on a sizeable scale and a recurring basis given the ease and convenience it brings to both our customers and our suppliers; it is therefore one of the key business development directions we have taken all along, and we shall remain steadfast in our pursuit of this business strategy going forward.

2021–2023: Breakthrough of lottery industry digitalisation

In 2020, we strategically acquired the entire share capital of Xi'an Tiantai, through which we had significantly strengthened our research and development capabilities in respect of lottery solutions, and built business relationships with the provincial WLIACs in provinces, municipalities and autonomous regions in the PRC.

We focused on product research and development in the lottery industry which has achieved major breakthroughs in the digitisation of lottery stores and industry marketing services.

2024: Expansion and integration of supply chain

We had integrated the physical goods sourcing and delivery services on our virtual supply chain which expanded the private domain e-commerce business for enterprises actively and further improved the digital business layout for the Group.

2025: Implementation of AI digital lottery store model

First of all, we focused on the development of AI digital lottery store (AI數字彩票門店) modelling. We would like to create a large model for the lottery industry and to provide strong technical support for the intelligent development of the lottery industry. Throughout the AI digital lottery store model, it can provide more accurate betting analysis and information to the lottery players.

At the meanwhile, the enterprises can optimise the marketing plans which can improve the efficiency on marketing, with promoting the comprehensive upgrade of intelligent marketing in the lottery industry.

FINANCIAL PERFORMANCE REVIEW

Revenue

The following table sets forth the breakdown of our revenue by segments for the years indicated:

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Corporate digitalisation solution services				
Enterprises' private domain traffic marketing services	339,166	67.4	58,826	24.0
Marketing service operation platform services				
– Virtual goods sourcing and delivery services	10,644	2.1	40,202	16.4
– Tangible goods sourcing and delivery services	114,297	22.7	114,908	47.0
Others (<i>Note</i>)	602	0.1	982	0.4
Sub-total	464,709	92.3	214,918	87.8
Industry digitalisation solutions services				
Solutions on lottery related software systems and equipment	38,885	7.7	29,728	12.2
Others	–	–	–	–
Sub-total	38,885	7.7	29,728	12.2
Total	503,594	100.0	244,646	100.0

Note: Others include revenue from the software development and maintenance services which was previously under IT solution segment.

1. Revenue from corporate digitalisation solution services

Our corporate digitalisation solutions services focused on providing the promotions and advertising services and the solution to the enterprise on user acquisition and user maintaining for their employees or customers which is serving the enterprises' private domain traffic. The following table sets forth our revenue from corporate digitalisation solution services for the years indicated:

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Corporate digitalisation solution services				
Enterprises' private domain traffic marketing services	339,166	73.0	58,826	27.4
Marketing service operation platform services				
– Virtual goods sourcing and delivery services	10,644	2.3	40,202	18.7
– Tangible goods sourcing and delivery services	114,297	24.6	114,908	53.5
Others	602	0.1	982	0.4
Total	464,709	100.0	214,918	100.0

Corporate digitalisation solution services mainly comprise enterprises' private domain traffic marketing services, marketing services operation platform services with virtual goods sourcing and delivery services and tangible goods sourcing and delivery services. Our revenue from the Corporate digitalisation solution services increased by 116.2%, from approximately RMB214.9 million for the year ended 31 December 2024 to RMB464.7 million for the year ended 31 December 2025, mainly attributed by the enterprises' private domain traffic marketing services, which had the increment at RMB280.3 million revenue compared with the year ended 31 December 2024. The Group had changed the mode of advertisement placement services at 31 December 2024 which provided more value-added services for customers to have more insight and promotions services on new advertisement placement services. Advertisement placement services contributed RMB295.4 million for the year ended 31 December 2025 which only contributed RMB1.2 million in 2024. For the revenue generated from our Corporate digitalisation solution services representing 92.3% and 87.8% of our total revenue for the years ended 31 December 2025 and 2024.

Revenue from corporate digitalisation solution services by type of marketing channels

We provide our corporate digitalisation solution services to our customers through an integration of online and offline marketing channels. Leveraging on our technical capability, we focused on the strategy of provision of OMO Solution Services in order to better empower digital transformation for customers. The table below sets forth a breakdown of revenue generated from our corporate digitalisation solution services by type of marketing channels for the years indicated:

	For the year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Online	350,412	75.4	100,010	46.5
Hybrid	114,297	24.6	114,908	53.5
	<u>464,709</u>	<u>100.0</u>	<u>214,918</u>	<u>100.0</u>

Our revenue attributable to online services amounted to RMB350.4 million and RMB100.0 million, representing 75.4% and 46.5% of our total revenue from corporate digitalisation solution services for the years ended 31 December 2025 and 2024, respectively. We consider that the expansion of our online services was and will continue to be one of the major factors for the business growth of our corporate digitalisation solution services, therefore there were only online service and integration of online and offline experiences in 2025 and 2024.

Revenue from corporate digitalisation solution services by type of customers

Customers of our corporate digitalisation solution services include (i) enterprises that have demand for corporate digitalisation solution services for their business; and (ii) advertising agents of the enterprises. The table below sets forth a breakdown of revenue generated from our corporate digitalisation solution services by type of customers for the years indicated:

	For the year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Advertising agents	151,329	32.6	75,920	35.3
Enterprises	313,380	67.4	138,998	64.7
	<u>464,709</u>	<u>100.0</u>	<u>214,918</u>	<u>100.0</u>

Our revenue arise from enterprises' customers increased from 64.7% of the total revenue from corporate digitalisation solution services for the year ended 31 December 2024 to 67.4% of the total revenue from corporate digitalisation solution services for the year ended 31 December 2025 mainly contributed to the Group has maintained the prudent policy on the selection of high quality customers to manage the exposure to credit risks in 2025.

Enterprises' private domain traffic marketing services

Our enterprises' private domain traffic marketing services comprises our revenue of traditional marketing and promotion services, advertisement placement services and Operator related digital marketing services, which included our advertisement distribution services.

We normally enter into annual framework agreements with our customers and charge them for our traditional marketing and promotion services based primarily on a mix of CPA (i.e. cost per action, such as download, installation or registration by end users), CPS (i.e. cost per sales); for advertisement distribution service, media publishers or their agents primarily pay to us service fees determined with reference to a mix of performance parameters of the advertisement distribution services, including but not limited to, impressions, clicks, CTR and/or CPM (i.e. combined performance parameters). For the advertisement placement services, we received top-up amounts from our customers (net of rebates, if any) and the amounts paid by us to the media publishers (or their channel agents) (net of rebates, if any) for topping-up of our customers' accounts maintained on the platforms operated by the media publishers. Our suppliers, being the media publishers or their agents, may also grant us rebates on a quarterly and/or annual basis which are recorded as our revenue.

For the operator-related digital marketing services mainly comprises with cross enterprises' corporation services (previous known as "traditional marketing and promotion services"), the cooperation with the telecom operator for the tailored made virtual goods package for the marketing purposes; loyalty points redemption of virtual goods services; the advertisement placement services and advertisement distribution services. Providing the advertising services with the telecom operator which can fulfill our Company's strategy for having the corporation with high-quality clients. Through the operator related digital marketing services, we will provide the data management platform for our customers on tracking the consumption data on the virtual goods package, etc. for the analysis purposes; the ended customers management; the suppliers management and 24 hours monitoring alert. Through our operator-related digital marketing services business, we can provide target-oriented marketing services for our operator.

For the revenue of enterprises' private domain traffic marketing services, the revenue contributed by the cross-enterprises' corporation services (previous known as "traditional marketing and promotion services") of RMB42.6 million which covered 12.6% of the total revenue from enterprises' private domain traffic marketing services for the year ended 31 December 2025.

