



聚水潭集團股份有限公司

JST Group Corporation Limited

(A company incorporated in the Cayman Islands with limited liability)

Stock Code : 6687



2025 ANNUAL
REPORT

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DEFINITIONS

"AGM"	the forthcoming annual general meeting of the Company to be held on 29 May 2026
"Articles" or "Articles of Association"	the fourth amended and restated articles of association of the Company conditionally adopted by special resolution on 5 October 2025, with effect from the Listing Date, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Auditor"	PricewaterhouseCoopers, the external auditor of the Company
"Board" or "Board of Directors"	the board of directors of the Company
"BVI"	the British Virgin Islands
"CEO"	the chief executive officer of the Company
"Chairman"	the chairman of the Board
"China" or "PRC"	the People's Republic of China, for the purpose of this report and for geographical reference only, excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Company", "our Company", "the Company" or "JST"	JST Group Corporation Limited (聚水潭集團股份有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on 2 August 2021 and listed on the Stock Exchange on 21 October 2025 (stock code: 6687)
"Corporate Governance Code" or "CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Director(s)"	director(s) of the Company
"ESG Code"	the Environmental, Social and Governance Reporting Code as set out in Appendix C2 to the Listing Rules
"Global Offering" or "global offering"	an offering of 78,391,100 Shares, comprising a final Hong Kong public offering of 6,816,700 Shares, a final international public offering of 61,349,500 Shares and an over-allocated of 10,224,900 Shares

DEFINITIONS

"Group", "our Group", "the Group", "we", "us" or "our"	the Company and the subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HKD" or "HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"IaaS"	Infrastructure as a Service
"IFRS"	International Financial Reporting Standards
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	21 October 2025, the date on which the Shares of the Company were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Mr. Luo"	Mr. Luo Haidong, the Chairman and CEO
"Nomination Committee"	the nomination committee of the Board
"Preceding Year"	the year ended 31 December 2024
"Prospectus"	the prospectus of the Company dated 13 October 2025
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period" or "2025"	from 1 January 2025 to 31 December 2025

DEFINITIONS

"RMB"	Renminbi, the lawful currency of the PRC
"SaaS"	Software as a Service
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary shares in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD" or "US\$"	United States dollars, the lawful currency of the United States
"VAT"	value-added tax
"Year"	the year ended 31 December 2025
"%"	per cent

CORPORATE INFORMATION

COMPANY NAME

Chinese name

聚水潭集團股份有限公司

English name

JST Group Corporation Limited

DIRECTORS

Executive Directors

Mr. Luo Haidong (駱海東)

Mr. He Xingjian (賀興建)

Mr. Li Cansheng (李燦升)

Mr. Wang Yu (王瑜)

Independent Non-Executive Directors

Ms. Luo Mei (羅玫)

Mr. Li Jiajun (李嘉俊)

Mr. Sheng Kaiqiang (盛凱強)

AUDIT COMMITTEE

Ms. Luo Mei (羅玫) (*Chairperson*)

Mr. Li Jiajun (李嘉俊)

Mr. Sheng Kaiqiang (盛凱強)

REMUNERATION COMMITTEE

Mr. Li Jiajun (李嘉俊) (*Chairperson*)

Mr. Luo Haidong (駱海東)

Mr. Sheng Kaiqiang (盛凱強)

NOMINATION COMMITTEE

Mr. Sheng Kaiqiang (盛凱強) (*Chairperson*)

Mr. Luo Haidong (駱海東)

Ms. Luo Mei (羅玫)

REGISTERED OFFICE

Palm Grove Unit 4

265 Smith Road

George Town

P.O. Box 52A, Edgewater Way, #1653

Grand Cayman KY1-9006

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

6/F, Building T4, Hongqiaohui

Lane 990, Shenchang Road, Minhang District

Shanghai, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1917, 19/F Lee Garden One

33 Hysan Avenue

Causeway Bay, Hong Kong

STOCK CODE

6687

PRINCIPAL SHARE REGISTRAR

ICS Corporate Services (Cayman) Limited

Palm Grove Unit 4

265 Smith Road

George Town

P.O. Box 52A, Edgewater Way, #1653

Grand Cayman KY1-9006, Cayman Islands

CORPORATE INFORMATION

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

COMPANY'S WEBSITE

jushuitan.com

AUTHORIZED REPRESENTATIVES

Mr. Luo Haidong (駱海東)
Ms. Chan Sau Ling (陳秀玲)

JOINT COMPANY SECRETARIES

Mr. Liu Luyao (劉路遙)
Ms. Chan Sau Ling (陳秀玲)

AUDITOR

PricewaterhouseCoopers

COMPLIANCE ADVISOR

Guotai Junan Capital Limited

PRINCIPAL BANK

Shanghai Huaizhong Branch of
China Merchants Bank

FINANCIAL SUMMARY

	2025 RMB'000	Year ended 31 December			
		2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	1,142,470	909,750	697,191	523,078	433,422
Cost of sales	(301,464)	(286,899)	(262,585)	(249,565)	(214,370)
Gross profit	841,006	622,851	434,606	273,513	219,052
(Loss)/profit for the year	(1,649,780)	10,583	(490,023)	(507,079)	(254,327)
(Loss)/profit attributable to equity owners of the Company	(1,655,025)	12,152	(486,555)	(505,335)	(251,201)
Adjusted net profit/(loss) (non-IFRS measure) (Note)	230,868	60,412	(207,404)	(368,577)	(173,628)

	2025 RMB'000	As at 31 December			
		2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Total non-current assets	730,679	635,493	594,038	672,720	675,465
Total current assets	3,502,303	1,579,832	1,149,074	785,792	794,530
Total assets	4,232,982	2,215,325	1,743,112	1,458,512	1,469,995
Total non-current liabilities	1,333,180	1,166,756	996,970	1,958,789	1,841,830
Total current liabilities	1,678,274	4,698,065	4,419,363	1,012,790	660,708
Total liabilities	3,011,454	5,864,821	5,416,333	2,971,579	2,502,538
Total equity/(deficits)	1,221,528	(3,649,496)	(3,673,221)	(1,513,067)	(1,032,543)

Note: Details are set out in "Management Discussion and Analysis" on pages 14 to 15. The adjusted net profit/(loss) for 2021 to 2024 as shown above has been re-calculated in accordance with the same calculation methodology adopted for the Reporting Period to ensure consistency and comparability across periods.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group is an e-commerce SaaS provider in China. The Group offers broad range of SaaS products and services in one-stop, helping its customers seamlessly upgrade capabilities, improve performance and grow their cross-platform businesses, while greatly reducing installation and operation costs.

Jushuitan ERP is the Group's cornerstone SaaS product, serving the core demands of merchants in fulfilling e-commerce orders across major platforms. Designed for simplicity and ease of use, *Jushuitan ERP* enables merchants to integrate, synchronize and coordinate their stores, orders, products, inventories and other operational or financial data from various platforms, providing a streamlined cross-platform commerce experience.

With ERP at the core, the Group has further expanded its product and service offerings to include other e-commerce operation SaaS products ("Synergy products"). The Group's comprehensive SaaS tools support the various needs of e-commerce participants, including financial accounting, management reporting and analytics, workflow management, wholesale market procurement and operation analysis, among others. These offerings equip merchants to enhance operational and financial performance, better plan and coordinate internal resources and collaborate with external partners such as suppliers, distributors, logistics and warehousing service providers with high efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

Business outlook

Leveraging the industry insights accumulated by the Group's founder over the past 25 years, the Group will continue to enhance and expand its cloud-based e-commerce SaaS product portfolio and further strengthen its relationships with existing customers and grow its customer base. Supported by its robust technology infrastructure and scalable development platform, the Group aims to embrace industry trends, drive product innovation and optimisation, and enhance its competitiveness to meet the evolving needs of merchants across diverse operational scenarios.

The Group has actively embraced new AI technologies in its business. It has established collaborations with several leading large language model providers, including Qwen, Doubao, Hunyuan, Zhipu and DeepSeek, and has developed AI applications for e-commerce operation scenarios, which have been accepted and adopted by customers.

The Group's self-developing AI agent will enable customers to operate the ERP using natural language, thereby further enhancing the user-friendliness of the ERP and reducing implementation cost and customer support expense.

The Group will capture international opportunities arising from the continued expansion of the global e-commerce SaaS market. The Group's subsidiary in Thailand has achieved solid business performance, and the Group plans to establish additional subsidiaries in other Southeast Asian countries, including Malaysia, Vietnam, Indonesia and the Philippines, to further expand its regional presence. In addition to deepening its development in Southeast Asia, the Group is also actively exploring potential opportunities in Latin America, the Middle East, Africa, Europe and North America.

The Group continues to explore merger and acquisition opportunities and is actively engaging with high-quality acquisition targets, particularly those with customer bases that significantly overlap with the Group's existing e-commerce merchants, and whose product offerings can effectively complement the Group's current product portfolio.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the Reporting Period, the audited consolidated revenue of the Group amounted to approximately RMB1,142.5 million, representing an increase of approximately 25.6% from approximately RMB909.8 million for the Preceding Year, primarily because the total SaaS customers and total SaaS billings both increased.

The Group has one reportable operating segment. The major operating entities of the Group are domiciled in the PRC. The revenue of the Group's business in Southeast Asia for the Reporting Period amounted to approximately RMB21.9 million, representing an increase of approximately 119.0% from approximately RMB10.0 million for the Preceding Year, as a result of the solid business performance achieved by the Group's subsidiary in Thailand.

The Group derives revenue from (i) the provision of SaaS services for e-commerce businesses, (ii) the commission charged for the promotion services through sales force for products of other companies, and (iii) the sales of products including a range of e-commerce supportive equipment. During the Reporting Period, revenue generated from the provision of SaaS services amounted to approximately 96.8% of the total revenue of the Group, representing a increase of approximately 0.4% from the Preceding Year of approximately 96.4%. The following table sets forth a breakdown of the revenue of the Group.

	2025		2024	
	(RMB'000)	%	(RMB'000)	%
SaaS	1,104,817	96.8	877,530	96.4
<i>ERP</i>	918,779	80.5	765,001	84.1
<i>Synergy products</i>	186,038	16.3	112,529	12.3
Promotion service fees	19,703	1.7	13,596	1.5
Sales of supportive equipment	16,416	1.4	18,002	2.0
Others	1,534	0.1	622	0.1
Total	1,142,470	100	909,750	100

The above reflects that the Group's revenue composition remaining broadly stable during the period, with no material change in the overall contribution of its major revenue streams. During the Reporting Period, the revenue of Synergy products has increased by approximately 65.3% from the Previous Year.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth core business performance of the Group:

	2025	2024	Change
Total SaaS Customers (<i>thousand</i>)	113.0	88.4	27.8%
Orders Processed (<i>billion</i>)	38.8	33.0	17.6%
SaaS Revenue per Order (<i>RMB</i>)	0.0285	0.0266	7.1%

The total SaaS customers and orders processed increased as a result of the continual growth of the Group's main business.

Cost of sales

The Group's cost of sales primarily consists of (i) employee benefit expenses related to the SaaS implementation, (ii) cloud server fees and technical service fees, and (iii) cost of goods sold. The audited consolidated cost of sales for the Reporting Period amounted to approximately RMB301.5 million, representing an increase of approximately 5.1% from approximately RMB286.9 million for the Preceding Year, mainly due to an increase in employee benefit expenses related to the SaaS implementation.

Gross profit and gross profit margin

During the Reporting Period, the audited consolidated gross profit of the Group amounted to approximately RMB841.0 million, representing an increase of approximately 35.0% from approximately RMB622.9 million for the Preceding Year, which was mainly attributable to the amount of revenue growth exceeding the cost of sales. The gross profit margin for the Reporting Period was 73.6%, comparing to 68.5% in the Preceding Year, mainly due to the economies of scale achieved during the Reporting Period.

Selling and marketing expenses

The Group's selling and marketing expenses primarily consist of (i) employee benefit expenses, including compensation paid to sales and customer support personnel, (ii) sales commission to sales agents, and (iii) marketing expenses. The audited consolidated selling and marketing expenses of the Group for the Reporting Period amounted to approximately RMB395.9 million, representing an increase of approximately 7.0% from approximately RMB369.9 million for the Preceding Year, mainly due to an increase in employee benefit expenses as the Group continued to expand its operations.

MANAGEMENT DISCUSSION AND ANALYSIS

General and administrative expenses

The Group's general and administrative expenses primarily consist of (i) employee benefit expenses, including compensation paid to the Group's general and administrative personnel, (ii) listing expenses relating to the Listing, (iii) depreciation of right-of-use assets, (iv) utilities and office expenses, and (v) depreciation and amortisation. The audited consolidated general and administrative expenses of the Group for the Reporting Period amounted to approximately RMB149.8 million, representing an increase of approximately 65.5% from approximately RMB90.5 million for the Preceding Year, mainly due to an increase in listing expenses relating to the Listing and an increase in share-based payments for employees.

Research and development expenses

The Group's research and development expenses primarily consist of employee benefit expenses, including compensation paid to the Group's research and development personnel. The audited consolidated research and development expenses of the Group for the Reporting Period amounted to approximately RMB243.1 million, remaining relatively stable, representing an increase of approximately 1.4% from approximately RMB239.8 million for the Preceding Year.

Provision for impairment loss on financial assets

Provision for impairment loss on financial assets represent provision for doubtful receivables. The audited consolidated impairment loss on financial assets of the Group for the Reporting Period amounted to approximately RMB1.1 million, representing an increase from approximately RMB0.2 million for the Preceding Year, mainly due to an increase in provision for impairment in relation to trade receivables.

Other income

Other income primarily represents government grants, which primarily related to contributions to technology development and investments in local business districts. The audited consolidated other income of the Group for the Reporting Period amounted to approximately RMB38.2 million, representing an increase of approximately 153.0% from approximately RMB15.1 million for the Preceding Year, mainly due to the increase of government grants.

MANAGEMENT DISCUSSION AND ANALYSIS

Other (losses)/gains

The other (losses)/gains consist of (i) foreign exchange loss, and (ii) fair value loss of unlisted equity investments. The audited consolidated other losses of the Group for the Reporting Period amounted to approximately RMB37.6 million, as opposed to the other gains amounted to approximately RMB0.3 million for the Preceding Year, mainly due to foreign exchange loss arising from the appreciation of RMB.

Finance income

The finance income consist of interest income derived from financial assets held for cash management purposes. The audited consolidated finance income of the Group for the Reporting Period amounted to approximately RMB20.4 million, representing an increase from approximately RMB6.5 million for the Preceding Year, mainly due to an increase in interest income owing to an increase in cash balance.

Loss on convertible redeemable preferred shares

In 2023, the Company issued preferred shares entitled to purchase preferred shares to the nominees of the Pre-Reorganization Shareholders (as defined in the Prospectus). The audited consolidated loss on convertible redeemable preferred shares of the Group for the Reporting Period was approximately RMB1,769.6 million, representing an increase from approximately RMB18.5 million for the Preceding Year, mainly due to the fair value change in connection with the convertible redeemable preferred shares of the Group owing to the significant increase in valuation of the Company upon Listing.

Share of net gain/(loss) of investments accounted for using equity method

The Group's share of net gain/(loss) of investments accounted for using equity method relates to the operational and financial performance of the Group's associates in which it invested. The share of profit of investments accounted for using equity method of the Group for the Reporting Period was approximately RMB4.7 million, as opposed to the loss of approximately RMB4.4 million for the Preceding Year, mainly due to improved operating results of the Group's associates.

MANAGEMENT DISCUSSION AND ANALYSIS

(Loss)/profit for the year

The audited consolidated loss of the Group for the Reporting Period amounted to RMB1,649.8 million, as opposed to the profit of approximately RMB10.6 million for the Preceding Year, and the loss attributable to equity owners of the Company during the Reporting Period was approximately RMB1,655.0 million, as opposed to the profit attributable to equity owners of the Company of approximately RMB12.2 million for the Preceding Year, primarily attributable to a substantial loss incurred by the Company as a result of its conversion of convertible redeemable preferred shares issued prior to the Listing into the Company's ordinary shares upon Listing.

The basic and diluted loss per share attributable to the equity owners of the Company during the Reporting Period was RMB7.27, as opposed to the basic and diluted earnings per share attributable to the equity owners of the Company of RMB0.07 for the Preceding Year.

Non-IFRS measure

To supplement the Group's consolidated financial statements presented in accordance with IFRS, the Group also uses adjusted net profit (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. The Group believes that this non-IFRS measure facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items.

The Group believes that this measure provides useful information in understanding and evaluating its consolidated results of operations in the same manner as it helps the Group's management. However, presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, the Group's results of operations or financial conditions as reported under IFRS.

The Group defines adjusted net profit (non-IFRS measure) as (loss)/profit for the year by adding back (i) the loss on the convertible redeemable preferred shares, (ii) listing expenses related to the Listing, (iii) share-based payments for employees, (iv) foreign exchange loss, and (v) fair value loss of unlisted equity investments. For the Reporting Period, the Group's adjusted net profit (non-IFRS measure) was approximately RMB230.9 million, representing an increase of approximately 282.2% from approximately RMB60.4 million for the Preceding Year. The following table sets forth the Group's adjusted net profit (non-IFRS measure) for the Reporting Period. The adjusted net profit for the Preceding Year as shown above has been re-calculated in accordance with the same calculation methodology adopted for the Reporting Period to ensure consistency and comparability across periods.

MANAGEMENT DISCUSSION AND ANALYSIS

RMB'000	2025	2024
(Loss)/profit for the year	(1,649,780)	10,583
Loss on convertible redeemable preferred shares	1,769,644	18,526
Listing expenses	34,616	9,151
Share-based payments for employees	29,344	10,728
Foreign exchange loss	27,245	693
Fair value loss of unlisted equity investments	19,799	10,731
Adjusted net profit (non-IFRS measure)	230,868	60,412

LIQUIDITY AND FINANCIAL RESOURCES

Treasury policy

The Group's funds are centrally managed by the Finance Department. Led by the finance director, vice president of finance and chief financial officer, the finance department is responsible for formulating the Group's treasury management policies, safeguarding the security of funds, preparing the annual funding budget, making investment decisions regarding the placement of surplus funds into bank deposits and wealth management products, and reviewing investment returns. The Group has established comprehensive initiation, approval, execution, internal review and audit procedures for its financial management activities, with strict segregation of incompatible duties.

The Group primarily invests in wealth management products with relatively low risks and the proposed investment must not interfere with its daily operation and business prospects. The Group's investment strategy related to wealth management products aims to minimise the financial risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash needs, and to generate investment returns for the benefits of the Shareholders. The Group makes investment decisions related to wealth management products on a case-by-case basis after thoroughly considering a number of factors, including but not limited to macro-economic environment, general market conditions and the expected profit or potential loss of the investment.

The Group maintains a strong cash position, with ample cash flows and a high level of cash balance. The Group has no financial liabilities and possesses sufficient solvency, reflecting a solid financial position.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity structure

As at 31 December 2025, audited consolidated total assets of the Group were approximately RMB4,233.0 million (31 December 2024: approximately RMB2,215.3 million). The audited consolidated total current assets of the Group as at 31 December 2025 were approximately RMB3,502.3 million (31 December 2024: approximately RMB1,579.8 million). The audited consolidated cash and cash equivalents of the Group as at 31 December 2025 were approximately RMB3,052.6 million, and were denominated in USD, RMB and HKD (31 December 2024: approximately RMB1,085.3 million). The increases in total assets, current assets and cash and cash equivalents were primarily attributable to the net proceeds received from the Listing, which has significantly strengthened the Group's cash position.

As at 31 December 2025, the Group had audited consolidated current liabilities of approximately RMB1,678.3 million (31 December 2024: approximately RMB4,698.1 million), mainly due to convertible redeemable preferred shares were automatically converted into the Company's ordinary shares upon Listing.

Contract acquisition costs

The Group capitalises sales commissions paid to its direct sales force and sales agents that had a direct and incremental relationship to obtain a contract as contract acquisition cost and amortise the capitalised amounts when the related revenue is recognised. The audited consolidated contract acquisition costs of the Group as at 31 December 2025 were approximately RMB416.7 million, which remained relatively stable when compared with 31 December 2024 (31 December 2024: approximately RMB398.0 million).

Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss represent long-term equity investments. The audited consolidated financial assets at fair value through profit or loss of the Group as at 31 December 2025 were approximately RMB101.2 million (31 December 2024: approximately RMB121.0 million). The decrease was mainly attributable to the fluctuations in the operating results of the Group's investees and capital market conditions.

Prepayments

The Group's prepayments primarily consist of cloud server fees. The audited consolidated prepayments of the Group as at 31 December 2025 were approximately RMB128.2 million, which remained relatively stable when compared with 31 December 2024 (31 December 2024: approximately RMB121.7 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Trade and other receivables

The Group's trade receivables represent the amounts due from its customers for the products sold or services performed in its ordinary course of business and the Group's other receivables consist primarily of receivables due from e-commerce platforms. The audited consolidated trade and other receivables of the Group as at 31 December 2025 were approximately RMB226.0 million, which remained relatively stable when compared with 31 December 2024 (31 December 2024: approximately RMB190.4 million).

Contract liabilities

The Group's contract liabilities represent the performance obligations to customers for which the Group has received consideration. Contract liabilities include prepayments from the Group's customers. The audited consolidated contract liabilities of the Group as at 31 December 2025 were approximately RMB2,257.5 million (31 December 2024: approximately RMB1,955.0 million). The increase in contract liabilities was primarily due to the growth in total SaaS billings.

Trade and other payables

The Group's trade and other payables consist primarily of (i) staff salaries and welfare payables, and (ii) authorisation fee to be refunded to customers. The audited consolidated trade and other payables of the Group as at 31 December 2025 were approximately RMB744.2 million, which remained relatively stable when compared with 31 December 2024 (31 December 2024: approximately RMB749.8 million).

Lease liabilities

The Group's lease liabilities represent the present value of outstanding lease payments under the Group's lease agreements, which primarily relate to its office buildings. The audited consolidated lease liabilities of the Group as at 31 December 2025 were approximately RMB9.8 million (31 December 2024: approximately RMB16.2 million). The decrease in lease liabilities was mainly due to a reduction in the remaining lease terms under existing lease agreements.

Bank borrowings

As at 31 December 2025, the Group had no interest-bearing bank borrowings (31 December 2024: Nil). There were no bank borrowings during the Reporting Period (Preceding Year: Nil).

The Group did not enter into any hedging arrangements, and there were no currency borrowings or other hedging instruments used to hedge foreign exchange exposure during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Convertible redeemable preferred shares

In 2023, the Company issued preferred shares entitled to purchase preferred shares to the nominees of the Pre-Reorganization Shareholders (as defined in the Prospectus). Accordingly, the Company recorded convertible redeemable preferred shares of RMB3,143.9 million as of 31 December 2024. Convertible redeemable preferred shares were automatically converted into the Company's ordinary Shares upon Listing.

Gearing ratio

As at 31 December 2025, the Group's gearing ratio (total liabilities/total equity) was 246.5% (31 December 2024: -160.7%).

Non-current assets and liabilities

The audited consolidated total non-current assets of the Group as at 31 December 2025 amounted to approximately RMB730.7 million, representing an increase of approximately 15.0% from approximately RMB635.5 million as at 31 December 2024, mainly due to the placement of time deposits as part of the Group's cash management.

The audited consolidated total non-current liabilities of the Group as at 31 December 2025 amounted to approximately RMB1,333.2 million, representing an increase of approximately 14.3% from approximately RMB1,166.8 million as at 31 December 2024, mainly due to an increase in contract liabilities arising from total SaaS billings.

ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

During the Reporting Period, the Group had no material acquisition or disposal of subsidiaries, associates and joint ventures or significant investment.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

As at 31 December 2025, the Group had no future plans for material investment or acquisition of capital assets in the coming year.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to foreign exchange risks. The Group receives substantially all of its net revenue in RMB. The foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. Foreign exchange risk is the risk of loss resulting from changes in fluctuation of foreign currency exchange rates. During the Reporting Period, the Group's foreign currency assets are mainly cash and cash equivalents denominated in USD and HKD. The foreign exchange risk the Group is facing mainly comes from movements in the USD/RMB and HKD/RMB. For the year ended 31 December 2025, the Group had not entered into any currency borrowings or other hedging instruments to hedge the foreign exchange exposure.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no contingent liabilities.

CHARGE ON THE GROUP'S ASSETS

As at 31 December 2025, no assets of the Group were pledged by the Group (31 December 2024: Nil).

EMPLOYEES AND REMUNERATION

As of 31 December 2025, the Group had a total of 2,552 employees (31 December 2024: 2,758). The total employee remuneration during the Reporting Period was approximately RMB801.2 million (31 December 2024: approximately RMB745.9 million). The Group has in place remuneration policies to ensure provision of adequate rewards to employees with recognised experience of the assigned roles and duties. The Group provides regular and specialised training tailored to the needs of its employees in different departments. The Group also provides other benefits including bonuses, housing fund and various employee social insurance plans including housing, pension, medical, work-related injury and unemployment benefit plans.

MANAGEMENT DISCUSSION AND ANALYSIS

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Friday, 29 May 2026. A notice convening the AGM will be published in the manner required by the Listing Rules in due course.

For the purposes of determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026 (both days inclusive), during which period no transfer of Shares will be registered. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Friday, 29 May 2026. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates shall be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 May 2026.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Our Board of Directors comprises seven Directors, including four executive Directors and three independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive reappointments.

EXECUTIVE DIRECTORS

Mr. Luo Haidong (駱海東), aged 57, joined our Group in January 2014. He was appointed as a director of Shanghai Jushuitan in November 2015 and our Director in August 2021, and was re-designated as our executive Director in June 2023.

Mr. Luo has over 25 years of industry experience in ERP, enterprise service and IT. Prior to founding our Group, Mr. Luo worked as the senior manager in the department of technology in Jiaxing Maibao Technology Information Co., Ltd. (嘉興麥寶科技信息有限公司) (“Jiaxing Maibao”), an e-commerce company principally engaged in online sales of bags and suitcases, from November 2009 to December 2013. Before that, Mr. Luo served as the chairman of the board and general manager of Shanghai Shengxun Technology Development Co., Ltd. (上海晟訊科技發展有限公司), a company focused on research and development and sales of information technology systems, from May 2000 to October 2009.

Mr. Luo received a master’s degree in theoretical electrical engineering (理論電工) from Shanghai University (上海大學) in the PRC in January 1995. Mr. Luo was granted the title of Professor Level Senior Engineer (正高級工程師) by Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) in December 2022 in recognition of his professional skills of information technology and multi-media. Mr. Luo was elected as a member of the National People’s Congress (人大代表) of Jing’an District in Shanghai, PRC in November 2021.

Mr. He Xingjian (賀興建) (“Mr. He”), aged 49, joined our Group in January 2014. He was appointed as a director of Shanghai Jushuitan in December 2015 and our Director in February 2023, and was re-designated as our executive Director in June 2023.

Prior to joining our Group, Mr. He served as senior technical expert in the department of technology in Jiaxing Maibao from February 2009 to November 2013. Before that, he worked as the manager of department of technology of Shanghai Shengxun Technology Development Co., Ltd. (上海晟訊科技發展有限公司) from August 2000 to January 2009.

Mr. He graduated from Shanghai University of Sport (上海體育大學) in the PRC in July 2000.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Li Cansheng (李燦升) (“Mr. Li”), aged 43, joined our Group in January 2014. He was appointed as a director of Shanghai Jushuitan in November 2018 and our Director on in February 2023, and was re-designated as our executive Director in June 2023.

Prior to joining our Group, Mr. Li served as the senior development manager in Jiaying Maibao from November 2010 to October 2013.

Mr. Li obtained the graduation certificate in computer application and software through passing the self-taught higher education examinations from Jilin University (吉林大學) in the PRC in June 2010.

Mr. Wang Yu (王瑜) (“Mr. Wang”), aged 39, joined our Group in November 2015. He was appointed as a director of Shanghai Jushuitan in April 2019 and our Director in February 2023, and was re-designated as our executive Director in June 2023.

Prior to joining our Group, Mr. Wang worked as the chief executive officer of Hangzhou Zhimaibao Network Technology Co., Ltd. (杭州智脈寶網絡技術有限公司) from April 2013 to October 2015. Before that, Mr. Wang served as the manager for key customers in Taobao (China) Software Co., Ltd. (淘寶(中國)軟件有限公司) from June 2011 to November 2012, and the sales manager in China supplier sales department in Alibaba (China) Network Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司) from August 2008 to December 2010.

Mr. Wang obtained a bachelor’s degree in measuring and control technology and instrumentations from Hangzhou Dianzi University (杭州電子科技大學) in the PRC in June 2008, and an executive master of business administration from China Europe International Business School (中歐國際工商學院) in the PRC in November 2023.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Luo Mei (羅玫) (“Ms. Luo”), aged 50, was appointed as our independent non-executive Director of our Company in June 2023 with effect upon Listing Date.

Ms. Luo joined Tsinghua University (清華大學) in 2009 and is currently an associate professor of the Department of Accounting at the School of Economics and Management of Tsinghua University, and the director of the Research Center for Digital Financial Assets, School of Economics and Management, Tsinghua University. Since December 2020, Ms. Luo has been serving as an independent director of Beijing Onmicro Electronics Co., Ltd. (北京昂瑞微電子技術股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688790). Ms. Luo was formerly an independent director of Beijing Gehua CATV Network Co., Ltd. (北京歌華有線網絡股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600037), from March 2013 to March 2019, an independent director of Baofeng Group Co., Ltd. (暴風集團股份有限公司) from June 2013 to December 2014, an independent non-executive director of Bank of Gansu Co., Ltd. (甘肅銀行股份有限公司), a company listed on the Stock Exchange (stock code: 2139), from August 2017 to September 2023, and an independent director of Canaan Inc., a company listed on the NASDAQ (stock ticker: CAN), from December 2019 to July 2020.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Luo received a doctorate's degree from the University of California, Berkeley, the United States, majoring in business administration, in December 2004.

Mr. Li Jiajun (李嘉俊) ("Mr. Li"), aged 44, was appointed as our independent non-executive Director of our Company in June 2023 with effect upon Listing Date.

Mr. Li has been serving as executive director and general manager in Shanghai Jiye Business Consulting Co., Ltd. (上海霽曄商務諮詢有限公司), since February 2024. Prior to that, he worked as chief financial officer, secretary of the board and vice president in Shanghai Wensheng Asset Management Co., Ltd. (上海文盛資產管理股份有限公司) from April 2016 to January 2024, financial director in RDA Microelectronics (Shanghai) Co., Ltd. (銳迪科微電子上海有限公司) from January 2010 to April 2016, and in Dell (China) Co., Ltd. (戴爾(中國)有限公司) from October 2009 to January 2010. Mr. Li had also worked in PricewaterhouseCoopers Zhongtian Accounting Firm (普華永道中天會計師事務所) from August 2004 to November 2009. Since February 2022, has been serving as an independent director in Jiangxi Bohai Zinc Product Co., Ltd. (江西寶海微元再生科技股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 835723) in 2016.

Mr. Li received his bachelor's degree in electronic and information engineering from Tongji University (同濟大學) in the PRC in July 2004, and an executive master of business administration from China Europe International Business School (中歐國際工商學院) in the PRC in November 2022. Mr. Li has been a fellow member of China Certified Public Accountant (CPA) since March 2013.

Mr. Sheng Kaiqiang (盛凱強) ("Mr. Sheng"), aged 37, was appointed as our independent non-executive Director of our Company in June 2023 with effect upon Listing Date.

Mr. Sheng founded Shanghai Wupao Network Technology Co., Ltd. (上海舞泡網絡科技有限公司) in January 2010 and has been serving as executive director since then.

Mr. Sheng received his bachelor's degree in marketing from Donghua University (東華大學) in the PRC in July 2010, and an executive master of business administration from China Europe International Business School (中歐國際工商學院) in the PRC in November 2022.

SENIOR MANAGEMENT

For biographical details of Mr. Luo Haidong (駱海東), Mr. He Xingjian (賀興建), Mr. Li Cansheng (李燦升), and Mr. WangYu (王瑜), see "Biographical Details of Directors and Senior Management – Directors – Executive Directors".

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Cen Wenchu (岑文初) ("Mr. Cen"), aged 47, joined our Group in August 2020 as the chief technology officer.

Prior to joining our Group, Mr. Cen served as a partner in charge of product technology in Hangzhou Lefit Network Technology Co., Ltd. (杭州樂刻網絡技術有限公司) from August 2018 to March 2020. From March 2006 to August 2018, Mr. Cen worked for Alibaba Group Holding Limited and successively served as development engineer and senior technology experts.

Mr. Cen received his bachelor's degree in computer application from Hangzhou Dianzi University in the PRC in June 2001, and a master's degree in software engineering from Beihang University (北京航空航天大學) in the PRC in December 2006.

Mr. Liu Luyao (劉路遙) ("Mr. Liu"), aged 39, joined our Group in February 2021 as the chief financial officer.

Prior to joining our Group, Mr. Liu served as the chief financial officer of BitMain Technologies Holding Company from July 2018 to February 2021. He worked in China International Capital Corporation Limited (中國國際金融股份有限公司), a company listed on the Stock Exchange (stock code: 3908) and Shanghai Stock Exchange (stock code: 601995), from July 2012 to June 2018, and his last position was vice president of investment banking department. Mr. Liu has served as an independent director of Jiangxi Tianxin Pharmaceutical Co., Ltd. (江西天新藥業股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 603235), since November 2023.

Mr. Liu received his bachelor's degree in finance from Peking University (北京大學) in the PRC in July 2009, and his master's degree in accounting from Tsinghua University (清華大學) in the PRC in June 2012. Mr. Liu has been a fellow member of Chartered Financial Analyst Institution (CFA) since August 2015 and China Certified Public Accountant (CPA) since May 2012.

JOINT COMPANY SECRETARIES

Mr. Liu Luyao (劉路遙), was appointed as a joint company secretary of our Company in June 2023 with effect from the Listing Date. For details of his biography, see "Biographical Details of Directors and Senior Management – Senior Management".

Ms. Chan Sau Ling (陳秀玲) ("Ms. Chan"), was appointed as a joint company secretary of our Company in August 2024 with effect from the Listing Date. Ms. Chan is a director of Company Secretarial Services of Tricor Services Limited. She has over 25 years of experience in the company secretarial field, and has provided professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Chan is currently the company secretary or joint company secretary of several listed companies on the Hong Kong Stock Exchange.

Ms. Chan is a Chartered Secretary, a Chartered Governance Professional and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

Save as disclosed in this annual report, since 13 October 2025 and up to the date of this annual report, there are no changes in the information relating to the Directors and chief executive of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. Save as disclosed above in this annual report, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' REPORT

The Directors present their annual report and audited financial statements for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company was incorporated as an exempted company with limited liability under the laws of the Cayman Islands on 2 August 2021. The principal activity of the Company is investment holding. The Group is principally engaged in providing e-commerce SaaS ERP service in the PRC. The principal activities and other particulars of subsidiaries of the Group are set out in note 1 and note 18 to the financial statements. Except for Jiaying Jushuitan Investment Management Partnership (limited partnership) (嘉興聚水潭投資管理合夥企業(有限合夥)), which is a limited partnership enterprise, all subsidiaries of the Company are private limited liability companies. The Shares were listed on the main board of the Stock Exchange on the Listing Date with stock code: 06687.

There were no significant changes in the nature of the Group's principal activities during the Year.

BUSINESS REVIEW

Please refer to the section headed "Management Discussion and Analysis" of this annual report for further details on review of the Group's business and particulars of important events affecting the Group during the Year, together with future development of the Group.

Principal Risks and Uncertainties

The following are the principal risks and uncertainties facing by the Group as determined by the Board. The content below is not intended to be an exhaustive list of all the risks and uncertainties that may arise.

(i) Operational and industry risks

The Group's SaaS products and the market acceptance of the Group's SaaS products are essential to the business success of the Group. The ability of the Group to continue to attract and retain customers and increase sales depends largely on its ability to continue improving and enhancing the functions, performance, reliability, design, security, and scalability of its products. If the Group fails to improve and enhance the functions, performance, reliability, design, security, and scalability of its SaaS products to suit its customers' evolving needs, it may lose its customers.

DIRECTORS' REPORT

The industry in which the Group operates is characterised by dynamic industry trends, fast changing technologies, and rapid development and continued enhancement of SaaS products. To remain competitive, the Group must continue to stay abreast of the continuously evolving merchants' demand and preferences, industry trends and rapid technological developments. The development of the internet and e-commerce industry is subject to various factors beyond the Group's control, such as changes in demographics of e-commerce consumers, consumer tastes and preferences, mobile internet penetration and usage, emergence of alternative channels or business models, seasonality and public policies. Negative development in the internet and e-commerce industry will adversely affect the Group's business.

Further, if the Group fails to maintain its relationships with e-commerce platforms or adapt itself to emerging e-commerce platforms, or if e-commerce platforms otherwise curtail or inhibit the Group's ability to integrate or operate its products with their platforms, the Group's business and prospects may be materially and adversely affected.

(ii) Competition

The Group faces competition in various aspects of its business, including research and development capabilities, customer services and retention, talents, brand awareness, commercial relationships and financial, technical, marketing and other resources. The competitors of the Group may be able to develop products better received by participants in the e-commerce industry or may be able to respond more quickly and effectively to new opportunities and changing technologies, regulations, and customers' needs. In addition, the Group's existing and future competitors may quickly expand their customer base and sales network by enlarging their sales and support team. This could cause the Group to lose potential sales, which may have a material adverse impact on the results of operation and financial condition of the Group. If the Group is unable to compete successfully against its current or potential competitors, its business, financial condition, and results of operations may be materially and adversely impacted.

(iii) Economic and market risks

Adverse changes in the macro-economy may negatively affect the e-commerce market and the demand for the products of the Group. Since the Group's SaaS products are offered to participants in the e-commerce industry, its operational and financial performances are subject to the developments of the internet and e-commerce industry. In particular, many of the Group's customers are small – and medium-sized merchants that may be more vulnerable to macro economy fluctuations than large-scale companies. In extreme cases, many such small – and medium-sized merchants may experience large scale closure during economic downturns. The internet and e-commerce market may be affected by factors such as the macro-economy and consumers' disposable income, among others. Any such adverse changes in the macro-economy may negatively affect the e-commerce market, which may in turn affect the demand for the Group's SaaS products and the Group's ability to generate profits.

DIRECTORS' REPORT

(iv) Third-party dependencies

The Group's SaaS products and related services are subject to third-party dependencies, such as cloud service providers and telecommunications companies. For example, IaaS cloud services are important to the cloud-based SaaS products of the Group and provide the infrastructure for the Group's SaaS products. The Group relies on a single IaaS cloud services provider which may amplify the risks relating to the dependence on third-party IaaS cloud service providers. In addition, there is no assurance that the Group will be able to maintain its relationships with its other major suppliers. Any material and adverse change in the Group's relationship with its major suppliers could impact the availability, reliability, or performance of the Group's platform, which could negatively impact its business and financial performance. If the Group is unable to prevent or mitigate the risks associated with interruptions, performance issues, or security issues, its business, financial performance, and reputation may be materially and adversely affected.

(v) Profitability

The Company recorded net loss in the past, which was mainly due to its substantial initial investment in (i) product development and (ii) customer acquisition and retention to drive market acceptance. If the Company is unable to generate adequate revenues and manage its costs and expenses, it may continue to incur significant loss in the future and its net loss may increase compared to prior years, and it may not be able to achieve or subsequently maintain profitability.

(vi) Current liabilities and deficits in equity

The Company recorded net current liabilities and deficits in equity in the past. There is no assurance that the Company will not record net current liabilities or deficits in equity in the future. A net current liabilities or deficits in equity position would expose the Company to liquidity risk. If the Company cannot obtain necessary funds to finance its operations, it may default on its payment liabilities, and the business, liquidity, financial condition, results of operations and prospects of the Company could be materially and adversely affected.

DIRECTORS' REPORT

(vii) Data security

If the Group's security measures are breached or unauthorised access to customer data is otherwise obtained, its products may be perceived as not being secure, customers may reduce the use of or stop using its products, and the Group may incur significant liabilities. Unauthorised access or use of customer data could expose the Group to regulatory actions, litigation, investigations, remediation obligations, damage to its reputation and brand, supplemental disclosure obligations, loss of customer confidence in the security of its products, destruction of information, indemnity obligations, and resulting fees, costs, expenses, loss of revenues, and other potential liabilities. The Group devotes significant financial and personnel resources to implementing and maintaining security measures. If these measures are compromised as a result of third-party action, including intentional misconduct by computer hackers, employee error, malfeasance, or otherwise, and someone obtains unauthorised access to or use of the customers' data of the Group, its reputation could be damaged, its business may suffer, and it could incur significant liabilities as well as incur significant costs to remediate any incidents.

Environmental Policies

Given the Group's business nature as a technology-based company, the Group does not operate any production facilities or otherwise impose any significant impacts on the environment. Therefore, the Group is not subject to significant environmental risks. However, as an integral part of its environmental, social and governance commitments, the Group has been making significant efforts towards environmental protection, change and sustainability. For example, the Group's SaaS ERP products enable e-commerce transactions to be done in paperless manner. The Group's SaaS products have contributed significantly to the reduction of paper consumption, since details of goods and delivery orders no longer have to be paper-based with the ERP of the Group.

The Group also adopts a low-carbon policy in its workplace and daily operations, such as requiring double-sided printing of documents throughout the office, using electronic channels for internal communication to minimise paper waste, switching off all electronic equipment and lights when they are not in use, installing energy-saving lights, and strictly controlling air conditioner usages. The Group is committed to ensure its compliance with relevant environmental protection laws and regulations. For further details on performance of the Group on environmental aspects during the Year, please refer to the Environmental, Social and Governance Report.

DIRECTORS' REPORT

Compliance with Laws and Regulations

The Group requires its operations to comply with the relevant laws and regulations in the territories in which it operates. During the Year, the Board was not informed of any events relating to violation of laws and regulations that would have a significant impact on the Group.

Key Relationships with Employees, Customers and Suppliers

The Group maintains good working relationship with its employees and had not experienced any material labour disputes during the Year. The Group's employees are represented by a self-established labour union, consisting of representatives of the Group's employees. The labour union organises employee meetings to discuss critical labour topics periodically. The Group has in place remuneration policies to ensure provision of adequate rewards to employees with recognised experience of the assigned roles and duties. The Group provides regular and specialised training tailored to the needs of its employees in different departments. The Group also provides other benefits including bonuses, housing fund and various employee social insurance plans including housing, pension, medical, work-related injury and unemployment benefit plans.

The Group places high priority on maintaining good relationship with its customers. In its ongoing efforts to enhance customer satisfaction and improve service quality, the Group maintains a dedicated customer support and service team focusing on real-time problem-solving with the ultimate goal of increasing user experience and customer stickiness. In addition, the Group also gathers feedback on how to improve its products and responds to customer suggestions. The Group has established training centres for its customers to enhance the Group's customers' business capabilities and provide networking opportunities for the customer community. These training centres serve as customer community hub, and the Group is able to obtain new customers and maintain its existing customer relationships through these venues and the activities therein.

The Group maintains good business relationships with its suppliers. During the Year, it did not have any material disputes with, or any material interruptions caused by, its suppliers. The Group's largest supplier provides IaaS cloud services on which the Group's SaaS products and related services are premised. The Group primarily relies on one cloud service provider and also purchases from other cloud service providers, which is an industry norm for e-commerce SaaS providers. The Group believes its operation would not be materially affected in case it is required to change its cloud service providers. Since the cloud services needed for the Group's operations are relatively standard and customary, the Company believes that there are sufficient alternative cloud service providers in the market that can provide comparable services in a timely manner without incurring significant costs in the event the Group needs to change the cloud service providers.

DIRECTORS' REPORT

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 and the state of affairs of the Group at that date are set out in the audited financial statements on pages 104 to 109.

The Board does not recommend the payment of any dividend for the year ended 31 December 2025 (2024: Nil).

Dividend Policy

Under Cayman Islands law, a position of accumulated loss and deficits in equity does not necessarily restrict the Company from declaring and paying dividends to the Shareholders out of either the Company's profit or share premium account, provided this would not result in the Company being unable to pay its debts as they fall due in the ordinary course of business. As the Company is a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will also depend on the availability of dividends received from its subsidiaries. Any dividends the Company pays will be determined at the absolute discretion of the Board, taking into account factors including the actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that the Board deems to be appropriate. The Shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by the Board. Currently, the Company does not have a formal dividend policy.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and restated as appropriate is set out on page 7. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 15 to the financial statements.

DIRECTORS' REPORT

SHARE CAPITAL

On the Listing Date, being 21 October 2025, the Shares were listed on the main board of the Stock Exchange. The Company issued an aggregate of 68,166,200 Shares at the offer price of HK\$30.60 per Share. Following the Global Offering, 10,224,900 Shares were issued at the price of HK\$30.60 per Share pursuant to the exercise in full of the Over-allotment Option (as defined in the Prospectus). See the Prospectus, the announcement of final offer price and allotment results dated 20 October 2025, and the announcement in relation to the full exercise of the Over-allotment Option dated 16 November 2025 for more information.

Details of movements in the Company's share capital during the Year are set out in note 27 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles 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, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Year, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including the sale of treasury shares, as defined under the Listing Rules). As at 31 December 2025, the Company did not hold or sell any treasury shares (as defined under the Listing Rules).

RESERVES

Details of movements in the reserves of Company and the Group during the Year are set out in note 35 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company as at 31 December 2025 are set out in note 35 to the financial statements.

CHARITABLE CONTRIBUTIONS

During the Year, the Company made charitable contributions of approximately RMB124 thousand, including RMB100 thousand for the Tai Po fire incident in Hong Kong. (2024: RMB5 thousand).

DIRECTORS' REPORT

MAJOR CUSTOMERS AND SUPPLIERS

Purchases from the Group's five largest suppliers accounted for approximately 76.8% of the total purchases for the Year, with purchases from the largest supplier included therein amounted to approximately 47.4% of the total purchases for the Year.

During the Reporting Period, one of the five largest suppliers of the Group was a subsidiary of Alibaba Group Holding Limited (a company listed on the New York Stock Exchange, stock code: BABA.US). During the Year, the spouse of Mr. Wang Yu, an executive Director of the Company, holds 1,168 shares in Alibaba Group Holding Limited (BABA.US). Mr. Wang Yu is therefore deemed to be interested in those shares by virtue of his spouse's shareholding under the Securities and Futures Ordinance (Cap. 571).

During the year ended 31 December 2025, the percentage of the Group's five largest customers combined were less than 30% of the Group's total revenue.

