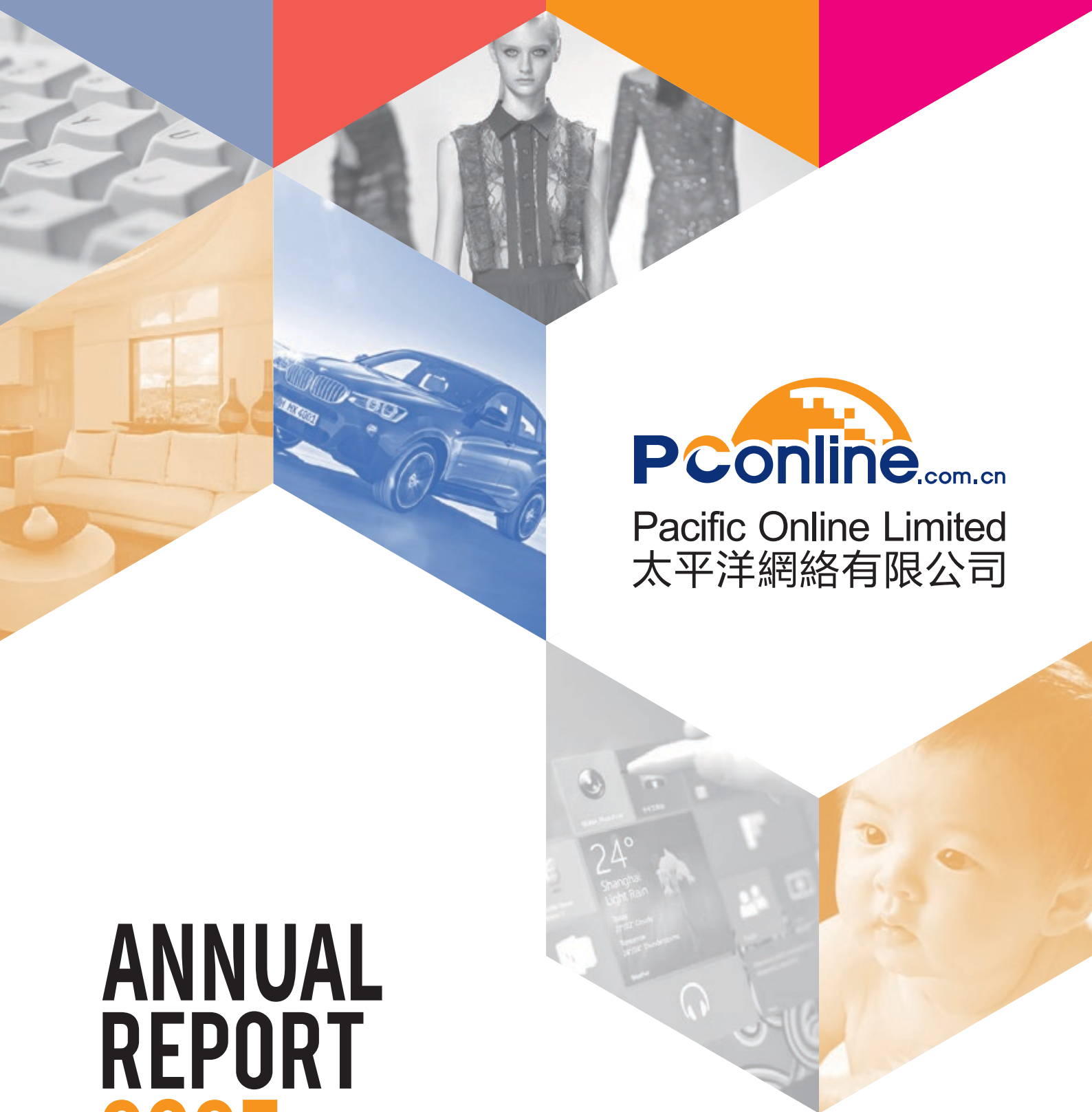




Pacific Online Limited
太平洋網絡有限公司

ANNUAL REPORT 2025

Incorporated in the Cayman
Islands with limited liability

Stock Code : **543**



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Lam Wai Yan
(Chairman and Chief Executive Officer)
Mr. Ho Kam Wah
Mr. Wang Ta-Hsing

Independent Non-executive Directors

Mr. Tsui Yiu Wa, Alec
Mr. Thaddeus Thomas Beczak
Mr. Lam Wai Hon, Ambrose
Ms. Lee Kit Ying

COMPANY SECRETARY

Mr. Wong Huk Yung, Hudson

AUTHORISED REPRESENTATIVES

Mr. Wang Ta-Hsing
Mr. Wong Huk Yung, Hudson

AUDIT COMMITTEE

Mr. Tsui Yiu Wa, Alec (Chairman)
Mr. Thaddeus Thomas Beczak
Mr. Lam Wai Hon, Ambrose
Ms. Lee Kit Ying

REMUNERATION COMMITTEE

Mr. Tsui Yiu Wa, Alec (Chairman)
Mr. Thaddeus Thomas Beczak
Mr. Lam Wai Hon, Ambrose

NOMINATION COMMITTEE

Dr. Lam Wai Yan (Chairman)
Mr. Tsui Yiu Wa, Alec
Mr. Thaddeus Thomas Beczak
Ms. Lee Kit Ying

PRINCIPAL BANKERS

Bank of China
China Construction Bank
China Merchants Bank
OCBC Wing Hang Bank

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road,
Grand Cayman KY1-1205
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road,
Grand Cayman
KY1-1205
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

115 Gaopu Road
Tianhe, Guangzhou
PRC
Postcode: 510663

PLACE OF BUSINESS IN HONG KONG

Portion of Unit 807, Tower 2
Lippo Centre, 89 Queensway
Hong Kong

GROUP'S PORTAL ADDRESSES

www.pconline.com.cn
www.pcauto.com.cn
www.pclady.com.cn
www.pcbaby.com.cn
www.pchouse.com.cn

WEBSITE ADDRESS

corp.pconline.com.cn

STOCK CODE

543



CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board") of Pacific Online Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), I would like to present the performance of the Company for the 2025 fiscal year.

For 2025, the Company's revenue was RMB647.0 million, an increase of 1.9%, and the profit attributable to equity holders was RMB4.9 million. During the reporting period, the decrease in profit compared to the previous year was largely attributable to an increase in outsourced production costs and an impairment of property.

PCauto's revenue increased by 0.1% compared to the year before and accounted for 85.6% of the total revenue of the Group. In 2025, the domestic Chinese auto industry was characterized by intensifying competition, rising cost pressures, and slowing growth. As we enter 2026, we expect that domestic demand in the auto industry to remain challenging as we continue to see excessive price competition continues to erode at auto manufacturers profit margin, putting additional cost pressure on their partners. In the past year as a response to a decline in traditional banner advertising formats PCauto has focused on developing our online-to-offline marketing and content-driven advertising. PCauto has focused on developing both short-form content and sponsor driven content to establish our brand as experts in the New Engine Vehicle space. PCauto has also continued to develop its suite of AI-powered industry solutions to further enhance integration of our core content, products and services and expect widen implementation in 2026.

POnline's revenue increased by 28.8% compared to the year before and accounted for 12.6% of the total revenue of the Group. In 2025, the consumer electronics industry was both supported by policy-led initiatives that fueled consumption as well as by a high-end, AI-driven transformation driving innovation. Throughout 2025, POnline has capitalized on this excitement by leaning into our strengths as a leading content creator to attract new younger demographic. In addition to our traditional online content, POnline has continued to invest in developing online-to-offline marketing in universities as well as coordinate large-scale offline events to build our brand presence and provide alternative advertising opportunities for brands. Entering 2026, we are confident that we can continue to build on our success of the past year as we are anticipating growth in AI-driven gadgets and cutting edge technology such as robotics, smart glasses and smart home appliances to drive momentum and growth in the consumer electronics industry.

Looking ahead, we are encouraged by the positive results of the past year but acknowledge the significant challenges that lie ahead of us in 2026. As we invest in expanding our marketing capabilities and offerings to appeal to broader audiences, we are mindful of the impact this has had on our outsourced production costs. However, we believe this is a necessary investment in our growth to maintain our competitiveness and continue to focus on efficiently managing our investment costs. While we understand the uncertainty of the coming year, we are hopefully optimistic entering 2026 regarding our prospects as we witness significant technological advancements driving consumer excitement and expectations for the near future.

Lam Wai Yan
Chairman

Hong Kong, 30 March 2026



MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

Revenue increased 1.9% from RMB635.0 million for the year ended 31 December 2024 to RMB647.0 million for the year ended 31 December 2025.

Revenue for PCauto, the Group's automobile portal, increased 0.1% from RMB553.1 million for the year ended 31 December 2024 to RMB553.9 million during the year ended 31 December 2025. The revenue for PCauto remained stable was due to the solid advertising spending from automobile manufacturers during the year. As a percentage of revenue, PCauto accounted for 87.1% during the year ended 31 December 2024 and 85.6% during the year ended 31 December 2025.

Revenue for POnline, the Group's IT and consumer electronics portal, increased 28.8% from RMB63.4 million during the year ended 31 December 2024 to RMB81.6 million during the year ended 31 December 2025. The increase was due to rise in demand from consumer electronics manufacturers. As a percentage of revenue, POnline accounted for 10.0% during the year ended 31 December 2024 and 12.6% during the year ended 31 December 2025.

Revenue from other operations decreased by 38.1% from RMB18.5 million during the year ended 31 December 2024 to RMB11.5 million during the year ended 31 December 2025. The decrease was mainly due to the decline in general consumption of home decoration market. As a percentage of revenue, revenue from other operations accounted for 2.9% during the year ended 31 December 2024 and 1.8% during the year ended 31 December 2025.

COST OF REVENUE

Cost of revenue increased 17.9% from RMB367.7 million during the year ended 31 December 2024 to RMB433.7 million during the year ended 31 December 2025. The increase mainly due to the impairment losses on property, plant & equipment and the increase in outsourcing production cost which was the majority item of the total cost of revenue. Gross profit margin was 42.1% during the year ended 31 December 2024 and 33.0% during the year ended 31 December 2025.

SELLING AND MARKETING COSTS

Selling and marketing costs decreased 8.5% from RMB123.2 million during the year ended 31 December 2024 to RMB112.8 million during the year ended 31 December 2025. The decrease in selling and marketing expenses was mainly due to the decrease in advertising expenses and staff costs.

ADMINISTRATIVE EXPENSES

Administrative expenses decreased by 0.4% from RMB52.0 million during the year ended 31 December 2024 to RMB52.2 million during the year ended 31 December 2025, mainly due to decrease in general office expenses during the year ended 31 December 2025.



MANAGEMENT DISCUSSION AND ANALYSIS

PRODUCT DEVELOPMENT EXPENSES

Product development expenses increased by 5.9% from RMB36.7 million during the year ended 31 December 2024 to RMB38.8 million during the year ended 31 December 2025. The increase was primarily due to increase in staff costs and general expenses in the Group's research and development team.

NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Net impairment losses on financial assets was RMB4.0 million during the year ended 31 December 2025 and RMB20.2 million during the year ended 31 December 2024. The decrease in net impairment losses was mainly due to portion of long aging trade receivables maintained relatively stable during the year, while increased in the year ended 31 December 2024.

OTHER INCOME

Other income was RMB9.3 million during the year ended 31 December 2025 and RMB12.2 million during the year ended 31 December 2024. The decrease was due to less government grants and no additional deduction of input value added tax during the period.

OTHER LOSSES

Other losses was RMB0.2 million during the year ended 31 December 2025 and it mainly resulted from the fair value losses of a passive fund investment during the year, whereas other losses was RMB2.2 million during the year ended 31 December 2024.

FINANCE INCOME AND COST

Net finance income decreased 60.5% from RMB3.8 million during the year ended 31 December 2024 to RMB1.5 million during the year ended 31 December 2025. The decrease was mainly due to less bank interest income during the year ended 31 December 2025.

INCOME TAX EXPENSE

Income tax expenses was RMB11.1 million during the year ended 31 December 2025 and RMB5.3 million during the year ended 31 December 2024. The increase was mainly due to the additional tax loss not being recognized as deferred tax assets.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

Profit attributable to equity holders was RMB4.9 million during the year ended 31 December 2025 and was RMB43.7 million during the year ended 31 December 2024.



MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As of 31 December 2025, the Group had short-term deposits and cash totaling RMB202.7 million, compared with RMB263.5 million as of 31 December 2024. In 2025, net cash used in operating activities was RMB7.4 million, net cash used in investing activities was RMB1.0 million, net cash used in financing activities was RMB51.9 million, with a net decrease in cash and cash equivalents of RMB60.4 million for year 2025. In 2024, net cash generated from operating activities was RMB20.5 million, net cash generated from investing activities was RMB21.0 million, net cash used in financing activities was RMB49.6 million, with a net decrease in cash and cash equivalents of RMB8.1 million for year 2024. The Company had no external debt as of 31 December 2024 and 31 December 2025.

BANK BORROWINGS

As of both 31 December 2025 and 31 December 2024, the Group did not have any bank borrowings and therefore, its gearing ratio, representing the ratio of total bank borrowings to shareholders' equity, was nil for both years.

MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2025, the Group had no material acquisitions and disposals of subsidiaries and associates.

CHARGES ON ASSETS

As at 31 December 2025, the Group had no bank deposits or other assets pledged to secure its banking facilities.

FOREIGN EXCHANGE RISK

The Group's operating activities were principally carried out in China with most of its transactions denominated and settled in Renminbi, and therefore the overall foreign currency risk was not considered to be significant.



DIRECTORS' AND SENIOR MANAGEMENT'S PROFILES

EXECUTIVE DIRECTORS

Dr. Lam Wai Yan ("Dr. Lam"), aged 74, is an executive director, the Chairman of the Board and of the nomination committee and the Chief Executive Officer of the Company, a director of certain subsidiaries of the Company and a substantial shareholder of the Company. Dr. Lam obtained a bachelor's degree in Science from the University of Texas at EL PASO in 1975 and a doctor's degree in Professional Studies from Middlesex University in 2014. He has extensive local and overseas general management experience and has more than 20 years of experience in IT industry. He had been a vice president and director of Dean Witter Reynolds Inc. from 1979 to 1989 and a director of CLSA Limited (formerly known as "Credit Lyonnais Securities (Asia) Limited") from 1990 to 1991. Dr. Lam co-founded the Group and has played a key role in developing the businesses of the Group since 1997 and led the Group to become one of the leading specialized content portal in China.

Mr. Ho Kam Wah ("Mr. Ho"), aged 73, is an executive director of the Company and a director of certain subsidiaries of the Company. He is also a director and the controlling shareholder of Treasure Field Holdings Limited, a substantial shareholder of the Company. Mr. Ho obtained a bachelor's degree in Science from Illinois State University in 1976. He is principally involved in strategic planning and assisting in overall management and business development of the Group. Mr. Ho co-founded the Group and has played a major role in developing the businesses of the Group since 1997 and has an extensive management experience over 20 years in IT industry.

Mr. Wang Ta-Hsing ("Mr. Wang"), (alias: Wang Jeff Da-Shin), aged 51, is an executive director of the Company and a director of certain subsidiaries of the Company. He joined the Group in 2005. Mr. Wang obtained a bachelor's degree in Science from the University of California, Berkeley in 1998 and a master's degree in Business Administration from Columbia University in 2004. Mr. Wang is responsible for financing and accounting management of the Group.



DIRECTORS' AND SENIOR MANAGEMENT'S PROFILES

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tsui Yiu Wa, Alec (“Mr. Tsui”), aged 76, is an independent non-executive director, the chairman of both the audit committee and remuneration committee and a member of the nomination committee of the Company. He joined the Group in November 2007. Mr. Tsui obtained a bachelor’s degree in Science (Industrial Engineering) and a master’s degree in Engineering (Industrial Engineering) from the University of Tennessee, Knoxville in 1975 and 1976, respectively. He attended the Programme for Senior Managers in Government at the John F. Kennedy School of Government, Harvard University in 1993. He has been a member of the Hong Kong Securities and Investment Institute (formerly known as “Hong Kong Securities Institute”) since 1998. Mr. Tsui has over 30 years’ extensive experience in finance and administration, corporate and strategic planning, information technology and human resources management, having served at various international companies. He held key positions at the Securities and Futures Commission of Hong Kong prior to joining the Hong Kong Stock Exchange in 1994 as an executive director of the finance and operations services division and becoming the chief executive in 1997. He was also the chairman of the Hong Kong Securities and Investment Institute from 2001 to 2004. He was an adviser and a council member of the Shenzhen Stock Exchange from July 2001 to June 2002.

Mr. Tsui was an independent non-executive director of ATA Creativity Global (a company listed on NASDAQ). Mr. Tsui acts as an independent non-executive director of the following listed companies:

Name of listed companies

COSCO SHIPPING International (Hong Kong) Co., Ltd.

Melco Resorts & Entertainment Limited

Hua Medicine

Brii Biosciences Limited



DIRECTORS' AND SENIOR MANAGEMENT'S PROFILES

Mr. Thaddeus Thomas Beczak ("Mr. Beczak"), aged 75, is an independent non-executive director and a member of the audit committee, remuneration committee and nomination committee of the Company. He joined the Group in November 2007. Mr. Beczak graduated from Georgetown University (B.S.F.S.) and Columbia University (M.B.A.). He is a member of the board of advisers of the School of Foreign Service at Georgetown University.

Mr. Beczak was previously the vice chairman of China Renaissance Holdings Limited and chairman of China Renaissance Securities (Hong Kong) Limited until June 2014. Mr. Beczak was a senior advisor to Nomura International (Hong Kong) Limited and non-executive chairman of Nomura Asia Holding N.V. From September 1997 until December 2003, Mr. Beczak was a director of Kerry Holdings Limited. During this time he also held various board and operating positions within the group including deputy chairman of SCMP Holdings Limited and publisher of South China Morning Post Publishers Limited, deputy chairman of Shangri-La Asia Limited, deputy chairman of Kuok Philippines Properties (now known as "Shang Properties, Inc."), a director of China World Trade Center Limited and a director of Kerry Properties Limited. From November 1997 until December 2002, Mr. Beczak was the chairman of the Listing Committee of Hong Kong Stock Exchange and a member of board of directors of the Hong Kong Stock Exchange from 1998 until 2001. From June 2001 until May 2007, he was a member of the Advisory Committee of the Securities and Futures Commission in Hong Kong. Currently, he is a member of the international advisory committee of the China Securities Regulatory Commission (CSRC). Prior to joining the Kerry group, Mr. Beczak was a managing director of J.P. Morgan Inc. and president of J.P. Morgan Inc. and president of J.P. Morgan Securities Asia from 1990 until 1997. While at J.P. Morgan, Hong Kong, he was a director of the Bank of the Philippine Islands and a committee member of the Hong Kong Association of Banks.

Mr. Beczak was an independent non-executive director of Singapore Exchange Limited (a company listed on the Singapore Stock Exchange). Currently, Mr. Beczak is acting as non-executive director of a number of non-listed companies, including Arnhold Holdings Limited. Mr. Beczak also acts as an independent non-executive director of Phoenix Media Investment (Holdings) Limited (a listed company on the Hong Kong Stock Exchange) and Morgan Stanley Huaxin Asset Management Limited.

Mr. Lam Wai Hon, Ambrose ("Mr. Lam"), aged 72, is an independent non-executive director and a member of the audit committee and remuneration committee of the Company. He joined the Group in October 2018.

Mr. Lam is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. He holds a Bachelor of Arts (Honours) degree in Economics & Accounting from University of Newcastle Upon Tyne in England. Mr. Lam has over 40 years of experience in professional accounting, merchant and investment banking, and financial services and has served in senior management roles in a number of major international banking and financial institutions.



DIRECTORS' AND SENIOR MANAGEMENT'S PROFILES

Mr. Lam is currently a non-executive director of Yuzhou Group Holdings Company Limited (Stock Code: 01628), an independent non-executive director of Evergrande Property Services Group Limited (Stock Code: 06666), Far East Consortium International Limited (Stock Code: 035) and Playmates Toys Limited (Stock Code: 0869), which are listed on the Hong Kong Stock Exchange. Between May 2023 to January 2025, Mr. Lam served as an executive director of Quam Plus International Financial Limited (formerly known as China Tonghai International Financial Limited (Stock Code: 0952)). Between November 2023 to November 2025, Mr. Lam served as a non-executive director of Sunac China Holdings Limited (Stock Code: 01918), which is listed on the Hong Kong Stock Exchange.

Ms. Lee Kit Ying (“Ms. Lee”), aged 77, is an independent non-executive director, and a member of audit committee and nomination committee of the Company. She joined the Group in October 2024. Ms. Lee obtained a Bachelor’s degree from City of London Polytechnic, U.K. (now known as London Metropolitan University) in 1979 majoring in accountancy and a Master’s degree from City University of Hong Kong in 1998 majoring in Financial Engineering. Ms. Lee is a fellow of the Institute of Chartered Accountants in England and Wales. Ms. Lee previously held a number of senior positions in Hong Kong Futures Exchange, the Hong Kong Stock Exchange and Hong Kong Exchanges and Clearing Limited. Ms. Lee has over 20 years’ experience in derivative products and the operation, supervision and risk management of securities markets.

Currently, she is the chairman of Virtus Foundation Limited. She was an independent non-executive director of Gemilang International Limited (stock code: 6163) from October 2016 to March 2024.

SENIOR MANAGEMENT

Ms. Zhang Cong Min (“Ms. Zhang”), aged 58, is the Chief Operating Officer of the Company and a director of certain subsidiaries of the Company. Ms. Zhang had been an executive director of the Company from August 2007 to December 2018. Ms. Zhang graduated EMBA programme from China Europe International Business School (中歐國際工商學院) in 2011 and obtained a bachelor’s degree in Chemical Analysis from the University of Science and Technology of China (中國科學技術大學) in 1991. Ms. Zhang joined the Group in January 2003. Prior to joining the Group, Ms. Zhang worked as a marketing manager and assistant general manager of Guangdong Pacific Electronic Technology Mall Co., Ltd. (廣東太平洋電子科技廣場有限公司). Ms. Zhang has over 20 years of experience in operation management and IT industry. She has held various management positions in the Group.



DIRECTORS' AND SENIOR MANAGEMENT'S PROFILES

Ms. Fan Zeng Chun ("Ms. Fan"), aged 55, is the vice president responsible for finance of the PRC operations in the Group. She joined the Group in 2003. Prior to joining the Group, Ms. Fan worked as a senior accounting manager at Guangdong Pacific Electronic Technology Mall Co., Ltd. (廣東太平洋電子科技廣場有限公司). Ms. Fan is a qualified accountant (enterprise) and certified internal auditor. Ms. Fan graduated from the Zhejiang Zhijin Economic Professional School (浙江冶金經濟專科學校) with a Certificate of Industrial Economics (經濟系工業經濟專業專科).

Mr. Shen Li ("Mr. Shen"), aged 47, is the senior vice president of the Group responsible for the operation and management of PCauto. He joined the Group in 2008. Mr. Shen graduated from the Department of Automatic Control of South China University of Technology in 2000 with a bachelor's degree and graduated from the School of Business of Sun Yat-sen University with a master's degree in 2006. Mr. Shen is a member of the Chinese People's Political Consultative Conference in Tianhe District, Guangzhou, and has won honors such as Industrial Development and Innovation Talent in Guangzhou and Outstanding Talent of Tianhe District, Guangzhou. Mr. Shen has held various management positions in the Group in R&D, content and marketing.

Mr. Ye Jian Feng ("Mr. Ye"), aged 44, is the vice president of the Group responsible for the operation and management of the sales center of PCauto. He joined the Group in 2006. Mr. Ye graduated from Jinan University with a bachelor's degree in 2005, and graduated from the chief marketing officer (CMO) class of Sun Yat-Sen University in 2018. Mr. Ye has over 15 years of experience in network marketing.

Mr. Wong Huk Yung, Hudson ("Mr. Wong"), aged 60, is the company secretary and financial controller of the Group and joined the Group in 2005. He is a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Wong was a qualified accountant working for international accounting firms and a Hong Kong listed company. He obtained a bachelor's degree in Economics and Accounting from University of Reading.



CORPORATE GOVERNANCE REPORT

The Board presents this Corporate Governance Report in the Company's annual report for the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Company acknowledges the important roles of its Board in providing effective leadership and direction to the Group's business, and ensuring transparency and accountability of the Company's operations. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business.

The Company has applied the principles set out in the Corporate Governance Code (the "CG Code") as contained in Appendix C1 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

In the opinion of the Board, the Company has complied with the code provisions set out in the CG Code throughout the year ended 31 December 2025, save for the deviation from the code provision C.2.1 which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Key corporate governance principles and practices of the Company as well as details relating to the foregoing deviation are summarized below.

The Board will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development.

THE BOARD

Responsibilities and Delegation

The Board is responsible for overall management and control of the Company. Its main roles are to provide leadership and to approve strategic policies and plans with a view to enhancing shareholder value. All directors carry out their duties in good faith and in compliance with applicable laws and regulations, taking decisions objectively and acting in the interests of the Company and its shareholders at all times.

The Board reserves for its decision on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

The Board has delegated a schedule of responsibilities to the executive directors and senior management of the Company. These responsibilities include implementing decisions of the Board and directing and co-ordinating day-to-day operation and management of the Company. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

Board Composition

The following chart illustrated the structure and membership of the Board and the Board committees as at 31 December 2025:



The Board has at all times during the year ended 31 December 2025 met the requirements of the Listing Rules of having at least three independent non-executive directors (representing at least one-third of the Board) with at least one independent non-executive director possessing appropriate professional qualifications and accounting and related financial management expertise.

The Board has maintained the necessary balance of skills and experience appropriate for the business requirements and objectives of the Group and for the exercise of independent judgement.

The biographical details of the directors of the Company are set out under the section headed "Directors' and Senior Management's Profiles" in this annual report. None of the members of the Board is related to one another.

The Company has received written annual confirmation from each independent non-executive director of his/her independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

The Company has implementable and effective mechanisms to ensure independent views and input are available to the Board, with the following key features: (i) all directors have timely access to all relevant information as well as the advice and services of the Company Secretary and senior management and any director may request independent professional advice in appropriate circumstances at the Company's expenses, upon reasonable request made to the Board; (ii) the Nomination Committee is established with clear terms of reference to identify suitable candidates, including independent non-executive directors, for appointment as directors; and (iii) the Nomination Committee will assess annually the independence of all independent non-executive directors. During the year ended 31 December 2025, the Board has reviewed the board independence mechanisms and considered that the implementation of the mechanisms was effective.