On the other hand, the revenue were mainly contributed from the advertisement placement services, we had provided more insights and promotion plan with the services together to the customers. At the same time, we monitored closely to the advertisement placement results to ensure any adjustment on the promotion plan. Our revenue from the advertisement placement services increased from approximately RMB1.3 million for the year ended 31 December 2024 to approximately RMB295.4 million for the year ended 31 December 2025.

Revenue from corporate digitalisation solution services – Virtual goods sourcing and delivery services

We generated revenue of RMB10.6 million and RMB40.2 million, respectively, from our virtual goods sourcing and delivery services, representing approximately 2.3% and 18.7% of our revenue from corporate digitalisation solution services for the years ended 31 December 2025 and 2024. The decrease in the revenue generated from our virtual goods sourcing and delivery services during the periods was mainly attributable to many enterprises have reduced the amount of marketing budgets and the overall level of advertisement and the adjustment of agency policies of communication operations. The table below sets forth a breakdown of revenue generated from our virtual goods sourcing and delivery services by type of virtual goods for the years indicated:

	For the year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Top-up for telecommunication services	7,790	73.2	10,120	25.2
Online vouchers and interests (<i>Note</i>)	2,834	26.6	23,147	57.6
Gift cards of gas stations	20	0.2	6,935	17.2
Total	10,644	100.0	40,202	100.0

Note: We offer a wide spectrum of online vouchers and interests including but not limited to memberships of online entertainment platforms, gift cards of e-marketplaces, coffee vouchers, membership of online healthcare and medical services and packages combining various types of online vouchers and interests.

The following table illustrates the reconciliation of the Gross Merchandise Value (“GMV”) and our revenue recorded under our virtual goods sourcing and delivery services during the years indicated:

	For the year ended	
	31 December	
	2025	2024
	RMB’000	RMB’000
GMV	501,942	1,251,505
Less: purchase costs of the virtual goods	(491,298)	(1,211,303)
Revenue	10,644	40,202

The total GMV of the virtual goods offered by us under our virtual goods sourcing and delivery services amounted to RMB501.9 million and RMB1,251.5 million for the year ended 31 December 2025 and 2024, respectively. The decrease in the total GMV of the virtual goods offered by us was primarily due to (i) reduction of marketing budgets by customers; and (ii) our financial services and institutions customers’ policies on selection on marketing tools were became more tighten.

Customers of our virtual goods sourcing and delivery services came from different industry include (i) advertising agents; (ii) financial services and institutions; (iii) insurance authorities; (iv) telecom operators; and (v) others. The table set out the total number of customers in different industries for the years indicated:

	For the year ended 31 December			
	2025		2024	
	<i>No. of</i>	<i>%</i>	<i>No. of</i>	<i>%</i>
	<i>customers</i>		<i>customers</i>	
Advertising agents	16	40.0	19	48.7
Financial services and institutions	18	45.0	14	35.9
Insurance authorities	2	5.0	3	7.7
Others	4	10.0	3	7.7
	40	100.0	39	100.0

Our Group had kept developed new opportunities on customers with high quality from different industries during the year ended 31 December 2025.

Revenue from tangible goods sourcing and delivery services

We generated revenue of RMB114.3 million and RMB114.9 million from our tangible goods sourcing and delivery services, representing approximately 24.6% and 53.5% of our revenue from corporate digitalisation solution services for the year ended 31 December 2025 and 2024. We had explored on our services to tangible goods sourcing and delivery services covered more brands which providing more choices for our customers in 2025.

We aimed at providing more choices for our customers on the selection on the products for their marketing purposes. We had offered 3,944 and 4,459 different type of SKU with over 1,664 and 708 brands for the years ended 31 December 2025 and 2024. The following table set forth the breakdown of our revenue from tangible goods sourcing and delivery services for the years ended 31 December 2025 and 2024 by type of products sold:

	For the year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Daily necessities	29,441	25.8	37,510	32.6
Drinks and Food	45,906	40.2	40,561	35.3
Seasoning	30,516	26.7	31,670	27.6
Liquor	1,797	1.6	5,006	4.4
Others	6,637	5.7	161	0.1
	114,297	100.0	114,908	100.0

2. *Revenue from our industry digitalisation solution services*

We primarily offer industry digitalisation solution services in relation to solutions on lottery related software systems and equipment. Our Industry digitalisation solutions services focused on the lottery sector, as utilising the advantage of the Group which had serving over 23 provinces in the welfare lottery in previous years. Our lottery-related software systems and equipment principally include the lottery security and payment systems. Our integrated business security access system (一線通) enables secure communication and interaction between provincial WLIACs and lottery sales points. To this end, our security access center equipment and security access terminal equipment assist in establishing the requisite information security system, while our software platform enables such communication and interaction process. We have systems in place to monitor and obtain live feedback on the status and conditions of the security access equipment and software platform to facilitate swift feedback and maintenance and upgrade services. We also provide outlets management system to monitor lottery sales activities and information security system to monitor external interference to the lottery systems.

During 2025, the Group had disposed the subsidiary of Xi'an Tiantai from this segment, but also acquiring Caipingfang was primarily driven by the strategic value of Caipingfang's established customer base and its ongoing development of artificial intelligence applications in the lottery business. The acquisition was made in line with the further development and expansion of the one-stop lottery solution business under the industry digitalisation solutions services.

Our revenue from industry digitalisation solution services amounted to RMB38.9 million and RMB29.7 million for the years ended 31 December 2025 and 2024, respectively. Such increase by 31.0% from approximately RMB29.7 million for the year ended 31 December 2024 to approximately RMB38.9 million for the year ended 31 December 2025 was primarily attributable to the increment of the point in time revenue of RMB19.6 million which those contracts were signed nearly the end of FY2024 and FY2025, therefore those sales of lottery related systems and equipment had been transferred to the customers during the year ended 31 December 2025.

Our total revenue increased by RMB259.0 million, or 105.9%, from RMB244.6 million for the year ended 31 December 2024 to RMB503.6 million for the year ended 31 December 2025. The increment of revenue was mainly attributable to: the increases in our revenues generated from corporate digitalisation solutions services, mainly contributed by the changes on the mode of advertisement placement services in 2025 as our Group had provided them for more value-added services for customers. Our Group focuses on establishing a comprehensive supply chain for our customers, which useful for their user acquisition and user maintaining for their employees or customers by our marketing services operation platform expanding on the private domain e-commerce business for our customers.

Cost of Sales

Our cost of sales primarily consists of (i) traffic acquisition cost; (ii) cost of goods sold; and (iii) employee benefit expenses.

Our total cost of sales increased by RMB280.1 million, or 156.7%, from RMB178.8 million for the year ended 31 December 2024 to RMB458.9 million for the year ended 31 December 2025, which was primarily attributable to the increment on the cost of inventories from tangible goods sourcing and delivery services and sales on lottery systems and equipment of RMB122.4 million for the year ended 31 December 2025 compared with RMB116.0 million for the year ended 31 December 2024. The cost of inventories representing approximately 26.7% and 64.9% of our cost of sales for the years ended 31 December 2025 and 2024 which constituted the largest portion of the cost of sales.

Gross Profit and Gross Profit Margin

Our gross profit consists of our revenue less cost of sales. The Group recorded gross profit of approximately RMB44.7 million for the year ended 31 December 2025, representing a decrease of approximately 32.1% as compared to approximately RMB65.8 million for the year ended 31 December 2024, which was mainly attributable to the revenue structure and the Group's focus on corporate digitisation solution services.

Gross profit margin represents gross profit divided by total revenue, expressed as a percentage. Our gross profit margin decreased from 26.9% for the year ended 31 December 2024 to 8.9% for the year ended 31 December 2025, which was mainly attributable to the increment on revenue in enterprises' private domain traffic marketing services which recognising revenue on gross basis, weighted 67.4% and 24.0% in total revenue for the years ended 31 December 2025 and 2024, therefore the increase of the costs of inventories will lower the gross profit margin.