Save as disclosed above, during the Reporting Period, none of the Directors or any of their close associates or any Shareholders (which to the knowledge of the Directors own more than 5% of the issued Shares) had any beneficial interest in the Group's five largest suppliers disclosed above.

DIRECTORS

The Directors during the Year and up to the date of this report were/are:

Executive Directors:

Mr. Luo Haidong (*Chairman and chief executive officer*)
Mr. He Xingjian
Mr. Li Cansheng
Mr. Wang Yu

Non-executive Directors

Mr. Wang Donghui (*resigned with effect from the Listing Date*)
Mr. Chen Hongliang (*resigned with effect from the Listing Date*)
Mr. Zhou Kui (*resigned with effect from the Listing Date*)

Independent non-executive Directors:

Ms. Luo Mei (*appointed with effect from the Listing Date*)
Mr. Li Jiajun (*appointed with effect from the Listing Date*)
Mr. Sheng Kaiqiang (*appointed with effect from the Listing Date*)

The Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

DIRECTORS' REPORT

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to the guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

BIOGRAPHICAL DETAILS OF DIRECTORS

Biographical details of the Directors are set out on pages 21 to 23 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years from the Listing Date. Each of the independent non-executive Directors has signed an appointment letter with the Company for a term of three years with effect from the Listing Date.

No Director being proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTOR'S REMUNERATION

Subject to shareholders' approval at annual general meetings authorising the Board, remuneration of the Directors are determined by the Board with reference to the Directors' duties, responsibilities and performance and the results of the Group.

PERMITTED INDEMNITY PROVISION

The Articles provide that the Directors shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. The Company has arranged for an insurance cover on Directors' and officers' liabilities to provide appropriate cover for legal actions brought against its Directors and officers arising out of corporate activities of the Company.

DIRECTORS' REPORT

CONTRACTS OF SIGNIFICANCE

On 10 October 2025, an underwriting agreement was entered into by and among the Company, Mr. Luo, HD Luo Limited, Black Tea Limited, China International Capital Corporation Hong Kong Securities Limited, J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited and Futu Securities International (Hong Kong) Limited. HD Luo Limited and Black Tea Limited are companies wholly owned by Mr. Luo and together with Mr. Luo are the controlling Shareholders. The controlling Shareholders also entered lock-up undertakings in favour of the Company, the joint sponsors, the sponsor-overall coordinators in relation to lock-up of the Shares held by them. See the Prospectus for more information.

On 17 October 2025, an underwriting agreement (the “**International Underwriting Agreement**”) was entered into by and among the Company, Mr. Luo, HD Luo Limited, Black Tea Limited and the International Underwriters (as defined in the Prospectus). Pursuant to the International Underwriting Agreement, the controlling Shareholders have provided undertakings to the International Underwriters in relation to the lock-up of the Shares held by them during the six-month period commencing from the Listing Date and in relation to the non-disposal of the Shares held by them such that they shall cease to be the controlling Shareholders during the second six-month period after the Listing Date.

Save as set out above, no Director or his connected entity as defined in Section 486 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) was materially interested, either directly or indirectly, in any transaction, arrangement or contract of significance in relation to the Group's business to which the Company, or any of its subsidiaries was a party, which was subsisting during the Year or at the end of the Year.

Save as set out above, during the Year, the Group had not entered into any contract of significance (i) with the controlling Shareholders or any of respective subsidiaries; or (ii) for the provision of services to the Group by the controlling Shareholders or any of their subsidiaries.

MANAGEMENT CONTRACTS

The Group had not entered into or maintained any contracts concerning the management and administration of the whole or any substantial part of the business of the Group during the Year.

DIRECTORS' REPORT

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Name of Directors	Capacity	Number of ordinary shares held	Percentage issued share capital
Mr. Luo ¹	Interest in controlled corporation	81,620,500 (L)	18.71%
	Other	86,125,700 (L)	19.74%
He Xingjian ²	Interest in controlled corporation	48,580,600 (L)	11.14%
Li Cansheng ³	Interest in controlled corporation	23,120,500 (L)	5.30%
Wang Yu ⁴	Interest in controlled corporation	14,424,600 (L)	3.31%

Notes:

- (1) Under the SFO, Mr. Luo is deemed to be interested in the 81,620,500 Shares held by Black Tea Limited, which is controlled by him as it is wholly owned by HD Luo Limited, which is in turn wholly owned by Mr. Luo. Mr. Luo is also deemed to be interested in the 48,580,600 Shares held by Popogo Limited, 23,120,500 Shares held by Taurus Lee Limited and 14,424,600 Shares held by Nico and Winco Limited under the SFO, as pursuant to the voting proxy agreement dated 13 September 2021 entered into by Mr. Luo, HD Luo Limited and Black Tea Limited with Mr. He Xingjian, XJ He Limited, Popogo Limited, Mr. Li Cansheng, Golden Bull Lee Limited, Taurus Lee Limited, Mr. Wang Yu, Y Wang Limited and Nico and Winco Limited (the "**Proxy Grantors**"), Mr. Luo, HD Luo Limited and Black Tea Limited are entitled to exercise, in Mr. Luo's sole discretion, all rights of the Proxy Grantors as Shareholders (including but not limited to their voting rights at Shareholders' general meetings) to their exclusion and without their prior written consent, in accordance with the applicable laws and rules with respect to corporate governance.
- (2) Under the SFO, Mr. He Xingjian is deemed to be interested in the 48,580,600 Shares held by Popogo Limited, which is wholly owned by XJ He Limited, which is in turn wholly owned by Mr. He Xingjian.
- (3) Under the SFO, Mr. Li Cansheng is deemed to be interested in the 23,120,500 Shares held by Taurus Lee Limited, which is wholly owned by Golden Bull Lee Limited, which is in turn wholly owned by Mr. Li Cansheng.
- (4) Under the SFO, Mr. Wang Yu is deemed to be interested in the 14,424,600 Shares held by Nico and Winco Limited, which is wholly owned by Y Wang Limited, which is in turn wholly owned by Mr. Wang Yu.
- (5) The letter "L" denotes long position in the shares.

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, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Pursuant to the Capitalisation Issue:

- (i) 80,804,295 Shares were issued on the Listing Date to Black Tea Limited, a company which is wholly owned by Mr. Luo, an executive Director;
- (ii) 48,094,794 Shares were issued on the Listing Date to Popogo Limited, a company which is wholly owned by Mr. He Xingjian, an executive Director;
- (iii) 22,889,295 Shares were issued on the Listing Date to Taurus Lee Limited, a company which is wholly owned by Mr. Li Cansheng, an executive Director; and
- (iv) 14,280,354 Shares were issued on the Listing Date to Nico and Winco Limited, a company which is wholly owned by Mr. Wang Yu, an executive Director.

Save as set out above, during the Year and as at 31 December 2025, no arrangement subsisted to which the Group was a party and one of its objects was to enable Directors or any of their respective spouses or children under the age of 18 to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate. Save as disclosed in the paragraph headed "Pre-IPO Share option scheme" below, during the Year and as at 31 December 2025, the Company had not entered into and there had not subsisted any equity-linked agreement entered into by the Company.

PRE-IPO SHARE OPTION SCHEME

Purpose

The Company adopted the Pre-IPO Share Option Scheme in 2024 for the purpose of improving the Company's incentive mechanism, further enhancing the motivation and creativity of employees, promoting the continuous growth of the Company's performance, bringing value-added benefits to the employees while enhancing the value of the Company, and realising the joint development of the employees and the Company. The terms of the Pre-IPO Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules.

DIRECTORS' REPORT

Participants

Participants included employees, officers, consultants and partners who the chairman of the Company considers, in his sole discretion, has contributed or will contribute to the Group, or any entities controlled by any abovementioned persons, or any trusts with any abovementioned persons or their relatives as beneficiaries.

Total number of Shares available for issue

The total number of Shares which may be issued under the Pre-IPO Share Option Scheme must not exceed in aggregate 31,178,000 Shares, representing approximately 7.15% of the issued share capital of the Company as at the date of this report. Such 31,178,000 Shares were allotted and issued to the ESOP Trustee (as defined in the Prospectus) to hold on trust on behalf of the grantees of such share options.

Before the Listing, the Company has granted all share options pursuant to the Pre-IPO Share Option Scheme, representing a total of 31,178,000 underlying Shares. Each Option corresponding to approximately 3.09 Shares.

Maximum entitlement of each participant

The Pre-IPO Share Option Scheme did not provide for a maximum entitlement of each participant.

Period within which the share option may be exercised

The share options may be granted on such terms and conditions in relation to their exercise or otherwise as the chairman of the Company (or any person authorised by him from time to time) may determine, including the period in which a share option granted must be exercised.

Vesting period of the share option

The vesting period for any share option granted is stated in the decision of the chairman of the Company regarding such grant.

The amount payable on application or acceptance of the share option and the period within which payments must be made

No consideration was required to be paid for the grant for the share options.

DIRECTORS' REPORT

Exercise price

The exercise price of the share options shall be determined by the chairman of the Company (or any person authorised by him) and specified in a decision of the chairman or his authorised person(s).

Remaining life of the scheme

The Pre-IPO Share Option Scheme has been terminated upon the listing of the Shares on the Stock Exchange on the Listing Date. Accordingly, no further options can be granted but the provisions of the Pre-IPO Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any share options which were granted during the life of the Pre-IPO Share Option Scheme.

None of the Directors were participants of the Pre-IPO Share Option Scheme. Details of Five Highest Paid Individuals in Aggregate are set out as follows:

	No. of Options on 1 Jan 2025	Vesting Period	Exercise Price (RMB)	No. of Options Granted in 2025	No. of Options Exercised in 2025	No. of Options Lapsed in 2025	No. of Options on 31 Dec 2025
Five Highest Paid Individuals in Aggregate	1,419,591	From 31 Mar 2021 to 31 Mar 2025, or from 1 Jan 2024 to 1 Jan 2028	8.00	219,409	969,000	0	670,000

Further details of the Pre-IPO Share Option Scheme are set out in note 29 to the financial statements and the Prospectus.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the main board of the Stock Exchange on the Listing Date, being 21 October 2025. The total net proceeds of approximately HK\$2,237.9 million received from the Global Offering were comprised of (i) approximately HK\$1,937.6 million before the exercise of the over-allotment option, together with (ii) approximately HK\$300.3 million upon the exercise of the Over-allotment Option.

The above net proceeds from the Global Offering have been and will be utilised in that same manner, proportion and the expected timeframe as set out in the Prospectus under the section headed "Future Plans and Use of Proceeds".

DIRECTORS' REPORT

The table below sets out the planned and actual application of the net proceeds up to 31 December 2025:

Use of Proceeds	Proportion	Net proceeds from the Global Offering (including from the exercise of the Over-allotment Option) (HK\$ million)	Utilised amount as of 31 December 2025 (HK\$ million)	Unutilised amount as of 31 December 2025 (HK\$ million)	Expected timetable for fully utilising the unutilised amount
Enhancing the Group's research and development capabilities to enrich the Group's product offerings	55%	1,230.9	72.0	1,158.9	Before 31 December 2028
Strengthening the Group's sales and marketing capabilities	25%	559.5	102.4	457.1	Before 31 December 2026
Strategic investments	10%	223.8	0	223.8	Before 31 December 2028
General corporate purposes <i>(Note)</i>	10%	223.8	31.9	191.9	Before 31 December 2027

Note: Mainly for payment of compensation to general and administrative personnel.

The expected timetable for the utilisation of the unutilised proceeds as disclosed above is the best estimate made by the Board based on the latest information as at the date of this report. The utilisation of proceeds was in accordance with the planned applications. The unutilised portion of the proceeds will be applied in a manner consistent with the above planned applications.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Year, the Group had no material acquisition or disposal of subsidiaries, associates and joint ventures.

DIRECTORS' REPORT

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's listed securities.

PERSONS HOLDING 5% OR MORE INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Capacity	Number of ordinary shares held	Percentage issued share capital
Black Tea Limited ¹	Beneficial owner	81,620,500 (L)	18.71%
	Other	86,125,700 (L)	19.74%
HD Luo Limited ¹	Interest in controlled corporation	81,620,500 (L)	18.71%
	Other	86,125,700 (L)	19.74%
Popogo Limited ²	Beneficial owner	48,580,600 (L)	11.14%
XJ He Limited ²	Interest in controlled corporation	48,580,600 (L)	11.14%
Taurus Lee Limited ³	Beneficial owner	23,120,500 (L)	5.30%
Golden Bull Lee Limited ³	Interest in controlled corporation	23,120,500 (L)	5.30%
Cheng Qi ⁴	Interest in controlled corporation	17,614,900 (L)	4.04%
	Interest of spouse	16,176,300 (L)	3.71%
Wang Donghui ⁴	Interest in controlled corporation	16,176,300 (L)	3.71%
	Interest of spouse	17,614,900 (L)	4.04%
ESOP Trustee ⁵	Beneficial owner	31,178,000 (L)	7.15%
Trident Trust Company (HK) Limited ⁵	Trustee	31,178,000 (L)	7.15%
Max Dazzle Limited ⁶	Beneficial owner	28,623,900 (L)	6.56%
Shanghai Shibo Enterprise Management Consulting Partnership (Limited Partnership) ⁶	Interest in controlled corporation	28,623,900 (L)	6.56%

DIRECTORS' REPORT

Name of Shareholders	Capacity	Number of ordinary shares held	Percentage issued share capital
Ningbo Meishan Free Trade Port HongShan Zhisheng Equity Investment Partnership (Limited Partnership) ⁶	Interest in controlled corporation	28,623,900 (L)	6.56%
Jiaxing HongShan Kunsheng Investment Management Partnership (Limited Partnership) ⁶	Interest in controlled corporation	28,623,900 (L)	6.56%
Ningbo Meishan Free Trade Port HongShan Huanjia Investment Management Limited ⁶	Interest in controlled corporation	28,623,900 (L)	6.56%
Zhou Kui ⁶	Interest in controlled corporation	28,623,900 (L)	6.56%

Notes:

- (1) Black Tea Limited is wholly owned by HD Luo Limited, which is in turn wholly owned by Mr. Luo. Therefore Mr. Luo and HD Luo Limited are deemed to be interested in the 81,620,500 shares held by Black Tea Limited under the SFO. Mr. Luo, HD Luo Limited and Black Tea Limited are also deemed to be interested in the 48,580,600 Shares held by Popogo Limited, 23,120,500 Shares held by Taurus Lee Limited and 14,424,600 Shares held by Nico and Winco Limited under the SFO, as pursuant to the voting proxy agreement dated 13 September 2021 entered into by Mr. Luo, HD Luo Limited and Black Tea Limited with the Proxy Grantors, Mr. Luo, HD Luo Limited and Black Tea Limited are entitled to exercise, in Mr. Luo's sole discretion, all rights of the Proxy Grantors as Shareholders (including but not limited to their voting rights at Shareholders' general meetings) to their exclusion and without their prior written consent, in accordance with the applicable laws and rules with respect to corporate governance.
- (2) Popogo Limited is wholly owned by XJ He Limited, which in turn is wholly owned by Mr. He Xingjian, an executive Director. Therefore, Mr. He Xingjian and XJ He Limited are deemed to be interested in the 48,580,600 Shares held by Popogo Limited under the SFO.
- (3) Taurus Lee Limited is wholly owned by Golden Bull Lee Limited, which in turn is wholly owned by Mr. Li Cansheng, an executive Director. Therefore, Mr. Li Cansheng and Golden Bull Lee Limited are deemed to be interested in the 23,120,500 Shares held by Taurus Lee Limited under the SFO.
- (4) To the best of the Directors' knowledge, Ameba Bamboo Limited is wholly owned by Shanghai Huiju Management Consulting Partnership (L.P.), whose general partner is Shanghai Ameba Investment Management Co., Ltd., which in turn is held as to 94.12% by Ms. Cheng Qi. Therefore, Ms. Cheng Qi is deemed to be interested in the 17,614,900 Shares held by Ameba Bamboo Limited. Since Mr. Wang Donghui is the spouse of Ms. Cheng Qi, Ms. Cheng Qi is also deemed to be interested in the 16,176,300 Shares deemed to be interested by Mr. Wang Donghui, being such Shares as held by Ameba Mercury Limited, under the SFO. To the best of the Directors' knowledge, Mr. Wang Donghui controls 51% of Ameba Capital Partners LLC, which in turn is the general partner of Ameba China SaaS Fund LP, which in turn has 100% control in Ameba Mercury Limited. Therefore, Mr. Wang Donghui is deemed to be interested in the 16,176,300 Shares held by Ameba Mercury Limited under the SFO. Since Mr. Wang Donghui is the spouse of Ms. Cheng Qi, he is also deemed to be interested in the 17,614,900 Shares deemed to be interested by Ms. Cheng Qi, being such Shares as held by Ameba Bamboo Limited, under the SFO.

DIRECTORS' REPORT

- (5) The ESOP Trustee is wholly owned by Trident Trust Company (HK) Limited, being the trustee appointed for the trust established by the Company to facilitate the administration of the Pre-IPO Share Option Scheme. Therefore, under the SFO, Trident Trust Company (HK) Limited is also deemed to be interested in the 31,178,000 Shares held by the ESOP Trustee.
- (6) To the best of the Directors' knowledge, Max Dazzle Limited is wholly owned by Shanghai Shibo Enterprise Management Consulting Partnership (Limited Partnership), which is owned as to 99.92% by Ningbo Meishan Free Trade Port HongShan Zhisheng Equity Investment Partnership (Limited Partnership). The general partner of Ningbo Meishan Free Trade Port HongShan Zhisheng Equity Investment Partnership (Limited Partnership) is Jiaxing HongShan Kunsheng Investment Management Partnership (Limited Partnership) which is also the general partner of Shanghai Shibo Enterprise Management Consulting Partnership (L.P.). The general partner of Jiaxing HongShan Kunsheng Investment Management Partnership (Limited Partnership) is Ningbo Meishan Free Trade Port HongShan Huanjia Investment Management Limited, which is ultimately controlled by Mr. Zhou Kui. Therefore, Shanghai Shibo Enterprise Management Consulting Partnership (Limited Partnership), Ningbo Meishan Free Trade Port HongShan Zhisheng Equity Investment Partnership (Limited Partnership), Ningbo Meishan Free Trade Port HongShan Huanjia Investment Management Limited, Jiaxing HongShan Kunsheng Investment Management Partnership (Limited Partnership) and Mr. Zhou Kui are deemed to be interested in the Shares held by Max Dazzle Limited under the SFO.
- (7) The letter "L" denotes long position in the shares.

Save as disclosed above, as at 31 December 2025, no person, other than the Directors and chief executive of the Company, whose interests or short positions are set out in the section titled "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, had any interest or short position in the Shares or underlying Shares that was required to be recorded pursuant to Section 336 of the SFO.

COMPETING INTERESTS

None of the Directors has any interest in a business which competes or is likely to compete, direct or indirectly, with the Group's business and requires disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report of this annual report.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the Year, the Company did not have any connected transactions and continuing connected transactions which were subject to the disclosure requirements of the Listing Rules. The related party transactions as disclosed in note 33 to the audited financial statements did not fall under the definition of connected transactions or continuing connected transactions in the Listing Rules.

DIRECTORS' REPORT

PUBLIC FLOAT

Based on information that is publicly available to the Company or otherwise within the knowledge of the Directors as at the date of this report, the Company had maintained a sufficient public float of at least 15% of the issued Shares through the Year and as at the date of this report.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in "Management Discussion and Analysis" section this report, the Board is not aware of any material events undertaken by the Group subsequent to 31 December 2025 and up to the date of this report.

EMOLUMENT POLICY

Emolument policy on the remuneration of the Directors and the employees of the Group is reviewed periodically and determined by reference to market terms, the Group's performance and individual qualifications and performance. The Company has adopted the Pre-IPO Share Option Scheme as an incentive to eligible participants, details of the Pre-IPO Share Option Scheme are set out in note 29 to the financial statements and paragraph headed "Pre-IPO Share Option Scheme" above in this report.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers. PricewaterhouseCoopers was appointed as the auditor of the Company for the year ended at 31 December 2025, and there has been no change in the Company's auditor in any of the preceding three years. A resolution for the re-appointment of PricewaterhouseCoopers as the Company's auditor will be proposed at the forthcoming AGM.

On behalf of the Board
Luo Haidong
30 March 2026

CORPORATE GOVERNANCE REPORT

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the period from the Listing Date to 31 December 2025.

CORPORATE GOVERNANCE CULTURE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining good corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices.

The Board is of the view that throughout period from the Listing Date to 31 December 2025, the Company has complied with all the applicable code provisions as set out in the CG Code, except for code provision C.2.1 regarding the separation of the roles of the chairman and the chief executive detailed in the paragraphs headed "Chairman and Chief Executive Officer" in this Corporation Governance Report.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG code.

CORPORATE GOVERNANCE REPORT

DIRECTORS' SECURITIES TRANSACTIONS FOR SECURITIES TRANSACTIONS

The Company has adopted Model Code since the Listing Date.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout period from the Listing Date to 31 December 2025.

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

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of Executive Directors and Independent Non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

The Board currently comprises the following Directors:

Executive Directors

Mr. Luo Haidong (*Chairman and Chief Executive Officer*)

Mr. He Xingjian

Mr. Li Cansheng

Mr. Wang Yu

Independent Non-executive Directors

Ms. Luo Mei (*appointed on 21 October 2025*)

Mr. Li Jiajun (*appointed on 21 October 2025*)

Mr. Sheng Kaiqiang (*appointed on 21 October 2025*)

CORPORATE GOVERNANCE REPORT

Each of the Directors has confirmed that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

The biographical information of the Directors is set out in the section headed “Biographies of Directors and Senior Management” of this annual report. The relationships between the Directors are disclosed in the respective Director’s biography under the section “Biographies of Directors and Senior Management” of this annual report. Save as disclosed above, there is no relationships (including financial, business, family or other material/relevant relationship(s)) between the Board members.

Directors’ Attendance Records

The attendance record of each Director at the Board meetings and the Board committee meetings of the Company held during the period from the Listing Date to the date of this annual report is set out in the table below:

Name of Director	Attendance/Number of meeting(s) held from the Listing Date and up to the date of this annual report			
	Board	Audit Committee	Remuneration Committee	Nomination Committee
Executive Directors				
Luo Haidong	1/1	N/A	1/1	1/1
He Xingjian	1/1	N/A	N/A	N/A
Li Cansheng	1/1	N/A	N/A	N/A
Wang Yu	1/1	N/A	N/A	N/A
Independent Non-executive Directors				
Luo Mei	1/1	2/2	N/A	1/1
Li Jiajun	1/1	2/2	1/1	N/A
Sheng Kaiqiang	1/1	2/2	1/1	1/1

Apart from regular Board meetings, the Chairman also held 1 meeting with the Independent Non-executive Directors without the presence of other Directors during the period from the Listing Date to the date of this annual report.

As of the date of this annual report, the Company did not hold its annual general meeting.

Board Meetings

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

CORPORATE GOVERNANCE REPORT

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including and Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The Independent Non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Chairman and Chief Executive Officer

The Chairman and CEO are held by Mr. Luo Haidong.

The Board believes that, in view of his experience, personal profile and his roles in the Company, Mr. Luo is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our CEO. The Board also believes that the combined role of Chairman of the Board and CEO can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. The Board will continue to review and consider splitting the roles of Chairman of the Board and CEO at a time when it is appropriate by taking into account the circumstances of the Group as a whole. The Company aims to implement a high standard of corporate governance, which is crucial to safeguard the interests of the Shareholders.