CORPORATE GOVERNANCE REPORT

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Dr. Lam Wai Yan currently assumes the role of both the Chairman and the Chief Executive Officer of the Company. As Dr. Lam is a co-founder of the Group and has extensive experiences in the internet industry, the Board believes that this structure provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies. As such, it is beneficial to the business prospects of the Group.

The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. The Board shall review this structure from time to time to ensure appropriate and timely action to meet changing circumstances.

Appointment, Re-Election and Removal of Directors

Each of the executive directors of the Company is engaged on a service agreement with the Company for a term of three years. The Company has also issued a letter of appointment to each of the independent non-executive directors of the Company for a term of three years.

According to the Company's Articles of Association (the "Articles of Association"), all directors of the Company are subject to retirement by rotation at least once every three years and are eligible for re-election at annual general meetings of the Company. Any new director appointed by the Board to fill a casual vacancy or as an addition to the Board shall submit himself/herself for re-election by shareholders at the first annual general meeting of the Company after his/her appointment.

Pursuant to the above provisions in the Articles of Association, Dr. Lam Wai Yan, Mr. Tsui Yiu Wa, Alec and Mr. Thaddeus Thomas Beczak shall retire by rotation at the forthcoming 2026 annual general meeting of the Company (the "2026 AGM"). It is noted that all the above three retiring directors will offer themselves for re-election at the 2026 AGM. The Company's circular, sent together with this annual report, contains detailed information of such retiring directors as required by the Listing Rules.

Training and Continuous Professional Development of Directors

Each newly appointed director of the Company receives induction on the first occasion of his/her appointment, so as to ensure he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for directors will be arranged and reading materials on relevant topics will be issued to directors where appropriate. All directors are encouraged to attend relevant training courses at the Company's expenses.

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025, the Company has (i) organized briefings conducted by the Company Secretary for all the directors, namely, Dr. Lam Wai Yan, Mr. Ho Kam Wah, Mr. Wang Ta-Hsing, Mr. Tsui Yiu Wa, Alec, Mr. Thaddeus Thomas Beczak, Mr. Lam Wai Hon, Ambrose and Ms. Lee Kit Ying, on corporate governance and update on the Listing Rules amendments; and (ii) provided reading materials on regulatory update to all the directors for their reference and studying.

Model Code for Securities Transactions

The Company has adopted its own code of conduct governing directors' dealings in the Company's securities (the "Own Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made to all the Company's directors and they have confirmed that they have complied with the Own Code and the Model Code throughout the period from 1 January 2025 to the date of this report.

The Company has also established written guidelines no less exacting than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

In case the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its directors and relevant employees in advance.

Attendance Records of Directors and Committee Members

The attendance records of each director at the Board and Board Committee meetings and the general meeting of the Company held during the year ended 31 December 2025 is set out in the table below:

Name of Director	Attendance/Number of Meetings				Annual General Meeting
	Board	Audit Committee	Remuneration Committee	Nomination Committee	
Dr. Lam Wai Yan	4/4	—	—	1/1	1/1
Mr. Ho Kam Wah	4/4	—	—	—	1/1
Mr. Wang Ta-Hsing	4/4	—	—	—	0/1
Mr. Tsui Yiu Wa, Alec	4/4	2/2	1/1	1/1	1/1
Mr. Thaddeus Thomas Beczak	4/4	2/2	1/1	1/1	1/1
Mr. Lam Wai Hon, Ambrose	4/4	2/2	1/1	—	1/1
Ms. Lee Kit Ying (Note)	4/4	2/2	—	—	1/1

Note: Ms. Lee Kit Ying was appointed as a member of the nomination committee of the Company on 31 December 2025. After her appointment, no nomination committee meeting of the Company was held.

Apart from regular Board meetings, the Chairman of the Board also held a meeting with the independent non-executive directors without the presence of executive directors during the year.



CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS

The Board has established four Board committees, namely, the Executive Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are posted on the Company's website (<http://corp.pconline.com.cn>) and on the Stock Exchange's website (www.hkexnews.hk) (except for the written terms of reference of the Executive Committee which is available to shareholders upon request). All the Board committees should report to the Board on their decisions or recommendations made.

Executive Committee

The Executive Committee comprises all the executive directors of the Company with the Chairman of the Board, Dr. Lam Wai Yan, acting as the Chairman of the Committee. The Executive Committee operates as a general management committee under the direct authority of the Board to increase the efficiency for the business decision. It monitors the execution of the Company's strategic plans and operations of all business units of the Group and discusses and makes decisions on matters relating to the management and day-to-day operations of the Group.

Audit Committee

The Audit Committee comprises a total of four members, namely, Mr. Tsui Yiu Wa, Alec (Chairman), Mr. Thaddeus Thomas Beczak, Mr. Lam Wai Hon, Ambrose and Ms. Lee Kit Ying, all of whom are independent non-executive directors of the Company. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The principal duties of the Audit Committee are to (i) review the financial statements and reports and consider any significant or unusual items raised by the financial officers of the Group or external auditor before submission to the Board; (ii) review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process; (iii) make recommendations to the Board on the appointment, re-appointment and removal of external auditor; and (iv) review the Company's financial controls, internal control, risk management systems and associated procedures and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the year ended 31 December 2025, the Audit Committee has performed the following major tasks:

- Review and discussion of the annual financial statements, results announcement and report for the year ended 31 December 2024, the related accounting principles and practices adopted by the Group and the relevant audit findings; the report on the Company's risk management and internal control systems; the recommendation on the re-appointment of the external auditor; and the recommendation on the review of the internal audit function; and
- Review and discussion of the interim financial statements, results announcement and report for the six months ended 30 June 2025 and the related accounting principles and practices adopted by the Group; and the review of the arrangements for employees of the Company to raise concerns about possible improprieties.



CORPORATE GOVERNANCE REPORT

The external auditor was invited to attend the Audit Committee meetings held during the year to discuss with the Audit Committee members on issues arising from the audit and financial reporting matters. The Audit Committee also met the external auditor twice without the presence of the executive directors. Besides, there is no disagreement between the Board and the Audit Committee regarding the re-appointment of external auditor.

Remuneration Committee

The Remuneration Committee comprises a total of three members, namely, Mr. Tsui Yiu Wa, Alec (Chairman), Mr. Thaddeus Thomas Beczak and Mr. Lam Wai Hon, Ambrose, all of whom are independent non-executive directors of the Company.

The principal duties of the Remuneration Committee are to (i) make recommendations to the Board on the Company's remuneration policy and structure for directors and members of senior management and the establishment of a formal and transparent procedure for developing such remuneration policy and structure; (ii) make recommendations on the remuneration packages of directors and senior management (i.e. the model described in the code provision E.1.2(c)(ii) of the CG Code was adopted); and (iii) review and approve performance-based remuneration by reference to corporate goals and objectives.

During the year ended 31 December 2025, the Remuneration Committee has reviewed and made recommendations on the payment of discretionary bonus to the executive directors of the Company and remuneration package of the directors and senior management of the Company.

Pursuant to code provision E.1.5 of the CG Code, the annual remuneration of the members of senior management by band for the year ended 31 December 2025 is set out below:

	Number of individuals
Emolument bands	
HKD0 to HKD2,000,000	3
HKD2,000,001 to HKD4,000,000	1
HKD4,000,001 to HKD5,000,000	1
	5

Details of the remuneration of each director of the Company for the year ended 31 December 2025 are set out in note 7 to the consolidated financial statements contained in this annual report.

Nomination Committee

The Nomination Committee comprises a total of four members, being one executive director, namely, Dr. Lam Wai Yan (Chairman), and three independent non-executive directors, namely, Mr. Tsui Yiu Wa, Alec, Mr. Thaddeus Thomas Beczak and Ms. Lee Kit Ying. Accordingly, a majority of the members are independent non-executive directors of the Company.



CORPORATE GOVERNANCE REPORT

The principal duties of the Nomination Committee are to (i) review the Board composition, assist the Board in maintaining a Board skills matrix, develop and formulate relevant procedures for the nomination and appointment of directors; (ii) make recommendations to the Board on the rotation, appointment and succession planning of directors; (iii) assess the independence of independent non-executive directors of the Company; (iv) assess each director's time commitment and contribution to the Board, as well as the director's ability to discharge his or her responsibilities effectively; and (v) support the Company's regular evaluation of the Board's performance.

Board Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage. The Company has adopted the Board Diversity Policy, pursuant to which the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

As of 31 December 2025, 2 of 5 of the Company's senior management are female and 1 of 7 of the Company's directors is female. As of 31 December 2025, the Group achieved a gender-balanced workforce with a male-to-female ratio is approximately 1:1. Besides, the Group will continue to take opportunities to increase the proportion of female board members and workforce over time as and when suitable candidates are identified. Further details on the gender ratio of the Group's workforce together with relevant data can be found in the Environmental, Social and Governance Report of the Company.

The Board and the Nomination Committee have reviewed the implementation and effectiveness of the Board Diversity Policy and considered it to be effective for the year ended 31 December 2025.

Director Nomination Policy

The Company has adopted the Director Nomination Policy. Such policy sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.



CORPORATE GOVERNANCE REPORT

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following: character and integrity; qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy; diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; requirements of independent non-executive directors on the Board and independence of the proposed independent non-executive directors in accordance with the Listing Rules; and commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

During the year ended 31 December 2025, the Nomination Committee has performed the following major tasks:

- Review of the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company;
- Recommendation of the re-appointment of those directors standing for re-election at the 2025 annual general meeting of the Company; and
- Assessment of the independence of the independent non-executive directors of the Company.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the year ended 31 December 2025, the Board has reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the Company's compliance of the Model Code and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2025.

The Board is responsible for presenting a balanced, clear and understandable assessment of interim and annual reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.



CORPORATE GOVERNANCE REPORT

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges that it is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives and for ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board is committed to complying with applicable legal and regulatory requirements in relation to corporate governance, risk management and internal control and to overseeing management in the design, implementation and monitoring of such systems on an ongoing basis.

The Group has in place a risk management and internal control framework which adopts a largely top-down approach, involving the Board, the Audit Committee, senior management and heads of key business units, each of whom plays an important role in the process of identifying, assessing and managing risks. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Company identifies, evaluates and monitors risks from a long-term perspective as well as over medium and short-term horizons, with regular reviews of the internet service industry to facilitate informed decision-making by management and the Board. The Company also conducts research on applicable laws, regulations and industry standards to anticipate potential developments and, where appropriate, seeks advice from external experts.

In establishing and operating its risk management and internal control systems, the Company aims to:

- identify risks that may potentially impact the Company's performance;
- implement appropriate controls and mitigation measures to manage identified risk; and
- provide the Board and management with reasonable assurance that the Company's business objectives are achieved.

With the support of the Audit Committee and management, the Board has conducted a review of the effectiveness of the Group's risk management and internal control systems, including financial, operational and compliance controls, for the year ended 31 December 2025 in accordance with the CG Code. The review also covered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, as well as the Group's ESG risk management, performance and reporting. Since the last annual review, the Company has demonstrated an enhanced ability to respond to changes in the nature and extent of significant risks arising from its business operations and external environment.



CORPORATE GOVERNANCE REPORT

The Board's annual review was supplemented by an independent review undertaken by an external advisory firm during the year. The independent review assessed risk parameters such as the likelihood and impact of key risks, critical trigger points for activating risk control measures and the prioritisation of risk mitigation actions. Information was collected from management to classify and analyse key risk drivers and to form a reasonable judgement on the probability of occurrence of these risks and the potential losses that may arise.

The risk assessment and internal control review process generally comprised the following steps:

- reviewing existing documentation and conducting interviews with management and key process owners to identify and document key risk areas;
- identifying, aggregating and analysing existing and emerging risks;
- identifying and formulating mitigating actions for key risks;
- performing testing procedures to evaluate the existence and effectiveness of internal controls over key processes; and
- performing walkthrough procedures to assess whether key controls were properly designed, implemented and operating effectively, and to identify any control deficiencies.

During the independent review, key issues relating to financial reporting controls, information technology controls, operational controls and legal and regulatory compliance, as well as the overall risk management function, were examined and the findings and recommendations for improvement were reported to the Audit Committee. The Company has implemented improvement measures in response to the review findings during the year and will continue to conduct reviews of a similar nature on an ongoing basis.

The Company has adopted a disclosure policy to provide guidance to directors, officers, senior management and relevant employees on the handling of confidential information, monitoring of information disclosure and responses to enquiries. Under this policy, control procedures have been implemented to ensure that unauthorised access to and use of inside information are strictly prohibited.

Overall, the management has provided confirmation to the Board on the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2025. Taking into account the results of the above review and the confirmation provided by management, the Board is of the opinion that the Group's risk management and internal control systems were adequate and effective for the year under review and that it has complied with the relevant code provisions of the CG Code relating to risk management and internal control.



CORPORATE GOVERNANCE REPORT

EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

The statement of the external auditors of the Company about their reporting responsibilities on the Company's consolidated financial statements for the year ended 31 December 2025 is set out under the section headed "Independent Auditor's Report" in this annual report.

The fees paid/payable to the Group's external auditors in respect of audit services and non-audit services for the year ended 31 December 2025 are analyzed below:

Type of services provided by the Group's external auditors	Fees paid/payable (RMB)
Audit services	3,007,000
Non-audit services*	156,000
TOTAL	3,163,000

* The non-audit services conducted by the external auditors include providing other professional services.

COMPANY SECRETARY

During the year ended 31 December 2025, Mr. Wong Huk Yung, Hudson, the Company Secretary, has taken no less than 15 hours of relevant professional trainings to update his skills and knowledge.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparency and timely disclosure of its corporate information, which enables shareholders and investors to make the best investment decision.

The Company maintains a website at "<http://corp.pconline.com.cn>", as a communication platform with shareholders and investors, where information of the Company's announcement, financial information and other information are available for public access. Shareholders and investors may send written enquiries or requests to the Company using the below contact details:

Address: Portion of Unit 807, Tower Two, Lippo Centre, 89 Queensway, Hong Kong
(For the attention of the Investor Relations Department)

Email: ir@pconline.com.cn

The Board welcomes views of shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management directly. The Chairman of the Board, independent non-executive directors as well as the Chairman and/or other members of the Audit Committee, Remuneration Committee and Nomination Committee will normally attend the annual general meetings and other shareholders' meetings of the Company to respond to enquiries.



CORPORATE GOVERNANCE REPORT

The Company continues to enhance communication and relationship with its shareholders and investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them informed of the Group's developments.

SHAREHOLDERS' RIGHTS

As one of the measures to safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. Besides, the Company's shareholders may convene an extraordinary general meeting or put forward proposals at shareholders' meetings pursuant to the Company's Articles of Association as follows:

- (i) Any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.
- (ii) If a shareholder wishes to propose a person other than a retiring director for election as a director of the Company at a general meeting, the shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting shall send a written notice, duly signed by the shareholder, of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's head office in Hong Kong or the Company's registration office (i.e. Tricor Investor Services Limited) at least 7 days prior to the date of the general meeting. If the notices are submitted after the dispatch of the notice of the general meeting appointed for such election, the period for lodgement of such notices shall commence on the day after the dispatch of the notice of such general meeting and end no later than 7 days prior to the date of such general meeting.

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement (as the case may be) to the Company's head office in Hong Kong and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

All resolutions put forward at shareholders' meetings will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange and the Company immediately after the relevant general meetings.

During the year under review, the Company has not made any changes to its Articles of Association. An up-to-date version of the Company's Articles of Association is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://corp.pconline.com.cn>).



CORPORATE GOVERNANCE REPORT

POLICIES RELATING TO SHAREHOLDERS

The Company has in place a Shareholders' Communication Policy to ensure that shareholders' views and concerns are appropriately addressed. During the year ended 31 December 2025, the Company has reviewed the Shareholders' Communication Policy and considered that the policy was effectively implemented with the measures as disclosed under the paragraphs headed "Communications with Shareholders and Investors" and "Shareholders' Rights".

The Company has adopted a Dividend Policy on payment of dividends. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the shareholders' approval.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

About this report

This report ("Report") on Environmental, Social and Governance ("ESG") has been prepared under the Environmental, Social and Governance Reporting Code ("ESG Reporting Code") as set out in Appendix C2 to the Listing Rules issued by the Stock Exchange.

The ESG Report describes the Environmental, Social and Governance (the "ESG") progress made by the Company during the year that ended 31 December 2025 (the "Reporting Period"). Pacific Online Limited ("the Company") and all its subsidiaries (collectively referred to as the "Group", and "We") employ a total of 747 employees, and the scope of the ESG Report covers business operations in offices located in Guangzhou, Beijing and Shanghai. The employees referred to in this ESG report represent all employees.

The Group adheres to the four fundamental reporting principles set out in the ESG Reporting Code in the preparation of the ESG Report. These reporting principles and the way the Group applies these in the ESG report are set out below:

Reporting Principles

How it is applied to this report

Materiality	The ESG Report covers the key environmental and social issues concerned by different stakeholders. These material environmental and social issues were identified through consideration by the Board of Directors ("Board"), and the Audit Committee, as well as through interactions with different stakeholders. This Report discloses the process of identifying material issues and the matrix of material issues within both internal and external dimensions. Further details can be found in the section on "Stakeholder Engagement and Materiality Assessment".
Quantitative	Information on the standards, methodologies, assumptions and/or calculations used, as well as the source of key emission and conversion factors, applied to both quantitative environmental and social key performance indicators ("KPIs"), is disclosed in the ESG Report. Further details are provided in the notes section following relevant KPIs.
Balance	The ESG Report provides an unbiased picture of Pacific Online's performance during the Reporting Period. Information was disclosed objectively, avoiding any biased selections, omissions, or presentation formats that may inappropriately influence the readers' judgment.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting Principles

How it is applied to this report

Consistency	To enhance and maintain the comparability of ESG performances over time, consistent reporting and calculation methodologies are applied by Pacific Online as far as practicable to enable meaningful comparison. Any changes that could affect a meaningful comparison of the KPIs have been disclosed accordingly.
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The ESG Report was prepared in both Chinese and English. In case of any discrepancy or inconsistency between the two versions, the English version shall prevail.

About us

The Group is one of the leading Internet content providers in the People's Republic of China ("PRC") by total advertising revenue. It operates three vertically integrated portals — POnline (www.pconline.com.cn), PCauto (www.pcauto.com.cn) and PChouse (www.pchouse.com.cn) — each focusing on specialised content in sectors such as IT products and automobiles. Among them, POnline is the largest PRC portal specialising in IT product-related content by advertising revenue, and PCauto is the second largest in the automobile segment. These consumer product-related industries offer significant growth potential in China's economy, which in turn drives advertising demand on the Group's portals.

Statement of the Board

The Board of Directors recognises the importance of ESG in meeting the changing expectations of stakeholders while enhancing the value and performance of the Group. Hence the Board, working together with the management, has committed to environmental protection by taking on the overall responsibility of assessing and identifying risks associated with ESG matters of the Group, and also engaging in a mission to promote the environmental and socially sustainable culture among all our employees to maintain long-term growth of the Group.

The Group's Board of Directors is the ultimate responsible and decision-making body for ESG matters. It takes the ultimate responsibility for the Company's ESG strategies and reports while monitoring ESG-related issues that may affect the Company's business or operations, shareholders and other stakeholders. The Audit Committee under the Board of Directors, which comprises the internal audit function and external professional consultant, is responsible for identifying and evaluating ESG risks related to the Group, ensuring that the Group establishes appropriate and effective ESG risk management and internal control systems, and achieves relevant ESG goals. Progress will be reported to the Board for review.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group attaches great importance to the suggestions and opinions of various stakeholders and maintains sufficient channels with key stakeholders to discuss and determine significant ESG issues and potential risks. This ongoing engagement drives continuous improvement in ESG-related strategies and policy frameworks. The Board has reviewed the material ESG issues for this year and has adopted proposals to adjust the importance of each ESG issue, ensuring the timeliness and rationality of the material issue matrix. Further details are provided in the “Stakeholder engagement” and “Materiality assessment” sections of this Report.

The Board holds regular meetings to approve the Group’s sustainable development goals and assess and review our ESG-related goals to ensure alignment with our overall business strategies and development. Specific environmental targets are detailed in the “Environmental Protection” section later in this Report.

The Report provides a comprehensive disclosure of the Group’s ESG implementation progress and achievements in 2025, having been reviewed and approved at the Board meeting held on March 23, 2026.

Contact Information

Should you have any queries or feedback on the Report, please contact us via the following methods:

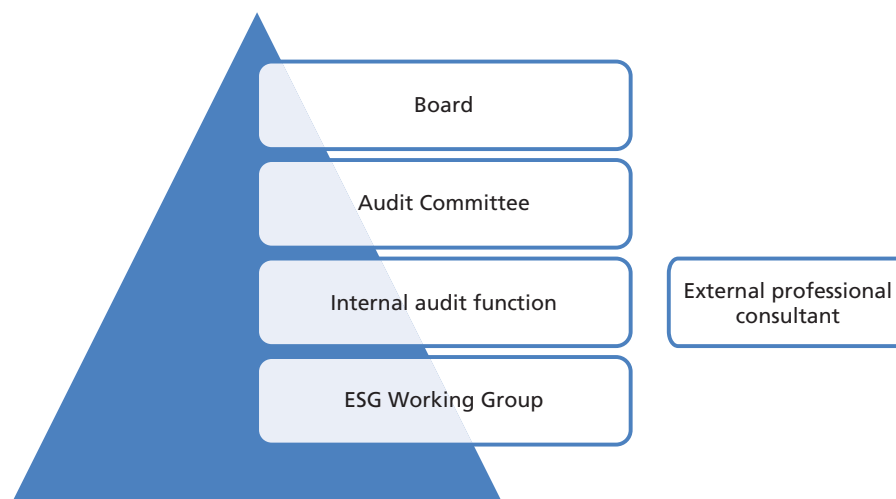
- a. **Address:** 115 Gaopu Road, Tianhe District, Guangzhou, China
- b. **Tel:** (86–20) 38178288
- c. **Email:** ir@pconline.com.cn
- d. **Official website:** <https://www.pconline.com.cn/>

SUSTAINABILITY MANAGEMENT

ESG governance framework

The Group has established a top-down ESG governance framework led by the Board assuming responsibility, which formulates strategic objectives, conducts performance reviews, and makes material ESG decisions. Under this structure, the Audit Committee oversees integrated risk management systems, while the internal audit function and external professional consultants jointly conduct ESG risk assessments (including climate-related risks). The dedicated ESG Working Group drives operational execution, implementing Board-approved initiatives across business functions. It is tasked with collecting data, disclosing information, communicating Board decisions to employees, and providing timely updates to the Board.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Regulatory functions

Regulatory content

Board of Directors	- Take overall responsibility for assessing the key ESG risks faced by the Group (such as supplier management, understanding the sustainable needs of society, etc., and other major ESG issues related to the Group). - Take overall responsibility for assessing and determining the nature and extent of risks, including ESG risks and climate-related risks. The Board is willing to make it the strategic objective to establish and maintain appropriate and effective risk management and internal control systems.
Audit Committee	Assist the Board to lead the management in overseeing the design, implementation and monitoring of risk management, including ESG risks and climate-related risks and internal control systems.
Internal Audit function	- Provide recommendations to formulate or improve policies and procedures in addressing the major risks (including ESG risks and climate-related risks in the business process). - Regularly review the adequacy and effectiveness of risk management and internal control systems and identify the risks arising from the business operation.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Regulatory functions	Regulatory content
External Professional Consultant	• Conduct annual independent reviews of risk management and internal control systems. • Ensure that the policy and procedures used to identify, assess and manage material ESG risks are designed and implemented properly.
ESG Working Group	• Consist of head of each business department. Perform ongoing identification and assessment of risks that may potentially affect the Group's business and various aspects, including ESG risks and climate-related risks that are exposed to the operations. • Report any identified risks to the management.

The Board identifies the Group's ESG risks through industry comparisons and stakeholder engagement, appointing an external professional consultant team to evaluate the risks and monitor the latest regulatory requirements which include global economic risk, outflow of talent risk and customer information security, etc.

The Group assesses the materiality of identified ESG risks including climate related risk through key criteria such as likelihood of occurrence and potential impact severity. We estimate the frequency of future occurrence and the degree of impact of the risks based on historical and current data and information: such as financial, compensation, fines, new revenue stream or new opportunity that may be brought by the ESG matter.

By adopting a top-down approach, we integrate ESG concepts into our daily operations at the workplace through policies and guidelines, enabling each employee to become an ambassador of the sustainability efforts. This ensures that the scope of the ESG covers the significant parts of our businesses. Our employees are responsible for complying with different ESG-related policies, executing accordingly with the Group's ESG works and providing feedback to management on the applicability and potential improvements of ESG-related decisions. To ascertain that the decisions related to ESG matters can be better executed, the Group set up the ESG Working Group, responsible for the collection of data, and disclosure of information, convey the Board's decision to the employees and notify the Board in a timely manner.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder engagement

The Group actively engages with its stakeholders, seeking to understand and address their ESG-related perspectives and interests through ongoing dialogue and relationship-building. By incorporating stakeholder expectations into the development of ESG strategies and initiatives, we simultaneously advance environmental and community value creation via collaborative partnerships with diverse stakeholders.