Other Income and Other Gains or Losses, Net

Our other income and other gains or losses primarily consist of (i) bank interest income; (ii) government grants; (iii) exchange gain; (iv) sundry income; (v) gain on disposal of a subsidiary; (vi) loss on deregistration of a subsidiary; (vii) net valuation loss in fair value of financial assets at fair value through profit or loss; and (viii) gain on lease modification.

Our other income decreased from approximately RMB2.5 million for the year ended 31 December 2024 to approximately RMB2.0 million loss for the year ended 31 December 2025. Such decrease was primarily due to approximately RMB8.7 million of net valuation loss in fair value of financial assets at fair value through profit or loss.

Selling and Distribution Expenses

Our selling and distribution expenses primarily comprise of (i) employee benefit expenses, which mainly include salaries, bonuses and other benefits for our sales and marketing personnel; (ii) travel and entertainment expenses; (iii) advertising and promotion expenses; (iv) rentals, depreciation and impairment of right-of-use assets; (v) service fees mainly in relation to technical support, software development and installation of equipment for our solutions on lottery related software system and equipment; and (vi) others. Our selling and distribution expenses increased by approximately RMB1.5 million, or 6.4%, from approximately RMB22.0 million for the year ended 31 December 2024 to approximately RMB23.5 million for the year ended 31 December 2025. The Group kept constant on the level of selling and distribution expenses during the year.

Administrative Expenses

Our administrative expenses primarily consist of: (i) employee benefit expenses, which mainly include salaries, bonuses and other benefits for our administrative personnel; (ii) travel and entertainment expenses; (iii) professional fees; (iv) general office expenses; and (v) others. Our administrative expenses decreased by approximately RMB3.2 million, or 9.2%, from approximately RMB34.8 million for the year ended 31 December 2024 to approximately RMB31.6 million for the year ended 31 December 2025. The Group kept constant on the level of administrative expenses during 2025.

Research and Development Expenses

Our research and development expenses primarily consist of: (i) employee benefit expenses, which primarily comprise the salaries, bonuses and other benefits of our research and development staff; (ii) technical service and copyright fees, which mainly represent expenses for R&D projects outsourced to a university and other external institutions and acquisition cost for copyrights; and (iii) depreciation of property, plant and equipment.

Our research and development expenses decreased by approximately RMB8.7 million, or 35.8%, from approximately RMB24.3 million for the year ended 31 December 2024 to approximately RMB15.6 million for the year ended 31 December 2025. Such decrease was aligned with the decrease of the revenue trend of software development and maintenance services, which were lesser focused by the Group.

Finance Costs

Our finance costs primarily consist of: (i) interest expenses on bank borrowings; and (ii) interest expenses on lease liabilities.

Our finance costs decreased by approximately RMB0.9 million, or 18.0%, from approximately RMB5.0 million for the year ended 31 December 2024 to approximately RMB4.1 million for the year ended 31 December 2025. Such decrease was primarily due to the decrease of approximately RMB0.9 million in the interest expenses on bank borrowings as the Group aimed to obtain the financing funding with a cheaper effective interests in 2025.

Income Tax Expense

Our income tax expenses decreased by approximately RMB71,000, or 4.9%, from approximately RMB1.4 million for the year ended 31 December 2024 to approximately RMB1.4 million for the year ended 31 December 2025, which was mainly due to the decrease in taxable profit. Our effective income tax rate decreased from 3.8% for the year ended 31 December 2024 to 1.9% for the year ended 31 December 2025, which was because most of the subsidiaries were loss-making during the year ended 31 December 2025.

Loss for the Year

Our loss for the year increased by approximately RMB35.7 million, or 90.8%, from approximately RMB39.3 million loss for the year ended 31 December 2024 to approximately RMB75.0 million loss for the year ended 31 December 2025.

Non-HKFRS Measure: Adjusted Net Loss

To supplement our consolidated financial statements, which are presented in accordance with the HKFRS, we also use adjusted net loss as an additional financial measure, which is not required by, or presented in accordance with, the HKFRS. We believe that such non-HKFRS measures facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of items which our management considers to be non-indicative of our operating performance. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

However, our presentation of adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of this non-HKFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under HKFRS.

The following table reconcile our adjusted net loss for the years presented to the most directly comparable financial measures calculated and presented in accordance with HKFRS:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year attributable to owners of the Company	(73,213)	(37,960)
Add:		
Foreign exchange differences	86	(61)
Change in fair value of financial assets at fair value through profit or loss	8,681	2,745
Impairment loss on goodwill	11,983	2,359
Write-off of advance to a supplier	–	5,000
Non-HKFRS Measure		
Adjusted net loss	(52,463)	(27,917)

Employees and Remuneration Policies

As of 31 December 2025, we had 194 (2024: 311) full-time employees, the majority of whom were based in Hangzhou, China, Shanghai, China and Shanxi, China.

The remuneration of our employees is determined based on their performance, experience, competence and market comparable. We provide our employees with competitive salaries and bonuses determined by performance, housing subsidies, regular team building activities and internal opportunities of career advancement. Our Group adopts an appraisal system for our employees, where their respective supervisor and our president's office conduct monthly or quarterly performance review depending on their rank and determines the amount of bonus to be awarded accordingly.

Our Group's total staff costs (including Directors' emolument, salaries, bonus, social insurance and provident funds) amounted to approximately RMB44.5 million for the year ended 31 December 2025 (For the year ended 31 December 2024: approximately RMB54.0 million). As required by the PRC laws and regulations, we have made contributions to various mandatory social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, maternity leave insurance and occupational injury.

The remuneration of Directors and members of senior management is determined on the basis of each individual's responsibilities, qualification, position, experience, performance and time commitment. They receive compensation in the form of salaries, allowances, discretionary bonuses and contributions to defined contribution retirement plan.

The Company has adopted a share option scheme on 27 July 2022 as incentives or rewards to Eligible Persons for their contributions to the Group. The purpose of the Share Option Scheme is to incentivise and reward the Eligible Persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. The Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under the Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Share Option Scheme. During the Year, no option had been granted or agreed to be granted by the Company under the Share Option Scheme.

Contingent Liabilities and Indebtedness

As at 31 December 2025, the Group had the interest-bearing borrowings of RMB124.8 million which consists RMB5.0 million was unsecured and guaranteed, RMB54.8 million was secured and guaranteed and HK\$65.0 million was unsecured and unguaranteed (As at 31 December 2024: RMB87.5 million which consists RMB14.0 million was unsecured and guaranteed, RMB9.0 million was secured and guaranteed and RMB64.5 million was unsecured and unguaranteed). The maturity profile of the interest-bearing bank borrowings as at 31 December 2025 and 2024 were repayable within one-year or on demand. In addition, as at 31 December 2025, the Group had lease liabilities of RMB274,000 (As at 31 December 2024: RMB6,545,000).

Save as the above, the Group did not have any material contingent liabilities as at 31 December 2025 (As at 31 December 2024: nil).

Liquidity, Financial and Capital Resources

During the year ended 31 December 2025, we financed our capital expenditure and working capital requirements mainly through bank borrowings, the proceeds received from the Global Offering of the Company's shares in October 2022 and the proceeds received from the Rights Issue in December 2023. As at 31 December 2025, we had bank and other borrowings of approximately RMB124.8 million (As at 31 December 2024: RMB87.5 million). The range of effective interest rates on the borrowings was 2.6% to 7% (As at 31 December 2024: 2.8% to 4.3%) per annum for the year ended 31 December 2025. The Group's gearing ratio as of 31 December 2025 was 46.0% (As at 31 December 2024: 28.0%). As at 31 December 2025, the Group's cash and cash equivalents were mainly held in RMB and HKD, and the cash and cash equivalents remain constant from RMB139.0 million as of 31 December 2024 to RMB76.0 million.

We currently do not use any financial instruments for hedging purposes.