CORPORATE GOVERNANCE REPORT

Independent Non-executive Directors

During the period from the Listing date to 31 December 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors with two of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the Independent Non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all Independent Non-executive Directors are independent.

Board Independence Evaluation

The Company has established a Board Independence Evaluation Mechanism during the period from the Listing Date to 31 December 2025 which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximize strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the period from the Listing Date To 31 December 2025, all Directors has completed the independence evaluation in the form of a questionnaire individually. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory.

During the year ended 31 December 2025, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

Appointment and Re-election of Directors

All the Directors are subject to retirement by rotation and re-election at the annual general meetings. Under the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. The Company's Articles of Association also provides that all Directors appointed to fill a casual vacancy or as addition to the Board shall hold office until the first annual general meeting after appointment. The retiring Directors shall be eligible for re-election.

CORPORATE GOVERNANCE REPORT

Pursuant to the Articles 15.1 and 15.5 of Articles of Association, Mr. Luo Haidong, Mr. He Xingjian and Mr. Li Cansheng shall retire by rotation at the forthcoming AGM. All of them, being eligible, will offer themselves for re-election at the forthcoming AGM.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the period from the Listing Date to 31 December 2025, relevant reading materials including legal and regulatory updates have been provided to the Directors for their reference and studying.

The training records of the Directors for the period from the Listing Date to 31 December 2025 and up to date of this annual report are summarized as follows:

<u>Directors</u>	<u>Type of Training</u> <i>Note</i>
<i>Executive Directors</i>	
Mr. Luo Haidong	B
Mr. He Xingjian	B
Mr. Li Cansheng	B
Mr. Wang Yu	B
<i>Independent Non-Executive Directors</i>	
Ms. Luo Mei	B
Mr. Li Jiajun	B
Mr. Sheng Kaiqiang	

Note:

Types of Training

A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops

B: Reading legal and regulatory updates, relevant news alerts, newspapers, journals, magazines and relevant publications

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Audit Committee consists of three Independent Non-Executive Directors, namely Ms. Luo Mei, Mr. Li Jiajun and Mr. Sheng Kaiqiang. Ms. Luo Mei is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are in compliance with the Listing Rules. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee held 2 meetings to review, in respect of the period from the Listing Date to the date of this annual report, the annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors and engagement of non-audit services and relevant scope of works, and arrangements for employees to raise concerns about possible improprieties.

From the Listing Date to the date of this annual report, The Audit Committee also met the external auditors twice without the presence of the Executive Directors.

Remuneration Committee

The Remuneration Committee consists of three Directors, namely Mr. Luo Haidong, the Executive Director, Mr. Li Jiajun and Mr. Sheng Kaiqiang, the Independent Non-Executive Directors. Mr. Li Jiajun is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are in compliance of the Listing Rules. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual Executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

CORPORATE GOVERNANCE REPORT

The Remuneration Committee held 1 meeting during the period from the Listing Date to the date of this annual report to consider the relevant matters regarding/to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the Executive Directors and senior management.

The remuneration of the senior management (excluding Executive Directors), whose biographical details are included in section headed “Biographies of Directors and Senior Management” of this annual report, during the year falls within the following bands:

Remuneration (RMB)	Number of Individuals
HK\$6,000,001 to HK\$6,500,000	1
HK\$22,500,001 to HK\$23,000,000	1

The Company’s remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company’s affairs. The remuneration packages of Executive Directors are also determined with reference to the Company’s performance and profitability, the prevailing market conditions and the performance or contribution of each Executive Director. The remuneration for the Executive Directors comprises basic salary, pensions and performance/discretionary bonus. Executive Directors shall receive options to be granted under the Company’s share option scheme. The remuneration policy for Independent Non-executive Directors is to ensure that Independent Non-executive Directors are adequately compensated for their efforts and time dedicated to the Company’s affairs, including their participation in Board committees. The remuneration for the Independent Non-executive Directors mainly comprises Director’s fee which is determined with reference to their duties and responsibilities by the Board. Independent Non-executive Directors shall not receive options to be granted under the Company’s share option scheme. Individual Directors and senior management have not been involved in deciding their own remuneration.

Nomination Committee

The Nomination Committee consists of three Directors, namely Mr. Luo Haidong, the Executive Director, Ms. Luo Mei and Mr. Sheng Kaiqiang, the Independent Non-Executive Directors. Mr. Sheng Kaiqiang is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are in compliance of the Listing Rules.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, reviewing the Board Diversity Policy and the Director Nomination Policy and assessing the independence of Independent Non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company’s Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

CORPORATE GOVERNANCE REPORT

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

The Nomination Committee held 1 meeting during the period from the Listing Date to the date of this annual report, to review the structure, size and composition of the Board and the independence of the Independent Non-executive Directors, and to consider the qualifications of the retiring Directors standing for re-election at the Annual General Meeting, to review the Board Diversity Policy and Director Nomination Policy and to consider and recommend to the Board on the appointment of Executive and Independent Non-executive Directors. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognizes 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.

Pursuant to the Board Diversity Policy, the Nomination Committee reviews regularly 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 measurable objectives for selection of candidates based on a range of diversity perspectives, including but not limited to gender, skills, age, professional experience, knowledge, cultural and educational background, ethnicity and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

CORPORATE GOVERNANCE REPORT

An analysis of the Board's current composition based on the measurable objectives is set out below:

Gender

Male: 6 Directors
Female: 1 Director

Age Group

31-40: 2 Directors
41-50: 4 Directors
51-60: 1 Directors

Designation

Executive Directors: 4 Directors
Independent Non-executive Directors: 3 Directors

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Diversity Policy.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this annual report:

	Female	Male
Board	14% (1)	86% (6)
Overall workforce (including senior management)	25% (630)	75% (1,922)

The Board had targeted to achieve and had achieved at least 10% of female Directors and 10% of female employees (including senior management) of the Group and considers that the above current gender diversity is satisfactory.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and nomination 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.

The nomination process set out in the Director Nomination Policy is as follows:

CORPORATE GOVERNANCE REPORT

Appointment of New Director

- (i) The Nomination Committee shall identify director candidates with appropriate qualifications in accordance with the provisions under the Listing Rules, the articles of association of the Company and applicable laws and regulations.
- (ii) The Nomination Committee and/or the Board shall, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

The Director Nomination Policy sets out the criteria for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Integrity and reputation;
- Educational background, professional qualifications and work experience (including part-time jobs);
- whether or not they have the necessary skills and experience;
- whether or not they are able to spend sufficient time and energy to handle the Company's affairs;

CORPORATE GOVERNANCE REPORT

- whether or not they will promote the diversity of the Board in all aspects, including but not limited to gender, skills, age, professional experience, knowledge, cultural and educational background, ethnicity and length of service;
- whether or not the candidates for independent directors meet the requirements for independence under the Listing Rules; and
- any other relevant factors as determined by the Nomination Committee or the Board from time to time.

During the period from the Listing Date to 31 December 2025, there was no change in the composition of the Board.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Functions

During the period from the Listing Date to 31 December 2025, the Board had 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 compliance of the Model Code and the Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such 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 Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including sales, research and development, human resources, financial reporting and information technology.

The Company's risk management and internal control systems have been developed with the following features and processes:

CORPORATE GOVERNANCE REPORT

Features

1. Embedded in the end-to-end business processes of the Company and covering all its subsidiaries.
2. Combination of duties segregation, authorization & approval, and independent review.
3. Applying information technology to enhance monitoring and early warning capabilities, with emphasis placed on cybersecurity, data security and personal data protection.

Processes

1. Continuous identification and assessment.
2. Formulation of plans.
3. Implementation of plans and reporting.

All departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each department.

The management, in coordination with department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the period from the Listing Date to 31 December 2025.

The Internal Audit Department is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The Internal Audit Department examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the internal audit findings, conducted an annual review of the risk management and internal control systems, including the financial, operational and compliance controls, for the period from the Listing Date to 31 December 2025, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

The Company has in place the Whistleblowing Policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports to the internal audit function, which is responsible for investigating the reported incidents and taking appropriate measures. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

CORPORATE GOVERNANCE REPORT

During the period from the Listing Date to 31 December 2025, the Company held 1 anti-corruption training and briefing to all employees. There were no non-compliance cases in relation to bribery and corruption.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements with the support of the accounting and finance team.

The financial statements of the Company are prepared on a going concern basis, the Directors are of the view that they give a true and fair view of the financial position, performance and cash flow of the Group for the year ended 31 December 2025, and the disclosure of other financial information and report therein complies with relevant legal requirements.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report of this annual report.

AUDITORS' REMUNERATION

The remuneration paid and payable to the external auditors of the Company in respect of audit services and non-audit services for the year ended 31 December 2025 is set out below:

<u>Service Category</u>	<u>Fees Paid/Payable</u> <u>RMB</u>
Audit Services	2,440,000
Non-audit Services	10,000
Total	2,450,000

COMPANY SECRETARY

Mr. Liu Luyao and Ms. Chan Sau Ling have been appointed as the Company's joint company secretaries. Ms. Chan Sau Ling is currently a director of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services.

CORPORATE GOVERNANCE REPORT

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Mr. Liu Luyao, the Chief Financial Officer of the Company, has been designated as the primary contact person at the Company which would work and communicate with Ms. Chan Sau Ling on the Company's corporate governance and secretarial and administrative matters.

For the period from the Listing Date to 31 December 2025, Mr. Liu Luyao and Ms. Chan Sau Ling have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

Pursuant to the Article 9.3 of the Articles of Association of the Company, the Board may, whenever it thinks fit, convene an extraordinary general meeting. One or more members holding, as at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per share basis) in the share capital of the Company may also make a requisition to convene an extraordinary general meeting and/or add resolutions to the agenda of a general meeting. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the consideration of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

Shareholders who wish to submit a proposal may request the Company to convene a general meeting in accordance with the procedure set out in the preceding paragraph, to consider the matters specified in the request.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

CORPORATE GOVERNANCE REPORT

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 6/F, Building T4, Hongqiaohui, Lane 990, Shenchang Road, Minhang District, Shanghai, PRC

Email: ir@jushuitan.com

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company is endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Shareholders' Communication Policy

The Company has in place a Shareholders' Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively. The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy and the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

CORPORATE GOVERNANCE REPORT

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form.

The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkex.com.hk) in a timely manner as required by the Listing Rules.

Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules.

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Memorandum and Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (jushuitan.com).

(d) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders.

The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules.

The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s).

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings.

Where appropriate or required, the Chairman of the Board and other Board members, the chairmen of Board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any).

CORPORATE GOVERNANCE REPORT

(e) Shareholders' Enquiries

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, by accessing its online feedback website www.computershare.com/hk/en/online_feedback or calling its hotline at +852 2862 8555, or going in person to its public counter at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries unless it is any report or concerns raised about any possible improprieties in any matter related to the Company. The Shareholders may send written enquiries to the Company, for the attention of the Board of Directors by mail to 6/F, Building T4, Hongqiaohui, Lane 990, Shenchang Road, Minhang District, Shanghai, PRC.

Note: The Shareholders' information may be disclosed as required by law.

Amendments to Constitutional Documents

The Company has adopted an amended and restated Memorandum and Articles of Association by a special resolution passed on 5 October 2025, with the amended and restated Memorandum and Articles of Association taking effect from the Listing Date. An up-to-date version of the Company's Memorandum and Articles of Association is available on the Company's website and the Stock Exchange's website. Save as disclosed above, there was no change in the constitutional documents of the Company during the period from the Listing Date to 31 December 2025.

Dividend Policy

The Company has adopted a Dividend Policy on payment of dividends. The determination to pay dividends will be made at the discretion of the Board and will be based upon the earnings, cash flow, financial conditions, capital requirements, statutory fund reserve requirements of the Group and any other conditions that the Directors deem relevant. Such details have been disclosed in this Annual Report of the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CHAPTER 1 ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This report provides a summary of the performance in the environmental, social and governance aspects of the Company in the year of 2025. This report is prepared in accordance with the ESG Code.

This report is available in both Chinese and English; in the event of any discrepancy between the two versions, the Chinese version shall prevail.

1.1 Governance Structure

The Company cares about the impact of its daily operation on environment and society, striving to set a good example for the public. While conducting business operation, it makes great effort to meet the interests of all stakeholders, economy, environment, society and corporate governance and does its best to achieve an optimal balance. The Company has established a top-down ESG three-tier management structure with clearly defined responsibilities, comprising the Board, the ESG Working Group and the ESG Executive Team, to systematically drive the effective implementation of ESG principles across all business processes within the Group.

As the highest decision-making body within the three-tier management structure, the Board and its members are responsible for overseeing the implementation of ESG initiatives across the entire Group, mainly including: 1) establishing and reviewing the Company's ESG framework, strategies, policies and procedures, and implementing the various ESG policies approved by the Board; reviewing and monitoring the implementation of the Company's ESG policies to ensure compliance with legal and regulatory requirements; 2) implementing measures to promote the Company's ESG policies, and setting appropriate corporate objectives, performance indicators and measures to ensure that ESG policies are prioritized and effective; reviewing the annual Corporate Governance Report and ESG Report and approving their disclosures; and reviewing and monitoring the training and continuing professional development of Directors and senior management in relation to ESG matters; 3) the Board shall convene at least one ESG meeting annually. The Board may convene additional meetings as required by business needs.

As the intermediate body, the ESG Working Group shoulders the important responsibility of facilitating communication between upper and lower levels. The ESG Working Group is responsible for identifying, assessing and managing the Group's material ESG issues and associated risks, and for coordinating the implementation of various ESG initiatives. Furthermore, in accordance with relevant laws, regulations and regulatory requirements, the ESG Working Group formulates ESG management policies, maintains ongoing communication with stakeholders, conducts comprehensive assessments of the Group's ESG performance, makes recommendations on areas requiring improvement and reports to the Board. It is also responsible for liaising with external ESG consulting agencies, coordinating the preparation of the annual ESG report, and driving the continuous improvement and enhancement of the Group's ESG management system.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Finally, the Executive Team, comprising the heads of each functional department, is responsible for the specific implementation of all ESG management measures. In daily operation, the Executive Team promotes initiatives such as energy conservation and emissions reduction, compliance management, employee development and data security, in accordance with the Group's standardized ESG management requirements and in line with the specific businesses of each department. It also continuously monitors and provides feedback on the effectiveness of the implementation, thereby promoting the effective implementation of all ESG objectives within the organization.

1.2 Reporting Principles

This report complies with the reporting principles of the ESG Code, including:

1. **Materiality Principle:** Through repeated discussions and direct communication with stakeholders, the Company knows the core issues of concern to them and identifies the material environmental, social and governance factors. Based on this, the Company formulates corresponding strategies, objectives, plans and measures to promote the sustainable development of the Company's business. The key performance indicators in this report have been compiled in accordance with the relevant calculation standards and methodologies provided in the ESG Code. The material issues identified primarily include privacy protection and data security, anti-bribery and anti-corruption, product responsibility, customer satisfaction, research and development and innovation, compliance management, and employee development and training. During the issue assessment process, the Company combines industry characteristics, regulatory requirements and customer feedback to comprehensively score and screen relevant issues across three dimensions, i.e. impact, likelihood of occurrence and business relevance. The ESG Working Group identifies potential material issues through internal discussions, customer surveys and supplier interviews, which are subsequently considered and confirmed by the Board. Furthermore, the Company invites core customers and investors to participate in the issue assessment process to ensure that material issues fully reflect the priorities and expectations of key stakeholders.
2. **Quantitative Principle:** In accordance with this principle, this report discloses key quantitative performance indicators and explains their meaning, setting out the basis for their calculation and the underlying assumptions, and, where appropriate, elaborating on their purpose and implications.
3. **Consistency Principle:** In accordance with this principle, this report clearly sets out the statistical methods and criteria used for the disclosed key ESG quantitative performance indicators, and strives to ensure consistency in the indicators and calculation methods across different reporting periods, thereby enabling meaningful comparisons of the relevant data in the future to reflect trends in performance levels.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This report covers the Company's business operation from 1 January 2025 to 31 December 2025 and provides an overview of the Company's overall ESG performance. This report covers the Company and its subsidiaries, and is consistent with the scope of the consolidated financial statements in the annual report.

Unless otherwise stated, the information involved in this report is derived from the Group's documents and statistical reports, and the currency involved is Renminbi.

1.3 Board Statement

As a leading e-commerce SaaS ERP provider in China, the Company consistently integrates corporate development into the overall social development and actively fulfills its corporate social responsibilities, with the aim of jointly building a better and more sustainable industry ecosystem with employees, customers, suppliers and other business partners.

The Company believes that maintaining close contact with stakeholders is crucial to its business operation and sustainable development. Consequently, the Company gives full and careful consideration to the impact of its business activities, products and services on stakeholders, communicates with them through a variety of channels, including customer service hotlines, surveys, feedback platforms, general meetings and regular reports, and conducts investigations to collect their opinions.

Following communication and survey, the Company has identified privacy protection and data security, anti-bribery and anti-corruption, product responsibility, customer satisfaction, research and development and innovation, compliance management, and employee development and training as the issues of greatest importance to the stakeholders. The Board of the Group and the ESG Working Group will conduct further discussions based on these insights to develop targeted solutions, striving to incorporate stakeholders' views into the Group's daily operation and long-term development plans.

The Company aims to utilize SaaS+AI technology to empower enterprises to adopt digital and low-carbon operation, thereby supporting the green transition of the e-commerce sector and enabling sustainable development across the entire industrial chain. The Company also advocates for all stakeholders within the e-commerce digital ecosystem to work together to explore sustainable solutions for the comprehensive industry green transition.

Looking ahead, the Company will adhere to the original aspiration, upholding the philosophy of balancing economic benefits with social responsibility, and striving to achieve mutual success in both corporate development and social responsibility.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1.4 About Us

1.4.1 Development history

The Company was established in 2014, with its headquarters in Shanghai, China, and is one of China's leading e-commerce SaaS ERP service providers. Since its establishment, the Company has focused on providing e-commerce enterprises with integrated digital solutions for order management, inventory management, warehousing and logistics, and supply chain coordination, aiming to enhance the operational efficiency and management capabilities of e-commerce enterprises through technology-driven approaches.

In the early stage of development, the Company focused on the e-commerce order processing system as the core entry point, continuously optimizing system performance and stability around the pain points faced by e-commerce sellers in multi-platform operation, such as low order processing efficiency and complex inventory management, achieving rapid business growth. As customer demands continued to evolve, the Company gradually expanded its product functions, extending into areas such as warehouse management, logistics management and financial management, forming a SaaS product system covering the entire e-commerce operation process.

In line with the rapid development of China's e-commerce sector and cross-border e-commerce, the Company continues to drive product iteration and technological innovation, constantly enhancing the system's processing capabilities in multi-platform and multi-store scenarios, whilst strengthening its data analysis and supply chain coordination capabilities. At the same time, the Company is progressively establishing branches in major e-commerce hubs across the country to refine its localized service network and enhance both its customer service capabilities and market coverage.

After years of development, the Company has established a leading position in the Chinese e-commerce SaaS ERP market, serving customers across multiple domestic e-commerce platforms and cross-border e-commerce channels. The Company's business scale continues to expand, and its operational system is becoming increasingly mature. The Company was listed on the main board of the Hong Kong Stock Exchange (stock code: 6687.HK), further enhancing the Company's capital strength and corporate governance level. As of 31 December 2025, the Company had a total of 2,552 employees. In 2025, the Company achieved operating revenue of RMB1,142 million, with overall operation maintaining a steady growth trend.

1.4.2 Corporate culture and approach to social responsibility

Since its inception, the Company has consistently adhered to a customer-centric development philosophy, striving to provide stable and efficient digital solutions for e-commerce enterprises through continuous technological innovation and product iteration, thereby helping customers achieve business growth and enhance operational efficiency. Guided by a "long-term commitment" business philosophy, the Company prioritizes the creation of a healthy and sustainable business ecosystem whilst pursuing business growth, thereby achieving collaborative development and shared value creation with customers, employees and partners.

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In terms of corporate culture, the Company promotes an open, pragmatic and efficient working environment, encouraging employees to engage in continuous learning and self-improvement, and fostering the ongoing development of teamwork and innovation. At the same time, the Company places great emphasis on talent development and organizational building. Through a comprehensive talent development mechanism and a diversified incentive system, the Company seeks to unlock employees' potential and enhance the organization's overall competitiveness.

In terms of social responsibility, the Company fully recognizes its vital role as a provider of e-commerce infrastructure services. We actively promote digital transformation within the industry, helping small and medium-sized e-commerce enterprises to enhance their operational capabilities and reduce operating costs, thereby fostering the healthy development of the e-commerce ecosystem. In the course of business operation, the Company places great emphasis on compliant operation and risk management, whilst continuously strengthening data security and privacy protection to safeguard the information of our customers and users.

Furthermore, the Company actively pursues sustainable development, promoting green office practices and resource conservation in the daily operation, whilst striving to minimize its environmental impact. At the same time, the Company remains committed to social welfare and community development, fulfilling its responsibilities as a corporate citizen through participation in charitable activities and support for vulnerable groups in society. Looking ahead, the Company will continue to strengthen its ESG management system, integrating sustainable development into every aspect of its strategy and operation, thereby driving the Company's long-term, steady growth alongside the enhancement of social value.

1.4.3 Awards and recognitions

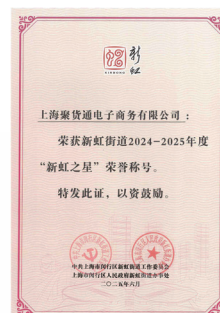
In 2025, the Company received multiple recognitions from government bodies, industry associations and professional organizations for its technical strength, product capabilities and industry influence in the e-commerce SaaS ERP sector, demonstrating its comprehensive competitive advantage in the field of software and information technology services.

In 2025, the Company was successively awarded honors such as "High-Growth Enterprise in Shanghai's Software and Information Technology Services Industry" (上海軟件和信息技術服務業高成長企業) and "Top 100 Brand Software Enterprises in the Yangtze River Delta" (長三角百家品牌軟件企業), highlighting its leading position and sustained growth potential in the regional software industry. Simultaneously, the Company was selected as a "Pilot Unit for Shanghai Digital Overseas Expansion Service Platform" (上海市數字出海服務平台試點單位). In terms of technological innovation, the Company received awards including the "Innovation Leadership Award" (創新領航獎) and "Outstanding Case in AI + Applications" (人工智能+應用優秀案例). Furthermore, the Company was also recognized as a "Digital and Intelligent Pioneer Enterprise" (數智領航企業) and a "Model Enterprise for Integrity in China's Software Industry" (中國軟件誠信示範企業). The following are the Company's major honors received in 2025:

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In 2025, the Company was recognized as one of the Top 100 High-Growth Enterprises for 2025 in Shanghai's Software and Information Technology Services Industry by Shanghai Commission of Economy and Information Technology (上海市經濟和信息化委員會).



In 2025, the Company was awarded the title of "Xinhong Star" (新虹之星) for 2024 – 2025 by the Working Committee of Xin Hong Subdistrict, Minhang District, Shanghai of the Communist Party of China (中共上海市閔行區新虹街道工作委員會) and the Xinhong Sub-district Office, Minhang District People's Government, Shanghai (上海市閔行區人民政府新虹街道辦事處).



In 2025, the Company was awarded second prize in the cross-border e-commerce division of Zhijiang Maker 2025 Global E-commerce Entrepreneurship and Innovation Competition (之江创客 2025 全球电子商务創業創新大賽).