The stakeholder groups, their expectations and typical communication channels with the Group are shown below:

Types of Stakeholders	Focus	Typical communication channels	Response & Feedback
Online users/customers	- Information quality and update frequency - Advertisement quality - Collection of users' information and information protection - Intellectual property rights	- Company tours - Collection of complaints and feedback - Online survey - Regular communication via email or telephone - User's experience programmes - Product testing, reviews and feature reports - Online chat rooms or forums - Financial reports, announcements and circulars and other documents of the Group released to the public	- Providing high-quality information and advertisement - Setting up the privacy policy and collecting the user's information lawfully - Protecting intellectual property rights
Suppliers	- Good and long-term business relationship - Fair and honest dealing - Information sharing	- Regular communication via email or telephone - Regular progress meetings or reports	- Honoring contractual obligations as agreed - Maintaining long-term collaboration with excellent suppliers - Timely payment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Types of Stakeholders	Focus	Typical communication channels	Response & Feedback
Shareholders and investors	- Continuous and stable investment returns - Timely information disclosure and transparency - Protect the rights and interests of shareholders - Corporate operation is complied with laws and regulations - Combat corruption and the upholding of integrity	- The annual reports, interim reports and announcements - General meetings - Roadshows/telephone conferences/meet-and-greets - Media communication mechanism - Press conferences - Opinion monitoring - Consultation via telephone/email/website - Investor visits	- Publishing AGM notices and resolutions according to regulations - Timely disclosing corporate information - Publishing public announcements and reports according to regulator's requirements - Responding to email/telephone inquiries and handling on-site visits from investors
Employees	- Training, career development and stay competitive - Salary and welfare - Working environment - Health and safety protection - Innovation and opportunities - Intellectual property rights	- Collection of feedback, through emails and face-to-face meetings - Performance appraisal - Mentoring by direct supervisor - Employee notice boards - Training, seminars and workshops	- Providing a healthy and safe work environment - Establishing a fair and Transparent performance appraisal mechanism for promotion - Organizing employee activities and team-building exercises

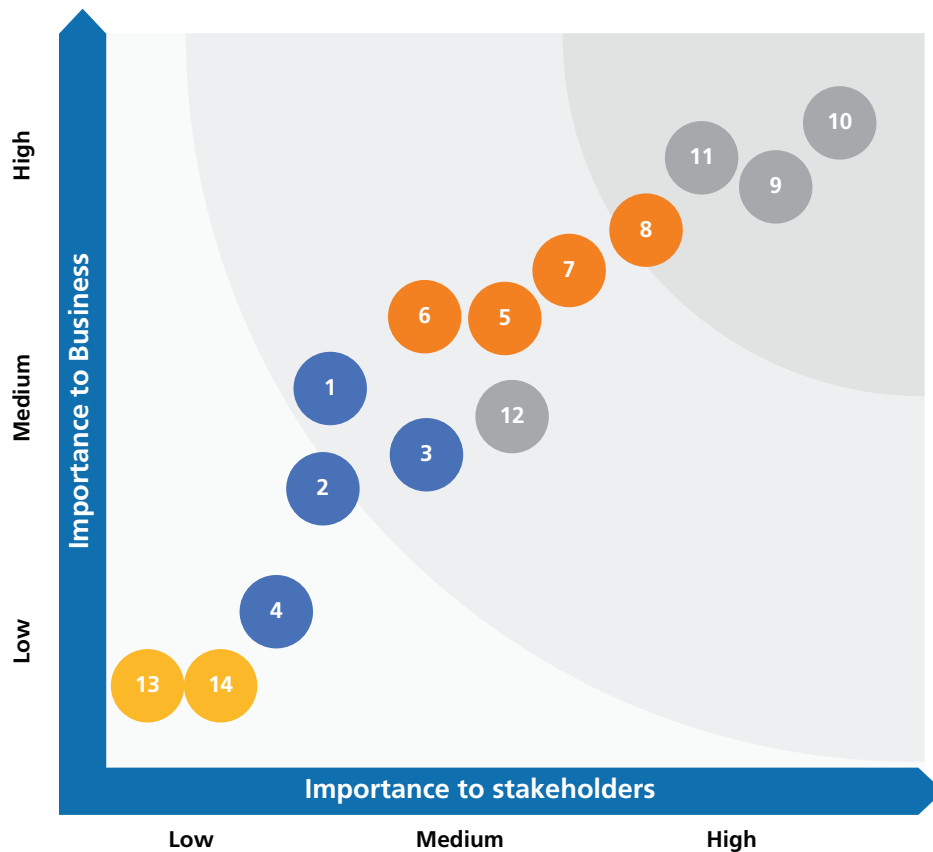
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Types of Stakeholders	Focus	Typical communication channels	Response & Feedback
Local communities, non-government organizations and the general public	• Employment opportunities • Ecological environment protection and reduce emissions • Community development • Enthusiasm towards public welfare and charitable donations	• Charitable activities • Community investment and service • Environmental protection activities • Sponsorships and donations	• Strictly complying with laws and regulations • Enhancing safety management • Actively assuming corporate social responsibility
Media	• Transparency of information • Good media relations	• Information disclosure on HKEX and the Group website • Financial reports, announcements and circulars and other publicly available information • Interviews and press releases	• Maintaining good cooperative relations • Interact appropriately with the media and press
Agent distributor	• A robust customer service management and processes • An effective mechanism of information communication • Timely response to request	• Daily communication • Aftersales service • Customer satisfaction surveys • Customer records	• Adequate and effective communication • Providing agents and distributors with knowledge training and marketing support • Honoring contractual obligation as agreed • Continuous improvement in agent management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality assessment

We have regular communications with our stakeholders and discovered several potential material issues related to ESG which may affect the Group in the long term. We have further categorised these issues into various areas per the ESG Reporting Code and collected relevant information from the affected stakeholders to estimate the impact of these ESG issues on the Group. After our analysis, the issues that are material to the Group are shown below:





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Environment

1. Environmental compliance
2. Investment in environmental protection
3. Greenhouse gas emissions
4. Waste management



Employee

5. Salary and welfare
6. Health and safety protection
7. Employee diversification
8. Training and career development



Business

9. Personal data protection
10. Product quality
11. Intellectual property rights
12. Supply chain management



Community

13. Community development
14. Charitable donations and community service

Based on the above analysis, the Group will continuously enhance its ESG performance to address the diverse expectations of stakeholders, strengthen feedback mechanisms, and proactively address emerging risks. The following sections will detail our ESG initiatives during the Reporting Period across four thematic pillars: Environmental protection, People-oriented, Responsible operations and Giving back to society.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL PROTECTION

Strict emission management

The Group recognizes the critical importance of addressing environmental pollution, resource scarcity and climate change as well as the risks of possible environmental impact from its business. It has therefore been our mission to conduct business in an environmentally responsible manner, reducing the environmental impact of its operations in the most effective way.

As an internet service provider specializing in online advertising, our office-based operations (without industrial processes) inherently generate minimal direct environmental impact. Nevertheless, to further minimise the impact of our operations on the environment, direct or otherwise, the Group actively pursues environmental-friendly measures and has implemented various policies and measures. These initiatives are detailed in the section headed “Optimisation of resource use”.

During the Reporting Period, the Group is committed to complying with prevailing environmental laws and regulations in the PRC, which include but are not limited to the following:

- Environmental Protection Law of PRC;
(中華人民共和國環境保護法)
- Environmental Protection Tax Law of PRC;
(中華人民共和國環境保護稅法)
- Water Pollution Prevention and Control Law of PRC;
(中華人民共和國水污染防治法)
- Prevention and Control of Atmospheric Pollution law of PRC;
(中華人民共和國大氣污染防治法)
- Prevention and Control of Environmental Pollution by Solid Wastes Law of PRC;
(中華人民共和國固體廢物污染環境防治法)
- Promotion of the Cleaner Production Law of PRC;
(中華人民共和國清潔生產促進法)
- Prevention and Control of Pollution from Environmental Noise Law of PRC.
(中華人民共和國噪音污染防治法)

The Group did not receive any report or complaint of any significant breaches of environmental laws and regulations during the Reporting Period (2024: nil).

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Emission management measures

Air emissions

As no industrial process is involved in our business, the Group's operations do not consume direct combustion fuel. Air emissions directly generated were primarily attributed to the use of company vehicles during the Reporting Period. During the Reporting Period, the Group sold two fuel-powered vehicles, achieving the use of new energy vehicles for all company cars.

Facing the coming intelligent era, we are accelerating transformation, creating new energy labels, and fully embracing intelligence. For the remaining gasoline vehicles previously in use, the Group ensured that fuel was purchased through regular gas stations and that vehicles were sent to authorized 4S stores for maintenance and routine inspections as required.

(Units: kilograms)		2025		2024	
Direct air emissions (note 2)	Emission Sources	Emission amounts	Emission intensities (note 1)	Emission amounts	Emission intensities (note 1)
Nitrogen Oxides ("NO _x ")	Company vehicles	1.09	0.14	2.03	0.23
Sulphur Oxides ("SO _x ")		0.11	0.013	0.04	0.005
Particulate Matter ("PM")		0.38	0.05	0.67	0.07

Note 1: Intensity is measured by dividing the relevant emissions by the average number of vehicles owned by the Group during the year. In 2025, we owned 8 company vehicles (2024: 9).

Note 2: Direct air emissions are calculated with reference to "Technical Guidelines for the Compilation of Air Pollutant Emission of Motor Vehicles (Trial)" (道路機動車大氣污染物排放清單編製技術指南(試行)) issued by the Ministry of Ecology and Environment of the People's Republic of China (中華人民共和國生態環境部).

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Green House Gases ("GHG") emissions

The amount of different types of GHG emissions ^(note 1) in CO₂ equivalent emissions ("CO₂e") during the Reporting Period was as follows :

(Units: Tonnes of CO ₂ e) Scope of GHG emissions Emission sources		2025		2024	
		Emission amounts (Tonnes)	Emission intensities ^(note 2)	Emission amounts (Tonnes)	Emission intensities ^(note 2)
Scope 1					
Direct Emissions	Company vehicles	13.23	0.02	7.58	0.01
	Hydrofluorocarbons ("HFC")	122.58	0.16	122.63	0.16
	New trees	-6.35	-0.01	-5.22	-0.01
Scope 2					
Energy Indirect Emissions	Purchased electricity	1,625.60	2.18	1,539.39	2.03
Total		1,755.07	2.35	1,664.38	2.19

Note 1: GHG emissions are calculated with reference to the "How to prepare an ESG Report? — Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX and "Greenhouse Gas Accounting Tool for Chinese Cities" issued by the World Resources Institute.

Note 2: Intensity is measured by dividing the relevant emissions by the number of employees as at year end. As at 31 December 2025, we have 747 employees (2024: 760).

During the Reporting Period, the direct GHG emissions were from company vehicles and HFC. The Group has a total of 276 (2024: 227) trees which consult in a GHG removal. The energy indirect GHG emissions increased slightly compared to last year, mainly due to the changes in business activities and operational scale of the Group.

The Group has assessed that operational vehicle usage constitutes a minimal component of business activities, with associated air emissions and Scope 1 GHG emissions being immaterial relative to other ESG priorities. Consequently, formal emission reduction targets have not been established for these categories at present. Nevertheless, we are proactively optimising fleet utilisation and accelerating new energy vehicle adoption without compromising operational efficiency. Should operational scaling result in material increases in air emissions or Scope 1 GHG outputs, a formal target-setting process will be initiated in alignment with evolving business needs.

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Operational HFC emissions from air conditioning systems primarily derive from maintaining employee workplace comfort, particularly during extreme weather events. The Group is committed to reducing GHG emissions from HFC as soon as possible by improving the policy on the use of air-conditioning.

The Scope 2 energy indirect emissions were a result of office electricity consumption, which is material to the Group's business operation. The Group has set a Scope 2 emission target in 2022, which is to maintain 2.32 tonnes of CO₂e per employee and we have achieved it this year with 2.18 tonnes of CO₂e per employee.

Looking forward, assuming there is no material change in the business model and taking 2022 as the base year, the emission target is to maintain the intensity of 2.32 tonnes of CO₂e per employee in 2026.

Despite a limited environmental footprint, the Group has institutionalised routine eco-management practices, details are explained in a later section titled "Optimisation of resource use".

Wastes

As we are primarily engaged in the provision of internet advertising services, we did not generate any hazardous waste during the Reporting Period and thus it is deemed unnecessary to set a target for the reduction of hazardous waste. If there is a subsequent change in the business model which involves the generation of hazardous waste, the Group will further evaluate the need to set a target.

As for non-hazardous wastes, we had only generated very minimal waste such as food wraps, drinking cans and bottles, disposal of stationery and office supplies for the three offices. Given the nature of our operations and that the volume of very limited non-hazardous waste is not material compared to other aspects, from a cost-benefit perspective, the Group has no plans to set reduction targets for non-hazardous waste at this stage.

Units		2025		2024	
		Consumption amounts	Consumption intensities (note 1)	Consumption amounts	Consumption intensities (note 1)
Waste	Tonnes	609.60	0.82	616.80	0.81

Note 1: Intensity is measured by dividing the relevant emissions by the number of employees as at year end.

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Despite the minimal quantities of waste generated, internal waste reduction measures were implemented to further minimise waste around the premises in the long term, with detailed descriptions provided in the section entitled “Optimisation of resource use”. The Shanghai office adheres to the “Domestic Waste Management Law” (上海市生活垃圾管理条例), a municipal ordinance mandating domestic waste classification. Domestic waste is categorised into four types: recyclables, hazardous waste, wet waste, and dry waste. Employees at the Shanghai office are required to both reduce waste and comply with local regulations to enhance domestic waste management.

Optimisation of resource use

Given that the Group’s business operations do not entail the significant consumption of natural resources, its direct adverse impact on the environment remains minimal. Nevertheless, as detailed throughout this section, the Group is committed to environmental stewardship and has therefore formulated and put into effect a range of measures aimed at mitigating its ecological footprint and preserving the natural habitat.

The amount of consumption by types of energy or resources during the Reporting Period was as follows:

Energy/Resource consumption	Units	2025		2024	
		Consumption amounts	Consumption intensities (note 1)	Consumption amounts	Consumption intensities (note 1)
Electricity	MWh	4,003.73	5.36	3,954.98	5.20
Unleaded petrol	L	4,958.70	6.64	2,849.02	3.75
Water	Tonnes	28,242.00	37.81	26,734.00	35.18

Note 1: Intensity is measured by dividing the relevant emissions by the number of employees as at year end.

We do not have a huge demand for water and do not have an issue with sourcing water. Most of the water consumed in the Group’s daily operations is primarily used for garden irrigation, thus generating insignificant volumes of sewage. Compared to last year, water consumption has increased this year due to the additional planting of trees. Taking 2021 as the base year, assuming there is no material change in the business model, the water efficiency target set by the Company is to maintain a water consumption intensity of 65.60 tonnes per employee in the next five years. To achieve this water efficiency target, the Group has implemented some measures for saving water, such as using water-saving taps, deploying automatic spraying systems for landscaping and on-premises pavement, coupled with reducing water consumption through daily water conservation practices.

Moreover, we do not use packaging materials for our business operations as we are primarily engaged in the provision of Internet advertising services.



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As core components of the Group's ESG strategy, energy efficiency and resource conservation receive focused attention. Guided by national environmental protection policies, the Group continues to adopt new energy vehicles for business travel while progressively phasing out its gasoline-powered fleet. Energy consumption is subject to regular monitoring, with corrective measures implemented as needed to ensure consistency with the Group's environmental objectives.

The Group has formulated the Guidelines for Low-Carbon Green Office Practices to embed environmental stewardship into daily operations, systematically fostering sustainable awareness and translating eco-conscious principles into concrete workplace actions. The following measures are implemented and periodically reviewed to advance the Group's ESG strategy and to mitigate its environmental impact over the long term:

- Policies and procedures are regularly updated to incorporate rules and guidelines on environmental protection in order to raise employee awareness of the importance of protecting the environment and to integrate them into their daily workflows;
- Specifically, through these rules and guidelines, the Group encourages the management and employees to minimise the Group's environmental impact by performing the following in different areas:

Energy Use

- i. Car sharing or carpooling wherever possible for regular commuting and to/from external meetings;
- ii. Shortening the time it takes for the monitor to enter sleep mode when the computer is not in use tentatively, while choosing to turn off the computers instead of a standby mode when the computer is not in use for a long time. Turning off computers and office equipment when leaving the office;
- iii. Monitoring temperature and humidity Server Room to ensure they are within the appropriate range. Inspecting our electricity and power equipment regularly to ensure safety as well as operating efficiency; Collecting energy consumption data of the current equipment monthly, doing summary and analysis on these data to show the operating condition of the equipment so that we can conserve energy and reduce consumption mindfully;
- iv. Staying at the office after work hours only if necessary and working from home instead of the office should they need to work during the weekends;
- v. Utilizing online meeting tools to the greatest extent for internal meetings and internal communications to reduce business travel and energy consumption;



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- vi. Maintaining workplace temperature at a comfortable level for energy conservation and reduction of emissions. Controlling the temperature of the work environment not lower than 25.0°C during the summer season. Be sure to close the doors and windows when the air conditioner is in use;
- vii. Use of sunlight to reduce electricity usage in washrooms wherever possible. Water-efficient sensor taps are installed to avoid unnecessary water wastage. Check the water use situation or water pipe situation in each area, and adjust and repairs according to the situation to avoid wastage of water resources;
- viii. Turning off some unnecessary lighting, replacing the light bulbs and tubes with LED lights gradually and installing the voice-activated light along the corridor and parking lots.

Paper Use

- i. Reusing or recycling plastic packaging, paper bag, and paper cartons;
- ii. Adopting office automation system and reducing excessive printing by going paperless as much as possible;
- iii. Reusing printed paper wherever possible, subject to the personal data privacy requirements;
- iv. Thinking twice before printing any email, and use the Green Email Signature template "Please consider the environment before printing this email";
- v. Closely monitor the number of annual reports printed annually;
- vi. Setting up recycle bins in the workplace to store the used paper. Once a certain amount is accumulated, it can be recycled and make full use of recyclable resources.

Waste management

- i. Providing and promoting the use of green facilities such as waste separation bins and used battery collection bins wherever possible;
- ii. Adopting appropriate disposal procedures for electronic waste, for instance using authorised e-waste collection and computer recycling service sites;
- iii. Choosing alternative products to control the generation of hazardous waste, where relevant and applicable.



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Others

- i. Improving the existing “Green Procurement Practice Guide” by constantly taking into consideration environmental impact;
- ii. Centralizing the purchases of office supplies from various departments to reduce the number of deliveries to be made by suppliers which will lead to a reduction in the indirect emissions from transportation;
- iii. “The Initiative on Low-carbon Green Office” was issued to advocate the concept of “green office and low-carbon life” and strengthen employees’ environmental awareness.

Response to climate change

The Group deeply recognizes that identifying and addressing climate-related risks and opportunities is critical to achieving sustainable development and fulfilling social responsibilities. In accordance with the requirements of Part D “Climate-related Disclosures” of the ESG Reporting Code, and with reference to the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB), the Group has, in light of its actual operations, preliminarily identified the following key climate-related risk categories and corresponding management directions.

Governance

The Group has long embraced sustainable development as a core strategic principle and remains steadfast in fulfilling its climate action commitments. We have established a dedicated climate change governance structure, continuously refined our internal management mechanisms, and set clear, measurable carbon emission reduction targets.

As the highest decision-making and oversight body for climate-related matters, the Board holds ultimate responsibility for the formulation, implementation, disclosure, and effectiveness of the Group’s climate strategies. In overseeing these strategies, the Board assesses the potential trade-offs associated with climate-related risks and opportunities — for example, balancing short-term operational costs against long-term resilience and low-carbon transition investments. The Board conducts reviews of climate-related matters at least annually. To support effective governance, the Board has authorized the Audit Committee to oversee climate-related risks and other relevant issues. The Audit Committee is responsible for evaluating the potential trade-offs between different risk mitigation strategies and business development priorities, and to report any identified risks and related management decisions to the Board at least twice a year. For further details on the governance structure, please refer to the section titled “ESG Governance Framework”.

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We continued to strengthen our climate governance capabilities to ensure that the Group maintains strategic commitment and enhances operational resilience in the low-carbon transition process, while creating long-term sustainable value for stakeholders. During the Reporting Period, in order to further strengthen the climate governance and decision-making capabilities of the Board and senior management, the Group has invite third-party professional institutions to conduct climate-related training or thematic sharing sessions for the Board and senior management in the future. This initiative aimed to assist the decision-making level in keeping abreast of the latest guidelines, deepening professional knowledge, and enhancing climate-related expertise in strategic planning and risk management. At present, the Group has not formally integrated climate-related considerations into the remuneration policy for senior management.

Strategy

Risks Type	Impacts on Business and Value Chain	Potential Financial Impacts	Time Horizon ^(note)	Response
Physical Risks				
Immediate risk: Extreme weather accidents	- Extreme weather events (such as extreme cold, heatwaves, heavy rain, snowstorms and typhoons) may affect employee commuting, safety and well-being, thereby impacting daily business operations and service continuity across the Group's value chain. - Extreme weather may damage power supply, telecommunications and network infrastructure, disrupting IT services, online platform operation and downstream service delivery along the value chain.	- Impairment of property, plant and equipment - Significant expenses arising from the maintenance, repair or replacement of damaged or destroyed facilities - Increase in operating costs - Decrease in operating revenue	Short, Medium	- Take precautions for employees during rainstorms, blizzards, and typhoons, such as allowing them to work remotely from home. - Monitor weather forecasts, take safety measures in advance and alert employees if there is extreme weather. - Attach importance to server data storage, combined with cloud server storage and backup data, the Company has developed a disaster recovery plan and has annual drills.

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Risks Type	Impacts on Business and Value Chain	Potential Financial Impacts	Time Horizon ^(note)	Response
Long-term risks: Global Warming	— Rising global temperatures and frequent heatwaves may cause overheating of network equipment, servers and IT facilities, increasing fire and operational safety risks, and impairing the stability and reliability of services provided to customers and partners in the value chain.	— Increase in operating costs — Decrease in operating revenue	Medium, Long	— Pay attention to the temperature of the office and the equipment room. Engineers strictly control the temperature setting of the air conditioner to ensure that the temperature is within the normal range. — Conduct fire safety inspection every year and have fire drills to improve employees' fire awareness.
Transition Risks				
Policy and regulatory risks: Tighter climate-related policies	Stricter policies on energy conservation, carbon emission reduction, climate disclosure and compliance may impose additional regulatory obligations on the Group and its upstream and downstream partners. Failure to meet updated disclosure and compliance requirements could lead to legal risks, additional costs and disruptions to business and value chain operations.	— Increase in operating costs — Decrease in operating revenue	Medium, Long	— Monitor regulatory trends to ensure that the Group's daily operations comply with the latest legal requirements.

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Risks Type	Impacts on Business and Value Chain	Potential Financial Impacts	Time Horizon ^(note)	Response
Reputational risk: Customer or community's perception and evaluation of low-carbon transition	Growing expectations from customers, partners, investors and the community regarding low-carbon transition and sustainable development may affect the Group's brand reputation. Insufficient progress in climate action could weaken customer loyalty and investor confidence, with negative impacts on business performance, market share and the overall value chain.	— Decrease in operating revenue	Medium, Long	— Disclosure and promotion of the Company's ESG contribution. — Closely monitor changes in market trends.

Opportunities Type	Impacts on Business and Value Chain	Potential Financial Impacts	Time Horizon	Response
Green IT & Energy Efficiency Optimization	— Optimize data centres and IT infrastructure. — Drive upstream low-carbon upgrades and provide downstream energy-saving services to enhance value chain sustainability.	— Reduced energy and operating costs — Potential revenue growth from energy-saving services	Medium, Long	— Replace high-energy equipment. — Cooperate with green suppliers.
Enhanced Brand Reputation & Stakeholder Trust	Disclose climate information and promote low-carbon initiatives to attract ESG investors and high-quality partners.	— Reduced financing costs — More cooperation opportunities — Long-term improvement in corporate value	Long	— Improve disclosure transparency.



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Note: Taking into account the core business plans, the time horizon of social low-carbon development goals, climate-related disclosure standards and management recommendations, we have defined the time horizons as follows: within 2 years (inclusive) after the end of the Reporting Period (short term); 2 to 5 years (inclusive) after the end of the Reporting Period (medium term); and more than 5 years after the end of the Reporting Period (long term), so as to reasonably assess the impact of climate change on the Group's business development in different periods.

Risk Management

The Group has fully integrated climate-related risks and opportunities into its enterprise risk management system. Through establishing a regular monitoring and assessment mechanism, the Group is committed to continuously enhancing climate resilience and promoting the deep integration of climate governance into business development.

The risk management and internal control system in place is largely top-down, involving the Board, the Audit Committee, the management and key business units head, all of them play important roles in the system to ensure that risks are properly managed. For details of the risk management, please refer to the section "risk management and internal controls" in the annual report.

During the Reporting Period, the Group did not identify any material climate-related risks, and the risk management process remained unchanged with no adjustments arising from newly identified climate risks. The Board and the Audit Committee have continued to regularly review the identification, assessment and management of climate-related risks and opportunities, monitor the effectiveness of response measures, and provide management recommendations on feasible improvement areas to ensure the Group maintains stability amid climate changes.

Metrics and targets

The Group actively responds to China's "30 • 60" dual carbon goals and has established specific climate-related targets; for details, please refer to the "Environmental Protection" section. During the Reporting Period, we added two new energy vehicles, with an expenditure of approximately RMB650,000.

In addition, we have put in place a robust monitoring mechanism for environmental objectives, conducting regular reviews of key environmental indicators and tracking progress. The Group has not yet integrated climate-related factors into its remuneration and incentive system, nor has it adopted an internal carbon pricing mechanism.

Going forward, we will continue to monitor industry trends, actively explore the feasibility of internal carbon pricing, and further enhance our carbon management system to ensure steady progress on the path of green and low-carbon development.



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PEOPLE-ORIENTED

The Group regards its employees as valuable assets and is dedicated to fostering an inclusive and equitable workplace for all. This section outlines the comprehensive policies and practices we have implemented to govern employment, employee benefits, occupational health and safety, professional development and training, as well as labour standards.

Standardised employment management

Employment and standards

The Group is committed to complying with laws and regulations relating to the employment of labour, which include but not limited to:

- The Labor Law of PRC
(中華人民共和國勞動法)
- The Labor Contract Law of PRC
(中華人民共和國勞動合同法)
- Tentative Provisions on Salary Payment
(工資支付暫行規定)
- Regulations on the Management of Housing Provident Fund
(住房公積金管理條例)
- Labor Dispute Mediation and Arbitration Law
(勞動爭議調解仲裁法)
- Regulation on Work-related Injury Insurances
(工傷保險條例)

During the Reporting Period, there was no significant breach of any laws and regulations related to the employment of labour (2024: nil).

The Group's Employee Handbook has clear standard policies and procedures to deal with recruitment, employee movement, performance review, salary adjustments, promotions, and termination of employment.