Significant Investment, Material Acquisition and Disposal of Subsidiaries, Associate, and Joint Venture

On 30 June 2025, a wholly-owned subsidiary of the Company as purchaser entered into the share transfer agreement with three vendors, pursuant to which the vendors conditionally agreed to sell, and the purchaser conditionally agreed to purchase all the existing issued shares of the Caipingfang at the consideration of RMB18,300,000. For details, please refer to announcements of the Company dated 30 June 2025 and 21 July 2025.

On 22 December 2025, an indirect wholly-owned subsidiary of the Company as vendor entered into the equity transfer agreement with the purchasers who are independent third parties, pursuant to which, the purchasers have conditionally agreed to acquire and the vendor has conditionally agreed to sell the 75% equity interests in Xi'an Tiantai for a total consideration of RMB11.3 million. For details, please refer to announcement of the Company dated 22 December 2025.

Save as disclosed above, there were no significant investments held by the Company nor any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

Capital Commitments

There are no significant capital commitments outstanding provided for as at 31 December 2025 (As at 31 December 2024: nil).

Charge on the Group's Assets

As at 31 December 2025, the Group had pledged the property, plant and equipment with carrying amount of approximately RMB16,251,000 to secure the bank borrowing (As at 31 December 2024: the Group had pledged the property, plant and equipment with carrying amount of approximately RMB17,126,000 were pledged to secure the bank borrowing).

Pledge of shares by controlling shareholders

On 26 June 2025, Vicen Investments Limited, a controlling shareholder of the Company, pledged 36,564,224 shares of the Company (representing approximately 8.4% of the shares directly held by Vicen Investments in the Company) with Hangzhou Xingsheng Equity Investment Co., Ltd. (杭州興晟股權投資有限公司) as the pledgee. As at the date of this announcement, the shares pledged by Vicen Investments accounted for approximately 2.20% of the total shares in issue of the Company in aggregate.

Tanshin Investments Limited, a controlling shareholder of the Company, pledged 15,306,541 shares of the Company (representing approximately 8.4% of the shares directly held by Tanshin Investments in the Company) with Hangzhou Xingsheng Equity Investment Co., Ltd. (杭州興晟股權投資有限公司) as the pledgee. As at the date of this announcement, the shares pledged by Tanshin Investments accounted for approximately 0.92% of the total shares in issue of the Company in aggregate.

Sprus Investments Limited, a controlling shareholder of the Company, pledged 7,388,495 shares of the Company (representing approximately 8.4% of the shares directly held by Sprus Investments in the Company) with Hangzhou Xingsheng Equity Investment Co., Ltd. (杭州興晟股權投資有限公司) as the pledgee. As at the date of this announcement, the shares pledged by Sprus Investments accounted for approximately 0.45% of the total shares in issue of the Company in aggregate.

Such shares pledged by the three controlling shareholders (collectively the “**Pledgors**”) are security provided for Hangzhou Rego Network Company Limited, a wholly-owned subsidiary of the Company, with the amount of guarantee being RMB18,500,000. In the duration of pledge, the shares pledged by the Pledgors were not subject to transfer of ownership rights, voting rights and dividend rights, provided that the exercise of such rights shall not prejudice the interests of the pledgee. Meanwhile, the Pledgors shall keep the pledged shares in a proper manner, and shall not take the liberty to transfer, grant, create new encumbrance over the pledged shares or carry out any activities that may prejudice the interests of the pledgee without written consent from the pledgee.

For further details of this transaction, please refer to the announcement of the Company dated 26 June 2025.

Future Plan for Material Investment and Capital Assets

Save as disclosed in the Prospectus and in the sections headed “Significant Investment, Material Acquisition and Disposal of Subsidiaries, Associate, and Joint Venture” and “Use of Proceeds” in this announcement, there was no other plans for material investments and capital assets as at the date of this announcement.

Top Customers

Our top five customers accounted for 44.8% and 53.1% of our revenue for the years ended 31 December 2025 and 2024, respectively. Our largest customer accounted for 12.6% and 33.4% of our revenue for the years ended 31 December 2025 and 2024, respectively.

To the best of our Directors’ knowledge, none of our Directors or their respective close associates or any person who owns more than 5% of our issued share capital or of our subsidiary, had any interest in any of our top five customers during the Year.

Top Suppliers

Our top five suppliers accounted for 55.3% and 67.9% of our total costs of sales for the years ended 31 December 2025 and 2024, respectively. Our largest supplier accounted for 28.8% and 23.3% of our total costs of sales for the years ended 31 December 2025 and 2024, respectively.

To the best of our Directors’ knowledge, none of our Directors or their respective close associates or any person who owns more than 5% of our issued share capital or of our subsidiary, had any interest in any of our top five suppliers during the Year.

Key Financial Ratio

The following table sets forth certain financial ratio as of the balance sheet dates indicated:

	As of 31 December 2025	As of 31 December 2024
Profitability ratios		
Gross profit margin ⁽¹⁾	8.9	26.9
Net profit margin ⁽²⁾	-14.9	-16.1
Adjusted net profit margin under HKFRS measures ⁽³⁾	-10.5	-12.5
Return on equity ⁽⁴⁾	-26.6	-11.0
Return on total assets ⁽⁵⁾	-15.6	-7.4
Liquidity ratios		
Current ratio ⁽⁶⁾	2.1 times	2.7 times
Quick ratio ⁽⁷⁾	2.1 times	2.7 times
Capital adequacy ratios		
Gearing ratio ⁽⁸⁾	45.9%	28.0%
Debt-to-equity ratio ⁽⁹⁾	18.8%	N/A

Notes:

- (1) The calculation of gross profit margin is based on gross profit for the year divided by revenue and multiplied by 100%.
- (2) The calculation of net profit margin is based on profit for the year divided by revenue and multiplied by 100%.
- (3) Calculated based on the adjusted net profit under non-HKFRS measures and calculated by excluding the effect of listing expenses.
- (4) The calculation of return on equity is based on profit for the year divided by ending balance of total equity and multiplied by 100%.
- (5) The calculation of return on total assets is based on profit for the year divided by ending balance of total assets and multiplied by 100%.
- (6) Current ratio is calculated as current assets divided by current liabilities as at the relevant financial year end.
- (7) Quick ratio is calculated as current assets less inventories divided by current liabilities as at the relevant financial year end.
- (8) Gearing ratio is calculated as total debt divided by total equity and multiplied by 100% as at the relevant financial year end. Total debts refer to all interest-bearing bank loans, amounts due to related parties and lease liabilities of our Group as at the end of the respective year.

- (9) Debt to equity ratio is calculated as net debt (representing total debt minus cash and cash equivalent as at the relevant year end) divided by the total equity as at the end of the respective year and multiplied by 100%. As our cash and cash equivalent is higher than our total debts as at 31 December 2023 and 2024, the debt to equity ratio is not applicable to such periods.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. 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 sufficient financial resources are available in order to meet its funding requirements and commitment timely.

Foreign exchange exposure

Foreign exchange risk refers to the risk of loss caused by the changes in foreign exchange rates. The operations of the Group are mainly located in the PRC with most transactions denominated and settled in Renminbi.