In 2025, the Company was awarded the 2024 Cross-Border E-Commerce Brand Unicorn Enterprise Award (2024 年度跨境電商品牌獨角獸企業獎) by Shanghai Cross-Border E-Commerce Association (上海跨境電子商務行業協會).



In 2025, the Company was designated as a pilot unit for Shanghai Digital Overseas Expansion Service Platform (上海市數字出海服務平台) by Shanghai Data Bureau (上海市數據局).



In 2025, the Company was awarded the Innovation Leadership Award (創新領航獎) by Jing'an District People's Government.

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CHAPTER 2 ANALYSIS OF CORPORATE ENVIRONMENTAL PERFORMANCE

As a leading e-commerce SaaS ERP provider in China, the Company's core business is software development and services, belonging to a light-asset, technology-driven enterprise. The Company's operation does not involve large-scale manufacturing activities, and the primary energy consumption stems from office premises, Company vehicles and business travel. Although the Company's environmental impact is relatively minor, it attaches great importance to environmental protection, actively practices green operational principles and is committed to minimizing its environmental impact in its operation.

2.1 Analysis of Emissions

The Company adheres to the principles of "waste reduction at source, process control and compliant disposal", and implements a "paperless office" policy. By using an ERP system to replace paper documents with digital alternatives, the Company reduces the generation of office waste paper at source. At the same time, the Company has established a mechanism for the recycling and reuse of electronic equipment to ensure the compliant disposal of IT assets such as scrapped computers.

The Company strictly complies with relevant laws and regulations, including the Environmental Protection Law of the PRC 《中華人民共和國環境保護法》, the Air Pollution Prevention and Control Law of the PRC 《中華人民共和國大氣污染防治法》 and the Law on the Prevention and Control of Environmental Pollution by Solid Waste 《中華人民共和國固體廢物污染環境防治法》. The Company has established internal policies such as the Office Waste Management Measures 《辦公廢棄物管理辦法》 and the Electronic Waste Disposal Specifications 《電子廢棄物處置規範》, which clearly define classification standards, responsible departments and disposal procedures.

2.1.1 Analysis of emissions indicators

Total emissions and intensity of waste gas of the Company

The Company's primary waste gas emissions stem from the combustion of fuel in vehicles used by employees for commuting and business travel. In 2025, the Company's own vehicles travelled a total of 46,954 kilometres, consuming approximately 1,299 litres of petrol.

The Company's primary waste gas emissions are generated by the combustion of petrol in motor vehicles. Waste gas emissions resulting from the combustion of fossil fuels include nitrogen oxides (NO_x), sulfur oxides (SO_x) and particulate matters (PM). In 2025, the Company emitted a total of approximately 0.11 tonnes of waste gas, representing an emission intensity of approximately 0.10 tonnes per RMB1 billion.

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The Company's emissions by type of waste gas in 2025 are shown in the following table:

Type of waste gas	Emissions (tonnes)
Nitrogen oxides (NOx)	0.09
Sulfur oxides (SOx)	0.01
Particulate matters (PM)	0.01
Total	0.11

Total emissions and intensity of greenhouse gas of the Company

The Company's greenhouse gas emissions primarily stem from the combustion of fuel in vehicles used by employees for commuting and business travel, as well as from the consumption of electricity at its office premises. Greenhouse gas emissions fall into two scopes: direct greenhouse gas emissions and indirect greenhouse gas emissions. During the Reporting Period (2025), the Company emitted a total of approximately 1,526.64 tonnes of carbon dioxide equivalent. The greenhouse gas emission intensity was approximately 1,336.26 tonnes of carbon dioxide equivalent per RMB1 billion.

The Company's emissions by type and source of greenhouse gases in 2025 are shown in the following table:

Direct greenhouse gas emissions

Type of greenhouse gas	Emissions (CO ₂ e)	Intensity tonnes/revenue (in billions)
Carbon dioxide (CO ₂)	941.59	824.17
Methane (CH ₄)	0.01	0.01
Nitrous oxide (N ₂ O)	0.38	0.33
Total	941.98	824.51

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Indirect greenhouse gas emissions

Indirect emission source	Emissions (CO ₂ e)	Intensity tonnes/revenue (in billions)
Electricity consumption	575.13	503.41
Other indirect emissions	9.53	8.34
Total	584.66	511.75

Note: Greenhouse gas emissions are calculated in accordance with the Reporting Guidance on Environmental KPIs of Hong Kong Stock Exchange and the Intergovernmental Panel on Climate Change (IPCC) guidelines. Direct greenhouse gas emissions primarily comprise those generated by the Company's own vehicles and equipment. Other indirect emissions include those indirectly generated by water usage, paper consumption and employees air travel for business purposes.

Total emissions and intensity of solid waste of the Company

The waste generated by the Company in the course of its daily operation primarily consists of paper and other general solid waste produced during office activities. In 2025, the Company did not generate any hazardous solid waste. The total volume of non-hazardous solid waste generated by the Company was 4.38 tonnes, with an intensity of approximately 3.83 tonnes per RMB1 billion, consisting mainly of office paper.

Types of waste	Emissions (tonnes)	Intensity tonnes/revenue (in billions)
Non-hazardous waste	4.38	3.83
Hazardous waste	N/A	N/A
Total	4.38	3.83

Note: Due to the nature of the Company's business, the quantities of hazardous waste such as used lead-acid batteries, used printers, used computer hosts, waste adhesives and waste ink are so small that they cannot be quantified, therefore, are listed as "N/A".

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2.1.2 Methods used by the Company to manage hazardous and non-hazardous waste, measures taken to reduce waste generation, and the results achieved

The Company places great emphasis on environmental protection, energy conservation and emissions reduction, and ensures the timely disposal of both hazardous and non-hazardous waste. Specifically, the Company sends wastewater to a water treatment plant for processing, thereby preventing environmental pollution; it sends waste chips to registered recycling organizations for recovery, thereby reducing the environmental impact of waste; and it has suppliers collect and reuse non-reusable packaging materials, thereby saving on packaging costs while reducing packaging waste.

The Company also promotes paperless office. The human resources and administration department centrally plans and controls office paper usage across all departments, ensuring centralized procurement and control to minimize waste. When employees need to use paper for non-essential tasks, they should ensure that it is used on both sides wherever possible. All Company records and documents are primarily maintained in electronic format. For both internal and external communications, the Company prioritizes paperless office and makes full use of information platforms for communication.

The specific measures are as follows:

1. Paperless office: The Company promotes paperless office by encouraging employees to use electronic means as much as possible to send and receive information, thereby minimizing waste paper generated by faxing, printing and photocopying. Where paper is essential, the Company recommends using recycled paper and printing on both sides to maximize paper efficiency.



(Double-sided printing and energy-saving label of printer)

2. Waste management: The Company sorts, collects and manages office waste, and commissions qualified third parties to handle its recycling and disposal; at the same time, the Company raises employees' awareness of environmental protection through measures such as displaying signs promoting resource conservation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The specific improvement targets are as follows:

1. Short-term targets (2026): The Company will maintain stable greenhouse gas emission intensity; further optimize paperless office processes, and reduce petrol consumption by 5% compared with 2025 through enhanced use of online office systems and process optimization.
2. Medium-term targets (2027 – 2028): By 2028, the Company's petrol consumption will be reduced by 10% compared with 2025; and by 2028, the volume of solid waste generated by the Company's own operation will be reduced by 10% compared with 2025. The Company will achieve these targets through measures such as continuing to promote paperless office, optimizing resource use and strengthening waste sorting and management.
3. Long-term targets (2029 – 2030): By 2030, the Company will continue to improve the paperless office practice and achieve an electronic waste recycling rate of over 70%.

2.2 Analysis of Resource Utilization

2.2.1 The energy consumption mix of the Company

The Company's total energy consumption primarily comprises electricity and petrol usage, and efforts to optimize energy efficiency continued throughout the Reporting Period. In 2025, the Company's business operation consumed approximately 398,978.47 litres of petrol. Additionally, the Company's business operation consumed approximately 821.62 MWh of electricity and approximately 19,690.00 tonnes of water.

Type of energy	Consumption	Unit
Petrol	398,978.47	litres
Diesel	N/A	litres
Electricity	821.62	MWh
Water	19,690.00	tonnes

Note: As energy sources such as diesel, natural gas and kerosene are not applicable to the Company's business, they are listed as "N/A".

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The consumption intensity for each type of energy in the Company in 2025 is shown in the table below:

Type of energy	Consumption intensity consumption/ revenue (RMB1 billion)	Unit
Petrol	349,224.05	litres/RMB1 billion
Diesel	N/A	litres/RMB1 billion
Electricity	719.16	MWh/RMB1 billion
Water	17,234.59	tonnes/RMB1 billion

2.2.2 Methods used by the Company to secure suitable water sources, plans taken to improve water use efficiency, and the results achieved

The Company has secured suitable water sources legally in accordance with the national regulations such as the Regulation on the Administration of Water Sourcing Permission and Levy of Water Resource Fees 《取水許可和水資源費徵收管理條例》, and has encountered no issues in this regard. In 2025, total water consumption amounted to 19,690.00 tonnes, with a consumption intensity of 17,234.59 tonnes per RMB1 billion. While the Company's business scale has grown steadily, water consumption intensity and water efficiency have remained at relatively stable levels, ensuring water conservation and efficient water use.

2.2.3 Total volume of packaging materials used for the Company's finished products

The Company is principally engaged in the SaaS software development and services, and does not engage in the manufacture of physical products; therefore, the disclosure requirements for packaging materials for finished goods do not apply. The Company's "products" consist of software services delivered via the cloud, and consequently no packaging materials are consumed.

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2.2.4 Effective energy use measures implemented by the Company and the results achieved

1. Energy management: Each department and subsidiary is responsible for compiling data on water and electricity consumption, which is then collated and analyzed by the relevant functional departments. Regular assessments are carried out to evaluate resource usage and the achievement of relevant energy-saving targets.
2. Water-saving measures: The Company has reduced the water pressure in office facilities to the minimum practical level and has displayed water-saving posters in prominent locations near water-using areas, such as toilets and pantry, to remind employees to ensure taps are turned off after use and to conserve water in their daily lives. Where possible, the Company gives priority to products bearing water efficiency labels and conducts regular inspections to monitor the implementation of all water-saving measures.
3. Energy-saving measures: Electronic equipment such as printers is set to automatic standby or sleep mode when not in use. Lighting fixtures are cleaned and maintained regularly, and more energy-efficient lamps are used to improve energy efficiency. The Company also conducts regular reviews of its lighting facility configurations, adjusting the number of fluorescent lights and their spacing in line with actual office lighting requirements, thereby ensuring that office needs are met while minimizing energy consumption.

The specific improvement targets are as follows:

1. Short-term targets (2026): The Company will keep electricity consumption intensity at or below 2025 levels, further optimize the energy efficiency of office equipment, and improve electricity usage efficiency through measures such as strengthening energy efficiency management of office equipment and optimizing equipment operating modes. At the same time, the Company will continue to implement water-saving measures, improve water usage efficiency, and maintain stable water consumption intensity.
2. Medium-term targets (2027 – 2028): The Company will continue to optimize energy efficiency, explore data center services powered by renewable energy, and gradually reduce energy intensity by prioritizing green data center service providers and improving resource efficiency.
3. Long-term targets (2029 – 2030): The Company will continue to advance low-carbon operation, explore feasible pathways to achieve carbon neutrality in our own operation, and incorporate ESG performance into the operational assessment system.

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2.3 Analysis of Enterprise Environment and Natural Resources

2.3.1 Analysis of the significant impacts of the Company business activities on the environment and natural resources and related measures

The Company conducts its business operation in accordance with relevant national environmental protection policies and emission requirements, and strictly manages the emissions it generates. The Company's business activities primarily involve energy consumption arising from office operation, including the use of electricity, fuel and water resources. In 2025, the Company did not experience any incidents involving emissions of waste gas, greenhouse gases, wastewater or waste that had a significant impact on the environment or natural resources.

As a SaaS software service enterprise, the Company's business activities have a relatively limited impact on the environment and natural resources. The main impacts include: indirect greenhouse gas emissions resulting from electricity consumption at the offices; transport emissions from employees commuting and business travel; and water consumption in the offices. The Company is not involved in industrial production activities, does not generate industrial wastewater, waste fumes, dust or noise pollution, nor does it use chemicals or discharge heavy metals.

The Company promotes green travel and implements centralized management of office electricity consumption and air conditioning usage. Electronic equipment such as printers is set to automatic standby or sleep mode when not in use. Lighting fixtures are cleaned and maintained regularly, and more energy-efficient lamps are used to improve energy efficiency. The Company also conducts regular reviews of its lighting facility configurations, adjusting the number of fluorescent lights and their spacing in line with actual office lighting requirements, thereby ensuring that office needs are met while minimizing energy consumption.

2.3.2 Significant climate-related issues affecting the Company and response measures

Climate-related issues do not have any material impact on the Company's operation and daily activities, and the Company's risk management system is capable of helping it cope with natural disasters.

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The Company is fully aware of the potential impact that extreme heat and other weather events may have on daily operation. For example, hot weather may adversely affect the working environment for employees, particularly for roles requiring frequent outdoor work, potentially leading to health risks such as heatstroke and impacting work efficiency. To cope with high temperatures, the Company may need to increase investment in air-conditioning and ventilation facilities, thereby creating pressure on energy consumption and rising operational costs. The third-party data centers on which the Company relies may also experience reduced equipment cooling efficiency due to high temperatures, thereby posing potential impacts on system stability and data security. In response to these risks, the Company has established a climate change governance system, led by the Board, coordinated and supervised by the ESG Working Group, and implemented by functional departments at all levels, to comprehensively advance the implementation of the Group's climate strategy and climate risk management. This governance system covers the identification, assessment and response processes for climate-related risks and opportunities. Building on this foundation, the Company has formulated corresponding response measures, including the establishment of an employee health monitoring mechanism during periods of high temperatures to promptly identify and address relevant health issues, providing appropriate support where necessary. In terms of supply chain management, the Company prioritizes cloud service providers with comprehensive facilities and emergency response capabilities, while strengthening assessments of their operational stability. Furthermore, the Company ensures business continuity and data security under extreme weather conditions by enhancing data backup and disaster recovery management mechanism.

CHAPTER 3 ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITIES

The Company always adheres to the "people-oriented" philosophy, regarding the employees as the most valuable asset. The Company is committed to providing a fair, safe and dignified working environment for employees, and fostering their personal growth and career development. At the same time, the Company actively fulfills the corporate social responsibilities by building harmonious, mutually beneficial relationships with the stakeholders, including suppliers, customers and the local community.

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3.1 Analysis of the Employment and Labor Status of the Company

3.1.1 Overview of employment status and labor standards

Employment principle

The Company strictly complies with relevant laws and regulations, including the Labor Law of the PRC 《中華人民共和國勞動法》 and the Labor Contract Law of the PRC 《中華人民共和國勞動合同法》. The Company has established comprehensive employment rules and regulations, and operates on the principle of equal and voluntary employment for employer and employee. The Company has implemented a scientifically sound and reasonable remuneration system, as well as management measures for professional title awards, to effectively motivate employees' work enthusiasm. The Company contributes to pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund for employees in accordance with the laws. Employees' working hours comply with relevant national legal requirements, and they are entitled to statutory rest and holiday periods in accordance with the laws. The Company organizes various cultural and recreational activities for employees from time to time throughout the year, actively provides care and support to employees, and safeguards their legitimate rights and interests.

The Company adheres to the recruitment and selection principle of "meticulous organization and planning, comprehensive and scientific assessment, a keen eye for talent, strict selection of the best candidates, and a preference for quality over quantity" (精心組織策劃, 全面科學考評, 善於發現人才, 嚴格擇優錄用, 寧缺毋濫). The human resources and administration department conducts recruitment and selection on an ad hoc basis, either in batches or on an individual basis, in accordance with the Company's business development needs and departmental requirements. Recruitment is primarily carried out through open online recruitment and employee referrals. Throughout the recruitment process, the Company upholds the principles of fairness and objectivity, strictly prohibiting any form of discrimination based on gender, ethnicity, nationality, religious beliefs, family background, disability or other factors, and providing equal employment and career development opportunities to employees of all genders, ethnicities and faiths. The Company has consistently provided employment opportunities for people with disabilities for many years. In 2025, the number of employees with disabilities stood at 13. The Company places great importance on the welfare and rights of female employees, having established "Care for Women • Mums' Care Room" (女性關愛•愛心媽咪小屋) within the office premises to provide a private and comfortable space for rest and mother-and-baby care for employees during pregnancy and breastfeeding. This facility is equipped with essential baby and maternal care supplies and related support facilities, designed to provide convenience and support to female employees during the special period, helping them to better balance their work and family responsibilities. By refining relevant supporting measures, the Company continues to foster a more inclusive and friendly workplace environment, effectively enhancing employees' sense of belonging and well-being.

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(Care for Women – Mums' Care Room)

The Company has established a Group of Labor Protection and Employee Rights, led by the human resources and administration department with the participation of union representatives, to oversee the implementation of labor protection measures and coordinate labor-capital relationship. At the same time, a multi-channel anonymous reporting mechanism has been introduced to address issues such as violations of labor rights and workplace discrimination, ensuring that reports are promptly received, investigated and resolved.

Information on employees

As of 31 December 2025, the Company had a total of 2,552 employees, all of whom were full-time employees. There were no part-time employees.

In terms of gender, the proportion of male employees of the Company is higher. There are 1,922 male employees, accounting for 75%, while there are 630 female employees, accounting for 25%. The Company safeguards the statutory rights of female employees and strictly adheres to the national Regulations on the Labor Protection of Female Employees 《女職工勞動保護規定》 and the Special Provisions on the Labor Protection of Female Employees 《女職工勞動保護特別規定》, ensuring that female employees are entitled to the leave and insurance benefits to which they are legally entitled.

In terms of age group, the distribution of the current workforce of the Company is relatively even and reasonable. There are 1,314 employees aged 30 and under, 795 aged 31 – 35, 328 aged 36 – 40, and 115 aged 41 and over. The workforce is generally relatively young, reflecting the Company's commitment to valuing experienced employees while prioritizing the infusion of fresh talent into the organization.

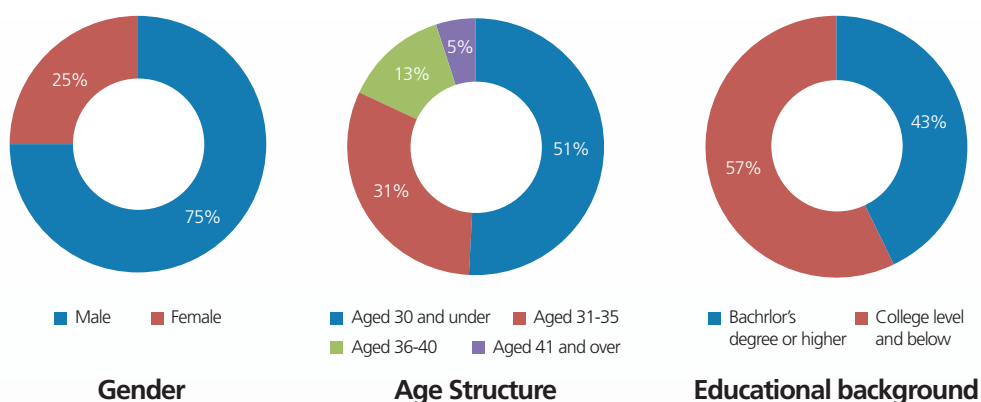
In terms of region, the Company's employees are primarily concentrated in East China and South China. There are 1,635 employees in East China and 472 in South China, together accounting for approximately 82.6% of the total workforce, reflecting the Company's strategic focus on regions where the e-commerce industry is well-developed. In addition, the Company has 140 employees in Central China, 103 in North China, 73 in Southwest China, 36 in Northeast China and 15 in Northwest China. Overseas, the Company has 78 employees based in Thailand.

In terms of educational background, 43% of our employees hold a bachelor's degree or above, indicating a high level of overall scientific literacy and educational attainment of the employees.

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Information on employees by key indicators

Proportion of employees of the Company by key indicators in 2025



Proportion of employees of the Company by region in 2025

By region	Number of employees	Proportion of employees
East China	1,635	64.1%
South China	472	18.5%
Central China	140	5.5%
North China	103	4.0%
Southwest China	73	2.9%
Northeast China	36	1.4%
Northwest China	15	0.6%
Overseas	78	3.0%

Employee turnover

In 2025, the total number of employees who left the Company was 474, representing approximately 18.58% of the total employees.

In terms of gender, 323 male employees left the Company, representing a turnover rate of approximately 16.81%; 151 female employees left, representing a turnover rate of approximately 23.97%.

In terms of age group, 349 employees aged 30 and under left the Company, representing a turnover rate of approximately 26.56%; 92 employees aged 31 – 35 left, representing a turnover rate of approximately 11.57%; 25 employees aged 36 – 40 left, representing a turnover rate of approximately 7.62%; and 8 employees aged 41 and over left, representing a turnover rate of approximately 6.96%.

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In terms of region, 318 employees in East China left the Company, representing a turnover rate of approximately 19.45%; 79 employees in South China left, representing a turnover rate of approximately 16.74%; 21 employees in Central China left, representing a turnover rate of approximately 15.00%; 9 employees in North China left, representing a turnover rate of approximately 8.74%; 17 employees in Southwest China left, representing a turnover rate of approximately 23.29%; 12 employees in Northeast China left, representing a turnover rate of approximately 33.33%; 1 employee in Northwest China left, representing a turnover rate of approximately 6.67%; and 17 overseas employees left, representing a turnover rate of approximately 21.79%.

In terms of function, 196 sales staff left the Company, accounting for approximately 41.35% of the total employee turnover; 144 customer support staff left, accounting for approximately 30.38%; 76 implementation staff left, accounting for approximately 16.03%; 49 R&D staff left, accounting for approximately 10.34%; and 9 general and administrative staff left, accounting for approximately 1.90%.

In terms of employment type, all employees who left the Company were full-time employees.

Employees' rights and benefits

The Company adheres to a "talent-driven" philosophy, providing employees with competitive remuneration packages and a comprehensive benefits scheme in accordance with the laws. In compliance with local laws and regulations, the Company contributes to social insurance (including pension insurance, unemployment insurance, medical insurance, work-related injury insurance and maternity insurance) and housing provident fund for employees, with the relevant costs shared between the Company and employees in accordance with prescribed proportions. Furthermore, in line with business development and employee needs, the Company offers a diverse range of incentive schemes, including equity incentives for key personnel, special bonuses for research and development innovation, and sales performance incentives.

In terms of employee benefits, the Company offers a range of benefits, including paid annual leave, holiday benefits and annual health check-ups. It has also established a system of wedding and childbirth grants. Employees who register for marriage or have a child while in service may apply for the corresponding subsidies in accordance with the regulations (a wedding grant of RMB800 and a childbirth grant of RMB500), and the eligible employees may claim the subsidies within the specified timeframe. Furthermore, the Company provides a working-day lunch allowance (equivalent to RMB500 per month), a computer allowance (set according to role) and team-building expenses (including a monthly per-person team-building funds and an annual team development funds) to support departments in organizing team activities and enhance communication and collaboration among employees.