The Company maintains a zero-tolerance policy towards child and forced labor, having established comprehensive management protocols to effectively prohibit such practices. The management procedures stipulated that stringent examination of ID cards should be conducted during the recruitment process to verify the authenticity of the candidate's personal information. This control mechanism effectively prevents underage employment through systematic screening and due diligence processes. Moreover, employee work schedules are set up fairly to ensure that standard working hours (i.e. 40 hours per week) are not exceeded.



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The Group is committed to complying with the Labor Law of PRC (中華人民共和國勞動法) in relation to child and forced labour, as well as other relevant laws and regulations in PRC relating to the protection of rights and interests of labour, and there was no (2024: nil) case of non-compliance with these laws and regulations during the Reporting Period.

Equal opportunity and diversity

The Group has always adhered to the people-oriented philosophy and is committed to protecting the rights and interests of its employees. We strive to build a broad platform for employees to develop and grow, while fostering an equal, open, and harmonious working environment. The Group implements an equal opportunity policy and respects the basic rights conferred to employees by law. Through these policies and procedures, we ensure that recruitment, remuneration, and promotion decisions are based on merit, qualifications, competency, capability, and contribution to the Group. As an equal opportunities employer, the Group is dedicated to maintaining a diverse workforce irrespective of age, gender, family status, sexual orientation, disability, ethnicity, religion, or political beliefs. Discrimination is strictly prohibited in the workplace.

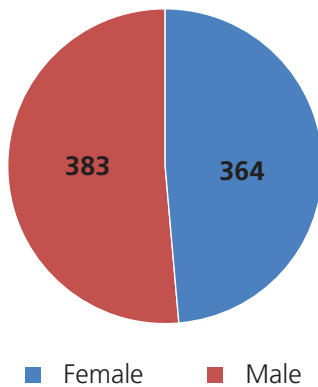
Employer brand building

Leveraging the extensive reach of the Internet and social media, the Group has actively advanced its employer brand building efforts, keeping pace with evolving trends and innovating its recruitment approaches to attract talent from multiple channels, thereby continuously strengthening its talent pool. During the Reporting Period, the Group sourced talents through offline campus recruitment, online recruitment platforms, and employee referral programs, further reinforcing our employer brand. This multi-channel recruitment strategy enables the Group to effectively identify and engage promising candidates with potential. The employee referral program encourages current staff to recommend suitable candidates, including friends, family members, or former colleagues, for career opportunities within the Group. Employees at all levels are expected to uphold the highest standards of conduct, demonstrating integrity, impartiality, and honesty in the workplace.

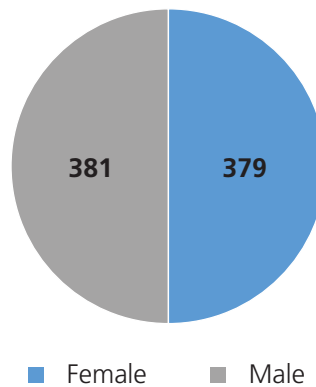
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As at the end of the Reporting Period, the Group had a total of 747 employees (2024: 760), and they were based in PRC. The part-time employees of the Group constitute 6% (2024: 4%) of the total employees, which is optimum to support the Group in running the operation efficiently and effectively. The number and ratios between males and females and different age groups are depicted below:

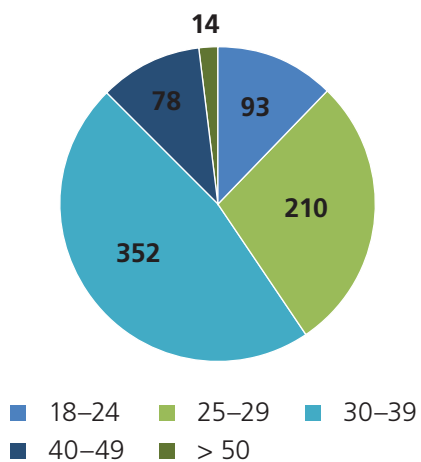
Employees by gender in 2025



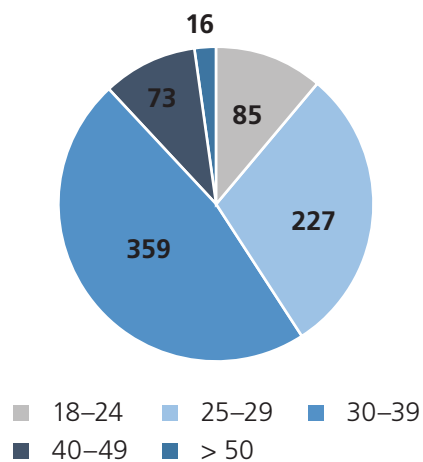
Employees by gender in 2024



Employees by age in 2025



Employees by age in 2024

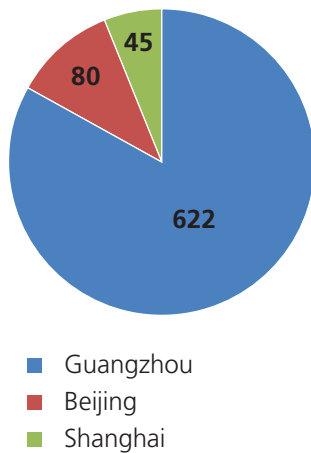




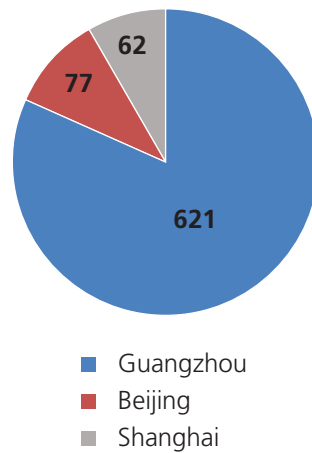
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As at the end of the Reporting Period, we achieved a gender-balanced workforce with 383 male and 364 female staff. The majority of our employees were aged below their 40s, showing success in our commitment to attracting younger generations to join our dynamic workforce.

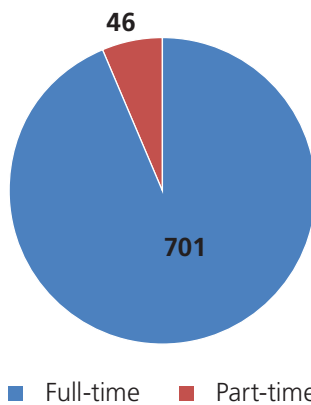
Employees by region in 2025



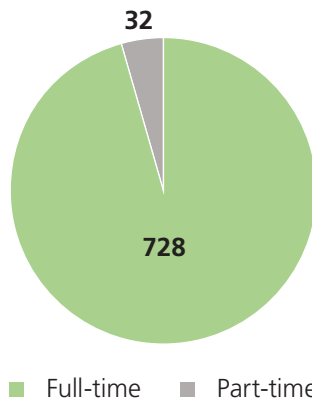
Employees by region in 2024



Employees by type in 2025



Employees by type in 2024



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To protect the rights and interests of our employees, we develop employee separation (including resignation and dismissal) procedures in strict accordance with the labour contract and the relevant laws and regulations of the regions in which we operate. When an employee leaves the Company, we interview them to understand the reasons for leaving and recommendations to the Group. All separation processes are executed with full compliance with contractual obligations and statutory requirements.

As at the end of the Reporting Period, the employees of different functions perform their duties, ensuring sustained organisational stability.

The employee turnover rate ^(note 1) categorised by gender and age groups was as follows:

Employee Turnover Indicator	2025 ^(note 2)	2024 ^(note 2)
Turnover rate by gender		
Female	43.3%	43.7%
Male	46.1%	48.7%
Turnover rate by age		
18–25	139.3%	168.8%
25–29	40.6%	47.3%
30–39	30.1%	25.0%
40–49	15.8%	14.5%
> 50	33.3%	23.5%
Turnover rate by type		
Full-time	32.6%	33.7%
Part-time	266.7%	350.0%
Turnover rate by region		
Guangzhou	48.1%	51.1%
Beijing	11.4%	29.6%
Shanghai	53.7%	25.8%

Note 1: The percentages are calculated regarding the “How to prepare an ESG Report? — Appendix III: Reporting Guidance on Social KPIs” issued by the HKEX.

Note 2: Turnover rate = (Number of employees departed during the Reporting Period/Average number of employees in the Reporting Period) x 100%

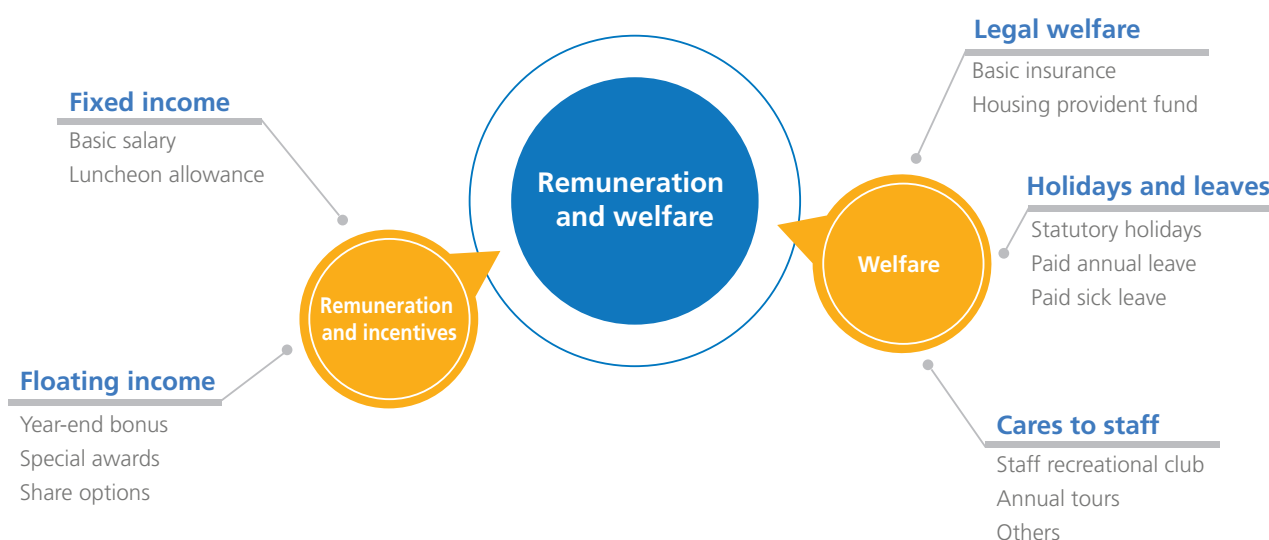
Average number of staff in the Reporting Period = (Number of employees at the beginning of the Reporting Period + Number of employees at the end of the Reporting Period)/2

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During the Reporting Period, a total of 337 (2024: 349) employees left the Group, of these 176 (2024: 185) were male and 161 (2024: 164) were female resulting in an overall turnover rate of 45% (2024: 46%).

Protection of employee benefits

The Group is committed to attracting, retaining, and motivating high-calibre candidates and employees. To this end, we offer competitive remuneration packages to eligible employees, including year-end bonuses and share options based on individual performance, along with statutory entitlements and additional allowances such as meal and transportation subsidies. All employees are entitled to appropriate leave benefits, including annual leave, sick leave, marriage leave, maternity leave, and compassionate leave.



Occupational health and care

Given the primarily office-based nature of our workforce, occupational health and safety risks are not material for the Company. Nevertheless, the Group recognises the importance of employee well-being and has implemented comprehensive measures to maintain a safe working environment, in line with its ESG framework, to mitigate potential risks.

During the Reporting Period, the Group has complied with all requirements of relevant regulations, which include but are not limited to the following:

- Prevention and Treatment of Occupational Diseases Law of PRC (中華人民共和國職業病防治法)
- Fire Prevention Law of PRC (中華人民共和國消防法)



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Occupational Health and Safety Management System
(職業健康安全管理體系)
- Special Regulation on the Labour Protection of Female Staff
(女職工勞動保護特別規定)
- Measures for the Ascertainment of Work-related Injuries
(工傷認定辦法)

The Group's headquarters is situated within a well-designed campus comprising three five-story office buildings, offering a combined gross floor area of approximately 30,000 square meters. This facility is complemented by an expansive 5,000-square-meter landscaped garden that serves multiple functional and environmental purposes. The green space not only provides employees with a tranquil area for relaxation and stress relief but also contributes to improved air quality within the workplace environment, thereby enhancing overall employee well-being and productivity.

To safeguard the physical safety of both assets and personnel, the Group has deployed security guards at the office premises and surrounding areas. Routine inspections and maintenance of building equipment, including elevators and fire protection systems, are carried out by qualified professional companies.

Moreover, the Group has established comprehensive employee wellness facilities and programs designed to foster a healthy work-life balance and mitigate occupational health risks. The recreational facilities include a canteen, basketball court, café, leisure room, nursery room, table tennis tables, and yoga room for our employees to have a balanced work-leisure lifestyle, preventing potential long-term health risks related to long hours of desk work. A "staff recreational club" has been set up to develop a sense of belonging and build better bonding amongst our employees, where they can participate in many team building activities such as basketball games, badminton games, yoga class, company travel, and annual dinner, etc. This holistic approach not only promotes physical and mental well-being but also strengthens interpersonal relationships and cultivates a sense of community among employees, ultimately contributing to reduced workplace stress and enhanced organizational cohesion.

During the Reporting Period, three employees (2024: one) sustained injuries attributed to commuting traffic accidents, slipping on wet washroom floors, and vehicle testing activities. These three work-related injuries resulted in a total of 26.5 lost working days (2024: two days). To prevent similar incidents, the Company has strengthened its focus on workplace safety by conducting daily inspections of the surrounding environment and implementing appropriate protective measures. High-risk areas are managed with heightened caution to minimise potential dangers. Additionally, to reinforce safety awareness and prevent recurrence, traffic safety educational videos are now broadcast in the office corridors to enhance employees' awareness of commuting risks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

There was no significant work-related fatality recorded for the past three years, including the Reporting Period.

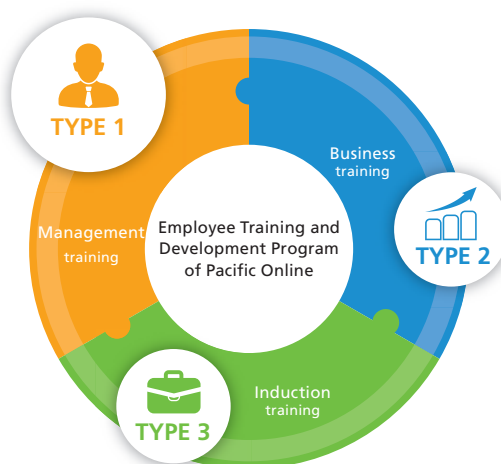
Talent development and training

The Group acknowledges that the ongoing professional development of our workforce is fundamental to the organisation's growth and long-term sustainability. In this regard, we have formalised comprehensive employee development policies within our official "Employee Handbook," establishing a structured framework for the implementation of training programmes. Our Administration Department, utilising data-driven insights derived from departmental training needs assessments, is responsible for formulating and executing the annual training strategy. A range of internal training opportunities for all levels of our employees is divided into three categories according to different targeted employees.

New employee training: New employees' orientation, induction training, "one-on-one" mentorship program, and exchange program.

Work-related training: Such as editing training and sales training to improve business skills and technical skills for the company's daily operation.

Management training: Improving professional capability and developing skills of newly promoted middle and senior management to coach their staff.



Training types

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“Setting Sail” — Pacific Network New Employee Induction Training

Project Overview: This project is a monthly training program, focusing primarily on company regulations, corporate culture, internet industry knowledge, and professional development. The aim is to help new employees understand the company and cultivate basic professional qualities, allowing them to quickly integrate into the environment and smoothly begin their work.

Training Target: New Employees

Training Cycle: Once a month

Covered Courses: “Professional Development”, “Regulations and Confidentiality Awareness”, “The Developing Pacific Online”



Pacific Network New Editor Training Camp

Project Overview: This project is a quarterly training program, with training content covering basic business knowledge and skills for various website editorial positions, including copyright awareness, photography and PS common techniques, interview and event experience, SEO knowledge, etc.

The aim is to help new employees in editing positions master basic work skills.

Training Target: New employees in each editorial department

Training Cycle: Once a quarter

Covered Courses: “Copyright Knowledge”, “Photography Skills”, “Common PS Functions Sharing”, “Press Conference and Exhibition Experience Sharing”, “Interview/Exclusive Training”, “Forum Interaction Model and Management Experience Sharing”, “Website Traffic Statistics and Basic SEO Knowledge”

Screenshot of New employee training courses

The Group has set up a variety of trainings to meet the work requirements and self-development goals of the employees.

Training development



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For the delivery of training, the Group has launched “cloud-learning” since 2019, an online training platform for employees to conduct training more efficiently. Employees can ask questions anytime on the platform even after the training session has ended. Apart from receiving internal training, employees may also be sponsored by the Group to receive external training for skill and knowledge enrichment. Employees receiving external training are responsible for conducting knowledge transfer internally to create a positive learning atmosphere among employees. Additionally, other forms of training are also available including seminars, self-learning by employees and online learning.

During the Reporting Period, there was a total of 1,632 (2024: 1,103) trained employees and the percentage of total employees who took part in training was 218.0% (2024: 145.0%) for the Reporting Period. A total of approximately 3,505 (2024: 2,483) training hours were completed by these trained employees which took place in PRC, average training hours per employee are 4.7 (2024: 3.3) training hours. The details of these trainings are shown in the table below:

Employee Training Indicator	2025	2024
Percentage of employees trained (%) ^{Note 1}	101.1 ^{Note 2}	70.8
Percentage of employees trained by gender (%)		
Male	49.1	52.4
Female	50.9	47.6
Percentage of employees trained by position (%)		
Senior management	3.4	5.4
Middle management	5.3	8.2
Ordinary employee	91.3	86.4

Note 1: The percentage of employees trained = Employees trained during the Report Period/Number of employees at the end of the Reporting Period x 100%

Note 2: The percentage is over 100% because employees trained during the Reporting Period are more than employees at the end of the Reporting Period, due to full-time and part-time employee turnover.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employee Training Indicator	2025	2024
Training hours per capita (hour)	4.7	3.3
Average training hours completed per employee by gender (hour)		
Male	4.0	3.3
Female	5.4	3.3
Average training hours completed per employee by position (hour)		
Senior management	2.5	2.4
Middle management	5.4	4.9
Ordinary employee	4.8	3.1

RESPONSIBLE OPERATION

Efficient supply chain management

To better manage the supply chain, the Group has established a formal “Procurement Process” to standardise procurement activities and define the criteria and requirements for supplier selection, thereby enhancing overall procurement efficiency.

The Group maintains an approved supplier list for the procurement of IT services, office equipment, and office supplies. Suppliers included in this list are carefully evaluated based on criteria such as the quality of goods and services provided, their reputation in both the public and industry sectors, and their compliance with applicable PRC laws and regulations. Prior to entering into contractual agreements, we conduct due diligence to gain a better understanding of each supplier’s background — for example, by verifying business licenses and other relevant qualifications — thereby identifying areas for further review and mitigating potential risks before or upon engagement. We work only with qualified suppliers that demonstrate sound business practices, and we regularly review, supervise, and update the approved supplier list to maintain procurement quality. Suppliers that fail to meet our standards are subject to removal from the list.

As at the end of the Reporting Period, we have a total of 988 (2024: 976) suppliers, all are from different provinces in PRC.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Responsible Product and Services Management

Quality assurance

As an online content provider, the Group regularly promotes different products and services of our clients. While ultimate responsibility for product quality resides with our clients, we have implemented a comprehensive “Advertisement Publication Compliance Guide” to strengthen the review and verification of all advertising materials. The Group is committed to complying with relevant laws and regulations governing advertising, including but not limited to the Advertising Law of the PRC (中華人民共和國廣告法), the Regulation on the Control of Advertisements of the PRC (中華人民共和國廣告管理條例), and the Interim Measures for the Administration of Internet Advertising (互聯網廣告管理暫行辦法). We assess the qualifications of our business partners and ensure that we only promote products and services from reputable brands. In addition, as part of our content review process, we conduct internal tests or trials before officially introducing these products and services to our users.

Furthermore, the Group recognises that improving quality and responding to consumer needs and preferences are essential to its sustainable development. To this end, we have launched a “User Experience Enhancement Program” designed to better understand and address consumer expectations. This program encompasses customer surveys, free downloads, and new product trials, through which we collect feedback to drive continuous quality improvement. By deepening our understanding of consumer needs and fostering innovation aligned with evolving market expectations, we aim to strengthen our competitive position and ensure long-term customer satisfaction.

Post-sales service and complaint handling

The Group maintains rigorous grievance resolution mechanisms, treating all stakeholder concerns as critical inputs for service quality enhancement.

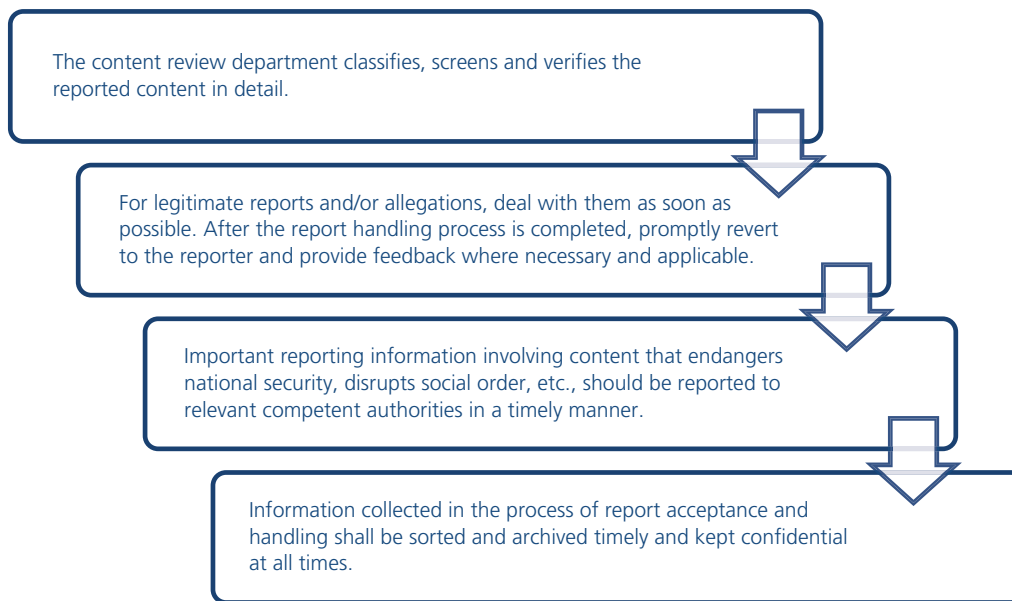
During the Reporting Period, the Group received and handled a total of 82 complaints from third parties (2024: 64). These complaints primarily concerned potential false information and content on our websites, as well as suspected copyright infringement. Our handling procedures include the removal of relevant information and content from our websites, the provision of written commitments to the complaining parties, and compensation where necessary. All handling procedures and outcomes are documented for record-keeping purposes. None of these complaints were considered significant in nature or had a material adverse impact on the Group. We continuously improve the existing “Content Responsible System for Ecological Governance” to prevent complaints. For content review, we adhere to a mechanism of “review before release”, which integrates three layers of auditing: automated filtering through the review platform (keyword matching), third-party platform audits (machine audits), and manual audits.

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In addition, as an online content provider, we recognize the potential risks associated with illegal and inappropriate content. We have established the “Measures for the Acceptance and Handling of Reports on Illegal and Inappropriate Information” (the “Measures”) to fulfil our responsibilities as a website operator and to ensure timely handling of reported information. The Measures clarify the responsibilities of each unit involved in addressing illegal and inappropriate content, set out the procedures for accepting such reports, and provide guidelines for their handling.

Our content review department serves as the primary unit responsible for managing reports of illegal and inappropriate content, with the website editorial department and technical department providing support in the processing of reported information. We have designated both a telephone hotline and an email mailbox for the public to report illegal and inappropriate information on Pacific Online networks. Duty officers are responsible for answering calls and maintaining relevant phone records; for the reporting mailbox, staff on duty regularly check the mailbox and keep corresponding records.

Once the Group receives a report on illegal and inappropriate information, the following processes are being carried out:





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Intellectual property protection

The Group prioritises the protection of intellectual property (IP) rights as a core component of its competitive strategy. Our Legal Department oversees the formal registration of corporate trademarks and patents while guiding image usage rights. The installation of unauthorized software is strictly prohibited across all operations.

To strengthen internal governance, the Group organises regular business training on intellectual property rights to improve employees' awareness of intellectual property rights protection and educate them on how to identify the potential infringement of intellectual property rights. The training on intellectual property rights is suitable for newly joined editors, and the content of the training includes updates on the Advertising Law of PRC (中華人民共和國廣告法), knowledge for copyright and training for photography skills.

The Group has established "Rules for the use of outsourced copyrighted pictures" (外購版權圖片使用規則), "Rules for the use of outsourced copyrighted music" (外購版權音樂使用規則), and "Memo on copyright management" ("Memo") (版權管理備忘) for the purpose to strengthen the management of copyright within the Group, standardise the content of each website, and ensure copyright is used legally. The application scope of the memo includes all websites of the Group, APP and third-party platform accounts such as Weibo and WeChat official accounts. The memo set out copyright usage rules for content including but not limited to articles, images, animation software etc. and procedures for handling infringement complaints.

In the event of a first-time infringement offence conducted by our employees, the editorial department would give a verbal warning. If losses are caused to the Group, the Group has the right to demand compensation from the responsible person. As for the second offence, a written warning would be given to the employees and filed by the Human Resources Department.

Externally, the Group has established whistle-blowing procedures for external parties to report any suspicious infringement and misuse of intellectual property rights for further investigation. The whistle-blowing procedures are explained on the Group's website and available to be viewed by external parties.

The Group is committed to complying with relevant laws and regulations for the protection of intellectual property, including but not limited to the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Copyright Law of the People's Republic of China (中華人民共和國著作權法), the Trademark Law of the People's Republic of China (中華人民共和國商標法), the Computer Software Protection Regulations (《計算機軟件保護條例》) and the Protection of the Right to Network Dissemination of Information (信息網絡傳播權保護條例).