During the year ended 31 December 2025, no financial instrument was used for hedging purposes, and we did not commit to any financial instruments to hedge our exposure to foreign exchange risk, as the expected foreign exchange risk is not significant. The Directors and senior management of the Company will continue to closely monitor the foreign exchange exposure and take measures when necessary to ensure that the foreign exchange risk is within the controllable range.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	5	503,594	244,646
Cost of sales		<u>(458,932)</u>	<u>(178,838)</u>
Gross profit		44,662	65,808
Other income and other gains or losses, net	6	(1,980)	2,536
Provision for impairment losses on financial assets		(29,336)	(16,857)
Impairment loss on goodwill		(11,983)	(2,359)
Selling and distribution expenses		(23,457)	(22,009)
Administrative expenses		(31,631)	(34,750)
Research and development expenses		(15,564)	(24,293)
Finance costs		(4,051)	(4,998)
Share of loss of a joint venture		(76)	(924)
Loss before income tax		(73,416)	(37,846)
Income tax expense	7	(1,373)	(1,444)
Loss for the year		<u>(74,789)</u>	<u>(39,290)</u>
Other comprehensive income			
<i>Item that will not be reclassified to profit or loss:</i>			
– Exchange differences arising from translation		(2,805)	4,928
Total comprehensive income for the year		<u>(77,594)</u>	<u>(34,362)</u>
Loss for the year attributable to:			
– Owners of the Company		(73,213)	(37,960)
– Non-controlling interests		(1,576)	(1,330)
		<u>(74,789)</u>	<u>(39,290)</u>

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Total comprehensive income for the year attributable to:			
– Owners of the Company		(76,018)	(33,032)
– Non-controlling interests		<u>(1,576)</u>	<u>(1,330)</u>
		<u>(77,594)</u>	<u>(34,362)</u>
 Loss per share attributable to owners of the Company during the year (<i>expressed in RMB per share</i>)			
– Basic and diluted	9	<u>(0.05)</u>	<u>(0.03)</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Intangible assets		8,857	9,476
Property, plant and equipment		24,278	28,026
Right-of-use assets		270	6,539
Goodwill		29,333	23,024
Investment in associates		3,750	–
Investment in a joint venture		–	76
Deferred tax assets		572	1,868
Financial assets at fair value through profit or loss		860	9,700
		<u>67,920</u>	<u>78,709</u>
Current assets			
Inventories		5,611	8,527
Contract assets		–	1,586
Trade receivables	10	76,611	153,396
Prepayments, deposits and other receivables		252,482	146,523
Amount due from a related party		–	2,494
Restricted bank deposits		651	1,720
Cash and cash equivalents		76,062	138,994
		<u>411,417</u>	<u>453,240</u>
Total assets		<u>479,337</u>	<u>531,949</u>
Current liabilities			
Trade payables	11	30,594	27,896
Contract liabilities		–	8,644
Other payables and accruals		27,745	22,291
Amount due to related parties		3,884	6,301
Bank and other borrowings		124,838	87,500
Lease liabilities		191	1,300
Income tax payable		10,655	12,046
		<u>197,907</u>	<u>165,978</u>
Net current assets		<u>213,510</u>	<u>287,262</u>
Total assets less current liabilities		<u>218,430</u>	<u>365,971</u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current liabilities		
Contract liabilities	–	1,782
Lease liabilities	83	5,245
Deferred tax liabilities	127	160
	<u>210</u>	<u>7,187</u>
Total liabilities	<u>198,117</u>	<u>173,165</u>
NET ASSETS	<u>281,220</u>	<u>358,784</u>
EQUITY		
Share capital	10,349	10,349
Reserves	273,257	349,275
	<u>283,606</u>	<u>359,624</u>
Equity attributable to owners of the Company	283,606	359,624
Non-controlling interests	(2,386)	(840)
	<u>281,220</u>	<u>358,784</u>
TOTAL EQUITY	<u>281,220</u>	<u>358,784</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

31 December 2025

1. GENERAL INFORMATION

Rego Interactive Co., Ltd (the “**Company**”) was incorporated in the Cayman Islands, as an exempted company with limited liability under the Cayman Companies Act on 8 August 2017. Its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands. The Company is an investment holding company. The Company and its subsidiaries now comprising the Group (collectively referred to as the “**Group**”) were engaged in the following businesses in the People’s Republic of China (“**PRC**”).

- Corporate digitalisation solution service
- Industry digitalisation solution service

In the opinion of the directors of the Company, the immediate holding companies of the Company are Tanshin Investments Limited (“**Tanshin Investments**”), Vicen Investments Limited (“**Vicen Investments**”) and Sprus Investments Limited (“**Sprus Investments**”) which are incorporated in the British Virgin Islands. The ultimate shareholders of the Company are Mr. Tian Huan (“**Mr. Tian**”), Mr. Chen Ping (“**Mr. Chen**”) and Mr. Zhang Yongli (“**Mr. Zhang**”) who have entered into acting-in-concert agreement on 22 October 2021 and confirmed they have been acting in concert since 14 July 2017. Accordingly, Mr. Tian, Mr. Chen, Mr. Zhang, Tanshin Investments, Vicen Investments and Sprus Investments collectively referred to as the “Controlling Shareholders”.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of amended HKFRS Accounting Standards – effective 1 January 2025

The Hong Kong Institute of Certified Public Accountants has issued a number of amended HKFRS Accounting Standards that are first effective for the current accounting year of the Group:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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None of these amended HKFRS Accounting Standards has a material impact on the Group’s results and financial position for the current year.

(b) New and amended HKFRS Accounting Standards that have been issued but are not yet effective

The following new/amended HKFRS Accounting Standards and interpretations, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Annual improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
HKFRS 18	Presentation and Disclosures in Financial Statements ²
HKFRS 19	Subsidiaries without public accountability: disclosures ²
Amendment to HKFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures ²
Amendment to HK Int 5	Amendments to Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company is in progress of assessing the potential impact of the above, the directors do not anticipate that the application of all new and amendments to HKFRS Accounting Standards will have material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (collectively “**HKFRS Accounting Standards**”) issued by 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 of Hong Kong Limited including the disclosure requirements of the Hong Kong Companies Ordinance.

(b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost basis except for financial assets at fair value through profit or loss which has been measured at fair value.

For the year ended 31 December 2025, the Group incurred a net loss of approximately RMB77,594,000. As at 31 December 2025, the Group's current bank and other borrowings of approximately RMB124,838,000, while its cash and cash equivalents amounted to approximately RMB76,062,000 only. These conditions may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have given careful consideration of the liquidity and future cash flows of the Group in assessing the Group's ability to continue as a going concern. For this purpose, the directors of the Company have prepared a cash flow forecast covering a period of 18 months from 31 December 2025 (the "**Forecast Period**"), taking into account the plans and measures designed to mitigate the Group's liquidity pressure and enhance its financial position. The major plans and measures that have been implemented and/or will be undertaken by the directors of the Company include, but are not limited to, the following:

- (i) Subsequent to the end of the reporting period, the Group raised additional working capital of approximately HK\$69,600,000 through a placing of an aggregate of 160,000,000 new ordinary shares of the Company completed on 26 January 2026;
- (ii) Subsequent to the end of the reporting period, the Group received (i) full payment of the cash consideration of RMB11,250,000 from the disposal of a subsidiary in March 2026, and (ii) the refundable earnest money of RMB14,880,000 in connection with a potential acquisition in March 2026; and
- (iii) Subsequent to the end of the reporting date, in March 2026, the Group successfully extended the maturity date of 3 bank loans amounting to RMB42,000,000 for one year to March 2027. In respect of the remaining bank borrowings, the Group expects that these facilities will be renewed or extended upon their maturities, taking into account of the Group's continued compliance with the relevant terms and conditions of the loan arrangements and the provision of sufficient collaterals and guarantees over the outstanding borrowings.

Based on the above, the directors of the Company are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations over the Forecast Period as and when they fall due. Accordingly, the directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

(c) Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The functional currency of the Company is Hong Kong dollar ("**HKD**"). The Group's primary subsidiaries are incorporated in the PRC and these subsidiaries consider RMB as their functional currency. As the major operations of the Group are within Mainland China, the Group determined to present its consolidated financial statements in RMB. All values are rounded to the nearest thousand except when otherwise indicated.

4. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment has been identified as executive directors of the Company.

The Group's operating and reportable segments are (i) the provision of Corporate digitalisation solutions service and (ii) the provision of Industry digitalisation solutions service.

"Corporate digitalisation solutions service" mainly comprise the Group's traditional marketing and promotion services, advertisement placement services, virtual goods sourcing and delivery services, tangible goods sourcing and delivery services and software development and maintenance services. "Industry digitalisation solutions service" mainly comprise the Group's solutions on lottery related software systems and equipment. "Cross-industry Empowerment solutions services" mainly comprise the Group's cooperation across different industries services.