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Employee incentives

The Company places great emphasis on employee motivation and development, having established a comprehensive talent management system covering the entire talent lifecycle from recruitment and development to deployment and retention, with the aim of enhancing employees' motivation and organizational cohesion. In terms of talent development, the Company conducts on-the-job promotion assessments based on comprehensive evaluations and job competency models to ensure fairness and objectivity in talent selection. In terms of career development, the Company has established dual career pathways comprising the Management Track (M-series) and the Professional Track (P-series). We have devised differentiated growth mechanisms tailored to roles in R&D, product, sales and other areas, while promoting an internal referral scheme to encourage employees to pursue diversified development within the Company. In terms of incentives and welfare, the Company implements a broad-banded remuneration system linked to performance and capability. It also conducts regular employee health assessments, supplemented by psychological support and team-building activities, to safeguard employees' physical and mental wellbeing and enhance employee satisfaction and a sense of belonging.

3.1.2 Overview of protection for employee health and safety

The Company places great importance on the health and safety of its employees and strictly complies with relevant legal provisions, including the Labor Law, the Fire Control Law, the Law of the PRC on the Prevention and Control of Occupational Diseases, the Law of the PRC on Production Safety, the Regulations on the Supervision and Administration of Occupational Health in Workplaces, and the Regulations on Work-related Injury Insurance, striving to create a safe, healthy and supportive working environment. The Company actively promotes the effective implementation of occupational health and safety management measures to provide employees with the safest possible working environment and prevent occupational hazards. On the basis of complying with and implementing relevant safety regulations, systems and standards, the Company monitors and urges the management personnel and employees at all levels to conscientiously fulfil their safety responsibilities in their work, thereby enhancing the occupational health and safety awareness of all employees.

Over the past three years, no employees of the Company died from work-related causes. In 2025, no employees of the Company lost working days due to work-related injuries.

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Measures on occupational health and safety

Safety training and fire drills

In accordance with the provisions of the Fire Control Law, the Law of the PRC on the Prevention and Control of Occupational Diseases and other laws and regulations, the Company provides all employees with training on safety and health knowledge and conducts drills to enhance their awareness of occupational health and safety. New employees are required to complete training on office safety regulations and information security upon joining the Company, and regular training sessions on fire safety, information security and emergency management are organized. For roles in research and development and operation and maintenance, further specialized training on data security and emergency response is provided. Additionally, the Company conducts training on eye health and workplace psychological support to improve the physical and mental well-being of the employees.

The Company has established a comprehensive emergency management mechanism covering scenarios such as fire safety, cybersecurity and public emergencies. In 2025, the Company conducted one fire drill. Going forward, the Company plans to continue to promote emergency drills, with at least one fire drill held each year, in order to continuously enhance employees' emergency response capabilities and overall safety awareness.

Occupational health and safety risk management mechanism

The Company has established an occupational health and safety management system covering three key areas, i.e. workplace safety, information security and mental health. It has designated safety officers for each department and implemented a closed-loop management mechanism involving risk identification, reporting of potential hazards and monitoring of corrective actions, thereby continuously enhancing safety management capabilities and risk prevention and control standards. Furthermore, the Company is committed to continuously refining its occupational health and safety management framework by formulating and regularly updating relevant management measures and operational guidelines, thereby clarifying safety management requirements and implementation standards across all categories.

The Company identifies potential risks in a timely manner and drives the implementation of corrective measures by conducting regular safety inspections of the office environment, security checks of information systems, and monitoring of employee health. In daily management, the Company integrates occupational health and safety requirements into all operational processes, strengthening employees' safety awareness through a combination of regulatory frameworks and routine supervision. At the same time, the Company encourages employees to take an active role in safety management, establishing open channels for communication and feedback to improve the timeliness and effectiveness of hazard reporting, thereby continuously optimizing the overall level of occupational health and safety management.

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The Company provides annual health check-ups for employees and encourages them to take an active interest in sport. To enrich employees' leisure time, the Company organizes festival-themed activities, sports meetings and friendly basketball matches, which foster communication among employees, help them develop their interests and hobbies, and promote physical well-being.



(Sports Meeting of the Company)

3.1.3 Overview of employee development and training

In response to employees' desire to enhance their professional competence and expertise, the Company has established a set of policies under the Learning and Development framework, providing a comprehensive, customized training system for employees across different roles and levels, covering areas such as leadership development, professional skills enhancement, the cultivation of young talent, and induction training for new employees. By continuously standardizing and optimizing the training management mechanisms, the Company ensures effective alignment between employees' career development and the Group's business growth. Furthermore, the Company encourages employees to actively participate in various business-related training courses, maintain training records, and incorporate these records into the employee competency assessment system, thereby enhancing overall organizational effectiveness.

In terms of the development of the training system, the Company has established a multi-tiered training mechanism covering the entire employee lifecycle, including:

New employee training: Through a combination of onboarding training and a mentor-led induction program, the Company systematically covers corporate culture, policies and regulations, and job-specific skills;

On-the-job training: The Company regularly organizes technical seminars (such as sessions on products iteration and new technologies), management skills courses and industry exchange events;

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Specialized training: The Company organizes leadership boot camps for key employees and provide technical certification training for R&D personnel, thereby continuously enhancing the professional competence and management capabilities of employees in critical roles.

In addition, the Company has established “Jtalk”, an in-house training brand, through which it regularly invites internal and external experts to share cutting-edge technologies and industry insights. It also runs specialist training programs such as the “Warehouse Management Enhancement Course” and the “Supply Chain Coordination Workshop” to further strengthen employees’ practical skills in the fields of e-commerce and supply chain.

In 2025, the Company organized a wide range of specialized training programs, including induction training, AI training, fire safety drills, warehouse management training, supply chain coordination training, sales training and e-commerce training. The training content covered various areas such as corporate culture, specialist skills, general skills and safety skills, and was delivered through a variety of formats including face-to-face sessions, online courses and group activities, thereby continuously improving both the reach and effectiveness of the trainings.

In 2025, the Company organized over 100 training sessions, totaling approximately 43,144 hours, with over 2,350 employees participating. The breakdown of employees who attended training and the average number of training hours completed per employee are shown below.

By gender	Numbers of participant	Percentage of employees receiving training (%)	Average number of training hours completed per employee (hours)
Male	1,810	94	18
Female	540	86	19

By employee type	Numbers of participant	Percentage of employees receiving training (%)	Average number of training hours completed per employee (hours)
Senior management	6	100	23
Middle management	615	103	15
Others	1,729	89	20

Note: As of 31 December 2025, the percentage of middle management employees receiving training exceeded 100% due to the turnover of some employees within that tier.

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3.1.4 Standards and measures for preventing child or forced labor

The Company strictly adheres to the relevant national legal requirements set out in the Law on the Protection of Minors and the Provisions on the Prohibition of Child Labor, among others, to ensure that no instances of child labor or forced labor occur in the business operation. The Company maintains a zero-tolerance policy towards any form of child labor or forced labor. Since the Company's establishment, no violations involving the employment of child labor or forced labor have been identified. The following outlines the policy on the prohibition of child labor and forced labor:

Before hiring any candidate, the human resources and administration department must implement effective procedures to verify their age. The department must examine documents that prove the candidate's age, including government-issued identity card with photo, birth certificate, driving license, household register, academic certificates, or any other valid documents that confirm the date of birth. It must also ensure that the photo on the identity card matches the candidate's appearance.

The Company provides training on the prevention of child labor and forced labor for human resources departments, particularly those responsible for recruitment.

If a child under the statutory minimum employment age is found in the Group, the Company will always act from the perspective that best serves the interests of the child and will take the following measures in accordance with relevant legal requirements: immediately removing the child from the workplace to ensure the child's safety; immediately notifying the head of the human resources department to verify all relevant information, confirming whether the person involved is a child worker, terminating the labor relationship with the child, notifying the local social welfare agency, and taking remedial measures to protect the child's interests to the maximum extent; sending the child to a specialized occupational health examination institution for a physical check-up to confirm the child's physical and mental health status, and conducting investigation visits to fully understand the child's situation; once the child reaches the statutory minimum employment age, providing opportunities for reemployment, and immediately identifying the issues in the recruitment process at the violating business location and taking improvement measures within 90 working days.

If forced labor is discovered in the Company, the Company will take the following measures in accordance with relevant legal requirements: immediately removing the worker from the workplace to ensure the worker's safety; immediately notifying the head of the human resources department to verify all relevant information and confirming whether the person involved is subject to forced labor; sending the worker to a specialized occupational health examination institution for a physical check-up to confirm the worker's physical and mental health status, and fully understanding the worker's situation, and immediately identifying the issues in the recruitment process at the violating business location and taking improvement measures within 90 working days.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.2 Analysis of Operation and Management

3.2.1 Overview of supply chain management

A sustainable supply chain system is a key element for the Company to achieve long-term development. The Company adheres to the principles of openness, fairness and impartiality, establishing internal regulations such as the Supplier Management Measures 《供應商管理辦法》, the Procurement Management Process System 《採購管理流程體系》 and the Supplier Evaluation Form 《供應商考核表》. The Company implements strict control mechanisms throughout the entire process, including supplier development, admission and review, selection and use, and evaluation, to further standardize supplier management. The Company consistently upholds the core corporate values of seeking truth, fairness and altruism, building a transparent and open business environment with partners throughout the industry chain. Based on the concept of win-win cooperation with suppliers and exclusive distributors, the Company strives to assist in improving the social responsibility management capabilities of enterprises within the supply chain, reduce the risks that the supply chain may bring to the Company, ensure stable production and operation, and guarantee the quality of service to customers. During the Reporting Period, the Company did not find any suppliers that caused significant actual or potential negative impacts or violations regarding business ethics, environmental protection, labor standards, or other issues.

In 2025, the Company cooperated with a total of 300 suppliers, comprising 291 domestic suppliers and 9 overseas suppliers. The number of suppliers by region is shown in the table below.

By region	Number of suppliers
East China	184
South China	54
North China	36
Central China	9
Southwest China	6
Northeast China	2
Overseas	9

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Supplier selection criteria

The Company has established a management system covering the entire lifecycle of suppliers, forming a closed-loop management process comprising “admission assessment – contract management – routine monitoring – rectification and exit”. During the admission phase, the Company conducts a comprehensive assessment of suppliers’ qualifications, compliance and ESG performance; during the cooperation phase, the Company clarifies suppliers’ responsibilities by incorporating ESG-related clauses, such as those concerning environmental protection, labor compliance and business ethics, into contracts; during the performance phase, the Company continuously monitors suppliers’ service performance and ESG compliance. For suppliers failing to meet standards, the Company requires them to rectify issues within a specified timeframe. Should no improvement be made by the deadline or should a major breach occur, measures such as downgrading or terminating the partnership will be taken.

The Company implements classification and tiered management system for suppliers, classifying them according to category, risk level and scale of cooperation, and applying enhanced controls to high-risk suppliers. Suppliers are required to submit qualification documents and ESG-related supporting materials; they may only be included in the list of approved suppliers following a cross-departmental review. For high-risk suppliers, the Company conducts further on-site audits or special assessments.

The Company has established clear guidelines for the selection and management of suppliers to ensure that supplier management is conducted in a standardized manner and that appropriate suppliers are selected. When selecting suppliers, the Company takes the following factors fully into account: whether the supplier is a legally registered manufacturing or trading enterprise approved by the relevant national authorities and complies with national and local laws and regulations; whether the supplier’s products meet quality requirements and have passed the relevant tests; whether the supplier possesses suitable technical capabilities, financial capacity, delivery capability, long-term supply capacity and a good social reputation; and whether the supplier holds relevant environmental compliance certificates to mitigate potential environmental and social risks within the supply chain.

In 2025, the Company had a total of approximately 300 suppliers, and applied the aforementioned ESG admission and management standards to around 80% of the core suppliers, amounting to approximately 240 suppliers. Concurrently, the Company has established a regular performance evaluation mechanism, conducting annual assessments of suppliers and half-yearly assessments of high-risk suppliers. Through methods such as questionnaires, interviews and third-party data verification, the Company carries out comprehensive evaluations of their contractual performance and ESG performance. Furthermore, by providing ESG training and technical support, the Company offers long-term cooperation opportunities and incentive schemes to high-quality suppliers, thereby continuously enhancing the overall sustainability of the supply chain.

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Supply chain environment and risk management

The Company has incorporated environmental and social risks into its supplier management system, with a focus on identifying and assessing such risks during the supplier selection and daily management processes. In the supplier admission phase, the Company applies environmental and social risk assessment criteria, including energy consumption, environmental compliance, labor compliance and business ethics, and incorporates the results of these ESG risk assessments into a comprehensive scoring system. Suppliers that fail to meet the requirements are not approved for admission.

In daily management, the Company continuously identifies potential risks across all stages of the supply chain through information system monitoring, public sentiment monitoring and third-party data sources. For any significant risks identified, the Company initiates an investigation within 10 working days, issues a rectification notice to the relevant suppliers, sets a clear deadline for rectification and assigns a dedicated person to monitor progress. For suppliers that fail to rectify issues satisfactorily, the Company will take measures such as suspending or terminating cooperation, and may place them on a blacklist as appropriate, in order to mitigate the associated environmental and social risks.

The Company's main supply chain risks identified include supplier service disruption risk, ESG compliance risk, information security risk, and supplier concentration risk, and they are continuously monitored and managed through the mechanisms mentioned above.

Promotion of the use of environmentally friendly products and services by suppliers

In the process of selecting and cooperating with suppliers, the Company actively promotes the adoption of environmentally friendly products and services. The Company gives priority to cloud service providers powered by renewable energy and requires that related hardware equipment meet national and industry environmental standards. At the same time, the Company encourages suppliers to establish sound environmental management system, gives priority to suppliers with ISO 14001 certification or equivalent environmental management capabilities, and requires them to set carbon reduction targets and support resource recycling and green operation model.

In terms of implementation and monitoring, the Company tracks and monitors suppliers' environmental data through means such as system integration, and has established an early warning mechanism. At the same time, the Company conducts third-party verification or specialized assessments on key suppliers at least once a year. Suppliers' environmental performance has been incorporated into the Company's supplier performance evaluation system and serves as an important reference for determining the scale of cooperation and the allocation of resources.

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3.2.2 Overview of product responsibility

SaaS products provided by the Company adhere to the concept of green environmental protection. The Company is committed to delivering high-quality products to customers and continuously optimizing service system to provide the very best service. Through digitalized processes, the Company assists customers in achieving paperless office, thereby reducing paper consumption. The Company offers resource optimization analysis modules to help enterprises cut costs, improve efficiency and adopt green operation. Furthermore, the cloud-based deployment model of the Company reduces hardware energy consumption and electronic waste, supporting the low-carbon transformation. The Company strictly complies with relevant laws and regulations that have a material impact on the Company regarding the health and safety, advertising, labelling and remedies of the products and services provided, including but not limited to the Product Quality Law of the PRC, the Production Safety Law of the PRC, the Advertising Law of the PRC and the Trademark Law of the PRC. During the Reporting Period, the Company did not face any significant litigation arising from breaches of the aforementioned laws and regulations concerning the health and safety, advertising, labelling and remedies of its products and services.

In 2025, the Company did not recall any products due to safety or health concerns; nor did it receive any significant complaints regarding its products or services.

Methods for dealing with complaints

The Company has established a standardized customer complaint handling mechanism to ensure that customer feedback is addressed and resolved in a timely and effective manner. Upon receiving a customer complaint, the Company first classifies it based on its content and then routes it to the relevant department according to the nature of the issue, including sales services, implementation services, after-sales services, products and other related matters.

Complaints relating to sales and implementation services shall be handled under the leadership of the relevant regional management (including the regional general manager and deputy general manager), with the quality control department and merchant services department participating in coordination and copies sent to the executive vice president in charge for oversight. Once a resolution has been formulated, the responsible region shall be responsible for the implementation, while the quality control department or merchant services department shall conduct follow-up visits and spot checks to verify the implementation of corrective measures. Complaints relating to after-sales service, products and other categories shall be handled by the relevant functional departments, with the executive vice president in charge overseeing and monitoring the entire process to ensure that issues are effectively resolved.

Through the aforementioned tiered response and closed-loop management mechanism, the Company continues to enhance the quality of customer service and the efficiency of problem-solving processes, constantly optimizing the customer experience.

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Product quality management

The Company places great emphasis on product quality and service reliability. The Company has established a systematic quality management mechanism covering the entire lifecycle of SaaS software products, from research and development, delivery to operation and maintenance, to ensure product security, stability and continuous improvement.

In terms of product quality control, the Company has established rigorous quality assurance procedures during the delivery phase, including requirements reviews, multi-dimensional testing and compliance verification mechanism, to comprehensively validate product functionality, performance and security, ensuring that products meet the established quality standards prior to launch. At the same time, the Company continuously enhances product reliability and user experience through standardized R&D and testing processes. During the product operation and maintenance phase, the Company has established a multi-tiered quality assurance system. By implementing proactive monitoring and operation management mechanisms, the Company continuously tracks system performance, promptly applies security patches and updates and performs system optimization to ensure product stability and data security. Furthermore, the Company has defined responsibilities for each stage through formal policies to strengthen the enforcement of product quality management.

In terms of customer service and feedback, the Company has dedicated implementation and after-sales service teams to assist customers in deploying the system and ensuring it is fully operational. Following product delivery, the Company conducts regular follow-ups to understand how customers are using the system and provides multi-channel support, including liaison with maintenance personnel, a telephone helpline and customer service groups, to ensure that any issues encountered during usage are promptly addressed and resolved. At the same time, the Company continuously optimizes product functionality and service quality based on customer feedback. As the Company primarily provides standardized SaaS software services and is not involved in the production or sale of physical products, there is no product recall procedure in the traditional sense. Instead of a traditional product recall process, the Company employs continuous system optimization, feature iterations and issue-resolution mechanisms to ensure that product quality issues are promptly rectified and improved.

Intellectual property rights management

The Company implements an intellectual property strategy, placing emphasis on the research and development of new products and the cultivation of significant technological achievements. In 2025, the Company secured 17 software copyrights, 6 invention patents and 20 registered trademarks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company attaches great importance to the protection and management of intellectual property rights and is continuously improving its intellectual property management system to safeguard the outcomes of independent innovation and enhance its core competitiveness. In order to standardize the Company's patent-related work, promote technological innovation and the development of proprietary intellectual property rights, drive advances in production technology, and improve the Company's market competitiveness and economic efficiency, and in accordance with the Patent Law of the PRC, the Implementing Regulations of the Patent Law of the PRC, the Regulations on Collective Management of Copyright, the Trademark Law of the PRC, the Implementing Regulations of the Trademark Law of the PRC, the Copyright Law of the PRC, the Implementing Regulations of the Copyright Law of the PRC, and the Regulations on the Protection of Computer Software, amongst other relevant provisions, and in light of the Company's specific circumstances, the Company has established its own intellectual property management system. The Company has also obtained certification for our intellectual property compliance management system to ensure that relevant management measures remain in continuous compliance with regulatory requirements and industry standards.

The legal department of the Company coordinates all matters relating to the Company's intellectual property. The Company has formulated and implemented policies such as the Position Requirements for Intellectual Property Staff 《知識產權工作人員崗位任職要求》 and the Procedures for the Management of Intellectual Property Applications 《知識產權申請管控程序》, thereby clarifying the processes for the application, management and protection of intellectual property. The legal department is responsible for the full-process management of intellectual property, handles related disputes and litigation matters, and continuously refines the Company's intellectual property management system. The Company has established an Intellectual Property Incentive and Disciplinary Scheme 《知識產權獎懲制度》, which provides internal rewards to patent inventors and software copyright authors, with these rewards linked to the remuneration system. Furthermore, additional incentives are provided for intellectual property that generates significant economic benefits through its application in the Company's business operation. Conversely, the Company has established corresponding disciplinary mechanism for acts such as infringing upon the intellectual property rights of others or disclosing trade secrets, thereby reinforcing awareness of intellectual property protection. The Company collaborates with specialist agencies to regularly conduct intellectual property identification and strategic planning, arranging patent and trademark applications in line with business development plans. Furthermore, the Company actively monitors the intellectual property activities of industry competitors and maintains close communication with government intellectual property authorities to continuously optimize the intellectual property strategy.

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Consumer data protection and privacy policy

The Company strictly complies with relevant laws and regulations, including the Data Security Law of the PRC and the Personal Information Protection Law of the PRC, and attaches great importance to the security of consumer data and the protection of privacy, continuously improving data security management system to safeguard the security of customer information across multiple dimensions, including system construction, technical safeguards and compliance management. In contracts signed with customers and key technology service providers, the Company explicitly stipulates data security and privacy protection clauses covering matters such as data ownership, storage boundaries, access permissions and liability for data breaches. Furthermore, the Company has formulated and implemented the Information Security Management System 《信息安全管理制​​度》 to regulate employee conduct during data processing and prevent the risks of data misuse and leakage.

The Company has established a regular information security audit mechanism, led by the security and operations departments, conducting system vulnerability scans, permission compliance checks and data access log audits every six months. This enables the timely identification of potential risks and the implementation of appropriate corrective measures to ensure the effectiveness of information security management measures. The Company enhances the security of data transmission and storage by deploying technical measures such as end-to-end encrypted transmission, data de-identification during storage, and multi-factor authentication. At the same time, the Company continuously upgrades security equipment, including firewalls and intrusion detection system, to enhance overall network security defenses. The Company makes its privacy policy publicly available to customers and provides functions for data access, correction and deletion, thereby safeguarding users' right to be informed and their control over their data. In technical support scenarios involving customer data, the Company strictly adheres to authorization mechanism. Access to relevant data is permitted only upon obtaining the customer's explicit consent, such as through verification code confirmation, thereby further enhancing the compliance and transparency of data usage.

3.2.3 Analysis of anti-corruption measures of the Company

In 2025, the Company was not involved in any significant legal proceedings relating to corruption, bribery, extortion, fraud or money laundering.

Our Company strictly complies with relevant laws and regulations, including the Company Law of the PRC and the Interim Measures on the Prohibition of Commercial Bribery. The Company has established a systematic anti-corruption management system to prevent bribery, fraud and other misconduct. The Company explicitly prohibits acts such as bribery, extortion, fraud and money laundering in its Employee Handbook, and strengthens employees' compliance awareness by combining institutional constraints with internal control mechanism. The Company has established an integrity department as a dedicated body for receiving and investigating reports, which is responsible for receiving reports, maintaining strict confidentiality regarding the relevant information, and conducting independent investigations to ensure the effectiveness and impartiality of the reporting mechanism.

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The Company has established a tiered authorization and approval system and a financial payment verification mechanism to mitigate the risks of benefit transfer and fraud at the procedural level. At the same time, the integrity department, in conjunction with the internal audit department, conducts special audits on an irregular basis, focusing on high-risk positions and critical business processes. The Company maintains a zero-tolerance policy towards non-compliance. Once verified, disciplinary action or termination of the employment contract will be taken in accordance with Company regulations. Where conduct is suspected of being unlawful, the matter will be referred to the judicial authorities for handling in accordance with the laws, thereby strengthening the enforcement of these regulations.

The Company regularly conducts anti-corruption and compliance training for the Board members, management and all employees, covering relevant laws and regulations, internal Company policies and case studies, with a view to continuously enhancing employees' awareness of ethical conduct in the workplace. New employees are required to complete anti-corruption and compliance training upon joining the Company to ensure they are fully aware of the relevant policies and codes of conduct from the outset.

3.2.4 Overview of community engagement of the Company

In 2025, the Company actively fulfilled its corporate social responsibilities by participating in a number of charitable initiatives, including donations to support poverty alleviation, educational support and community care, thereby actively giving back to society and fulfilling its corporate social responsibilities.