During the Reporting Period, the Group has not engaged in and has not been threatened with a significant claim for infringement of any IP rights, whether as a claimant or as a defendant (2024: nil). The Company has taken all reasonable measures to prevent infringement of IP rights.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Information security and personal data protection

The Group considers that privacy and security of information are critical operating principles and recognises the importance of keeping the personal information of the users in strict confidence. The Group is committed to complying with relevant laws and regulations including the Cybersecurity Law of PRC (中華人民共和國網絡安全法), the Group Law of PRC (中華人民共和國公司法), Civil Code of PRC (中華人民共和國民法典), E-Commerce Law of PRC (中華人民共和國電子商務法), Personal Information Protection Law of PRC (中華人民共和國個人信息保護法), Data Security Law of PRC (中華人民共和國數據安全法), the Advertising Law of PRC (中華人民共和國廣告法) and the Measures for the Administration of Internet Advertising (互聯網廣告管理辦法) relating to customer data protection and privacy.

The Group has implemented various information privacy and information security programmes to protect the security of corporate data as well as personal data privacy through multiple means, including password management, and controls over information output, dissemination, and backup. All employees share the responsibility to protect information security. For related parties of the Group, such as suppliers and service providers, their responsibilities to safeguard data security have also been communicated and clarified. All systems of the Company have obtained Level 2 Classified Protection of Cybersecurity.

Under the information security policy, our employees' duties include the following:

- Learn and understand the Company's Information Security System and receive information security-related training;
- Protect the information he/she keeps and owns, and establish relevant information security policies, strategies and procedures;
- Obligated to explain all the conducts in handling the information; and
- In the event of suspected cases that information is not properly protected, he/she must promptly report to the security management representative.

In addition to adhering to the privacy and information security policy, all employees are subject to comprehensive confidentiality obligations under their employment contracts, employee confidentiality regulations, and the code of conduct. These ensure that confidential information is properly protected and kept in strict confidence, and that any information obtained as a result of their employment with the Group will not be disclosed to any person without prior approval. Any unauthorised copying, dissemination or disclosure of confidential information, including customer identities and transaction records, is strictly prohibited. The Group has disclosed its personal data protection policy on its website to enhance transparency on the above issue. As part of the information privacy and information security programmes, external parties such as users, contractors, and regulators are welcome to report complaints, and provide suggestions and recommendations regarding our privacy policies through the dedicated channels on our website.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To better understand user needs, the Group may collect users' personal information with their consent. The Group's practices regarding the collection, use, preservation, disclosure, transfer, protection, and access of information comply with applicable laws. We explicitly inform users of the Group's data retention practices and how their data is used, and obtain consent from online users and customers before collecting personal information. Such information is used only for its intended purpose, and is destroyed when it is no longer required.

Anti-corruption

The Group is committed to adhering to the highest ethical standards and maintaining a corporate culture of integrity and justice for preventing, detecting and reporting all types of fraud, including corruption.

The Employee Handbook explicitly prohibits the solicitation or acceptance of monetary benefits, gifts, or rebates constituting bribery. Any such violation warrants immediate contract termination and may lead to further legal action. In the event of reported corruption cases, the human resources department, together with the relevant functional departments, is responsible for conducting investigations. Employees found responsible will be disciplined where a proven violation has occurred. Any non-compliance with applicable laws will be reported to law enforcement authorities for handling.

The Group also requires employees to sign a "Written Commitment on Integrity" to prevent any bribery, extortion, fraud and money laundering activities from occurring during transactions with suppliers and clients. Under this written commitment, employees undertake to maintain a healthy and sound business relationship with customers, business partners, their colleagues and relatives, and not to solicit or provide (including but not limited to transfer, lending, gifting, etc.) any material improper benefits.

As an integral component of our grievance resolution framework, external stakeholders including users, contractors, regulatory bodies, as well as internal staff, may submit reports concerning actual or suspected corruption or fraud through our hotline and email, which are listed at the bottom of the company websites.

Externally, the Group maintains standardised complaint resolution protocols across its digital service platforms, requiring immediate acknowledgement and systematic tracking of all received grievances until full resolution. Complaint records are archived weekly for audit purposes. Internally, the whistleblowing mechanism provides secure reporting mailboxes, enabling employees to confidentially disclose misconduct incidents — including suspected corruption, fraud and other forms of criminality — directly to the Chief Executive Officer and Chief Operating Officer.

The Group fosters ethical governance through cross-departmental integrity initiatives. Mandatory anti-corruption training programs are conducted to educate employees at all levels, from board members to operational staff, on interpreting and complying with the "Written Commitment on Integrity".



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to complying with relevant laws and regulations in areas for anti-corruption, including but not limited to the Anti-Unfair Competition Law of PRC (中華人民共和國反不正當競爭法) and Anti-Money Laundering Law of PRC (中華人民共和國反洗錢法).

During the Reporting Period, among the employee bribery and corruption cases we reported to public security authorities in accordance with the law in prior year, one case received a court ruling against the employee during the Reporting Period (2024: nil). We actively disclosed the annual anti-fraud efforts to enhance information transparency, demonstrating our zero-tolerance policy towards misconduct.

GIVING BACK TO SOCIETY

We are committed to being a responsible corporate citizen, respecting and supporting the sustainable development of the communities in which we operate. We encourage our employees to dedicate their time and efforts to engaging with local communities through various activities and programs. Through proactive, transparent, and effective community engagement, we seek to understand community needs, integrate community interests into our business decisions, and co-create shared value with community members. We actively participate in youth development initiatives, extend support to victims of natural disasters through charitable efforts, and contribute to the community by creating employment opportunities.

During the Reporting Period, we responded to community needs through open communication and, leveraging the Company's existing resources, donated over 200 books to four different street communities. These books supported community space operations and charity fundraising events, benefiting local residents, vulnerable groups, as well as participants in adult programs and childcare services for children aged 0–3.

In addition, the Company actively responded to the “Publicity on Prevention of Heat Illness and Heatstroke” (「兩熱」預防宣傳) by strengthening mosquito control and disinfection efforts in the industrial park, thereby making positive contributions to the economic, social and environmental well-being of the community.



DIRECTORS' REPORT

The Board is pleased to present the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

GROUP REORGANISATION

The Company was incorporated on 27 August 2007 as an exempted company with limited liability under the Companies Law, Cap. 22, (Law 3 of 1961, as combined and revised) of the Cayman Islands. The Company is an investment holding company of the companies now comprising the Group. The Company's shares have been listed on main board of the Stock Exchange since 18 December 2007. After the completion of group reorganisation as set out in the prospectus of the Company dated 5 December 2007 (the "Prospectus"), pursuant to an agreement dated 12 November 2007, the Company acquired the entire issued capital of Takehigh Industry Limited through a share swap and became the holding company of the companies now comprising the Group.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of internet advertising services in the People's Republic of China. The activities of its subsidiaries are set out in note 18 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

BUSINESS REVIEW

A review of the Group's business during the year, which includes a discussion of the principal risks and uncertainties facing by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group, an indication of likely future developments in the Group's business and discussion on the Company's environmental policies and performances and the relationships with its stakeholders, can be found in the Chairman's Statement, Management Discussion and Analysis, Corporate Governance Report and Environmental, Social and Governance Report contained in this annual report. The review forms part contained in this directors' report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated income statement on page 87. The Board has recommended the payment of a final cash dividend of RMB3.5 cents per ordinary share for the year ended 31 December 2025 (the "Proposed Final Dividend"), which compares with RMB4.5 cents for 2024. The final dividend is subject to the shareholders' approval at the Company's forthcoming annual general meeting to be held on Tuesday, 5 May 2026 (the "2026 AGM"). The Proposed Final Dividend will be paid in cash on Monday, 8 June 2026 to shareholders whose names appear on the register of members of the Company at the close of business on Friday, 15 May 2026.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Wednesday, 29 April 2026 to Tuesday, 5 May 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date will be Tuesday, 5 May 2026. In order to be eligible to attend and vote at the 2026 AGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 28 April 2026.

For determining the entitlement to the Proposed Final Dividend, the register of members of the Company will also be closed from Tuesday, 12 May 2026 to Friday, 15 May 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to receive the Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at the above address, for registration not later than 4:30 p.m. on Monday, 11 May 2026.

FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and assets less liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 164 of the annual report. This summary does not form part of the audited financial statements.

PROPERTY AND EQUIPMENT

Details of movements in the property and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 24 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into by the Company are disclosed under the paragraphs headed "Share Option Plan" and "Share Award Scheme" in this directors' report.



DIRECTORS' REPORT

SHARE OPTION PLAN

The Company has adopted a Share Option Plan at the annual general meeting of the Company held on 19 May 2017. Summary of the Share Option Plan is as follows:

1. Purpose To advance the interests of the Company and its shareholders by enabling the Company to grant share options to attract, retain and reward the eligible persons, to provide to the eligible persons a performance incentive for continued and improved services with the Company and its subsidiaries, and to enhance such persons' contribution to increase the profits by encouraging capital accumulation and share ownership.
2. Participants Any directors (whether executive or non-executive and whether independent or not), any employee (whether full-time or part-time), any consultant or adviser of or to the Company or the Group (whether on an employment, contractual or honorary basis and whether paid or unpaid), who, in the absolute opinion of the Board, have contributed to the Company or the Group.
3. Total number of ordinary shares available for issue 113,320,566 shares, being approximately 10% of the issued share capital (excluding treasury shares) as at the date of this annual report.
4. Maximum entitlement of each participant Where any grant or further grant of options to a participant would result in the total number of shares issued and to be issued upon exercise of all the options already granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such grant or further grant representing in aggregate over 1% of the total number of shares in issue, such grant or further grant must be separately approved by the shareholders in a general meeting.

Where any grant or further grant of options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including exercised, cancelled and outstanding options) to such person in the 12-month period up to and including the date of such grant:
 - (a) representing in aggregate over 0.1% of the relevant class of shares in issue; and
 - (b) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HKD5,000,000,such grant or further grant of options must be approved by the shareholders in a general meeting.

- | | |
|---|--|
| 5. Period within which the securities must be taken up under an option | An option may be exercised at any time during a period to be determined and notified by the Board to each grantee, but shall not be more than 10 years from the date of grant of options subject to the provisions for early termination set out in the Share Option Plan. |
| 6. Minimum period for which an option must be held before it can be exercised | There is no minimum period for which an option granted must be held before it can be exercised except otherwise imposed by the directors. |
| 7. Acceptance of offer | Options granted must be taken up within 28 days from the date of offer, upon payment of HKD1 per grant. |
| 8. Basis of determining the exercise price | Determined by the Board but shall not be less than the highest of (i) the closing price of the ordinary shares as stated in the Stock Exchange's daily quotations sheet on the date of offer of the grant of options, which must be a trading day; (ii) the average closing price of the ordinary shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of offer of the grant of options; and (iii) the nominal value of an ordinary share of the Company. |
| 9. Remaining life of the scheme | It will remain in force for a period of 10 years, commencing on 19 May 2017. The remaining life of the Share Option Plan is approximately 1 year. |

As at 31 December 2025, the Company has no outstanding share options under the Share Option Plan. No share options have been granted/exercised/cancelled/lapsed under the Share Option Plan during the year ended 31 December 2025.

The number of share options available for grant under the mandate of the Share Option Plan as at 1 January 2025 and 31 December 2025 were 113,320,566.

SHARE AWARD SCHEME

The Board adopted a restricted share award scheme (the "2011 Restricted Share Award Scheme") on 10 January 2011 (the "Adoption Date") as an incentive to retain and encourage the eligible participants for the continual operation and development of the Group. Eligible participants include any director, any employee, any consultant or adviser of or to the Company or the Group and who, in the absolute opinion of the Board, have contributed to the Company or the Group.



DIRECTORS' REPORT

Pursuant to the 2011 Restricted Share Award Scheme, the Board may, from time to time, at its absolute discretion select eligible participants and determine the number of shares to be awarded. The aggregate number of shares to be awarded by the Board throughout the duration of the 2011 Restricted Share Award Scheme shall not exceed 2.5% of the issued share capital of the Company as at the Adoption Date. The term of the 2011 Restricted Share Award Scheme is 10 years commencing from the Adoption Date and it has expired on 9 January 2021.

Given that the 2011 Restricted Share Award Scheme has been expired on 9 January 2021 and among the threshold of up to 2.5% of the then issued share capital of the Company which the Board can award, the Board had already awarded nearly half of it, the Board has resolved on 21 December 2020 (the "New Adoption Date") to adopt a new restricted share award scheme (the "New Share Award Scheme") with a term of 10 years commencing from the New Adoption Date as an incentive to retain and encourage the eligible participants for the continual operation and development of the Group, pursuant to which the restricted shares are comprised of (i) new shares to be allotted and issued to selected participants under the general mandate or specific mandate sought from the shareholders of the Company in general meetings from time to time; and/or (ii) existing shares to be purchased by the trustee from the market out of cash contributed by the Group. The shares will be held in trust for the relevant selected participant until such shares are vested with the relevant selected participants in accordance with the provisions of the New Share Award Scheme.

The Board has implemented the New Share Award Scheme in accordance with the terms of the scheme rules including to provide necessary funds to the trustee for purchase of shares up to the scheme mandate.

The New Share Award Scheme shall be subject to the administration of the Board in accordance with the scheme rules.

Summary of the New Share Award Scheme is as follows:

- The purpose and objectives of the New Share Award Scheme are: (i) to recognise and motivate the contribution of certain eligible participants and (ii) to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.
- The eligible participants include any directors (whether executive or non-executive and whether independent or not), any employees (whether full time or part-time), any consultants or advisers of or to the Company or the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid), who, in the opinion of the chief operating officer or the senior management of the Group, have contributed to the Company or the Group.

- The awarded shares to be granted are subject to acceptance of the selected participants within the time as stipulated in the grant letter. There are no amount payable on application or acceptable of the award and no purchase price of shares awarded.
- When the selected participant has satisfied all vesting conditions specified by the Board at the time of making the award and become entitled to the shares forming the subject of the award, the trustee shall transfer the relevant vested shares to that eligible participant.
- The Board shall not make any further award of restricted shares which will result in the aggregate number of restricted shares awarded by the Board throughout the duration of the New Share Award Scheme to be in excess of 5% of the issued share capital of the Company as at the New Adoption Date. The maximum number of restricted shares which may be awarded to a selected participant under the New Share Award Scheme shall not exceed 0.5% of the issued share capital of the Company as at the New Adoption Date.
- The Board may from time to time while the New Share Award Scheme is in force and subject to all applicable laws, determine the vesting criteria and conditions or periods for the awarded shares to be vested/lapsed.
- The New Share Award Scheme will remain in force for a period of 10 years, commencing on 21 December 2020. The remaining life of the New Share Award Scheme is approximately 4 years.
- The trustee shall not exercise the voting rights in respect of any shares held under the trust (including but not limited to the awarded restricted shares, and further shares acquired out of the income derived therefrom).

The total number of shares available for grant under the New Share Award Scheme is 45,162,733 shares, representing approximately 3.98% of the issued share capital (excluding treasury shares) as at the date of this annual report.

Details of the New Share Award Scheme were disclosed in the Company's announcements dated 21 December 2020 and 29 December 2020.

DIRECTORS' REPORT

Details of the share awards, involving existing shares of the Company, during the year ended 31 December 2025 are as follows:

Participants	Date of grant	Vesting date	Purchase price (HK\$)	Number of awarded shares					Closing price immediately before the date on which the awarded shares were granted (HK\$ per share)	Weighted average closing price immediately before the dates on which the awarded shares were vested (HK\$ per share)	Performance targets of the awarded shares granted
				unvested as at 1 January 2025	granted during the year	vested during the year	lapsed/ cancelled during the year	unvested as at 31 December 2025			
Employees of the Group											
Five highest paid employees	14 April 2025	14 April 2025	Nil	—	3,000,000	(3,000,000)	—	—	0.43	0.43	N/A
Other employees	14 April 2025	14 April 2025	Nil	—	400,000	(400,000)	—	—	0.43	0.43	N/A
Total				—	3,400,000	(3,400,000)	—	—			

No share awards, involving issue of new shares of the Company, have been granted/vested/lapsed/cancelled under the New Share Award Scheme during the year ended 31 December 2025.

The number of share awards available for grant under the mandate of the New Share Award Scheme as at 1 January 2025 and 31 December 2025 were 48,562,733 and 45,162,733 respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended 31 December 2025.

As of 31 December 2025, there were no treasury shares held by the Company.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 29 and note 25 to the consolidated financial statements, respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2025, the Company had distributable reserves amounting to RMB619.3 million (2024: RMB673.3 million).

Under the Companies Act, Cap. 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands, the share premium account and the retained earnings are distributable to the shareholders of the Company provided that immediately following the date on which any dividend is proposed to be distributed, the Company will be able to pay its debts as they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 40.24% of the total sales for the year and sales to the largest customer included therein amounted to 21.36%. Purchases from the Group's five largest suppliers accounted for 12.27% of the total purchases for the year and purchase from the largest supplier included therein amounted to 3.27%.

None of the directors or any of their close associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the number of issued shares of the Company) had any beneficial interest in the Group's five largest customers or five largest suppliers.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 705 employees (2024: 733). The Group determines its staff's remuneration based on factors such as qualifications and years of experience.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Company has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.



DIRECTORS' REPORT

DIRECTORS

The directors of the Company during the year were as follows:

Executive Directors:

Dr. Lam Wai Yan

(Chairman and Chief Executive Officer)

Mr. Ho Kam Wah

Mr. Wang Ta-Hsing

Independent Non-executive Directors:

Mr. Tsui Yiu Wa, Alec

Mr. Thaddeus Thomas Beczak

Mr. Lam Wai Hon, Ambrose

Ms. Lee Kit Ying

In accordance with Article 87 of the Company's Articles of Association, Dr. Lam Wai Yan, Mr. Tsui Yiu Wa, Alec and Mr. Thaddeus Thomas Beczak shall retire from office by rotation at the 2026 AGM and, be eligible, will offer themselves for re-election at the 2026 AGM.

The Company has received annual confirmations of independence from Mr. Tsui Yiu Wa, Alec, Mr. Thaddeus Thomas Beczak, Mr. Lam Wai Hon, Ambrose and Ms. Lee Kit Ying pursuant to Rule 3.13 of the Listing Rules. The Company considers the independent non-executive directors to be independent as at the date of this report.

DIRECTORS' SERVICE CONTRACTS

None of the directors being proposed for re-election at the 2026 AGM has a service agreement with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No director nor a connected entity of a director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the Group's businesses to which the Company, its subsidiaries, its fellow subsidiaries or its holding companies was a party during the year.

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout the year.

DIRECTORS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests of the directors of the Company in the shares and underlying shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in shares of the Company

Name of director	Long/ Short position	Capacity	Number of ordinary shares in the Company	Percentage of the Company's issued share capital [†]
Dr. Lam Wai Yan	Long	Beneficial owner	320,810,561	28.25%
Mr. Ho Kam Wah	Long	Interests held by a controlled corporation (Note)	99,348,480	8.75%
	Long	Beneficial owner	3,491,565	0.31%
			102,840,045	9.06%
Mr. Wang Ta-Hsing	Long	Beneficial owner	3,458,015	0.30%
Mr. Tsui Yiu Wa, Alec	Long	Beneficial owner	232,051	0.02%
Mr. Thaddeus Thomas Beczak	Long	Beneficial owner	232,051	0.02%

Note: These shares were held by Treasure Field Holdings Limited, a controlled corporation of Mr. Ho Kam Wah.

[†] The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 31 December 2025.

DIRECTORS' REPORT

Save as disclosed above, as at 31 December 2025, none of the directors or chief executive of the Company had any interests or short positions in the shares and underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was deemed or taken to have under such provisions of the SFO) or which were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the above paragraphs headed "Share Option Plan" and "Share Award Scheme" in this directors' report and in note 25 to the consolidated financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, as far as the directors of the Company are aware, the following persons (other than the directors and chief executives of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of substantial shareholder	Long/Short position	Capacity	Number of ordinary shares in the Company	Note	Percentage of the Company's issued share capital¹
Ms. Ma Muk Lan	Long	Interests of spouse	320,810,561	(1)	28.25%
Gallop Assets Management Limited	Long	Beneficial owner	296,172,030	(2)	26.08%
J.P. Morgan Trust Company (Bahamas) Limited as trustee of The Gallop Trust	Long	Trustee	296,172,030	(2)	26.08%
Treasure Field Holdings Limited	Long	Beneficial owner	99,348,480	(3)	8.75%

Notes:

- (1) Ms. Ma Muk Lan was deemed to be interested in 320,810,561 shares of the Company through the interests of her spouse, Dr. Lam Wai Yan.
 - (2) These shares were held by Gallop Assets Management Limited, the entire issued share capital of which was owned by J.P. Morgan Trust Company (Bahamas) Limited as trustee of The Gallop Trust. As such, J.P. Morgan Trust Company (Bahamas) Limited as trustee of The Gallop Trust was deemed to be interested in 296,172,030 shares of the Company held by Gallop Assets Management Limited.
 - (3) The interests of Treasure Field Holdings Limited was also disclosed as the interests of Mr. Ho Kam Wah in the above section headed "Directors' interests in the shares and underlying shares of the Company and its associated corporations".
- [†] The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, no person, other than the directors of the Company whose interests are set out in the above section headed "Directors' interests in the shares and underlying shares of the Company and its associated corporations", had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2025, to the best knowledge of the directors, none of the directors and their respective associates was considered to have any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the directors were appointed as directors to represent the interests of the Company and/or the Group.

CORPORATE GOVERNANCE

Details of the corporate governance are set out in the section headed "Corporate Governance Report" in this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this annual report, the Company has maintained a sufficient public float.



DIRECTORS' REPORT

CONNECTED TRANSACTIONS

A summary of the related party transactions entered into the Group during the year ended 31 December 2025 is contained in note 28 to the consolidated financial statements.

During the year ended 31 December 2025, save for the continuing connected transactions as disclosed below, we have not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements of Rule 14A of the Listing Rules.

Structure Contract Transactions

The Group had continuing connected transactions in the form of structure contracts (the "Structure Contract Transactions").

POnline Structure Contracts

The Group conducts its online advertising business through Guangzhou Yingxin Computer Technology Exchange Co., Ltd. ("GZ Yingxin"), Guangdong Pacific Internet Information Service Co., Ltd. ("GDP Internet") and the subsidiaries of GDP Internet under the structure contracts entered into with the Company's wholly-owned subsidiary, Guangzhou Pacific Computer Information Consulting Co., Ltd. ("GZP Computer") (the "Existing POnline Structure Contracts"). GZ Yingxin, a company incorporated in the PRC with limited liability that holds 100% of the equity interest of GDP Internet, was owned as to 40% by Ms. Zhang Cong Min ("Ms. Zhang"), 30% by Ms. Lu Wu Qing ("Ms. Lu") and 30% by Ms. Fan Zeng Chun ("Ms. Fan") (collectively known as "GZ Yingxin Shareholders"). On 10 September 2018, an equity transfer agreement was entered into between Ms. Lu and Ms. Zhang in relation to the transfer of Ms. Lu's equity interest in GZ Yingxin to Ms. Zhang. After the said transfer, as at 31 December 2018, GZ Yingxin was owned as to 70% by Ms. Zhang and 30% by Ms. Fan (collectively known as "Existing GZ Yingxin Shareholders"). On 15 October 2018, the amended and restated POnline structure contracts, entered by GZP Computer, GZ Yingxin, GDP Internet, Ms. Lu, Ms. Zhang and Ms. Fan (the "Amended and Restated POnline Structure Contracts"), had replaced the Existing POnline Structure Contracts. On 14 February 2019, an equity transfer agreement was entered into between Ms. Zhang and Ms. Yang Tian Ying ("Ms. Yang") in relation to the transfer of Ms. Zhang's equity interest in GZ Yingxin to Ms. Yang. After the said transfer, as at 31 December 2019, GZ Yingxin was owned as to 70% by Ms. Yang and 30% by Ms. Fan (collectively known as "New GZ Yingxin Shareholders"). On 15 February 2019, the further amended and restated POnline structure contracts, entered by GZP Computer, GZ Yingxin, GDP Internet and New GZ Yingxin Shareholders (the "Further Amended and Restated POnline Structure Contracts"), had replaced the Amended and Restated POnline Structure Contracts. Pursuant to the Further Amended and Restated POnline Structure Contracts, the Company will operate its online business relating to the portals of POnline, PCauto and PCbody through GZ Yingxin, GDP Internet, and the subsidiaries of GDP Internet.

As a result of the Further Amended and Restated POnline Structure Contracts, the Group can continue to recognize and receive the economic benefit of the business and operations of GZ Yingxin, GDP Internet and the subsidiaries of GDP Internet. The Further Amended and Restated POnline Structure Contracts are also designed to provide the Company with effective control over and (to the extent permitted by PRC law) the right to acquire the equity interests of GZ Yingxin Shareholders in GZ Yingxin and the equity interests of GZ Yingxin in, or assets of, GDP Internet and the subsidiaries of GDP Internet. Further details relating to the Existing POnline Structure Contracts/the Amended and Restated POnline Structure Contracts/the Further Amended and Restated POnline Structure Contracts are disclosed in the section headed "Structure Contracts" in the Prospectus and the Company's announcements dated 16 October 2018 and 18 February 2019.