The CODM assesses the performance of the operating segments based on the segment profit. The reconciliation of segment profit, to profit before income tax is shown in the consolidated statement of profit or loss and other comprehensive income. There were no separate segment assets and segment liabilities information provided to the CODM, as the CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

	Corporate digitalisation solution service RMB'000	Industry digitalisation solution service RMB'000	Total RMB'000
For the year ended 31 December 2025			
Revenue	464,709	38,885	503,594
Cost of sales	(437,632)	(21,300)	(458,932)
Segment profit	<u>27,077</u>	<u>17,585</u>	<u>44,662</u>
For the year ended 31 December 2024			
Revenue	214,918	29,728	244,646
Cost of sales	(162,712)	(16,126)	(178,838)
Segment profit	<u>52,206</u>	<u>13,602</u>	<u>65,808</u>

Revenue from external customers

All significant external customers of the Group are located in Mainland China. Accordingly, no geographical information of external customers is presented.

Non-current assets

All significant non-current assets of the Group are located in Mainland China. Accordingly, no geographical information of segment assets is presented.

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the year are as follows:

	2025 RMB'000	2024 RMB'000
Customer "A" from corporate digitalisation solution services	N/A*	81,697
Customer "B" from corporate digitalisation solution services	<u>63,321</u>	<u>–</u>

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. REVENUE

The amounts of each significant category of revenue recognised during the year are as follows:

	Corporate digitalisation solution service RMB'000	Industry digitalisation solution service RMB'000	Total RMB'000
For the year ended 31 December 2025			
Timing of revenue recognition:			
At a point in time	169,277	19,594	188,871
Transferred over time	295,432	19,291	314,723
	<u>464,709</u>	<u>38,885</u>	<u>503,594</u>
Total revenue from contracts with customers	<u>464,709</u>	<u>38,885</u>	<u>503,594</u>
For the year ended 31 December 2024			
Timing of revenue recognition:			
At a point in time	214,918	12,519	227,437
Transferred over time	–	17,209	17,209
	<u>214,918</u>	<u>29,728</u>	<u>244,646</u>
Total revenue from contracts with customers	<u>214,918</u>	<u>29,728</u>	<u>244,646</u>

6. OTHER INCOME AND GAINS/(LOSSES), NET

	2025 RMB'000	2024 RMB'000
Other income		
Bank interest income	56	3,100
Government grants (<i>note</i>)	835	6,111
Sundry income	2,800	994
	<u>3,691</u>	<u>10,205</u>
Other gains/(losses), net		
Exchange (loss)/gain	(86)	61
Gain on disposal of property, plant and equipment	–	15
Gain on disposal of subsidiary	3,466	–
Loss on deregistration of subsidiary	(748)	–
Gain on lease modification	378	–
Net valuation losses in fair value of financial assets at fair value through profit or loss	(8,681)	(2,745)
Write-off of advance to a supplier	–	(5,000)
	<u>(5,671)</u>	<u>(7,669)</u>
	<u>(1,980)</u>	<u>2,536</u>

Note: For the years ended 31 December 2025 and 2024, the Group enjoyed the tax incentives on input value-added tax according to the related regulations in the PRC. There are no unfulfilled conditions related to these government grants. For the years ended 31 December 2025 and 2024, government grants had been received from the PRC local government authorities as reimbursement of the Group’s research and development activities.

7. INCOME TAX EXPENSE

The income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Current income tax – the PRC		
– tax for the year	156	2,051
– over provision in respect of prior years	(6)	(523)
	<u>150</u>	<u>1,528</u>
Deferred tax	<u>1,223</u>	<u>(84)</u>
Income tax expense	<u><u>1,373</u></u>	<u><u>1,444</u></u>

Cayman Islands income tax

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any taxation under the jurisdictions of the Cayman Islands.

PRC Enterprise income tax

Pursuant to Enterprise Income Tax Law of the PRC (“**EIT Law**”) and the Implementation Regulation on the EIT Law, the tax rate of the Group’s subsidiaries operating in the PRC during the Reporting Period was 25% of their taxable profits. The income tax provisions of the of the Group has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

For certain subsidiaries of the Group in the PRC including Hangzhou Rego Network Company Limited (“**Hangzhou Rego**”) and Xi’an Tiantai Innovation Technology Company Limited (“**Xi’an Tiantai**”) were accredited as “High and New Technology Enterprise” under relevant PRC laws and regulation, and subject to a preferential EIT rate of 15% from 2020 to 2026 and 2023 to 2025 respectively.

According to relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective and updated from 2017 onwards, enterprises engaging in R&D activities are entitled to claim 175% of their R&D expenses so incurred as tax deductible expenses when determining their assessable profits for the year (“**Super Deduction**”). The Group has made its best estimate for the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the reporting period.

Pillar Two income taxes

On 6 June 2025, the Inland Revenue (Amendment) (Minimum Tax For Multinational Enterprise Groups) Ordinance 2025 was enacted to implement the Pillar Two of the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting – the Global Anti-Base Erosion Rules (“**Pillar Two model rules**”) in HKSAR in which the Group operates. The new tax law is effective from 1 January 2025.

The new tax laws introduce a minimum top-up tax and are applicable to the Group. The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. The Group is within the scope of the Pillar Two model rules. Based on the assessment, the Group should benefit from the transitional safe harbour for all the jurisdictions in which the Group operates. Therefore, the Group does not expect potential exposure to Pillar Two “top-up” taxes. The Group continues to monitor developments relating to the Pillar Two model rules including the new tax laws.

Following the exception required by HKAS 12, the Group has not recognised deferred tax assets and liabilities, if any, related to Pillar Two income taxes.

8. DIVIDEND

No dividend was paid or proposed for ordinary shares of the Company during the years ended 31 December 2025 and 2024.

9. LOSS PER SHARE FOR THE PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2025	2024
Loss attributable to owners of the Company (<i>RMB'000</i>)	(73,213)	(37,960)
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (<i>in thousands</i>)	1,485,136	1,485,136
Basic and diluted loss per share (<i>expressed in RMB per share</i>)	(0.05)	(0.03)

The number of ordinary shares for the purpose of calculating basic loss per share has been determined based on the loss attributable to owners of the Company of approximately RMB73,213,000 (2024: a loss of RMB37,960,000) and the weighted average number of 1,485,136,000 (2024: 1,485,136,000) ordinary shares in issue.

There are no diluted loss per share because there were no dilutive potential shares in exercise during the years ended 31 December 2025 and 2024. Accordingly, the diluted earnings per share are the same as the basic loss per share for the years ended 31 December 2025 and 2024.

10. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables		
– Due from third parties	86,358	179,161
– Due from related companies (<i>note</i>)	–	90
	<u>86,358</u>	<u>179,251</u>
Less: Allowance for credit losses	<u>(9,747)</u>	<u>(25,855)</u>
Trade receivables, net	<u><u>76,611</u></u>	<u><u>153,396</u></u>

Note: The amounts due from related companies of which Mr. Chen and Mr. Fan, the executive directors of the Company is also the substantial shareholders of the related companies. The balances are unsecured, interest-free and repayable on credit terms similar to those offered to the major customers of the Group.

The credit period granted to customers is ranging from 5 to 60 days as at the end of reporting periods.

During the year ended 31 December 2025, the Group entered into a non-recourse factoring arrangement and sold trade receivables with a gross carrying amount of RMB26,829,000 to an independent third party. Cash proceeds of RMB20,738,000 were received, of which RMB6,091,000 remained receivable from the factor as at 31 December 2025.

The receivables were fully derecognised from the consolidated statement of financial position because the Group has transferred substantially all the risks and rewards of ownership in accordance with HKFRS 9 Financial Instruments. The difference of RMB 547,000 between the carrying amount of the derecognised receivables and the cash consideration received has been recognised as a loss on derecognition and is included in administrative expenses in consolidated income statements.