The Company has always regarded giving back to society and fulfilling social responsibilities as an important mission. While continuing to drive business growth, the Company is committed to minimizing the potential impact of operation on local communities and actively engages in a wide range of charitable activities, extending its care to the communities in which it operates and fulfilling its corporate social responsibilities.

On 14 January 2025, the Company sponsored the Spring Festival Gala for the elderly organized by Zhongle Community (眾樂社區). During the event, the Company donated minor electrical appliances and other supplies to the community, with a total value of approximately RMB3,200, to support the organization of festival activities for the elderly in the community.



(Sponsorship for the Spring Festival Gala for the Community Elderly)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

On 20 January 2025, the Company organized a charity scholarship campaign entitled “Walking Hand in Hand to Build Hope” (攜手同行共築希望), initiated by members of the Company’s Party branch and actively supported by employees through voluntary donations to support charitable causes. The campaign raised a total of RMB1,500, all of which came from employees’ charitable donations. By organizing this charitable initiative, the Company actively encourages employees to participate in social welfare, conveying a sense of care and responsibility and promoting the harmonious development of both the Company and society.



(Charity scholarship campaign)

On 5 March 2025, the Company organized a “3•5 Learn from Lei Feng” (3•5 學雷鋒) community volunteer activity. During the event, employees visited local neighborhoods to provide residents with guidance on using smartphones and to carry out anti-fraud publicity, thereby enhancing the community residents’ information security awareness and digital application capabilities.



(Community volunteer activity)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

On 7 March 2025, the Company took part in the “Beloved Under the Blue Sky” (藍天下的至愛) charity fundraising event organized by Jiangning Road Subdistrict. During the event, the Company donated RMB5,000 to community charity projects to support community assistance initiatives and the development of related charitable causes.



(Charity donation event)

On 12 September 2025, the Company took part in the “Warm Market” (溫度集市) charity event organized by Xinhong Subdistrict. During the event, the Company donated RMB2,000 to relevant charitable projects to support community welfare and social assistance initiatives.



(Charity donation certificate)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In November 2025, a residential fire broke out in Hong Kong, resulting in casualties and property damage. In response to this emergency, the Company made a targeted charitable donation through the Zhejiang Overseas Friendship Association (浙江海外聯誼會), contributing RMB100,000 to relevant relief projects to support emergency assistance for those affected and post-disaster recovery efforts.

浙江省公益事业捐赠票据 (电子)

票据代码: 33050126
 收款人统一社会信用代码: 91330106312514270C
 收款人: 上海聚水潭网络科技有限公司

票据号码: 0689366747
 校验码: 6nqtwg
 开票日期: 2025-01-13



项目编号	项目名称	单位	数量	标准	金额 (元)	备注
57604340	定向公益捐赠/香港火灾捐款	元	1	100000.00	100000.00	
金额合计 (大写) 壹拾万元整 (小写) 100000.00 收款方式: 转账 其他信息: 浙江海外联谊会 51330000501872333X 收款单位: 浙江海外联谊会 收款人: 韩婷 支付宝: 韩婷 浙江财政电子票据系统 (含明细): https://bzj.zjzfw.gov.cn						

(Receipt for donation to the Hong Kong residential fire incident)

In 2025, the Company actively participated in community public welfare and charitable activities, continuing to fulfill corporate social responsibilities, and gained recognition from the community and relevant organizations. During the Reporting Period, the Company was awarded the “Jiangning Community 2025 Charity and Compassion Award” (江宁社区 2025 年度慈善爱心奖). This honor reflects the community’s full recognition of the Company’s long-term involvement in public welfare initiatives, its care for vulnerable groups, and its support for grassroots governance.



(Certificate for “Jiangning Community 2025 Charity and Compassion Award”)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of JST Group Corporation Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of JST Group Corporation Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 104 to 208, comprise:

- the consolidated balance sheet as at 31 December 2025;
- 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 IFRS Accounting Standards 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 International Standards on Auditing ("ISAs"). 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.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public 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.

INDEPENDENT AUDITOR'S REPORT

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 revenue recognition of Software as a Service ("SaaS") services.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition of SaaS services <i>Refer to notes 2.1.17 and 6 to the consolidated financial statements</i> The revenue of the Group is primarily arisen from provision of SaaS services. For the year ended 31 December 2025, the Group recognised revenue of approximately RMB1,104,817,000 from provision of SaaS services, representing approximately 96.7% of total revenue. SaaS revenue primarily consists of fees for providing customers access to one or more of the cloud applications for e-commerce with routine customer support. The Group recognises SaaS revenue mainly based on the following contractual models: (i) Under the model that offers customers with unlimited or maximum volume of orders being processed by the applications for a contract term, related revenue is recognised rateably over the contract term. (ii) Under the model that offers customers with SaaS services based on their purchased volume of orders, related revenue is recognised upon the consumption of the purchased volume of orders.	We have performed the following procedures to address this key audit matter: • Understood, evaluated the management's internal controls, and tested the key controls in relation to revenue recognition of SaaS services, including the information technology general controls and application controls of the relevant information technology systems ("IT Systems") in which SaaS revenue was automatically calculated; • Inspected the contract terms with customers, on a sample basis, to evaluate the appropriateness of the accounting policies adopted by the Group; • Tested the completeness and accuracy of the revenue listing that generated from the relevant IT systems, and reconciled the total revenue in the revenue listing to accounting records;

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How our audit addressed the Key Audit Matter
We focused on this area due to the significance of SaaS revenue to the consolidated financial statements and significant efforts spent on auditing the SaaS revenue given the extensive customer base and high transaction volume.	• Tested the revenue transactions on a sample basis by performing the following procedures: i) Agreed the key attributes used in revenue calculation, including but not limited to contract price, contract term, total volume of orders purchased and consumed, to the underlying supporting documents, including key terms of the SaaS service contracts, the record of services provided and cash receipts, where applicable; ii) Checked the mathematical accuracy of the calculation of revenue recognition. Based on the procedures performed, we found the revenue recognised from SaaS services was supportable by the evidence we obtained.

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.

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE 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 IFRS Accounting Standards 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.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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 ISAs 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 ISAs, 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.

INDEPENDENT AUDITOR'S REPORT

- 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.
- 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 the Audit Committee 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 the Audit Committee 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.

INDEPENDENT AUDITOR'S REPORT

From the matters communicated with the Audit Committee, 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 Nim Tsz, Elizabeth.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 March 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	6	1,142,470	909,750
Cost of sales	7	(301,464)	(286,899)
Gross profit		841,006	622,851
Selling and marketing expenses	7	(395,886)	(369,921)
General and administrative expenses	7	(149,840)	(90,489)
Research and development expenses	7	(243,141)	(239,798)
Provision for impairment loss on financial assets	3.1(b)	(1,095)	(150)
Other income	9	38,150	15,096
Other (losses)/gains – net	10	(37,597)	318
Operating income/(loss)		51,597	(62,093)
Finance income	11	20,399	6,495
Finance costs	11	(604)	(1,079)
Finance income – net		19,795	5,416
Loss on convertible redeemable preferred shares	26	(1,769,644)	(18,526)
Share of net gain/(loss) of investments accounted for using equity method	19	4,683	(4,438)
Loss before income tax		(1,693,569)	(79,641)
Income tax credit	12	43,789	90,224
(Loss)/profit for the year		(1,649,780)	10,583
(Loss)/profit attributable to:			
Equity owners of the Company		(1,655,025)	12,152
Non-controlling interests		5,245	(1,569)
		(1,649,780)	10,583

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
	Note	2025 RMB'000	2024 RMB'000
Other comprehensive (loss)/income, net of tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operation		(190)	(102)
<i>Items that may not be reclassified to profit or loss</i>			
Fair value changes on convertible redeemable preferred shares due to own credit risk	26	(2,141)	2,516
Total comprehensive (loss)/income for the year		(1,652,111)	12,997
Total comprehensive (loss)/income attributable to:			
Equity owners of the Company		(1,657,356)	14,587
Non-controlling interests		5,245	(1,590)
		(1,652,111)	12,997
(Loss)/earnings per share attributable to the equity owners of the Company for the year (expressed in RMB per share)			
– Basic and diluted	14	(7.27)	0.07

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			
Contract acquisition costs	6.2	265,679	258,519
Property, plant and equipment	15	2,982	3,698
Right-of-use assets	16	8,357	15,279
Intangible assets	17	2,421	4,037
Investments accounted for using equity method	19	57,267	84,946
Financial assets at fair value through profit or loss	21(a)	101,243	121,042
Financial assets at fair value through other comprehensive income	21(b)	102,108	–
Prepayments	24	56,088	57,597
Deferred income tax assets	20	134,534	90,375
Total non-current assets		730,679	635,493
Current assets			
Inventories		499	523
Contract acquisition costs	6.2	151,061	139,494
Trade and other receivables	22	226,021	190,447
Prepayments	24	72,141	64,092
Restricted cash	23(b)	–	100,000
Cash and cash equivalents	23(a)	3,052,581	1,085,276
Total current assets		3,502,303	1,579,832
Total assets		4,232,982	2,215,325
EQUITY/(DEFICITS)			
Attributable to equity owners of the Company			
Share capital	27	309	1
Share premium	27	9,070,451	2,479,571
Other reserves	28	(4,133,252)	(4,060,430)
Accumulated losses		(3,713,017)	(2,060,430)

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
Equity/(deficits) attributable to owners of the Company		1,224,491	(3,641,288)
Non-controlling interests		(2,963)	(8,208)
Total equity/(deficits)		1,221,528	(3,649,496)
LIABILITIES			
Non-current liabilities			
Lease liabilities	16	1,179	6,863
Contract liabilities	6.2	1,332,001	1,159,893
Total non-current liabilities		1,333,180	1,166,756
Current liabilities			
Trade and other payables	25	744,158	749,766
Contract liabilities	6.2	925,449	795,073
Current income tax liabilities		27	–
Lease liabilities	16	8,640	9,315
Convertible redeemable preferred shares	26	–	3,143,911
Total current liabilities		1,678,274	4,698,065
Total liabilities		3,011,454	5,864,821
Total equity/(deficits) and liabilities		4,232,982	2,215,325

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

The financial statements on pages 104 to 208 were approved by the Board of Directors on 30 March 2026 and were signed on its behalf:

Mr. Luo Haidong
Executive Director & Chairman

Mr. He Xingjian
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to equity owners of the Company						
	Note	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity/ (deficits) RMB'000
Balance at 1 January 2025		1	2,479,571	(4,060,430)	(2,060,430)	(3,641,288)	(8,208)	(3,649,496)
Comprehensive loss								
Profit/(loss) for the year		-	-	-	(1,655,025)	(1,655,025)	5,245	(1,649,780)
Fair value changes on convertible redeemable preferred shares and warrants due to own credit risk	26	-	-	(2,141)	-	(2,141)	-	(2,141)
Currency translation differences		-	-	(190)	-	(190)	-	(190)
Transactions with owners of the Company								
Issue of ordinary shares upon global offering		56	2,090,402	-	-	2,090,458	-	2,090,458
Conversion of convertible redeemable preferred shares into ordinary shares		1	4,372,403	(2,438)	2,438	4,372,404	-	4,372,404
Capitalisation issue		251	(229)	(22)	-	-	-	-
Exercise of share options and RSUs vesting	29	-	128,304	(97,375)	-	30,929	-	30,929
Share-based payments for employees	29	-	-	29,344	-	29,344	-	29,344
Balance at 31 December 2025		309	9,070,451	(4,133,252)	(3,713,017)	1,224,491	(2,963)	1,221,528
Balance at 1 January 2024		1	2,479,571	(4,073,572)	(2,072,582)	(3,666,582)	(6,639)	(3,673,221)
Comprehensive income/(loss)								
Profit/(loss) for the year		-	-	-	12,152	12,152	(1,569)	10,583
Fair value changes on convertible redeemable preferred shares due to own credit risk	26	-	-	2,516	-	2,516	-	2,516
Currency translation differences		-	-	(102)	-	(102)	-	(102)
Transactions with owners of the Company								
Share-based payments for employees	29	-	-	10,728	-	10,728	-	10,728
Balance at 31 December 2024		1	2,479,571	(4,060,430)	(2,060,430)	(3,641,288)	(8,208)	(3,649,496)

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 generated from operations	30(a)	404,778	279,259
Income tax paid		(20)	(89)
Net cash generated from operating activities		404,758	279,170
Cash flows from investing activities			
Repayment of loan and interests by related parties	33(b)	–	1,578
Proceeds from redemption of wealth management product	3.3	3,856,468	4,258,669
Purchase of wealth management product	3.3	(3,850,115)	(4,250,030)
Decrease/(increase) in restricted cash	23(b)	100,000	(100,000)
Purchase of time deposits	3.3	(100,000)	–
Disposal of an associate	19(i)	36,140	13,500
Purchases of property, plant and equipment	15	(1,410)	(1,818)
Purchases of intangible assets	17	(289)	(281)
Proceeds from disposal of property, plant and equipment	15	30	1,130
Net cash generated from/(used in) investing activities		40,824	(77,252)
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares relating to the initial public offering by deduction of the underwriting commission		2,101,631	–
Redemption of conversion redeemable preferred shares	26	(543,292)	–
Principal elements and interest elements of lease payments	30(c)	(9,767)	(12,184)
Payment for listing expense		(6,559)	(991)
Net cash generated from/(used in) financing activities		1,542,013	(13,175)
Net increase in cash and cash equivalents		1,987,595	188,743
Effect of exchange rate changes		(20,290)	(794)
Cash and cash equivalents at beginning of the year		1,085,276	897,327
Cash and cash equivalents at end of the year		3,052,581	1,085,276

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

JST Group Corporation Limited (the “Company”) was incorporated in the Cayman Islands on 2 August 2021 as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands. The address of the Company’s registered office is Palm Grove Unit 4, 265 Smith Road, George Town, P.O. Box 52A Edgewater Way, #1653, Grand Cayman KY1-9006, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in providing e-commerce SaaS ERP service in the People’s Republic of China (the “PRC”).

The Company’s shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 21 October 2025.

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

These consolidated financial statements of the Group have been approved for issue by the Board on 30 March 2026.

2 SUMMARY OF ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of the Company and its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies

2.1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance (“HKCO”) Cap. 622. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards,
- IAS Standards, and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities which are carried at fair value disclosed in Note 3.3.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.1 Basis of preparation (Continued)

(a) New and amended standards adopted by the Group

The Group has applied the following amended standard for the first time for the annual reporting period commencing 1 January 2025.

Amendments	Effective for accounting periods beginning on or after
Amendments to IAS 21 – Lack of Exchangeability	1 January 2025

The amendment listed above did not have any material 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 ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.1 Basis of preparation (Continued)

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

Certain new and amended accounting standards have been published that are not mandatory for the year ended 31 December 2025 and have not been early adopted by the Group.

Standards and amendments	Effective for accounting periods beginning on or after
IFRS 9 and IFRS 7 (Amendment) 'Amendments to the Classification and Measurement of Financial Instruments'	1 January 2026
IFRS 9 and IFRS 7 (Amendment) 'Contracts Referencing Nature-dependent Electricity'	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 'Presentation and Disclosure in Financial Statements'	1 January 2027
IFRS 19 and Amendment to IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	1 January 2027
Amendment to IAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to IAS 28 and IFRS 10 – 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 ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.1 Basis of preparation (Continued)

(b) 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 Group in the current or future reporting periods and on foreseeable future transactions, except for IFRS 18 which will impact the presentation of statement of comprehensive income.

IFRS 18 will replace IAS 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 IFRS 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 consolidated statement of comprehensive income and providing management-defined performance measures within the financial statements.

The Group is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.2 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when 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 over 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 acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.1.2(d)).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised loss 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 statement of comprehensive income, balance sheets and statements of changes in equity respectively.

(b) 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 in the form of ordinary shares are accounted for using the equity method of accounting (see 2.1.2(c) below), after initially being recognised at cost.

Investments in associates in the form of ordinary shares with preferential rights or convertible redeemable preferred shares are accounted as financial assets measured at fair value through profit or loss ("FVTPL").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.2 Principles of consolidation and equity accounting (Continued)

(c) Equity method

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 loss 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 loss 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 loss, 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 loss 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 2.1.5.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.2 Principles of consolidation and equity accounting (Continued)

(d) Business combinations

The acquisition method of accounting is used to account for all business combinations, except for business combination under common control. 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.2 Principles of consolidation and equity accounting (Continued)

(d) Business combinations (Continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. 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 loss arising from such remeasurement are recognised in profit or loss.

(e) Separate financial statements

Investments 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 investments 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 ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.3 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment, if any. 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 profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives or, in case of leasehold improvements, the shorter lease term, as follows:

	Years
– Office and electronic equipment	3 to 5 years
– Vehicles	3 to 5 years
– Leasehold improvements	the shorter of the lease term or the useful life

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 2.1.5).

Gain and loss on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains – net" in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.4 Intangible assets

(a) Goodwill

Goodwill is measured as described in Note 17. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment loss. Gains and loss on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(b) Customer relationship

Customer relationships acquired in business combination are recognised initially at fair value at the acquisition date and subsequently carried at the amount initially recognised less accumulated amortisation and impairment loss, if any. Amortisation is calculated using the straight-line method to allocate the costs of acquired intangible assets over the estimated useful lives.

(c) Software and others

Software and others mainly include acquired computer software capitalised on the basis of the costs incurred to acquire and bring the specific software into usage. These costs are amortised using the straight-line method over their estimated useful lives. Costs associated with maintaining computer software programs are recognised as expense as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.4 Intangible assets (Continued)

(d) Research and development

The Group incurs significant costs and efforts on research and development activities. Research expenditures are charged to the profit or loss as an expense in the period the expenditures are incurred. Development costs are recognised as assets if they can be directly attributable to a newly developed products and all the following can be demonstrated:

- it is technically feasible to complete the development project so that it will be available for use;
- management intends to complete the development project, and use or sell it;
- the ability to use or sell the development project;
- it can be demonstrated how the development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and the ability to use or sell the development project are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

Other development expenditures that do not meet those above criteria are recognised as an 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 ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.4 Intangible assets (Continued)

(e) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

– Customer relationships	5 years
– Software and others	1-3 years

2.1.5 Impairment of non-financial assets

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial 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 inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.6 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 (“OCI”), 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.

For financial assets measured at fair value, gains and loss will either be recorded in profit or loss or OCI. 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 fair value through other comprehensive income (“FVOCI”).

The Group reclassifies debt instruments 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.6 Investments and other financial assets (Continued)

(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 FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL 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. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets 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. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other gains – net", together with foreign exchange gains and loss. Impairment loss are presented as separate line item in the statements of comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or loss, interest income and foreign exchange gains and loss which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other gains – net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and loss are presented in "Other gains – net" and impairment expenses are presented as separate line item in the statements of comprehensive income.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "Other gains – net" in the period in which it arises.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.6 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 loss on equity investments in OCI, there is no subsequent reclassification of fair value gains and loss to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in "Other income" when the Group's right to receive payments is established.

Changes in the fair value of financial assets measured at FVTPL are recognised in "Other gains – net" as applicable. Impairment loss (and reversal of impairment loss) 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 loss 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.

Expected credit loss are a probability-weighted estimate of credit loss (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime loss to be recognised from initial recognition of the receivables. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables from third parties and related parties are measured as either 12-month expected credit loss or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.7 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.1.8 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade 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. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 22 for further information about the Group's accounting for trade receivables and other receivables and see Note 2.1.6(d) and Note 3.1(b) for a description of the Group's impairment policies.

2.1.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, 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.

2.1.10 Share capital

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.11 Trade 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. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.1.12 Convertible redeemable preferred shares

Preferred shares issued by the Company ("Preferred Shares") are redeemable upon occurrence of certain future events. These instruments are also attached with a conversion option.

The Group designated the Preferred Shares as financial liabilities at fair value through profit or loss. They are initially recognised at fair value. Any directly attributable transaction costs are recognised as finance costs in profit or loss. The component of fair value changes relating to the Company's own credit risk is recognised in OCI. Amounts recorded in OCI related to credit risk are not subject to recycling in profit or loss, but are transferred to retained earnings when realised. Other fair value changes relating to market risk are recognised in profit or loss.

The Preferred Shares were classified as current liabilities as the Preferred Shares may be converted at any time at the option of the Preferred Shareholders and the conversion feature does not meet the criteria for equity instrument under IAS 32.

2.1.13 Contract liabilities

Contract liabilities are recognised if the Group receives consideration (or if it has the unconditional right to receive consideration) in advance of performance. Contract liabilities are expected to be settled within 12 months after the end of the period are presented as current liabilities in the balance sheet, otherwise are presented as other non-current liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.14 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 loss.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period 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 loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.14 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

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.

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.

2.1.15 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.15 Employee benefits (Continued)

(b) Pension obligations

Employees in the PRC are covered by various government-sponsored defined-contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. The Group contributes on a monthly basis to these pensions. Under these plans, the Group has no further payment obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred and contributions paid to the defined contribution pension plans for an employee are not available to reduce the Group's future obligations to such defined contribution pension plans even if the staff leaves.

The Group also participates in a pension scheme under the rules and regulations of Mandatory Provident Fund Scheme (the "MPF Scheme") for all its qualifying employees in Hong Kong. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD30,000. Contributions to the MPF Scheme vest immediately.

There were no forfeited contributions (by employers on behalf of employees who leave the defined contribution retirement benefit plans prior to vesting fully in such contributions) to offset existing contributions under the defined contribution schemes.

(c) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.15 Employee benefits (Continued)

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.1.16 Share-based payments

The Group operates an equity-settled share-based compensation plan, under which the Group receives service from its employees in exchange for the equity instruments of the Group. The fair value of equity-settled share-based payments for the services received from employees was measured at the grant date of the equity instruments. It was recognised as share-based payments in the profit or loss and as share-based payment reserve respectively. The total amount to be expensed is determined by reference to the fair value of the options granted as at grant date, including any market performance conditions, excluding the impacts of any service and non-market performance vesting conditions as well as including any non-vesting conditions, when applicable. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.16 Share-based payments (Continued)

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognised over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognised over the remainder of the original vesting period. Furthermore, if the entity modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the entity shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred (other than a cancellation of some or all the equity instruments granted).

The share incentive scheme is administrated by Jiaxing Partnership. On 21 October 2025, the share incentive scheme has been transferred to JST Incentive Plan Limited. Both of these two entities are consolidated in accordance with the principles in note 2.1.2. When the shares are granted but not vested, they are recognised as other reserves of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.17 Revenue recognition

Revenue are recognised when or as the control of the goods or services is provided to the customer. Depending on the terms of the contract and the laws that apply to the contract, services and goods may be transferred over time or at a point in time.

(i) Revenue from provision of SaaS services

The Group provides SaaS services for e-commerce businesses mainly in the PRC. Revenue from providing services is recognised in the accounting period in which the services are rendered.

The Group offers SaaS products which are cloud-based software, and provides implementation services, which assist customers with initial setup of the SaaS products and do not transfer distinct goods or services to customers. Therefore, there is one performance obligation identified, which is provision of SaaS products. The Group sells SaaS products to customers, i.e. the SaaS products users, through its direct sales force or through its sales agents. The Group is responsible for delivering the cloud-based software, paying server fees to external cloud server vendors to ensure the cloud-based software is accessible and stable, and the Group has discretion in establishing the prices for SaaS products. The sales agents have the contractual obligation to follow the Group's pricing guidance and has no significant performance obligation towards the customer. Therefore, the Group is the principal and recognises revenue at the gross amount billed to the customers.