PClady Structure Contracts

The Company envisaged that one of its existing portals, PClady (www.PClady.com.cn) which is specialized in women lifestyle-related topics, would be able to attract different and specific group of investors. Under the structure contracts entered into with the Company's wholly-owned subsidiary, Guangzhou Fengwang Information Technology Co., Ltd. ("GZFW Technology") on 30 June 2015, the Group conducts its online business relating to PClady portal through Guangzhou Yingyue Computer Technology Co., Ltd. ("GZ Yingyue"), Guangzhou Shangjin Internet Co., Ltd. ("GZS Internet") and Guangzhou Shangjin Advertising Co., Ltd. ("GZS Advertising") (the "PClady Structure Contracts"). GZ Yingyue, a company incorporated in the PRC with limited liability that holds 100% of the equity interest of GZS Internet and GZS Advertising (a wholly-owned subsidiary of GZS Internet), was owned as to 60% by Ms. Zhang and 40% by Ms. Lu, (collectively known as "GZ Yingyue Shareholders"). On 10 September 2018, an equity transfer agreement was entered into between Ms. Lu and Ms. Yang Tian Ying ("Ms. Yang") in relation to the transfer of Ms. Lu's equity interest in GZ Yingyue to Ms. Yang. After the said transfer, as at 31 December 2018, GZ Yingyue was owned as to 60% by Ms. Zhang and 40% by Ms. Yang (collectively known as "Existing GZ Yingyue Shareholders"). On 15 October 2018, the amended and restated PClady structure contracts, entered by GZFW Technology, GZ Yingyue, GZS Internet, Ms. Lu, Ms. Zhang and Ms. Yang (the "Amended and Restated PClady Structure Contracts"), had replaced the PClady Structure Contracts. On 14 February 2019, an equity transfer agreement was entered into between Ms. Zhang and Ms. Fan in relation to the transfer of Ms. Zhang's equity interest in GZ Yingyue to Ms. Fan. After the said transfer, as at 31 December 2019, GZ Yingyue was owned as to 60% by Ms. Fan and 40% by Ms. Yang (collectively known as "New GZ Yingyue Shareholders"). On 15 February 2019, the further amended and restated PClady structure contracts, entered by GZFW Technology, GZ Yingyue, GZS Internet and New GZ Yingyue Shareholders (the "Further Amended and Restated PClady Structure Contracts"), had replaced the Amended and Restated PClady Structure Contracts. Pursuant to the Further Amended and Restated PClady Structure Contracts, the Company will operate its online business relating to the portal of PClady through GZ Yingyue, GZS Internet and GZS Advertising.



DIRECTORS' REPORT

As a result of the Further Amended and Restated PClady Structure Contracts, the Group can continue to recognize and receive the economic benefit of the business and operations of GZ Yingyue, GZS Internet and GZS Advertising. The Further Amended and Restated PClady Structure Contracts are also designed to provide the Company with effective control over and (to the extent permitted by PRC law) the right to acquire the equity interests of GZ Yingyue Shareholders in GZ Yingyue and the equity interests of GZ Yingyue in, or assets of, GZS Internet and GZS Advertising. Further details relating to the PClady Structure Contracts/the Amended and Restated PClady Structure Contracts/the Further Amended and Restated PClady Structure Contracts are disclosed in the Company's announcements dated 2 July 2015, 16 October 2018 and 18 February 2019.

PChouse Structure Contracts

The Company operates its online business through Guangzhou Yingyou Information Technology Co., Ltd. ("GZ Yingyou"), Guangzhou Shangcong Online Technology Co., Ltd. ("GZ Shangcong Online") and Guangzhou Shangcong Advertising Co., Ltd. ("GZ Shangcong Advertising") ("the PChouse Structure Contracts"). GZ Yingyou, a company incorporated in the PRC with limited liability that holds 100% of the equity interest of GZ Shangcong Online, was owned as to 60% by Ms. Zhang and 40% by Ms. Yang (collectively known as "GZ Yingyou Shareholders") as at 31 December 2019. On 14 February 2019, an equity transfer agreement was entered into between Ms. Zhang and Ms. Fan in relation to the transfer of Ms. Zhang's equity interest in GZ Yingyou to Ms. Fan. After the said transfer, as at 31 December 2019, GZ Yingyou was owned as to 60% by Ms. Fan and 40% by Ms. Yang (collectively known as "New GZ Yingyou Shareholders"). On 15 February 2019, the amended and restated PChouse structure contracts, entered by Guangzhou Yurui Information Technology Co., Ltd. ("GZYR Technology"), GZ Yingyou, GZ Shangcong Online and New GZ Yingyou Shareholders (the "Amended and Restated PChouse Structure Contracts"), had replaced the Existing PChouse Structure Contracts. Pursuant to the Amended and Restated PChouse Structure Contracts, the Company will operate its online business relating to the portal of PChouse through GZ Yingyou, GZ Shangcong Online, and GZ Shangcong Advertising.

As a result of the Amended and Restated PChouse Structure Contracts, the Group is able to recognize and receive the economic benefit of the business and operations of GZ Yingyou, GZ Shangcong Internet and GZ Shangcong Advertising. The Amended and Restated PChouse Structure Contracts are also designed to provide the Company with effective control over and (to the extent permitted by PRC law) the right to acquire the equity interests of GZ Yingyou Shareholders in GZ Yingyou and the equity interests of GZ Yingyou in, or assets of, GZ Shangcong Online. Further details relating to the PChouse Structure Contracts/Amended and Restated PChouse Structure Contracts are disclosed in the Company's announcements dated 7 August 2018 and 18 February 2019.

During the year ended 31 December 2025, the revenue subject to the Amended and Restated POnline Structure Contracts/Further Amended and Restated POnline Structure Contracts, the Amended and Restated PClady Structure Contracts/Further Amended and Restated PClady Structure Contracts and PChouse Structure Contracts/Amended and Restated PChouse Structure Contracts (collectively the "Contracts") was RMB647 million. As at 31 December 2025, the total assets subject to the Contracts was RMB469 million.

Risk factors in relation to the Contracts

The risks associated with the Contracts were set out in the Prospectus and the Company's announcements dated 2 July 2015, 7 August 2018, 16 October 2018 and 18 February 2019 (the "Announcements") and are highlighted as follows:

- If the PRC government finds that the Contracts with the structure for operating the Group's businesses in China do not comply with the applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, the Group could be subject to severe consequences, including the nullification of the contractual arrangements and the relinquishment of the Group's interest in the domestic entities.
- The Company relies on the Contracts to control and obtain the economic benefits from the Group's domestic entities, which may not be as effective in providing operational control as direct ownership.
- Certain terms of the Contracts may not be enforceable under the PRC laws.
- The Existing GZ Yingxin Shareholders/New GZ Yingxin Shareholders, Existing GZ Yingyou Shareholders/New GZ Yingyou Shareholders and Existing GZ Yingyue Shareholders/New GZ Yingyue Shareholders may have conflicts of interest with the Group, which may materially and adversely affect the Group's business.
- GZP Computer, GZFW Technology and GZYR Technology's ability to acquire the respective entire equity interests in GZ Yingxin, GDP Internet, GZ Yingyue, GZS Internet, GZ Yingyou and GZS Shangcong Online may be subject to the limitations and substantial costs.
- The Contracts may be subject to the scrutiny of the PRC tax authorities and additional tax may be imposed.

In light of the above risks associated with the Contracts, the Group has adopted relevant procedures and internal control measures to ensure the effective operation of the Group and the implementation of the Contracts, including (i) discuss and make all necessary modification to the Contracts in order to maintain the economic interests; (ii) regular report by relevant divisions of the Group to the senior management of the Company in relation to the compliance of the Contracts; (iii) regular report by the senior management of the Group to the Board any non-compliance issues; (iv) retain legal adviser and/or other professional to assist the Group to deal with specific issues arising from the Contracts, if required; and (v) annual review by the independent non-executive directors of the Company the compliance of the Contracts.



DIRECTORS' REPORT

As at the date of this annual report, there has been no material change in the Contracts and/or the circumstances under which they were adopted.

The independent non-executive directors of the Company have reviewed the continuing connected transactions for the year ended 31 December 2025 and confirmed the Structure Contract Transactions had been entered into in accordance with the relevant provisions of the structure contracts; the terms of the structure contracts remain unchanged and consistent with those disclosed in the Prospectus and the Announcements; and no dividends have been made by GZ Yingxin to Existing GZ Yingxin Shareholders/New GZ Yingxin Shareholders, by GZ Yingyou to Existing GZ Yingyou Shareholders/New GZ Yingyou Shareholders and by GZ Yingyue to Existing GZ Yingyue Shareholders/New GZ Yingyue Shareholders; and any new structural contractual arrangements entered into, renewed and/or "cloned" during the year ended 31 December 2025 are fair and reasonable so far as the Company is concerned and in the interests of the Company and its shareholders as a whole.

The auditor of the Company was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company has issued its unqualified letter containing its findings and conclusions in respect of the aforesaid continuing connected transactions in accordance with Listing Rule 14A.56.

AUDITOR

A resolution will be proposed at the 2026 AGM to re-appoint Messrs. PricewaterhouseCoopers as auditor of the Company.

On behalf of the Board

Lam Wai Yan

Chairman

30 March 2026



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Pacific Online Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Pacific Online Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 87 to 163, comprise:

- the consolidated balance sheet as at 31 December 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITOR'S REPORT

INDEPENDENCE

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to recoverability of trade receivables.

Key Audit Matter	How our audit addressed the Key Audit Matter
Recoverability of Trade Receivables Refer to Note 4(a) (critical accounting estimates and judgments) and Note 21 (trade receivables) to the consolidated financial statements. As at 31 December 2025, the net book value of trade receivables amounted to RMB397,923,000 (after the provision of RMB86,197,000), which approximated to 44% of the Group's total assets. The Group applied the HKFRS 9 simplified approach to measure lifetime expected credit losses ("ECL") allowance for trade receivables.	Our audit procedures in relation to management's assessment on the impairment of trade receivables included: We understood and evaluated the key controls in place over management's assessment on ECL of trade receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How our audit addressed the Key Audit Matter
Recoverability of Trade Receivables (continued) Management estimated the ECL rate, individually, for the trade receivables identified as significant to the Group or with objective evidence of impairment, by considering the market conditions, their knowledge about the customers (including their reputation, financial capability and payment history), the current and forward-looking information on macroeconomic factors, and the subsequent settlement of each customer. Management estimated the ECL rate, collectively, for trade receivables not subject to individual credit evaluation or individually assessed as not impaired, by considering the market conditions, the aging profile, and the current and forward-looking information on macroeconomic factors that relevant to determine the ability of customers to settle the receivables in the future. The judgements and estimations are subject to high degree of estimation uncertainty. The inherent risk in relation to the assessment of ECL of trade receivables is considered relatively higher due to uncertainty of significant assumptions used. We focused on this area because of the significance of the trade receivables balance and management's judgements involved in the impairment assessment.	We obtained the documentation of management's assessment on ECL of trade receivables. We discussed with management to understand the ECL model and estimates used to assess the ECL rate. We evaluated the management's estimated ECL by considering the reputation, financial capability and historical payment records of the selected customers. We also, with the assistance of our internal valuation experts, considered and evaluated the appropriateness of the impairment model adopted by management. We tested, on a sampling basis, the accuracy of the trade receivables aging report prepared by management. We compared the historical credit losses incurred with the historical ECL. We evaluated whether management's assessment on the current and forward-looking macroeconomic factors that impact the ability of customers to settle the trade receivables in the future was appropriate by considering the external market information. We checked the subsequent settlement of trade receivables on a sampling basis to the relevant bank receipts. Based on the procedures performed, we found that management's judgments and estimates used in the assessment of recoverability of trade receivables were supported by available evidence.



INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



INDEPENDENT AUDITOR'S REPORT

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is WONG, Tsz Fai (practising certificate number: P08101).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 March 2026

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
	Note	2025 RMB'000	2024 RMB'000
Revenue	5	646,967	635,039
Cost of revenue	6	(433,716)	(367,732)
Gross profit		213,251	267,307
Selling and marketing costs	6	(112,752)	(123,225)
Administrative expenses	6	(52,249)	(52,033)
Product development expenses	6	(38,823)	(36,666)
Net impairment losses on financial assets	3.1(b)	(4,034)	(20,249)
Other income	8	9,318	12,193
Other losses	9	(184)	(2,154)
Operating profit		14,527	45,173
Finance income		1,902	4,072
Finance cost		(385)	(234)
Finance income — net	10	1,517	3,838
Profit before income tax		16,044	49,011
Income tax expense	11	(11,121)	(5,276)
Profit for the year		4,923	43,735
Attributable to:			
— Equity holders of the Company		4,923	43,735
— Non-controlling interests		—	—
		4,923	43,735
Profit attributable to equity holders of the Company arises from continuing operations		4,923	43,735
Earnings per share for profit attributable to equity holders of the Company for the year			
— Basic and diluted (RMB)	12	0.43 cents	3.86 cents

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Profit for the year	4,923	43,735
Other comprehensive income	—	—
Other comprehensive income for the year, net of tax	—	—
Total comprehensive income for the year	4,923	43,735
Attributable to:		
— Equity holders of the Company	4,923	43,735
— Non-controlling interests	—	—
	4,923	43,735
Profit attributable to equity holders of the Company arises from continuing operations	4,923	43,735

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

		As at 31 December	
	Note	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Right-of-use assets	15	9,816	9,875
Property and equipment	14	150,892	160,553
Investment properties	16	50,692	52,552
Intangible assets	17	8,540	9,004
Deferred income tax assets	20	19,278	30,398
Investment in financial assets	22	25,403	25,594
		264,621	287,976
Current assets			
Trade and note receivables, other receivables and prepayments	21	430,239	430,833
Cash and cash equivalents	23	202,735	263,488
		632,974	694,321
Total assets		897,595	982,297
EQUITY			
Ordinary shares	24	10,504	10,504
Reserves	25	640,211	685,328
Equity attributable to equity holders of the Company		650,715	695,832
Non-controlling interests		—	—
Total equity		650,715	695,832

CONSOLIDATED BALANCE SHEET

		As at 31 December	
	Note	2025 RMB'000	2024 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	15	175	52
Current liabilities			
Accruals and other payables	26	214,588	250,258
Contract liabilities	5	7,213	9,001
Current income tax liabilities		24,500	26,791
Lease liabilities	15	404	363
		246,705	286,413
Total liabilities		246,880	286,465
Total equity and liabilities		897,595	982,297

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 87 to 163 were approved by the board of directors on 30 March 2026 and were signed on its behalf.

Lam Wai Yan
Director

Ho Kam Wah
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to equity holders of the Company			Non-controlling interests	Total equity
		Ordinary shares RMB'000	Reserves RMB'000	Subtotal RMB'000	RMB'000	RMB'000
Balance as at 1 January 2024		10,504	687,252	697,756	5,023	702,779
Comprehensive income						
Profit for the year		—	43,735	43,735	—	43,735
Total comprehensive income		—	43,735	43,735	—	43,735
Transactions with shareholders						
Cash dividends relating to 2023	13	—	(45,414)	(45,414)	—	(45,414)
Share Award Scheme						
— value of employee services	25(a)	—	1,182	1,182	—	1,182
— purchase of shares held for share award scheme	25(a)	—	(1,462)	(1,462)	—	(1,462)
Dividends paid to non-controlling interest in a subsidiary		—	—	—	(2,046)	(2,046)
Disposal of a subsidiary		—	35	35	(2,977)	(2,942)
Balance as at 31 December 2024		10,504	685,328	695,832	—	695,832
Comprehensive income						
Profit for the year		—	4,923	4,923	—	4,923
Total comprehensive income		—	4,923	4,923	—	4,923
Transactions with shareholders						
Cash dividends relating to 2024	13	—	(51,095)	(51,095)	—	(51,095)
Share Award Scheme						
— value of employee services	25(a)	—	1,358	1,358	—	1,358
— purchase of shares held for share award scheme	25(a)	—	(303)	(303)	—	(303)
Balance as at 31 December 2025		10,504	640,211	650,715	—	650,715

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 31 December	
	Note	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash (used in)/generated from operations	27(a)	(5,117)	23,127
Income tax paid		(2,293)	(2,630)
Net cash (used in)/generated from operating activities		(7,410)	20,497
Cash flows from investing activities			
Purchase of property and equipment	14	(3,298)	(1,873)
Disposals of property and equipment	14	483	716
Purchase of intangible assets	17	(10)	(1,404)
Net cash inflow from disposal of a subsidiary, net of cash disposed of		—	1,371
Receipt from redemption of investment		—	18,265
Interest received		1,785	3,928
Net cash (used in)/generated from investing activities		(1,040)	21,003
Cash flows from financing activities			
Cash dividends paid	13	(51,095)	(45,414)
Lease payments	27(b)	(518)	(684)
Purchase of shares held for share award scheme		(303)	(1,462)
Dividends paid to non-controlling interest in a subsidiary		—	(2,046)
Net cash used in financing activities		(51,916)	(49,606)
Net decrease in cash and cash equivalents		(60,366)	(8,106)
Cash and cash equivalents at beginning of year		263,488	271,819
Exchange losses on cash and cash equivalents	10	(387)	(225)
Cash and cash equivalents at end of year	23	202,735	263,488

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

(a) General information

Pacific Online Limited (the “Company”) was incorporated on 27 August 2007 as an exempted company with limited liability under the Company Law, Cap.22, (Law 3 of 1961, as combined and revised) of the Cayman Islands. The address of its registered office is Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company and its subsidiaries (together, the “Group”) are principally engaged in the provision of internet advertising services in the People’s Republic of China (the “PRC”).

The Company has its shares listed on The Stock Exchange of Hong Kong Limited since 18 December 2007.

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

These consolidated financial statements have been approved for issue by the board of directors (the “Board”) of the Company on 30 March 2026.

(b) Operations of the online advertising business of the Group

The PRC laws and regulations limit foreign ownership of companies providing value-added telecommunications services, which include online advertising through the internet. In order for the Group to provide such services in the PRC, the following arrangements have been made:

— ***Establishment of Guangzhou Yingxin Computer Technology Exchange Co., Ltd. (廣州英鑫計算機科技交流有限公司, “GZ Yingxin”)***

GZ Yingxin, a PRC limited liability company, was established on 25 November 2003 by Ms. Zhang Cong Min, Ms. Fan Zeng Chun and Ms. Lu Wu Qing, employees of Takehigh Industrial Limited (裕向實業有限公司) (“Takehigh”) and its subsidiaries (together, the “Takehigh Group”), who are PRC citizens as its legal owners (the “Registered Owners”). Takehigh also made loans to the Registered Owners for financing their initial working capital in establishing GZ Yingxin. Through the execution of various contracts and agreements (collectively defined as “Structure Contracts”, see below for more details) among the Takehigh Group, GZ Yingxin and the Registered Owners, the Takehigh Group controls GZ Yingxin. GZ Yingxin has been accounted for as a subsidiary of the Takehigh Group.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION (CONTINUED)

(b) Operations of the online advertising business of the Group (Continued)

— ***Transfer/acquisition of equity ownership of certain PRC operating companies to GZ Yingxin***

Through various equity transfer arrangements commenced after the establishment of GZ Yingxin, all the equity interests of two operating companies in the PRC, Guangzhou Pacific Advertising Co., Ltd. (廣州市太平洋廣告有限公司, “GZP Advertising”) and Guangdong Pacific Internet Information Service Co., Ltd. (廣東太平洋互聯網信息服務有限公司, “GDP Internet”) were transferred to GZ Yingxin in August 2007.

Thereafter, GZ Yingxin became the holding company of GDP Internet and GZP Advertising.

— ***Structure Contracts arrangements made between Takehigh Group and GZ Yingxin Group***

In addition to GZ Yingxin’s arrangement, Structure Contracts have also been executed among Guangzhou Pacific Computer Information Consulting Co., Ltd. (廣州太平洋電腦信息諮詢有限公司, “GZP Computer”), a subsidiary of the Takehigh Group, the subsidiaries of GZ Yingxin, and the Registered Owners. Through these contractual arrangements, Takehigh can exercise effective financial and operational control over GZ Yingxin and its subsidiaries (collectively the “GZ Yingxin Group”). Takehigh and GZP Computer are also entitled to substantially all the operating profits and residual benefits generated by GZ Yingxin Group under these arrangements. In particular, the Registered Owners are required under the contractual arrangements made with the Takehigh Group to transfer their interests in GZ Yingxin to the Takehigh Group or its designee, upon the Takehigh Group’s request at the lowest amount of consideration permitted by PRC law and upon the time when the relevant PRC law and regulations allow such to do so.

Further, the Takehigh Group owns the intellectual property developed by GDP Internet and it also receives the cash flows derived from the operations of GDP Internet and its subsidiaries through the levying of service and consultancy fees. The ownership interests in GZ Yingxin and GDP Internet have also been pledged by the Registered Owners to the Takehigh Group.

As a result of the contractual arrangements, Takehigh has rights to variable returns from its involvement with GZ Yingxin Group and has ability to affect those returns through its power over GZ Yingxin Group and is considered to control GZ Yingxin Group.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION (CONTINUED)

(b) Operations of the online advertising business of the Group (Continued)

— ***Similar Structure Contracts arrangements made subsequent to GZ Yingxin Group***

Similar Structure Contracts were also executed for other PRC operating companies established by the Group subsequently. All these PRC operating companies are treated as controlled structured entities of the Company and their financial statements have been consolidated by the Company.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) ***Compliance with HKFRS Accounting Standards ("HKFRSs") and Hong Kong Companies Ordinance (Cap. 622)***

The consolidated financial statements of the Group have been prepared in accordance with HKFRSs and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

(ii) ***Historical cost convention***

The consolidated financial statements have been prepared on a historical cost basis, except for Investment in financial assets, which is measured at fair value.

(iii) ***New and amended standards adopted by the Group***

The Group has applied the following amendments or annual improvements for the first time for their annual reporting period commencing 1 January 2025:

- Lack of Exchangeability — Amendments to HKAS 21.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(iv) New standards, amendments to standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 and amendment	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(iv) New standards, amendments to standards and interpretations not yet adopted (Continued)

The Group has already commenced an assessment of the impact of these new and amended standards and has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on the financial performance and positions of the Group when they become effective, except for HKFRS 18, which will mainly impact the presentation of consolidated income statements.

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Although the adoption of HKFRS 18 will have no impact on the Group's net loss, the Group expects that grouping items of income and expenses in the consolidated income statements into the new categories will impact how operating profit is calculated and reported.

The line items presented on the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Principles of consolidation and equity accounting

2.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The directors of the Company have concluded that it is appropriate to include the PRC operating companies under Structure Contracts as stated in Note 18(a) in its consolidated financial statements, notwithstanding lack of the legal ownership, because as described in Note 1(b), the Company has rights to variable returns from its involvement with these companies and has the ability to affect those returns through its power over these companies and is considered to control these companies. Consequently, the Company regards these companies as consolidated structured entities under HKFRSs.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet, respectively.

2.2.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (Note 2.2.3), after initially being recognised at cost.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Principles of consolidation and equity accounting (Continued)

2.2.3 Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.9.

2.2.4 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Principles of consolidation and equity accounting (Continued)

2.2.4 Changes in ownership interests (Continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.2.5 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Principles of consolidation and equity accounting (Continued)

2.2.5 Business combinations (Continued)

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity.

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.3 Separate financial statements

Interests in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the interests in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors that make strategic decisions.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the functional and presentation currency of all the individual entities of the Group.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within finance income — net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss ("FVPL") are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as financial assets at fair value through other comprehensive income ("FVOCI") are recognised in other comprehensive income.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. On the disposal of a foreign operation, all of the currency translation differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

2.6 Property and equipment

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated income statement during the reporting period in which they are incurred.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Property and equipment (Continued)

Depreciation on property and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	39–47 years
Building improvements	10 years
Leasehold improvements	the shorter of their useful lives and the lease terms
Computers and servers	3–5 years
Motor vehicles	5 years
Furniture, fittings and equipment	3–5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within other gain/(loss) in the consolidated income statement.

2.7 Investment properties

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. The Group adopts the cost model for subsequent measurement for investment properties.

Depreciation on investment properties is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	39 years
Land use rights	40 years



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Intangible assets

(a) Computer software and technology

Acquired computer software and technology are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years.

(b) Club membership

Club membership is stated at cost less impairment losses, if any. No amortisation is charged as the club membership has an indefinite useful life because the Company has the contractual right to control over the asset and legal rights with no definite period.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life, for example club membership, are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash generating units"). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and other financial assets (Continued)

(a) Classification (Continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Trade and note receivables, other receivables that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other losses (if any), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other losses in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and note receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Impairment on other receivables is measured as either 12-month expected losses or lifetime expected losses. If a significant increase in credit risk of a receivable occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Trade and note receivables, other receivables

Trade and note receivables are amounts due from customers for services performed in the ordinary course of business and amounts due from issuing financial institutions in respect of note receivables received from customers to settle trade receivable, respectively. They are generally due for settlement within one year and therefore are all classified as current assets.

Trade and note receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Other receivables are recognised initially at fair value. The Group holds the trade and note receivables, other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 2.10 for further information about the Group's accounting for trade and note receivables, other receivables and for a description of the Group's impairment policies.

2.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.15 Accruals and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Accruals and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Accruals and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.17 Employee benefits

(a) Short-term obligation

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(b) Pension obligations

The Group companies incorporated in the PRC contributes based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan organised by relevant government authorities in the PRC on a monthly basis. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made.

The group companies incorporated in Hong Kong operate a defined contribution plan, the assets of which are generally held in a separate trustee-administered fund. These group companies pay fixed contribution into such defined contribution plan and have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods.

Contributions to these defined contributions plans are expensed as incurred.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Employee benefits (Continued)

(c) Housing benefits

Full-time PRC employees of the Group are entitled to participate in government-sponsored housing funds. The Group contributes to these funds based on certain percentages of the salaries of these employees on a monthly basis. The Group's liability in respect of these funds is limited to the contribution payable in each period. Contributions to the housing funds are expensed as incurred.

2.18 Share-based payment

The Group operates a number of share-based compensation plans (including share option schemes and share award schemes), under which the Group receives services from employees as consideration for equity instruments (including share options, restricted shares and awarded shares) of the Company. The fair value of the employee services received in exchange for the grant of equity instruments of the Company is recognised as an expense over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, and credited to share-based compensation reserve under equity.

For grant of share options, the total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

For grant of restricted shares and awarded shares, the total amount to be expensed is determined by reference to the market value of the Company's shares at the grant date for no cash consideration from employees. Where restricted shares and awarded shares are forfeited due to a failure by the employee to satisfy the service and non-market performance conditions, any expenses previously recognised in relation to such shares are reversed effective from the date of the forfeiture.

From the perspective of the Company, the Company grants its equity instruments to employees of its subsidiaries to exchange for their services related to the subsidiaries. Accordingly, the share-based compensation expenses, which are recognised in the consolidated financial statements, are treated as part of the "interests in subsidiaries" in the Company's balance sheet.

When the options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Revenue recognition

The Group derives its advertising services revenues from placing online advertisements such as banners, links and logos on the Group's websites in the PRC as well as providing other online or offline marketing solutions.