An ageing analysis of the Group's trade receivables at the end of the reporting year, net of impairment, based on invoice date and net of loss allowance is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Less than 1 month	55,352	121,748
More than 1 month but less than 3 months	15,987	14,095
More than 3 months but less than 6 months	1,230	2,975
More than 6 months but less than 1 year	735	5,180
More than 1 year	<u>3,307</u>	<u>9,398</u>
	<u><u>76,611</u></u>	<u><u>153,396</u></u>

Movements in loss on trade receivables were as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	25,855	27,367
Provision for impairment losses	28,767	17,685
Disposal of a subsidiary	(766)	–
Write-off	(44,109)	(19,197)
	<u>9,747</u>	<u>25,855</u>

As at 31 December 2025, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of RMB148,581,000 (2024: RMB198,448,000), which are past due at the end of the reporting period. Out of past due balance, RMB44,109,000 (2024: RMB19,197,000) has been past due for 2 years has been written off as the Group considered such balances could not be recovered based on repayment history. The Group does not hold any collateral over these balances.

11. TRADE PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	<u>30,594</u>	<u>27,896</u>

The credit period on purchase from suppliers is generally ranging from 10 to 60 days as at the end of the reporting periods.

An ageing analysis of the Group's trade payables as at the end of the year, based on invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Less than 1 month	29,369	22,211
More than 1 month but less than 3 months	297	1,776
More than 3 months but less than 6 months	201	2,567
More than 6 months but less than 1 year	54	1,022
More than 1 year	673	320
	<u>30,594</u>	<u>27,896</u>

FUTURE AND OUTLOOK

For 2026, the worldwide economic climate continues to be challenging with persistent sluggish growth. In light of this, our strategy is to closely monitor the economic trends and shifts in the competitive market landscape.

We aim to concentrate on and bolster our primary business areas, streamline the distribution of capital, and enhance the efficiency of our operations.

Simultaneously, we plan to heighten our awareness of potential risks and stick to cautious risk management strategies. This approach will help ensure our company's steady progress amidst the complexities of the ever-evolving economic scenario.

Furthermore, we intend to proactively expand our strategic vision, keenly identify and capitalise on new opportunities within our “Corporate digitalisation solutions services” (企業數字化服務) and “Industry digitalisation solutions services” (行業數字化服務) as the core, to achieve the Cross-industry Empowerment solutions services” (異業賦能服務) in the future. By adopting adaptable business strategies, we aim to boost the energy and resilience of our company's growth and foster its continuous and stable development.

For the Corporate digitalisation solutions services, we aim to seize growth opportunities in exploring new stable and reliable customers and suppliers, use omnichannel marketing strategies to accurately reach various consumer groups, and actively explore new growth points. By employing a comprehensive marketing strategy, we can precisely target a diverse range of consumer demographics.

Furthermore, we are committed to actively seeking out new areas of growth. As the digital transformation of enterprises deepens, we will continue to firmly layout in the field of corporate welfare business.

Throughout our well developed supply chain on both virtual goods and physical goods, we aim to provide our clients with diverse, flexible, and efficient welfare solutions.

For Industry digitalisation solutions services, we aim to transit from technological professional to market leader in the era of Agentic Marketing and AI Sports. Our roadmap for the coming year is built upon three non-negotiable pillars:

1. AI Commercialisation at Scale: We are moving beyond pilot programs to the large-scale deployment of our proprietary AI Agents across national lottery networks. This shift is designed to convert our R&D milestones into service revenue.

2. Capitalizing on the ‘Big Year’ for Sports: With the 2026 World Cup, Winter Olympics, and Asian Games on the horizon, we are uniquely positioned to capture the ‘traffic dividend.’ By integrating sports lottery-related services with real-time AI data analysis, we are creating a superior, interactive experience for the modern participant.
3. The Path to Operational Profitability: Having built our technological ‘moat,’ our focus now shifts to efficiency. Through rigorous cost-control and the monetization of our ‘Sports + Digital’ synergies, we are confident in our ability to deliver a significant rebound in confidence and a return to profitability.

Lastly, the Group will continue to prioritise its strategic investments to maximise the synergies across different business. The Group will continue to dedicate its commitment and support to grow its business to further capitalise on diversification opportunities. Through the development of the Group, we will keep actively negotiated with the target company which aligned with our Group development strategy in AI digital lottery store and AI sports.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Purchase, Sale or Redemption of the Company’s Listed Securities

During the Year, save for the placing of new shares as disclosed below, neither the Company nor any of its subsidiaries, purchase, sell or redeem any of the listed securities of the Company.

Compliance with Corporate Governance Code

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the Shareholders and enhance the corporate value as well as the responsibility commitments. The Company has adopted the CG Code as its own code of corporate governance.

In the opinion of the Directors, the Company has complied with all applicable code provisions of the CG Code during the Year.

The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of complying with the code provisions of the CG Code and maintaining a high standard of corporate governance of the Company.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct governing the securities transactions by the Directors. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the Year.

No incident of non-compliance of the Model Code by the employees was noted by the Company throughout the Year.

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with the CG Code. As at the date of this announcement, the Audit Committee consists of three members, all of whom are INEDs, namely Mr. Shen Yunjia, Ms. Mo Lan and Mr. Zeng Liang. Mr. Shen Yunjia is the chairman of the Audit Committee.

The Audit Committee has reviewed the audited consolidated annual financial statements of the Group for the Year, including the applicable accounting policies and accounting standards adopted by the Group, and considers that such statements have been prepared in compliance with the applicable accounting standards, the Listing Rules and all other application legal requirements.

Scope of Work of the Auditor

The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

Use of Proceeds

The Shares were listed on the Main Board of the Stock Exchange on 17 October 2022 by way of Global Offering, raising total net proceeds of HK\$100.7 million (the “**IPO proceeds**”) after deducting professional fees, underwriting commissions and other related listing expenses. The Over-allotment Option has not been exercised and the Over-allotment Option had lapsed on 6 November 2022.

As at 31 December 2025, all of the IPO proceeds has been fully utilised. An analysis of the net proceeds from the Listing Date up to 31 December 2025 is set out below:

	Approximate % of total IPO proceeds %	Allocated use of actual IPO proceeds HK\$ million	Utilised IPO proceeds as of 31 December 2025 HK\$ million	IPO proceeds unused balance as of 31 December 2025 HK\$ million
Developing and expanding our online marketing channels and resources for our marketing and promotion services	42.2	42.5	42.5	–
Further developing and expanding our supplier base and types of virtual goods on offer	26.7	26.9	26.9	–
Acquiring companies in marketing and related industries	14.9	15.0	15.0	–
Developing and operating our SaaS enterprise marketing service platform as a means to expand our marketing channels	6.3	6.3	6.3	–
General working capital	9.9	10.0	10.0	–
Total	100	100.7	100.7	–

As at 31 December 2025, there were no of unutilised net proceeds.

Up to 31 December 2025, the utilised net proceeds were applied in accordance with the planned use as previously disclosed in the Prospectus.

Rights Issue

The Company has conducted a rights issue in December 2023 to raise funds for (i) the proposed acquisition of a PRC company with an aim to expand our scope of services to cover delivery of physical goods for e-commerce operators; (ii) the development and expansion of our virtual and physical goods delivery business; and (iii) general working capital (the “**Rights Issue**”). The net proceeds from the Rights Issue after deducting the expenses were approximately HK\$98.9 million.