The majority of the online advertisement are provided for a fixed period of time with no guaranteed minimum impression level. Therefore, revenue from providing online advertisements is recognised based on the actual service provided as at the end of the reporting period as proportion of the total services to be provided because the customer receives and use the benefits simultaneously. The proportion is determined based on the actual displaying hours of the advertisement relative to the total expected displaying hours. In respect of online marketing services, revenue is recognised over time on a straight-line basis when services are constantly provided over the service period or at a point in time upon the delivery of marketing solution when the relevant performance requirements stimulated in contracts are fulfilled. Revenue derived from offline activities services is recognised at a point in time when the activity is completed and accepted by the customer.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the relative stand-alone selling prices.

The recognition of revenue involves certain management judgments including identification of performance obligations, stand-alone selling price for each performance obligation. Estimates of revenues are revised if circumstances change. Any resulting increases or decreases in estimated revenues in the period in which the circumstances that give rise to the revision become known by management.

The Group collected fixed amount as agreed in contracts on a payment schedule. If the services rendered exceed the payments, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. The Group invoiced on a regular basis based on the services rendered and the consideration is recorded as receivables when invoiced.

2.20 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding shares held for employee share scheme.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Earnings per share (Continued)

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.21 Other accounting policies

(a) Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(b) Product development expenses

Expenditure on product development research is expensed as incurred.

Expenditure on development or from the development phase of an individual project is recognised as an internally generated intangible if, and only if, the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Other development expenditures that do not meet these criteria are recognised as expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Other accounting policies (Continued)

(c) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, for example, term, country, currency and security.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Other accounting policies (Continued)

(c) Leases (Continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term (Note 8). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

Lease prepayment for land use right is up-front payment to acquire long-term interest in land. Lease prepayment is carried at cost less accumulated depreciation and impairment losses. Depreciation is provided to write off the cost of lease prepayment on a straight-line basis over the remaining periods of the lease which are from 35 years to 45 years.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Other accounting policies (Continued)

(d) Dividend distribution

Dividend distribution to the Company's equity holders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in the PRC and most of the Group's transactions, assets and liabilities are denominated in RMB. To maintain the flexibility in the Company and Hong Kong subsidiaries' payment of daily operation, the Group holds certain monetary assets denominated in Hong Kong dollar ("HKD") or US dollar ("USD") subject to certain thresholds stated in its treasury mandate. This exposes the Group to foreign exchange risk.

There is no other written policy to manage the foreign exchange risk in relation to HKD and USD as management considers that such risk could not be effectively reduced in a low-cost way. Accordingly, the Group did not purchase any forward contract to hedge the foreign exchange risk during the year ended 31 December 2025 (2024: same).

As at 31 December 2025, the exchange rate of RMB to HKD and USD were 0.9032 and 7.0288 respectively. If RMB had strengthened/weakened by 0.5% against the HKD/USD with all other variables held constant, post-tax profit for the year would have been RMB151,000 (2024: RMB258,000) lower/higher, mainly as a result of net foreign exchange losses/gains in HKD/USD denominated cash at bank.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Price risk

The Group is exposed to price risk because of investments held by the Group and classified in the consolidated balance sheet as financial assets at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from the investments, the Group diversifies its portfolio. The investments made by the Group are either for the purpose of improving investment yield and maintaining high liquidity level simultaneously, or for strategic purpose. Each investment is managed by senior management on a case by case basis.

Investment in financial assets is held for strategic rather than trading purposes. The Group does not actively trade these investments.

The sensitivity analysis is determined based on the exposure to price risks of underlying investments related to investment in financial assets at the end of the reporting period. If equity prices of the respective underlying investments held by the Group had been 5% higher/lower as at 31 December 2025, post-tax profit for the year would have been approximately RMB1,270,000 (2024: RMB1,280,000) higher/lower.

(iii) Cash flow and fair value interest rate risk

Interest rate risk relates to the risk that fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk mainly arises from deposits held in banks which are interest bearing. Any change in the interest rate promulgated by banks from time to time is not considered to have significant impact to the Group.

For deposits held in banks which are interest bearing at floating rate, as at 31 December 2025, if the market interest rates had been 0.5% higher/lower with all other variables held constant, post-tax profit for the year would have been RMB851,000 (2024: RMB1,104,000) higher/lower, mainly as a result of higher/lower interest income on bank deposits.

Other financial assets and liabilities do not have material interest rate risk.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, trade and note receivables, and other receivables.

(i) Risk management

Credit risk is managed on a group basis.

To manage this risk, deposits are mainly placed with state-owned financial institutions in the PRC and international financial institutions outside the PRC of high credit quality. There was no recent history of default of cash at bank and deposits from these financial institutions.

For trade receivables, the Group assesses the credit quality of the customers and debtors, taking into account their financial position, past experience, future economic environment and other factors. Individual credit terms are granted based on internal assessment results in accordance with guidance set by top management and are reviewed by sales department manager.

Note receivables are normally bank acceptance note and commercial acceptance note. For bank acceptance note, the directors are of the opinion that no significant credit risk exists. For commercial acceptance note, the Group assesses expected credit losses based on historical loss data of issuers or similar portfolios and forward-looking information and other factors.

For other receivables, the Group made periodic collective assessment as well as individual assessment on the recoverability based on past experience and forward-looking information and other factors.

None of the Group's trade receivables, note receivables and other receivables has any collateral. However, the Group has policies in place to ensure that sales are made to customers with appropriate credit history and the Group performs periodic credit evaluations of its customers.

The Group has three types of assets that are subject to the expected credit loss model:

- trade receivables;
- note receivables; and
- other receivables

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses of trade receivables, individual credit evaluation on significant customers and debtors is performed by management. These evaluation focused on the customer and debtor's payment history and current and future ability for payment taking into account the information specific to the customer and debtor as well as pertaining to the current and future general economic environment in which the customer and debtor operated.

Trade receivables not subject to individual credit evaluation or individually assessed as not impaired, management collectively assessed the expected credit losses taking into account of the ageing analysis and the history of bad debt losses in respect of those groups of customers and debtors. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers and debtors to settle the trade receivables.

The ending loss allowances for trade receivables reconcile to the opening loss allowances as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
At beginning of the year	109,778	98,171
Impairment charge	6,166	18,169
Receivables written off	(29,747)	(6,562)
At end of the year	86,197	109,778

Trade receivables are written off when management considers there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are credited to profit or loss.

All of the above impairment charge relate to trade receivables arising from contracts with customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other receivables

The Group's other receivables (excluding prepayments and prepaid value-added tax) were mainly advance to employee, third parties and refundable deposits. Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. The Group considered there has been no significant increase in credit risk since the initial recognition of other receivables.

The ending loss allowances for other receivables reconcile to the opening loss allowances as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
At beginning of the year	—	150
Impairment reversal	—	(136)
Receivables written off	—	(14)
At end of the year	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Notes receivable

The loss allowance as at 31 December 2025 and 2024 was determined as follows for notes receivable:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
At beginning of the year	2,231	15
Impairment (reversal)/charge	(2,132)	2,216
At end of the year	99	2,231

Cash and cash equivalents at amortised costs

While cash and cash equivalents are also subject to impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group aims to finance its operations with its own capital and earnings. It did not have any borrowings or credit facilities committed/utilised during the year ended 31 December 2025 (2024: same). Management considers that the Group does not have significant liquidity risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand or less than 1 year RMB'000	Between 1 and 2 years RMB'000	Total RMB'000
As at 31 December 2025			
Accruals and other payables (excluding other tax payable, and salaries payable)	155,835	—	155,835
Lease liabilities (including interest payables)	409	190	599
	156,244	190	156,434
As at 31 December 2024			
Accruals and other payables (excluding other tax payable, and salaries payable)	189,022	—	189,022
Lease liabilities (including interest payables)	374	53	427
	189,396	53	189,449

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the debt ratio. This ratio is equal to total liabilities divided by total assets at the end of corresponding year. Besides, the Group's strategy, which was unchanged during year ended 31 December 2025 and 2024, was to maintain the debt ratio within 40%.

The debt ratio as at 31 December 2025 and 2024 were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Total liabilities	246,880	286,465
Total assets	897,595	982,297
Debt ratio	28%	29%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Investment in financial assets				
As at 31 December 2025	—	—	25,403	25,403
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Investment in financial assets				
As at 31 December 2024	—	—	25,594	25,594

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and financial assets at fair value through profit or loss equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. The quoted market price already incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

The changes in level 3 instruments for the year ended 31 December 2025 are presented in Note 22.

The directors determine the fair value of the Group's financial instrument carried at fair value in level 3 at each of the reporting dates.

3.4 Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of the Group's trade and note receivables and other receivables and accruals and other payables approximate their fair values due to their short maturities.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(a) Impairment of trade receivables

The Group records impairment of receivables with an assessment made by management on the recoverability of trade receivables, which is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Where the expectation is different from the original estimate, such difference will impact both the carrying value of trade receivables and the impairment charge in the period in which such estimate has been changed.

(b) Recoverability of non-financial assets

Non-financial assets, mainly including property, plant and equipment and investment properties, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be fully recoverable. The recoverable amounts have been determined based on higher of value-in-use calculations and fair value less costs of disposal. These calculations require the use of judgments and estimates.

Judgment is required to identify any impairment indicators existing for any of the Group's non-financial assets, to determine appropriate impairment approaches, i.e., fair value less costs of disposal or value in use, for impairment review purposes, and to select key assumptions applied in the adopted valuation models, including discounted cash flows and market approach. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and in turn affect the Group's financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated income statement.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(c) Income taxes and deferred taxation

The Group is mainly subject to income tax in the PRC. There are transactions (including entitlement to preferential tax treatment and deductibility of expenses) where the ultimate tax determination is uncertain until the final tax position is confirmed by relevant tax authorities. In addition, the Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available in the future against which the temporary differences, the carry forward of unused tax credits and unused tax losses could be utilised. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and which are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The directors consider that there would be adequate taxable profits to be generated in the future in order to utilise these deferred tax assets recognised.

(d) Scope of consolidation

Consolidation is required only if control exists. The Group controls an investee when it has all the following: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. Power results from rights that can be straightforward through voting rights or complicated in contractual arrangements. Variable returns normally encompass financial benefits and risks, but in certain cases, they also include operational values specific to the Group. These three factors cannot be considered in isolation by the Group in its assessment of control over an investee. Where the factors of control are not apparent, significant judgement is applied in the assessment, which is based on an overall analysis of all of the relevant facts and circumstances. The Group is required to reassess whether it controls the investee if facts and circumstances indicate a change to one or more of the three factors of control.

The Group obtained control over certain PRC operating entities via contractual arrangements between certain directly or indirectly held subsidiaries of the Company in the PRC, PRC operating entities operating the restricted businesses and their respective individual shareholders. On a periodic basis, the Group reconsidered whether the Group had control over those PRC operating entities.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. SEGMENT INFORMATION

The chief operating decision-makers have been identified as the executive directors who make strategic decisions.

The Group is principally engaged in the provision of advertising services for different commodities. The chief operating decision-makers review the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these internal reports.

The chief operating decision-makers consider the advertising business from the perspective of the different internet portals which it operates. As all revenues of the Group are generated from customers in the PRC, they are not further evaluated on a geographic basis.

The chief operating decision-makers assess the performance of the operating segments based on revenues generated. The reportable operating segments are grouped into PCauto, POnline and others. The Company currently does not allocate cost of revenue, operating costs or assets to its segments, as its chief operating decision-makers do not use this information to allocate resources to or evaluate the performance of the operating segments. Therefore, the Company does not report a measure of profit or total assets for each reportable segment.

Revenues of other segments relate to those generated from other portals, including baby and home products and other services.

There were no inter-segment sales for the year ended 31 December 2025 (2024: same). The revenue from external parties reported to the chief operating decision-makers is measured in a manner consistent with that in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. SEGMENT INFORMATION (CONTINUED)

	PCauto RMB'000	POnline RMB'000	Others RMB'000	Total RMB'000
For the year ended 31 December 2025				
Timing of revenue recognition				
— Over time	432,575	61,954	11,478	506,007
— At a point in time	121,299	19,661	—	140,960
Revenue	553,874	81,615	11,478	646,967
For the year ended 31 December 2024				
Timing of revenue recognition				
— Over time	446,457	63,382	18,531	528,370
— At a point in time	106,669	—	—	106,669
Revenue	553,126	63,382	18,531	635,039

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year	9,001	12,110

Though the Company is domiciled in the Cayman Islands, for the year ended 31 December 2025, all revenues of the Group were derived from external customers and they were all generated from the PRC (2024: same).

As at 31 December 2025, other than club membership included in the intangible assets and investment in financial assets, majority of other non-current assets of the Group were located in the Chinese Mainland (31 December 2024: same).

For the year ended 31 December 2025, revenues of approximately RMB138,215,000 (2024: RMB173,681,000) are derived from a single external customer accounting for ten percent or more of the Group's revenues.

The Group does not disclose information about remaining unsatisfied performance obligations as permitted under the practical expedient in accordance with HKFRS 15 as their original expected duration is less than one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. EXPENSES BY NATURE

Expenses included in cost of revenue, selling and marketing costs, administrative expenses and product development expenses are analysed as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Employee benefit expenses (Note 7)	189,920	189,134
Outsourcing production cost	307,672	221,650
Service commission to advertising agencies	22,397	50,358
Advertising expenses	39,600	42,354
Technology service fees	9,592	10,520
Depreciation and amortisation expenses		
— Depreciation of property and equipment (Note 14)	7,161	8,050
— Depreciation of investment properties (Note 16)	1,860	1,860
— Depreciation of right-of-use assets (Note 15)	751	943
— Amortisation of intangible assets (Note 17)	474	521
Travelling and entertainment expenses	11,364	10,194
Bandwidth and server custody fees	16,219	16,703
Other taxes and surcharge	9,191	11,345
Impairment losses on property, plant and equipment	5,333	—
Conference and office expenses	4,201	4,078
Auditors' remuneration		
— Audit services	3,007	3,108
— Non-audit services	156	158
Expenses related to short term leases	671	696
Professional fees	2,467	2,333
Other expenses	5,504	5,651
Total cost of revenue, selling and marketing costs, administrative expenses and product development expenses	637,540	579,656

Product development expenses are mainly included in employee benefit expenses and depreciation of property and equipment and amortisation of intangible assets. No product development expenses were capitalised for the year ended 31 December 2025 (2024: same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses and other benefits	155,834	153,317
Social security contributions	8,706	8,930
Contributions to pension schemes (a)	19,001	18,586
Contributions to housing fund	6,379	8,301
	189,920	189,134

(a) Pension schemes — defined contribution plans

The PRC employees of the Group participate in defined contribution retirement schemes, which are administrated and operated by the local government authorities, based on laws and regulations in the PRC. Each employee covered by these schemes is entitled to, after their retirement from the Group, a monthly pension as determined by these schemes. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contribution under the scheme.

All the Hong Kong employees of the Group participate in a mandatory provident scheme (the "MPF Scheme"). Under the MPF Scheme, each company of the Group in Hong Kong (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The contributions from each of the employers and employees are subject to a cap of HKD1,500 per month and thereafter contributions are voluntary.

During the years ended 31 December 2025 and 2024, the Group has no forfeited contributions that were able to be utilised by the Group to reduce its contributions.

The Group has no other obligations for the payment of retirement and other post-retirement benefits of employees or retirees other than the payments mentioned above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2024: one) director whose emolument is reflected in the analysis shown in Note 7(c). The emoluments payable to the remaining four (2024: four) individuals during the year are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Basic salaries, housing allowances, other allowances and benefits in kind	8,481	7,760
Contributions to pension schemes	235	257
	8,716	8,017

During the year ended 31 December 2025, the emoluments of the remaining four (2024: four) individuals fell within the following bands:

	Number of individuals Year ended 31 December	
	2025	2024
Emolument bands		
HKD1,000,000 to HKD2,000,000	3	3
HKD2,000,001 to HKD3,000,000	—	—
HKD3,000,001 to HKD4,000,000	1	1
HKD4,000,001 to HKD5,000,000	—	—
	4	4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) Benefits and interests of directors

Directors' and chief executive's emoluments

The remuneration of every director and the chief executive for the year ended 31 December 2025 is set out below:

Name of director	Fees RMB'000	Salaries RMB'000	Discretionary bonuses RMB'000	Housing allowance RMB'000	Employer's contributions to a retirement benefit scheme RMB'000	Total RMB'000
<i>Chairman and chief executive officer ("CEO")</i>						
Dr. Lam Wai Yan	—	857	—	1,891	—	2,748
<i>Executive directors</i>						
Mr. Wang Ta-Hsing ("Mr. Wang")	—	379	—	—	16	395
Mr. Ho Kam Wah	—	4	—	—	—	4
<i>Independent non-executive directors</i>						
Mr. Tsui Yiu Wa, Alec	379	—	—	—	—	379
Mr. Thaddeus Thomas Beczak	379	—	—	—	—	379
Mr. Lam Wai Hon, Ambrose	379	—	—	—	—	379
Ms. Lee Kit Ying	379	—	—	—	—	379
Total	1,516	1,240	—	1,891	16	4,663

The remuneration of every director and the chief executive for the year ended 31 December 2024 is set out below:

Name of director	Fees RMB'000	Salaries RMB'000	Discretionary bonuses RMB'000	Housing allowance RMB'000	Employer's contributions to a retirement benefit scheme RMB'000	Total RMB'000
<i>Chairman and chief executive officer ("CEO")</i>						
Dr. Lam Wai Yan	—	853	—	1,882	—	2,735
<i>Executive directors</i>						
Mr. Wang Ta-Hsing ("Mr. Wang")	—	389	—	—	17	406
Mr. Ho Kam Wah	—	5	—	—	—	5
<i>Independent non-executive directors</i>						
Mr. Tsui Yiu Wa, Alec	389	—	—	—	—	389
Mr. Thaddeus Thomas Beczak	389	—	—	—	—	389
Mr. Lam Wai Hon, Ambrose	389	—	—	—	—	389
Ms. Lee Kit Ying	97	—	—	—	—	97
Total	1,264	1,247	—	1,882	17	4,410

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) Benefits and interests of directors (Continued)

Directors' and chief executive's emoluments (Continued)

During the year ended 31 December 2025, none (2024: none) of the directors waived or agreed to waive any emoluments and no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2024: same).

During the year, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2024: same). No consideration was provided to or receivable by third parties for making available directors' services (2024: same). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2024: same).

No director of the Company and their connected entities had a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Company's business to which the Company was or is a party that subsisted at the end of the year or at any time during the year (2024: same).

8. OTHER INCOME

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Rental income	6,040	6,086
Dividend income on investment in financial assets	2,508	93
Government grants	770	2,418
Additional deduction of input value-added tax	—	3,596
	9,318	12,193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. OTHER LOSSES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Fair value loss on investment in financial assets	(191)	(4,141)
Gain on disposal of right-of-use asset	7	—
Gain on disposal of subsidiary	—	1,987
	(184)	(2,154)

10. FINANCE INCOME — NET

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Finance income		
— Interest income from bank deposits	1,902	4,072
	1,902	4,072
Finance cost		
— Interest expense on lease liabilities	(5)	(9)
— Net foreign exchange losses	(380)	(225)
	(385)	(234)
Finance income — net	1,517	3,838

11. INCOME TAX EXPENSE

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
PRC current tax	1	1,846
Deferred taxation (Note 20)	11,120	3,430
	11,121	5,276



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. INCOME TAX EXPENSE (CONTINUED)

The Company, which is a Cayman Islands corporation, is not subject to any profits tax. The subsidiaries of the Group incorporated in Hong Kong were not subject to Hong Kong profits tax as they had no assessable income arising in or derived from Hong Kong during the year ended 31 December 2025 (2024: same).

Current taxation primarily represented the provision for PRC Corporate Income Tax ("CIT") for subsidiaries operating in the PRC. These subsidiaries are subject to CIT on their taxable income as reported in their respective statutory financial statements adjusted in accordance with the relevant tax laws and regulations in the PRC.

Pursuant to the PRC Corporate Income Tax Law ("CIT Law"), the CIT rate for domestic enterprises and foreign invested enterprises is 25%. In addition, the CIT Law provides for, among others, a preferential tax rate of 15% for enterprises qualified as High and New Technology Enterprises ("HNTE"). GZP Computer, a PRC operating subsidiary of the Company, was successfully renewed as HNTE in 2023 and the applicable income tax rate is 15% for the three years from 2023 to 2025 (2024: 15%). Guangzhou Yurui Information Technology Co., Ltd. (廣州裕睿信息科技有限公司, "GZ Yurui"), a PRC operating subsidiary of the Company, was successfully renewed as HNTE in 2025 and the applicable income tax rate is 15% for the three years from 2025 to 2027. All the other PRC entities of the Group are subject to CIT at a rate of 25% in accordance with CIT Law.

Assuming that there is no change to the relevant laws and regulations, the directors consider three subsidiaries, including GZP Computer and GZ Yurui, will be granted the preferential tax treatment through an application of renewal. Accordingly, tax rate of 15% has been applied when considering the deferred income tax of GZP Computer and GZ Yurui.

According to CIT Law, a withholding income tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividends out of profits earned after 1 January 2008. A lower 5% withholding income tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil requirements under the tax treaty agreements between the relevant authorities of the PRC and Hong Kong. Hence, the Group used 5% as its withholding tax rate for certain Hong Kong intermediate holding companies which are expected to fulfill the aforesaid conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. INCOME TAX EXPENSE (CONTINUED)

The tax on the Group's profit before income tax differed from the theoretical amount that would arise using the statutory tax rate applicable to profit/(loss) of all the consolidated PRC entities as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Profit before income tax expense	16,044	49,011
Tax calculated at the statutory tax rate of 25% (2024: 25%)	4,011	12,253
Tax effects of		
— Tax concessions available to certain PRC subsidiaries (a)	4,212	(3,518)
— Loss not subject to tax	903	1,769
— Expenses not deductible for tax purposes	399	268
— Utilisation of previously unrecognised tax losses	(4,009)	(2,422)
— Unrecognised tax losses	10,579	84
— Under provision of prior year	1	23
— Additional deduction on product development expenses	(4,975)	(4,900)
Withholding tax on the earnings to be remitted by PRC subsidiaries	—	1,719
Income tax expense	11,121	5,276

- (a) It represented the preferential tax treatments relating to HNTE enjoyed by certain PRC subsidiaries of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year (excluding the ordinary shares purchased by the Group and held for the Share Award Scheme (Note 25(a))).

	Year ended 31 December	
	2025	2024
Earnings attributable to equity holders of the Company (RMB'000)	4,923	43,735
Weighted average number of ordinary shares for basic earnings per share (thousand shares)	1,134,545	1,133,741
Basic earnings per share (RMB)	0.43 cents	3.86 cents

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Diluted earnings per share equals to basic earnings per share as there were no potential diluted shares outstanding for the year ended 31 December 2025 (2024: same).

13. DIVIDENDS

A final dividend in respect of the year ended 31 December 2024 of RMB4.5 cents per ordinary share (2023: RMB4.00 cents per ordinary share) was approved by the shareholders at the annual general meeting on 6 May 2025. Such final dividend for 2024 totalling RMB51,095,000 was paid in 2025 (2023: RMB45,414,000 was paid in 2024), which has already excluded the dividend related to the ordinary shares held for the share award scheme of RMB7,000 (2023: RMB10,000 (Note 25(a))).

The directors recommended the payment of a final dividend of RMB3.5 cents per ordinary share in cash for the year ended 31 December 2025, totalling RMB39,746,000 based on the ordinary shares in issue as of 31 December 2025. Such final dividend is to be approved by the shareholders at the annual general meeting of the Company to be held on 5 May 2026. These consolidated financial statements do not reflect this dividend payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. PROPERTY AND EQUIPMENT

	Buildings RMB'000	Building improvements RMB'000	Computers and servers RMB'000	Motor vehicles RMB'000	Furniture, fittings and equipment RMB'000	Total RMB'000
As at 1 January 2024						
Cost	195,981	54,461	34,808	4,305	10,806	300,361
Accumulated depreciation	(43,579)	(49,943)	(28,519)	(3,314)	(7,352)	(132,707)
Net book amount	152,402	4,518	6,289	991	3,454	167,654
Year ended 31 December 2024						
Opening net book amount	152,402	4,518	6,289	991	3,454	167,654
Additions	—	—	322	—	1,532	1,854
Disposals	—	58	(406)	(248)	(309)	(905)
Depreciation charge (Note 6)	(4,095)	(1,662)	(1,154)	(205)	(934)	(8,050)
Closing net book amount	148,307	2,914	5,051	538	3,743	160,553
As at 31 December 2024						
Cost	195,981	54,461	30,058	3,406	11,066	294,972
Accumulated depreciation	(47,674)	(51,547)	(25,007)	(2,868)	(7,323)	(134,419)
Net book amount	148,307	2,914	5,051	538	3,743	160,553
Year ended 31 December 2025						
Opening net book amount	148,307	2,914	5,051	538	3,743	160,553
Additions	—	—	1,805	596	916	3,317
Disposals	—	277	(445)	(56)	(259)	(483)
Depreciation charge (Note 6)	(4,085)	(1,113)	(894)	(165)	(904)	(7,161)
Impairment	(5,334)	—	—	—	—	(5,334)
Closing net book amount	138,888	2,078	5,517	913	3,496	150,892
As at 31 December 2025						
Cost	195,981	54,461	26,776	3,448	10,661	291,327
Accumulated depreciation	(51,759)	(52,383)	(21,259)	(2,535)	(7,165)	(135,101)
Impairment	(5,334)	—	—	—	—	(5,334)
Net book amount	138,888	2,078	5,517	913	3,496	150,892

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. PROPERTY AND EQUIPMENT (CONTINUED)

- (a) Depreciation expense has been charged to the consolidated income statement as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cost of revenue	2,939	3,474
Selling and marketing costs	2,324	2,464
Administrative expenses	1,006	682
Product development expenses	892	1,430
	7,161	8,050

(b) Impairment assessment

During the year ended 31 December 2025, due to a result of the intensified industry competition, management carried out an impairment review on the non-financial assets within the Group as at 31 December 2025. Based on the results of the impairment assessment, the recoverable amount of one CGU within the Group was determined to be approximately RMB5.3 million lower than the carrying amount, therefore an impairment loss has been recognised in the consolidated income statement for the year ended 31 December 2025.