As at 31 December 2025, the proceeds from the Rights Issue of HK\$51.1 million has been utilised. An analysis of the proceeds from the Rights Issue up to 31 December 2025 is set out below:

	Approximate % of total proceeds from Rights Issue as stated in the prospectus dated 20 November 2023 %	Allocated use of actual proceeds from Rights Issue HK\$ million	Utilised proceeds from Rights Issue as of 31 December 2025 HK\$ million	Proceeds from Rights Issue unused balance as of 31 December 2025 HK\$ million	Expected timeline for unutilised proceeds from Rights Issue
General working capital (previously usage as “Acquisition of a PRC company with principal business on delivery of physical goods for e-commerce platform operators”) (Note 1, 2)	65	64.3	37.5	26.8	On or before 31 December 2026
Development and expansion of virtual and physical goods delivery business	25	24.7	24.7	–	
General working capital	10	9.9	9.9	–	
	<u>100</u>	<u>98.9</u>	<u>72.1</u>	<u>26.8</u>	

Notes:

- For the acquisition project of a PRC company, the Company issued the Memorandum of Understanding in Relation to the Potential Acquisition on 22 December 2023, and paid in advance HK\$16.5 million to the shareholders of the PRC target company as disclosed in the announcement of the Company dated 22 December 2023. The Company subsequently issued the Extension of the Memorandum of Understanding in Relation to the Potential Acquisition on 5 August 2024 and 13 June 2025, and gradually extended the long stop date of the acquisition to 30 June 2026. Please refer to the announcements of the Company dated 5 August 2024 and 13 June 2025 respectively.

2. On 21 November 2025, after careful consideration and detailed evaluation of the Group's operations and the business strategies, including the need to ensure the Company's capital utilization efficiency and better accommodate the Group's current operation and development requirements, the Board has resolved to change the use of the remaining net proceeds. For detail, please refer to the announcement of the Company dated 21 November 2025.

Since the acquisition project did not proceed as planned, the aforesaid prepayment of HK\$16.5 million shall be refunded to the Company on 30 June 2026.

As at 31 December 2025, the amount of unutilised net proceeds from the Rights Issue amounted to approximately HK\$26.8 million. The unutilised net proceeds were placed in interest-bearing deposits with authorised financial institutions or licensed banks in Hong Kong and the PRC.

Up to 31 December 2025, save as disclosed above, the utilised net proceeds from Rights Issue were applied in accordance with the planned use as previously disclosed in the Prospectus dated 20 November 2023 and the announcement of the Company dated 21 November 2025.

Placing of New Shares

In view of the market conditions, the Directors is of the view that the placing offers a good opportunity to broaden shareholder base and capital foundation of the Company, so as to raise funds for the future development of the Company's businesses. On 23 December 2025 (after trading hours of the Stock Exchange), the Company and Winbull Securities International (Hong Kong) Limited ("**Placing Agent**") entered into a conditional placing agreement ("**Placing Agreement**"), pursuant to the Placing Agreement, the Placing Agent has agreed, as agent of the Company, to procure, on a best effort basis, not less than six places who are investors and whose ultimate beneficial owners are independent third parties to subscribe (the "**Placing**") for up to 160,000,000 new Shares of the Company ("**Placing Shares**") with an aggregate nominal value of US\$160,000 at the placing price of HK\$0.435 per Placing Share (with a net price of HK\$0.429 per Placing Share) which represents a discount of approximately 19.44% to the closing price of HK\$0.54 per Share as quoted on the Stock Exchange on the date of the Placing Agreement.

The Placing was completed on 26 January 2026 and net proceeds was approximately HK\$68.6 million, where (i) 20% of the net proceeds from the Placing will be applied to the development and expansion of private domain traffic marketing services business, among that, (a) approximately HK\$12.5 million will be used for traffic acquisition and user operation resources to support more projects for existing and new enterprise customers which is expected to be fully utilized on or before 30 June 2026; (b) approximately HK\$1.2 million will be used to fund staff costs and other day-to-day operating expenses directly related to such business which is expected to be fully utilized on or before 31 December 2026; (2) 80% of the net proceeds from the Placing will be applied as the Group's general working capital, among that, (a) approximately HK\$0.4 million of the net proceeds will be used to pay rental, utilities and other office-related expenses which is expected to be fully utilized on or before 31 December 2026; (b) approximately HK\$53.0 million will be applied to repay outstanding bank borrowings and other interest-bearing borrowings of the Group which is expected to be fully utilized on or before 30 June 2026; (c) approximately HK\$1.5 million will be used to

settle other general administrative and operating expenses of the Group in its ordinary and usual course of business which is expected to be fully utilized on or before 31 December 2026.

For details, please refer to the announcements of the Company dated 23 December 2025, 31 December 2025 and 26 January 2026.

Subsequent Events

Save as disclosed, as at the date of this announcement, there was no other significant event subsequent to 31 December 2025.

Final Dividend

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2025.

Annual General Meeting

The AGM is scheduled to be held on Friday, 26 June 2026. A notice convening the AGM and all other relevant documents will be published and dispatched to the Shareholders who have elected to receive printed copies in the manner required by the Listing Rules in due course.

Closure of the Register of Members

The register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the AGM to be held on Friday, 26 June 2026. The record date is Friday, 26 June 2026. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office 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 before 4:30 p.m. on Monday, 22 June 2026.

Publication of the 2025 Annual Results and Annual Report

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.regopimc.com). The annual report for the Year containing all the information in accordance with the requirements under the Listing Rules will be despatched to the Shareholders who have elected to receive printed copies and published on the respective websites of the Stock Exchange and the Company in April 2026.

Appreciation

The Board would like to express its sincere gratitude to the management and staff members of the Group for their dedication and hard work during the year under review. Also, the Board would like to extend thanks to all the business partners, customers and shareholders for their support. The Chairman of the Company believes that they will continue to render support to the Group for our continuous growth and success in the future.

DEFINITION

In this announcement, unless the context otherwise require, the following expressions shall have the following meaning:

“AGM”	annual general meeting of our Company
“Annual Results”	audited consolidated financial results of the Group for the Year
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company” or “Rego Interactive”	Rego Interactive Co., Ltd, a company incorporated in the Cayman Islands as an exempted company with limited liability, the Share of which are listed and traded on the Main Board of the Stock Exchange
“CPA”	cost per action, a performance-based pricing model where advertising is paid on the basis of each action of the mobile device user such as download, installation or registration. CPI is typically referred to as CPA
“Director(s)”	the director (s) of the Company

“Eligible Persons”	An employee (whether full time or part-time) or a director of a member of the Group as determined by the Board (including any committee or delegate of the Board appointed by the Board to perform any of its functions pursuant to the rules of the Share Option Scheme) at its absolute discretion to be offered to grant an option to subscribe for such number of Shares
“FY2025”	the financial year ended on 31 December of the year 2025. For example, “FY2024” refers to the year ended 31 December 2024
“Global Offering”	has the meaning ascribed to it under the Prospectus
“Group”, “we”, “us” or “our”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRSs”	Hong Kong Financial Reporting Standards
“INED(s)”	the independent non-executive Director(s)
“IT”	the information and technology
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	17 October 2022, the date on which the Shares were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Over-allotment Option”	has the meaning ascribed to it under the Prospectus
“Prospectus”	the prospectus of the Company dated 30 September 2022

“R&D”	the research and development
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with par value of US\$0.001 each in the share capital of the Company
“Share Option Scheme”	the share option scheme conditionally adopted by the Company, further details of which are described in the section headed “Statutory and general information – D. Share Option Scheme” in Appendix IV to the Prospectus
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US” or “United States”	the United States of America
“US\$” or “USD”	United States dollars, the lawful currency of the United States
“Year”	the year ended 31 December 2025
“%”	per cent

On behalf of the Board
Rego Interactive Co., Ltd
Chen Ping
Chairman and Executive Director

Hong Kong, 31 March 2026

As at the date of this announcement, the executive Directors are Mr. Chen Ping, Mr. Tian Huan, Mr. Zhang Yongli, Mr. Fan Lianshun, Mr. Xia Yuanbo and Mr. Chen Wei; and the independent non-executive Directors are Ms. Mo Lan, Mr. Shen Yunjia and Mr. Zeng Liang.