The recoverable amount of the CGU has been determined based on fair value less cost to sell. The fair value estimation was in level 3, using market approach, and the key unobservable input was sales prices of comparable properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. LEASES

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

Right-of-use assets

	Land use rights RMB'000	Properties RMB'000	Total RMB'000
At 1 January 2024			
Cost	13,922	3,411	17,333
Accumulated depreciation	(4,214)	(2,508)	(6,722)
Net book amount	9,708	903	10,611
Year ended 31 December 2024			
Opening net book amount	9,708	903	10,611
Addition	—	245	245
Depreciation charges (Note 6)	(224)	(719)	(943)
Early termination	—	(38)	(38)
Closing net book amount	9,484	391	9,875
At 31 December 2024			
Cost	13,922	3,124	17,046
Accumulated depreciation	(4,438)	(2,733)	(7,171)
Net book amount	9,484	391	9,875
Year ended 31 December 2025			
Opening net book amount	9,484	391	9,875
Addition	—	856	856
Depreciation charges (Note 6)	(224)	(527)	(751)
Early termination	—	(164)	(164)
Closing net book amount	9,260	556	9,816
At 31 December 2025			
Cost	13,922	1,083	15,005
Accumulated depreciation	(4,662)	(527)	(5,189)
Net book amount	9,260	556	9,816

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. LEASES (CONTINUED)

(a) Amounts recognised in the consolidated balance sheet (Continued)

Lease liabilities

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Current	404	363
Non-current	175	52
	579	415

(b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

Depreciation charge of right-of-use assets

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Land used rights	224	224
Properties	527	719
	751	943
Interest expenses included in finance cost (Note 10)	5	9
Expense relating to short-term leases (included in cost and administrative expenses) (Note 6)	671	696

The total cash outflow for leases for the year ended 31 December 2025 was RMB1,189,000 (2024: RMB1,380,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. INVESTMENT PROPERTIES

	Buildings and land use rights RMB'000
As at 1 January 2024	
Cost	73,671
Accumulated depreciation	(19,259)
Net book amount	54,412
Year ended 31 December 2024	
Opening net book amount	54,412
Depreciation charge (Note 6)	(1,860)
Closing net book amount	52,552
As at 31 December 2024	
Cost	73,671
Accumulated depreciation	(21,119)
Net book amount	52,552
Year ended 31 December 2025	
Opening net book amount	52,552
Depreciation charge (Note 6)	(1,860)
Closing net book amount	50,692
As at 31 December 2025	
Cost	73,671
Accumulated depreciation	(22,979)
Net book amount	50,692

Minimum lease payments receivable on leases of investment properties of the Group are as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Not later than one year	7,460	6,503
Later than one year but not later than five years	14,007	20,554
	21,467	27,057

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. INTANGIBLE ASSETS

	Computer software and technology RMB'000	Club membership RMB'000	Total RMB'000
As at 1 January 2024			
Cost	16,271	8,793	25,064
Accumulated amortisation and impairment	(15,943)	(1,000)	(16,943)
Net book amount	328	7,793	8,121
Year ended 31 December 2024			
Opening net book amount	328	7,793	8,121
Additions	1,404	—	1,404
Amortisation charge (Note 6)	(521)	—	(521)
Closing net book amount	1,211	7,793	9,004
As at 31 December 2024			
Cost	17,675	8,793	26,468
Accumulated amortisation and impairment	(16,464)	(1,000)	(17,464)
Net book amount	1,211	7,793	9,004
Year ended 31 December 2025			
Opening net book amount	1,211	7,793	9,004
Additions	10	—	10
Amortisation charge (Note 6)	(474)	—	(474)
Closing net book amount	747	7,793	8,540
As at 31 December 2025			
Cost	17,685	8,793	26,478
Accumulated amortisation and impairment	(16,938)	(1,000)	(17,938)
Net book amount	747	7,793	8,540

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. INTANGIBLE ASSETS (CONTINUED)

Amortisation has been charged to the consolidated income statement as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cost of revenue	273	298
Administrative expenses	194	193
Selling and marketing costs	7	30
	474	521

18. SUBSIDIARIES

The Group's subsidiaries at 31 December 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares, and the proportion of ownership interests held equals the voting rights held by the Group. The place of incorporation or registration is also their principal place of business.

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital or registered capital	Interest held	
				2025	2024
Pacific E-Commerce Limited (太平洋在線有限公司)	Hong Kong, limited liability company	Investment holding in Hong Kong	HKD2	100%	100%
New Forest Limited (新林有限公司)	Hong Kong, limited liability company	Investment holding in Hong Kong	HKD1	100%	100%
Takehigh	Hong Kong, limited liability company	Investment holding in Hong Kong	HKD11,875	100%	100%
Winsom Technology Limited (偉信科技有限公司)	Hong Kong, limited liability company	Investment holding in Hong Kong	HKD10,000	100%	100%
Smooth Choice Limited (輝凌有限公司)	Hong Kong, limited liability company	Investment holding in Hong Kong	HKD100	100%	100%
Fortune Asset Limited (福聲有限公司)	Hong Kong, limited liability company	Investment holding in Hong Kong	HKD1	100%	100%
Unique Fast Limited (快尊有限公司)	Hong Kong, limited liability company	Investment holding in Hong Kong	HKD100	100%	100%
GZP Computer	The PRC, wholly foreign owned enterprise	Information technology and software development and provision of computer information consultancy services in the PRC	RMB80,000,000	100%	100%
GZP Advertising (a)	The PRC, limited liability company	Provision of advertising services in the PRC	RMB500,000	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. SUBSIDIARIES (CONTINUED)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital or registered capital	Interest held	
				2025	2024
GDP Internet (a)	The PRC, limited liability company	Provision of online advertising services in the PRC	RMB10,000,000	100%	100%
GZ Yingxin	The PRC, limited liability company	Provision of computer technology services in the PRC	RMB5,700,000	100%	100%
Guangzhou Fengwang Information Technology Co., Ltd. (廣州鋒網信息科技有限公司)	The PRC, wholly foreign owned enterprise	Information technology and software development and provision of computer information consultancy services in the PRC	RMB3,500,000	100%	100%
Guangzhou Pacific Online Technology Co., Ltd. (廣州太平洋網絡科技有限公司)	The PRC, limited liability company	Information technology and software development and provision of computer information consultancy services in the PRC	RMB500,000	100%	100%
Guangzhou Chuangcheng Online Technology Co., Ltd. (廣州創程網絡科技有限公司)	The PRC, limited liability company	Information technology and software development and provision of computer information consultancy services in the PRC	RMB500,000	100%	100%
Guangzhou Yingyue Computer Technology Co., Ltd. (廣州英悅計算機科技有限公司) (a)	The PRC, limited liability company	Information technology and software development and provision of computer information consultancy services in the PRC	RMB3,200,000	100%	100%
Guangzhou Shangjin Internet Co., Ltd. (廣州尚進網絡有限公司) (a)	The PRC, limited liability company	Provision of online advertising services in the PRC	RMB3,000,000	100%	100%
Guangzhou Shangjin Advertising Co., Ltd. (廣州市尚謹廣告有限公司) (a)	The PRC, limited liability company	Provision of advertising services in the PRC	RMB500,000	100%	100%
GZ Yurui	The PRC, wholly foreign owned enterprise	Information technology and software development and provision of computer information consultancy services in the PRC	RMB2,000,000	100%	100%
Guangzhou Yingyou Information Technology Co., Ltd. (廣州英佑信息科技有限公司) (a)	The PRC, limited liability company	Information technology and software development and provision of computer information consultancy services in the PRC	RMB2,000,000	100%	100%
Guangzhou Shangcong Online Technology Co., Ltd. (廣州尚聰網絡技術有限公司) (a)	The PRC, limited liability company	Provision of online advertising services in the PRC	RMB2,000,000	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. SUBSIDIARIES (CONTINUED)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital or registered capital	Interest held	
				2025	2024
Guangzhou Shangcong Advertising Co., Ltd. (廣州市上聰廣告有限公司) (a)	The PRC, limited liability company	Provision of advertising services in the PRC	RMB500,000	100%	100%
Guangzhou Chuangren Software and Information Technology Service Co., Ltd. (廣州創仁軟件和信息技術服務有限公司)	The PRC, limited liability company	Information technology and software development and provision of computer information consultancy services in the PRC	RMB500,000	100%	100%

- (a) The Company does not have legal ownership in the equity of these PRC operating companies. Nevertheless, as described in Note 1(b), through Structure Contracts entered into with the registered owners of these PRC operating companies, the Company and its legally owned subsidiaries control these PRC operating companies by way of controlling their voting rights. As a result, these PRC operating companies are presented as controlled structured entities of the Company.
- (b) In connection with the implementation of the Share Award Scheme of the Group mentioned in Note 25(a), the Company has set up a structured entity, and its particulars are as follows:

Structured entity	Principal activities
Share Award Scheme Trust	Administering and holding the Company's shares acquired for a share award scheme which is set up for the benefits of eligible directors and employees of the Group

As the Company has rights to variable returns from the contributions of the employees who are awarded with the shares by the scheme through their continued employment with the Group and has ability to affect those returns through its power to govern the financial and operating policies of the Share Award Scheme Trust, the directors of the Company consider that it is appropriate to consolidate the Share Scheme Trust in accordance with the requirements of HKFRSs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. SUBSIDIARIES (CONTINUED)

(c) Significant restrictions

Cash and short-term deposits held in the mainland China are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from the PRC, other than through normal dividends.

The carrying amount of the assets included within the consolidated financial statements to which these restrictions apply was RMB193,917,000 as at 31 December 2025 (31 December 2024: RMB237,396,000).

19. FINANCIAL INSTRUMENTS BY CATEGORY

(a) The Group holds the following financial instruments:

As at 31 December 2025	Financial assets at amortised cost RMB'000	Investment in financial assets RMB'000	Total RMB'000
Current assets			
Trade and note receivables, other receivables excluding prepayments (Note 21)	423,281	—	423,281
Cash and cash equivalents (Note 23)	202,735	—	202,735
Non-current assets			
Investment in financial assets (Note 22)	—	25,403	25,403
Total	626,016	25,403	651,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

(a) The Group holds the following financial instruments: (Continued)

As at 31 December 2024	Financial assets at amortised cost RMB'000	Investment in financial assets RMB'000	Total RMB'000
Current assets			
Trade and note receivables, other receivables excluding prepayments (Note 21)	423,612	—	423,612
Cash and cash equivalents (Note 23)	263,488	—	263,488
Non-current assets			
Investment in financial assets (Note 22)	—	25,594	25,594
Total	687,100	25,594	712,694

	Financial liabilities at amortised cost As at 31 December	
	2025 RMB'000	2024 RMB'000
Current liabilities		
Accruals and other payables excluding other tax payable and salaries payable (Note 26)	155,835	189,022
Lease liabilities (Note 15)	404	363
Non-current liabilities		
Lease liabilities (Note 15)	175	52
Total	156,414	189,437

The Group's exposure to various risks associated with the financial instruments is disclosed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. DEFERRED INCOME TAX

The analysis of deferred tax assets is as follows:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred income tax assets:		
— to be recovered within 12 months	—	3,530
— to be recovered after more than 12 months	19,278	26,868
	19,278	30,398

The movement of deferred income tax assets during the year is as follows:

	Provision for impairment of financial assets	Accrued advertising and other expenses	Tax losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	20,716	6,087	7,111	33,914
(Charged)/credited to the consolidated income statement (Note 11)	4,526	(2,493)	(5,463)	(3,430)
Disposal of a subsidiary	(22)	(64)	—	(86)
As at 31 December 2024	25,220	3,530	1,648	30,398
Charged to the consolidated income statement (Note 11)	(6,486)	(3,530)	(1,104)	(11,120)
As at 31 December 2025	18,734	—	544	19,278

The Group only recognises deferred income tax assets for cumulative tax losses if it is probable that future taxable amounts will be available to utilise those tax losses. Management will continue to assess the recognition of deferred income tax assets in future reporting periods. As at 31 December 2025, the Group did not recognise deferred income tax assets of RMB55,145,000 (2024: RMB49,309,000) in respect of cumulative tax losses amounting to RMB357,478,000 (2024: RMB303,822,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. DEFERRED INCOME TAX (CONTINUED)

The expiry date of tax losses carried forward in respect of which deferred tax assets have not been accounted for is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Expire in 2025	169	291
Expire in 2026	772	1,050
Expire in 2027	6,270	20,464
Expire in 2028	27,315	30,696
Expire in 2029	21	21
Expire in 2030	5,190	—
Expire over 5 years	317,741	251,300
	357,478	303,822

For subsidiaries qualified as HNTE, the tax losses are valid for deduction for an extended period of 10 years.

21. TRADE AND NOTE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Trade receivables, net of impairment provision (a)	397,923	341,959
Other receivables, net of impairment provision (b)	11,117	7,742
Prepaid value-added tax	5,707	5,890
Prepayments to suppliers	1,251	1,331
Notes receivable, net of impairment provision	14,241	73,911
	430,239	430,833

As at 31 December 2025, trade and note receivables, other receivables and prepayments were all denominated in RMB (31 December 2024: same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. TRADE AND NOTE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(a) Trade receivables, net of impairment provision

Credit terms granted by the Group are generally within a period of three months to one year. The ageing analysis of the trade receivables (net of impairment provision of RMB86,197,000 (31 December 2024: RMB109,778,000)) based on recognition date is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Current to 6 months	334,323	288,597
6 months to 1 year	55,673	47,534
1 year to 2 years	7,801	5,785
Above 2 years	126	43
	397,923	341,959

(b) Other receivables, net of impairment provision

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Advance to employees	7,827	4,244
Rental receivables	268	268
Others	3,022	3,230
	11,117	7,742

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. INVESTMENT IN FINANCIAL ASSETS

As at 31 December 2025 and 2024, the Group held investment in a private fund (the "Fund") which invested in shares of companies principally engaged in internet-related industries.

The Group neither have control nor significant influence over the Fund. As at 31 December 2025, the Group classified the investment in the Fund as financial assets at fair value through profit or loss (31 December 2024: same).

Management assessed the fair value of the Group's investment in financial assets as at 31 December 2025 based on the net asset value of the Fund provided by the Fund's administrator and calculated the portion attributable to the Group.

The net asset value of the Fund provided by the Fund's administrator is based on the fair value of underlying investments held by the Fund, which are mainly referenced to the market information of recent transactions, such as recent fundraising transactions undertaken by the investees.

The Group's portion of net asset value of the Fund was denominated in USD and attributable to the following:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Fund Investments	25,403	25,594

During the year ended 31 December 2025 and 2024, movement on investment in financial assets is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	25,594	31,106
Changes in fair value	(191)	(4,141)
Redemption	—	(1,371)
At the end of the year	25,403	25,594

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. CASH AND CASH EQUIVALENTS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cash at bank and on hand	96,560	149,488
Short-term bank deposits	106,175	114,000
	202,735	263,488

As at 31 December 2025, except for the cash on hand, most of the cash and cash equivalents of the Group were placed in listed state-owned banks or listed commercial banks in mainland China or Hong Kong (31 December 2024: same). Management did not expect any losses from non-performance by these counterparties.

Cash and cash equivalents were denominated in the following currencies:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Denominated in RMB	193,923	237,486
Denominated in HK\$	3,583	14,376
Denominated in US\$	5,229	11,626
	202,735	263,488

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. ORDINARY SHARES

	Authorised ordinary shares		
	Number of shares (in thousand)	HKD'000	RMB'000
As at 31 December 2025 and 2024	100,000,000	1,000,000	969,200

	Issued and fully paid up		
	Number of shares (in thousand)	HKD'000	RMB'000
As at 31 December 2025 and 2024	1,135,597	11,356	10,504

As at 31 December 2025, the total number of issued ordinary shares of the Company was 1,135,597,667 shares (31 December 2024: 1,135,597,667) which included 160,000 shares (31 December 2024: 2,440,000) held under the Share Award Scheme (Note 25 (a)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. RESERVES

	Share premium RMB'000	Merger reserve RMB'000	Capital redemption reserve RMB'000	Shares held for Share Award Scheme RMB'000	Statutory reserve funds RMB'000	Retained earnings RMB'000	Total RMB'000
As at 1 January 2024	400,814	4	306	(3,570)	44,399	245,299	687,252
Share Award Scheme (a)							
— value of employee services	—	—	—	1,182	—	—	1,182
— purchase of shares held for share award scheme	—	—	—	(1,462)	—	—	(1,462)
Disposal of a subsidiary	—	—	—	—	(1,231)	1,266	35
Profit for the year	—	—	—	—	—	43,735	43,735
Cash dividends relating to 2023	—	—	—	—	—	(45,414)	(45,414)
As at 31 December 2024	400,814	4	306	(3,850)	43,168	244,886	685,328
Share Award Scheme (a)							
— value of employee services	—	—	—	1,358	—	—	1,358
— purchase of shares held for share award scheme	—	—	—	(303)	—	—	(303)
Profit for the year	—	—	—	—	—	4,923	4,923
Cash dividends relating to 2024	—	—	—	—	—	(51,095)	(51,095)
As at 31 December 2025	400,814	4	306	(2,795)	43,168	198,714	640,211

(a) Share Award Scheme

Pursuant to the Board's resolution passed on 21 December 2020 (the "Adoption Date"), the Company has adopted a scheme with a term of 10 years commencing from 21 December 2020 (the "Share Award Scheme"). The Share Award Scheme does not constitute a share option scheme and is a discretionary scheme of the Company. The Group has set up a trust (the "Share Award Scheme Trust") for the purpose of administering the Share Award Scheme and holding shares awarded or to be awarded to the employees (the "Awarded Shares") before vesting.

The Board implements the scheme in accordance with the terms of the scheme rules including providing necessary funds to the trustee for the purchase of shares up to 5% of the issued share capital of the Company as of the Adoption Date.

Employees are not entitled to dividends on any awarded shares until these shares are transferred to them at the end of the vesting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. RESERVES (CONTINUED)

(a) Share Award Scheme (Continued)

The movements in the number of shares held for the Share Award Scheme for the year that ended are as follows:

	Awarded shares (thousands)	Shares to be awarded (thousands)	Total (thousands)
As at 1 January 2025	—	2,440	2,440
Granted	3,400	(3,400)	—
Vested and transferred	(3,400)	—	(3,400)
Purchase	—	1,120	1,120
As at 31 December 2025	—	160	160
As at 1 January 2024	—	1,615	1,615
Granted	2,900	(2,900)	—
Vested and transferred	(2,900)	—	(2,900)
Purchase	—	3,725	3,725
As at 31 December 2024	—	2,440	2,440

For the Awarded Shares granted under the Share Award Scheme, the fair value is recognised as an expense over the period in which the vesting conditions are fulfilled. The total amount to be expensed over the vesting period is determined by reference to the fair value of the Awarded Shares granted.

During the year ended 31 December 2025, 3,400,000 shares originally held by the trustee were granted, which were vested and then transferred to certain employees upon the grant of such Awarded Shares.

The fair value of the Awarded Shares granted and vested during the year ended 31 December 2025 and their vesting period are as follows:

Total value of shares at grant dates (RMB)	Number of shares granted (thousands)	Market price at grant dates (RMB)	Vesting period
1,358,000	3,400	0.40	None

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. RESERVES (CONTINUED)

(a) Share Award Scheme (Continued)

The fair value of the Awarded Shares was calculated based on market prices of the Company's shares as at the respective grant dates. A total expense of RMB1,358,000 was recognised for employee services received in respect of the Share Award Scheme for the year ended 31 December 2025 (2024: RMB1,182,000).

During the year ended 31 December 2025, the Share Award Scheme Trust received cash dividend amounting to RMB7,000 (2024: RMB10,000) which will be used to pay for the fees of trust or purchase a maximum number of shares as specified by the Board.

During the year ended 31 December 2025, the shares were acquired at an average price of HK\$0.34 per share, with prices ranging from HK\$0.30 to HK\$0.43. The total amount of HK\$378,000 (equivalent to RMB303,000) paid to acquire the shares has been deducted from reserves within shareholders' equity.

(b) Statutory reserve

In accordance with the PRC regulations and the articles of the association of the PRC companies comprising the Group, before distributing the net profit of each year, each of the companies registered in the PRC is required to set aside 10% of its statutory net profit for the year after offsetting any prior year's losses as determined under the PRC accounting regulations to the statutory surplus reserve fund. When the balance of such reserve reaches 50% of each company's share capital, any further appropriation is optional. The statutory surplus reserve fund can be utilised to offset prior years' losses or to issue bonus shares, provided that the balance of such reserve is not less than 25% of the entity's registered capital after the bonus issue.

26. ACCRUALS AND OTHER PAYABLES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Accrued expenses (a)	149,829	181,534
Salaries payable	41,117	43,744
Other tax payable	17,636	17,492
Other payables	6,006	7,488
	214,588	250,258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. ACCRUALS AND OTHER PAYABLES (CONTINUED)

- (a) Accrued expenses of the Group mainly represented accruals of service commission fees payable to advertising agencies, outsourcing production costs and advertising expenses.

As at 31 December 2025, the fair value of accruals and other payables approximated their carrying amounts (31 December 2024: same).

27. CASH FLOW INFORMATION

(a) Cash generated from operations

Reconciliation of profit before income tax to cash generated from operations is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Profit before income tax	16,044	49,011
Adjustments for:		
— Impairment charge of receivables	4,034	20,249
— Fair value change of investment in financial assets	191	4,141
— Finance income — net	(1,517)	(3,838)
— Depreciation of property and equipment (Note 14)	7,161	8,050
— Impairment charge of property and equipment	5,334	—
— Depreciation of investment property (Note 16)	1,860	1,860
— Depreciation of right-of-use asset (Note 15)	751	943
— Gain from disposal of right-of-use asset	(7)	—
— Amortisation of intangible assets (Note 17)	474	521
— Gain on disposal of a subsidiary	—	(1,987)
— Non-cash employee benefit expenses		
— Share Award Scheme	1,358	1,182
	35,683	80,132
Changes in working capital:		
— Trade and note receivables, other receivables and prepayments	(3,342)	(13,755)
— Accruals and other payables	(35,670)	(41,957)
— Contract liabilities	(1,788)	(1,293)
Cash (used in)/generated from operations	(5,117)	23,127

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. CASH FLOW INFORMATION (CONTINUED)

(b) This section sets out a reconciliation of liabilities arising from financing activities:

	Lease liabilities RMB'000
Net debt as at 1 January 2024	(922)
Cash flows	684
Addition of lease liabilities	(245)
Interest expenses	(9)
Early termination of lease liabilities	77
Net debt as at 31 December 2024	(415)
Cash flows	518
Addition of lease liabilities	(856)
Interest expenses	2
Early termination of lease liabilities	172
Net debt as at 31 December 2025	(579)

28. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

(a) Name and relationship with related parties

Name	Relationship
Kexim Company Limited ("Kexim")	Controlled by executive director Mr. Wang
Beijing Pacific Times Property Management Co., Ltd.	Controlled by executive director Mr. Wang

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Related party transactions

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Rental expenses for office:		
Kexim	286	293

These transactions were conducted at terms pursuant to agreements entered into between the Group and the respective related parties.

(c) Balances with related parties

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Included in lease liabilities:		
Kexim	281	—

(d) Key management personnel compensation

Key management includes the executive directors, the CEO and other senior executives. The aggregate compensation to key management for employee services excluding the executive directors and the CEO whose details have been reflected in Note 7 is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Basic salaries, housing allowances and benefits in kind	10,178	9,212
Contributions to pension schemes	252	246
	10,430	9,458

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

		As at 31 December	
	Note	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Intangible assets		7,793	7,793
Interests in subsidiaries		298,840	297,481
Amounts due from subsidiaries		64,056	—
Dividend due from subsidiaries		226,700	267,700
		597,389	572,974
Current assets			
Amounts due from subsidiaries		5,000	71,794
Dividend due from subsidiaries		40,000	50,000
Cash and cash equivalents		929	1,334
		45,929	123,128
Total assets		643,318	696,102
EQUITY AND LIABILITIES			
Equity			
Ordinary shares		10,504	10,504
Reserves	(a)	619,273	673,256
Total equity		629,777	683,760
Current liabilities			
Accruals and other payables		3,022	1,747
Amounts due to subsidiaries		10,519	10,595
Total current liabilities		13,541	12,342
Total equity and liabilities		643,318	696,102

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(a) Reserve movement of the Company

	Share premium RMB'000	Capital redemption reserve RMB'000	Contributed surplus RMB'000	Shares held for Share Award Scheme RMB'000	Retained earnings RMB'000	Total RMB'000
As at 1 January 2024	385,814	306	88,277	(3,570)	254,863	725,690
Share Award Scheme						
— value of employee services	—	—	—	1,182	—	1,182
— purchase of shares held for share award scheme	—	—	—	(1,462)	—	(1,462)
Loss for the year	—	—	—	—	(6,740)	(6,740)
Cash dividends relating to 2023	—	—	—	—	(45,414)	(45,414)
As at 31 December 2024	385,814	306	88,277	(3,850)	202,709	673,256
Share Award Scheme						
— value of employee services	—	—	—	1,358	—	1,358
— purchase of shares held for share award scheme	—	—	—	(303)	—	(303)
Loss for the year	—	—	—	—	(3,943)	(3,943)
Cash dividends relating to 2024	—	—	—	—	(51,095)	(51,095)
As at 31 December 2025	385,814	306	88,277	(2,795)	147,671	619,273

30. SUBSEQUENT EVENT

Save as disclosed in Note 13, there are no other material subsequent event that required additional disclosure in its financial statements for the year ended 31 December 2025.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and restated reclassified/ represented as appropriate, is set out below.

RESULTS	Year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	646,967	635,039	740,114	813,728	852,153
Profit/(loss) before income tax	16,044	49,011	3,764	(3,012)	53,237
Income tax expense	(11,121)	(5,276)	(35,711)	(3,998)	(1,386)
Profit/(loss) for the year	4,923	43,735	(31,947)	(7,010)	51,851
Attributable to:					
Equity holders of the Company	4,923	43,735	(32,336)	(6,654)	49,920
ASSETS, LIABILITIES AND ASSETS LESS LIABILITIES					
Total assets	897,595	982,297	1,046,142	1,231,299	1,310,609
Total liabilities	246,880	286,465	343,363	384,481	347,317
Total assets less liabilities	650,715	695,832	702,779	846,818	963,292