SaaS revenue primarily consists of fees for providing customers access to one or more of the cloud applications for e-commerce with routine customer support. The Group recognises SaaS revenue mainly based on the following contractual models:

Under the model that offers customers with unlimited or maximum volume of orders being processed by the applications for a contract term, related revenue is recognised rateably over the contract term.

Under the model that offers customers with SaaS services based on their purchased volume of orders, related revenue is recognised upon the consumption of the purchased volume of orders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.17 Revenue recognition (Continued)

(i) Revenue from provision of SaaS services (Continued)

The Group capitalises sales commissions paid to its direct sales force and sales agents that had a direct and incremental relationship to obtain a contract as contract acquisition cost. Contract acquisition costs are charged into selling and distribution expenses on a ratable basis which is in line with the revenue recognition.

The costs incurred in fulfilling the contract is capitalised as an asset if the costs relate directly to a contract or anticipated contract, generate or enhance resources that will be used in satisfying the performance obligations in the future and are expected to be recovered. Costs would be recognised as expenses if they are general and administrative costs, wasted material, labour or other resources that were not reflected in pricing, related to satisfied performance obligations, or cannot be distinguished between satisfied and unsatisfied performance obligations.

The Group periodically evaluates whether there have been any changes in its business, the market conditions in which it operates or other events which would indicate that its amortisation period of contract acquisition cost should be changed or if there are impairment indicators.

(ii) Revenue from sales of products

The Group also sells a range of e-Commerce supportive equipment. Revenue from the sale of goods is recognised when control of the products has transferred, being when the products are accepted by the customer.

(iii) Revenue from promotion services

The Group provides promotion services through its direct sales force for products of other companies and charges commission. The revenue is recognised when the sales contracts are signed between these companies and their customers and the customers complete the payments.

(iv) Other services

The Group also provides other services and recognises revenue when the services are rendered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.18 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.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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 payment 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.18 Leases (Continued)

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, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

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. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets 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. Low-value assets comprise IT equipment and small items of office furniture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.19 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

2.1.20 Interest income

Interest income from financial assets at FVTPL is included in the net fair value gains on these assets.

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).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purpose, see Note 11 below.

2.1.21 Earnings per share

(i) 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, and
- 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 treasury shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Summary of material accounting policies (Continued)

2.1.21 Earnings per share (Continued)

(ii) 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.

2.2 Other accounting policies

2.2.1 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 Company.

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, 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 IFRS Accounting Standards.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.2 Other accounting policies (Continued)

2.2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker (“CODM”), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who makes strategic decisions.

2.2.3 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 Renminbi (“RMB”), which is the Company’s functional and the Group’s presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and loss resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within “Other gains – net” in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.2 Other accounting policies (Continued)

2.2.3 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 hyper-inflationary 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 consolidated 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 rate on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.2.4 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF ACCOUNTING POLICIES (Continued)

2.2 Other accounting policies (Continued)

2.2.5 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating loss.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

2.2.6 Dividend distribution

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 and 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

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. Foreign exchange risk is the risk of loss resulting from changes in fluctuation of foreign currency exchange rates.

For the year ended 31 December 2025, the foreign currency assets of the Group are mainly cash and cash equivalents denominated in USD and HKD. The foreign exchange risk the Group is facing mainly comes from movements in the USD/RMB and HKD/RMB.

For the Group's subsidiaries whose functional currency is RMB, if USD had strengthened/weakened by 5% against RMB with all other variables held constant, loss before income tax for the year would have been approximately RMB91,302,000 lower/higher for the year ended 31 December 2025 (2024: RMB853,000) as a result of net foreign exchange gains/loss on translation of net monetary assets denominated in USD. If HKD had strengthened/weakened by 5% against RMB with all other variables held constant, loss before income tax for the year would have been approximately RMB15,328,000 lower/higher for the year ended 31 December 2025 (2024: RMB88,000) as a result of net foreign exchange gains/loss on translation of net monetary assets denominated in HKD.

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 in respect of financial assets at fair value through profit or loss held by the Group which are carried at fair value with changes in the fair value recognised in profit or loss.

To manage its price risk arising from investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. Each investment is managed by senior management on a case by case basis. The impact of variable price of the Group's investments please refer to Note 21.

(iii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows were substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for cash and cash equivalents, restricted cash and wealth management products, details of which have been disclosed in Note 23.

(b) Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables, cash and cash equivalents, restricted cash, wealth management products and time deposits. The carrying amounts of trade and other receivables, cash and cash equivalents, restricted cash, wealth management products and time deposits represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) Cash and cash equivalents, restricted cash, wealth management products and time deposits

To manage risk arising from cash and cash equivalents, restricted cash, wealth management products and time deposits, the Group only transacts with stated-owned financial institutions in the PRC or reputable banks and financial institutions having high-credit-quality. There has been no recent history of default in relation to these financial institutions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Trade and other receivables

For sale of SaaS products and other products, the Group requires prepayments from customers. For provision of promotion services, the Group's main customers are related parties or customers with appropriate credit history. The Group has assessed the credit quality of the customers, taking into account its financial position, past experience and other factors. The credit term is 1 month. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group makes periodic collective assessments as well as individual assessment on the recoverability based on historical settlement records and past experience. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit loss which uses a lifetime expected loss allowance for trade receivables and contract assets without doubtful credit risk.

To measure the expected credit loss, trade receivables have been grouped based on shared credit risk characteristics and ageing period. The expected credit loss also incorporate forward-looking information.

The expected loss rates are based on payment pattern of debtors with similar risk profiles and the corresponding historical credit loss experienced within this period and aged-based migration rates of past due trade receivables. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product index ("GDP"), Consumer price index ("CPI") and Producer price index ("PPI") of the country in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Trade and other receivables (Continued)

Trade receivables (continued)

As at 31 December 2025, the Group's trade receivables of RMB4,351,000 (31 December 2024: RMB2,735,000) was individually determined to be impaired. Among the total loss allowance of RMB1,526,000 as at 31 December 2025 (31 December 2024: RMB920,000), the loss allowance of individually impaired trade receivables amounted to RMB870,000 (31 December 2024: RMB547,000) which is due from a related party that was in collection difficulties and management assessed that this customer is unlikely to pay its credit obligations to the Group in full.

On that basis, the Group's exposure to credit risk, ECLs for trade receivables, excluding those under individual assessment was determined as follows:

	Up to 1 year	Over 1 year	Total
31 December 2025			
Average expected credit loss rate	8.90%	–	8.90%
Gross carrying amount (RMB'000)	7,373	–	7,373
Loss allowance (RMB'000)	(656)	–	(656)
31 December 2024			
Average expected credit loss rate	7.53%	100.00%	11.32%
Gross carrying amount (RMB'000)	3,160	135	3,295
Loss allowance (RMB'000)	(238)	(135)	(373)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Trade and other receivables (Continued)

Trade receivables (continued)

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
At the beginning of the year	(920)	(817)
Provision for doubtful receivables	(739)	(103)
Written off as uncollectible	133	—
At the end of the year	(1,526)	(920)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Trade and other receivables (Continued)

Other receivables

Other receivable mainly includes authorised fee due from e-Commerce platform, rental deposits and others. The Group has assessed all other receivables are in the stage 1 base on the historical settlements records and quantitative and qualitative information that is reasonable and supportive.

The loss allowance was determined as follows for other receivables:

	Up to 1 year	1 to 2 years	Over 2 years	Total
31 December 2025				
Average expected credit loss rate	0.28%	2.04%	1.69%	0.35%
Gross carrying amount (RMB'000)	204,899	930	10,760	216,589
Loss allowance (RMB'000)	(565)	(19)	(182)	(766)
31 December 2024				
Average expected credit loss rate	0.13%	2.56%	1.41%	0.22%
Gross carrying amount (RMB'000)	174,412	1,602	9,733	185,747
Loss allowance (RMB'000)	(232)	(41)	(137)	(410)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Trade and other receivables (Continued)

Other receivables (Continued)

The loss allowances for other receivables as at 31 December reconcile to the opening loss allowances as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
At the beginning of the year	(410)	(363)
Provision for doubtful receivables	(356)	(47)
At the end of the year	(766)	(410)

No significant changes to estimation techniques or assumptions were made during the years ended 31 December 2025 and 2024.

(iii) Provision for impairment loss on financial assets

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Provision for doubtful receivables		
– Trade receivables	(739)	(103)
– Other receivables	(356)	(47)
	(1,095)	(150)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group's management regularly monitors current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial Liabilities	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2025					
Trade and other payables (excluding staff salaries and welfare payables and accrual taxes other than income tax)	478,265	–	–	–	478,265
Lease liabilities	9,166	949	280	–	10,395
	487,431	949	280	–	488,660
As at 31 December 2024					
Trade and other payables (excluding staff salaries and welfare payables and accrual taxes other than income tax)	498,702	–	–	–	498,702
Lease liabilities	9,815	6,937	99	–	16,851
Convertible redeemable preferred shares ⁽ⁱ⁾	1,581,101	–	–	–	1,581,101
	2,089,618	6,937	99	–	2,096,654

- (i) As at 31 December 2024, the contractual undiscounted cash flows of the Convertible redeemable preferred shares represents the maximum exposure of the redemption of Preferred Shares if a redemption event occurs as described in Note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group's objectives when managing capital are to:

- safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to owners, return capital to owners, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgments 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.

	Note	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2025					
Financial assets					
Financial assets at FVTPL					
– Unlisted equity investment	21	–	–	101,243	101,243
Financial assets at FVOCI					
– Time deposits	21	–	–	102,108	102,108
Total financial assets		–	–	203,351	203,351
As at 31 December 2024					
Financial assets					
Financial assets at FVTPL					
– Unlisted equity investment	21	–	–	121,042	121,042
Total financial assets		–	–	121,042	121,042
Financial liabilities					
Convertible redeemable preferred shares	26	–	–	3,143,911	3,143,911
Total financial liabilities		–	–	3,143,911	3,143,911

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

- Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at each of the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. 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 by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items including investments in wealth management product, unlisted companies and time deposit. Details of the movements and significant unobservable inputs used in convertible redeemable preferred shares are set out in Note 26.

	Investment in wealth management products RMB'000	Unlisted equity investment RMB'000	Time deposits RMB'000
Opening balance at 1 January 2025	–	121,042	–
Additions	3,850,115	–	100,000
Settlements	(3,856,468)	–	–
Gains/(losses) recognised in profit or loss	6,353	(19,799)	2,108
Closing balance at 31 December 2025	–	101,243	102,108
Opening balance at 1 January 2024	–	131,773	–
Additions	4,250,030	–	–
Settlements	(4,258,669)	–	–
Gains/(losses) recognised in profit or loss	8,639	(10,731)	–
Closing balance at 31 December 2024	–	121,042	–

(c) Valuation techniques and significant inputs used to determine fair values and valuation process

The Group has a team that manages the valuation exercise of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the financial instruments on a case-by-case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(c) Valuation techniques and significant inputs used to determine fair values and valuation process (Continued)

The valuation of the level 3 instruments mainly included investment in wealth management products, unlisted equity investment and time deposits. As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including discounted cash flow model and market approach etc. The Group engaged an independent valuer to assist them on valuation of non-current unlisted equity investments.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value		Significant unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	As at 31 December			As at 31 December		
	2025 RMB'000	2024 RMB'000		2025	2024	
Unlisted equity investment	101,243	121,042	Expected volatility	46.3%~48.5%	35.3%~50.5%	The higher the expected volatility, the lower the fair value
			Business enterprise value/sales multiple ("EV/S")	0.9~4.3	0.9~15.5	The higher the multiple, the higher the fair value
			Discount for lack of marketability ("DloM")	20%~30%	13%~29%	The higher the lack of liquidity discount rate, the lower the fair value
Time deposits	102,108	–	Expected rate of return	2.2%	N/A	The higher the expected rate of return, the higher the fair value

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(c) Valuation techniques and significant inputs used to determine fair values and valuation process (Continued)

Key assumptions used in the valuation of the fair value of financial assets include expected volatility, EV/S and DloM. The Company performed sensitivity analysis on expected volatility, EV/S and DloM, the most sensitive assumptions. If the expected volatility had decreased or increased by 10% with all other variables held constant, the fair value of financial assets would have been increased or decreased by approximately RMB73,000 as at 31 December 2025 (31 December 2024: RMB469,000). If the EV/S had decreased or increased by 10% with all other variables held constant, the fair value of financial assets would have been decreased or increased by approximately RMB8,135,000 as at 31 December 2025 (31 December 2024: RMB10,382,000). If the DloM had decreased or increased by 10% with all other variables held constant, the fair value of financial assets would have been increased or decreased by approximately RMB2,684,000 as at 31 December 2025 (31 December 2024: RMB3,229,000).

Key assumption used in the valuation of the fair value of investment in wealth management products and time deposits is expected rate of return. The Company performed sensitivity analysis on expected rate of return. If the expected rate of return had decreased or increased by 10% with all other variables held constant, the fair value of investment in wealth management products and time deposits would have been increased or decreased by approximately RMB660,000.

(d) Financial instruments carried at other than fair value

The carrying amounts of the Group's financial assets including cash and cash equivalents, restricted cash, trade receivables and other receivables and the Group's financial liabilities, including trade payables, other payables and accruals approximate to their fair values due to their short maturities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimation of the fair value of certain financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these financial assets.

(b) Share-based payments

As mentioned in Note 29, the Group has granted share options to its employees. The Group has engaged an independent valuer to determine the total fair value of the options granted to employees, which is to be expensed over the vesting period. Significant estimate on assumptions, such as the discount rate, risk-free interests rate, expected volatility, estimation of vesting period and dividend yield, is required to be made by the directors in applying the option pricing model.

(c) Current and deferred income taxes

The Group is subject to corporate income taxes in the PRC. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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 relating to certain temporary differences and tax loss are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax loss can be utilised. The outcome of their actual utilisation may be different.

Critical management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Fair value of convertible redeemable preferred shares

The convertible redeemable preferred shares issued by the Company are not traded in an active market and the respective fair value is determined by using valuation techniques. The Group applied the discounted cash flow method to determine the underlying equity value method and equity allocation model to determine the fair value of the convertible redeemable preferred shares. Details of the valuation models, key assumptions and inputs are disclosed in Note 26.

5 SEGMENT INFORMATION

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions.

The Group's CODM reviews consolidated results when making strategic decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable operating segment.

The major operating entities of the Group are domiciled in the PRC. Accordingly, almost all the Group's results were derived in the PRC and almost all the operating assets of the Group are located in the PRC during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 REVENUE

Revenue mainly comprises proceeds from providing SaaS services and sales of supportive equipment. An analysis of the Group's revenue by category is as follows:

6.1 Disaggregation of revenue from contracts with customers

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
SaaS	1,104,817	877,530
Promotion service fees	19,703	13,596
Sales of supportive equipment	16,416	18,002
Others	1,534	622
Total revenue	1,142,470	909,750

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Timing of revenue recognition		
– At a point in time	53,966	32,220
– Over time	1,088,504	877,530
Total revenue	1,142,470	909,750

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 REVENUE (Continued)

6.2 Assets and liabilities related to contract with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Contract acquisition costs	416,740	398,013
Contract liabilities	2,257,450	1,954,966

(i) Contract acquisition costs

The Group has recognised an asset in relation to costs to obtain contracts. This is presented as contract acquisition costs in consolidated balance sheet.

Contract acquisition costs for initial contracts are amortised on a ratable basis which is in line with the revenue recognition. The management expects the capitalised costs to be completely recovered and no impairment loss should be recognised since no loss is expected to be incurred for the related customer contracts when all the costs that relate to the fulfillment of the contract are taken into account.

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Total contract acquisition costs	416,740	398,013
Less: amounts to be amortised within one year	(151,061)	(139,494)
Contract acquisition costs – non-current	265,679	258,519

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 REVENUE (Continued)

6.2 Assets and liabilities related to contract with customers (Continued)

(i) Contract acquisition costs (Continued)

The following table shows the changes of contract acquisition costs balances:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
The beginning of contract acquisition costs	398,013	374,289
Asset recognised from costs incurred to obtain a contract	185,307	174,111
Amortisation recognised as sales commission to sales agents in selling and marketing expenses related to services or products during the year (Note 7)	(53,442)	(48,370)
Amortisation recognised as commission for sales personnel of employee benefit expenses in selling and marketing expenses related to services or products during the year (Note 8)	(113,138)	(102,017)
The ending balance of contract acquisition costs	416,740	398,013

(ii) Contract liabilities

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided.

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Total contract liabilities	2,257,450	1,954,966
Less: amounts to be recognised in revenue within one year	(925,449)	(795,073)
Contract liabilities – non-current	1,332,001	1,159,893

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 REVENUE (Continued)

6.2 Assets and liabilities related to contract with customers (Continued)

(iii) Revenue recognised in relation to contract liabilities

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Beginning balance	1,954,966	1,604,485
Addition	1,385,029	1,228,011
Recognised in revenue	(1,082,545)	(877,530)
Ending balance	2,257,450	1,954,966

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 RMB'000	2024 RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year	787,590	613,660

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 REVENUE (Continued)

6.2 Assets and liabilities related to contract with customers (Continued)

(iv) Transaction price allocated to remaining performance obligations

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
To be recognised as revenue within 1 year	950,002	817,087
To be recognised as revenue over 1 year	2,218,474	2,047,446
Transaction price allocated to remaining performance obligations of long-term contracts	3,168,476	2,864,533

The following table shows performance obligations that were unsatisfied or partially unsatisfied.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Unsatisfied	210,542	163,027
Partially unsatisfied	2,957,934	2,701,506
Transaction price allocated to remaining performance obligations of long-term contracts	3,168,476	2,864,533

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 EXPENSES BY NATURE

The detailed analysis of cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses is as follow:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Employee benefit expenses (Note 8)	801,163	745,912
Cloud server fees	83,372	80,540
Sales commission to sales agents	53,442	48,370
Technical service fees	36,807	29,033
Listing expenses	34,616	9,151
Cost of goods sold	12,090	11,950
Travelling expenses	11,469	10,400
Depreciation of right-of-use assets (Note 16)	9,726	10,858
Utilities and office expenses	9,400	10,427
Taxes and surcharges	8,728	7,319
Implementation materials	4,390	3,384
Expenses relating to short-term leases (Note 16)	4,211	3,723
Marketing expenses	4,178	5,030
Depreciation and amortisation (Notes 15 and 17)	4,019	5,448
Entertainment expenses	3,795	780
Consulting fees	3,657	2,113
Auditors' remuneration – audit services	2,519	76
Others	2,749	2,593
	1,090,331	987,107

8 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages and salaries	484,041	467,562
Commission for sales personnel	113,138	102,017
Social security costs, pension costs, housing benefits and other employee benefits	174,640	165,605
Share-based payments for employees	29,344	10,728
	801,163	745,912

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 EMPLOYEE BENEFIT EXPENSES (Continued)

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2024: two) directors, and their emoluments are reflected in the analysis shown in Note 34. The emoluments payable to the remaining three (2024: three) individuals during the year are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages and salaries	4,287	4,496
Bonuses	7,410	4,780
Pension costs-defined contribution plans	71	82
Other social security costs, housing benefits and other employee benefits	110	120
Share-based payments for employees	19,710	12,846
	31,588	22,324

The emoluments fell within the following bands:

	Year ended 31 December	
	2025	2024
HK\$3,000,001 to HK\$3,500,000	–	1
HK\$5,000,001 to HK\$5,500,000	–	1
HK\$5,500,001 to HK\$6,000,000	1	–
HK\$6,000,001 to HK\$6,500,000	1	–
HK\$15,000,001 to HK\$15,500,000	–	1
HK\$22,500,001 to HK\$23,000,000	1	–
	3	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 OTHER INCOME

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Government grants	37,930	14,101
Interest income derived from loan to employees	220	162
Tax refund	—	602
Super deduction of input VAT	—	231
	38,150	15,096

10 OTHER (LOSSES)/GAIN – NET

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Fair value gain of wealth management products (Note 3.3(b))	6,353	8,639
Gain on disposal of property, plant and equipment	18	1,019
Foreign exchange loss	(27,245)	(693)
Gain on disposal of an associate (Note 19(ii))	3,778	3,345
Fair value loss of unlisted equity investments (Note 3.3(b))	(19,799)	(10,731)
Other losses	(702)	(1,261)
	(37,597)	318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 FINANCE INCOME – NET

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Finance income:		
– Interest income from financial assets held for cash management purposes	20,399	6,495
Finance costs:		
– Interest expense on lease liabilities	(604)	(1,079)
Finance income – net	19,795	5,416

12 TAXATION

(a) Value added tax

The Group is mainly subject to 6% and 13% VAT, and surcharges on VAT payments according to PRC tax law.

(b) Income tax

Cayman Islands Income Tax

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

Hong Kong Profits Tax

Hong Kong income tax rate is two-tiered profits tax regime, under which the tax rate is 8.25% for assessable profits on the first HK dollar 2 million and 16.5% for any assessable profits in excess of HK dollar 2 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 TAXATION (Continued)

(b) Income tax (Continued)

PRC Enterprise Income Tax

Income tax provision of the Group in respect of operations in mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. The general corporate income tax rate in the PRC is 25%. Certain subsidiaries of the Group in the PRC were qualified as “high and new technology enterprises” and were subject to a preferential income tax rate of 15%.

Certain subsidiaries of the Group in the PRC were qualified as “Small Low-Profit Enterprise”. “Small Low-Profit Enterprise” was entitled to a preferential income tax rate that was calculated in accordance with the two-tiered profits tax rates regime. From 1 January 2023 to 31 December 2027, Small Low-Profit Enterprise with taxable income less than RMB3,000,000 are taxed at 5%.

Thailand Corporate Income Tax (“CIT”)

The Group’s subsidiary in Thailand is subject to Thailand CIT which is calculated based on the applicable tax rate of 20% on the assessable profits of the subsidiary in accordance with Thailand tax laws and regulations for the reporting period.

PRC withholding Tax (“WHT”)

According to the New Corporate Income Tax Law (“New EIT Law”), distribution of profits earned by PRC companies since 1 January 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on if the foreign investor is considered as the beneficial owner of the dividend according to the double tax treaty (agreement) between China and the jurisdiction of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 TAXATION (Continued)

(b) Income tax (Continued)

PRC withholding Tax ("WHT") (Continued)

During the years ended 31 December 2025 and 2024, the Group does not have any plan to require its PRC subsidiaries to distribute their retained earnings to foreign investors and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on WHT was accrued as at the end of each reporting period.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Current income tax	370	151
Deferred income tax (Note 20)	(44,159)	(90,375)
Income tax credit	(43,789)	(90,224)

The reconciliation from income tax calculated based on the applicable tax rates and loss before income tax presented in the consolidated statement of comprehensive income to the income tax credit is set out as below:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before income tax	(1,693,569)	(79,641)
Tax calculated at applicable tax rates	30,410	(16,813)
Effects of preferential tax rates	(14,366)	4,915
Accelerated research and development deductible expenses	(35,227)	(32,900)
Income not subject to tax	(354)	–
Share of net loss/(gain) of investments accounted for using equity method	(702)	666
Expenses not deductible for taxation purpose	203	37
Utilization of previously unrecognised tax losses	(61)	(250)
Temporary differences and tax loss for which no deferred income tax asset was recognised	17,631	44,496
Recognition of previously unrecognised temporary differences and losses (Note 20)	(41,323)	(90,375)
Income tax credit	(43,789)	(90,224)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 DIVIDENDS

No interim dividend has been paid or declared by the Company or the companies now comprising the Group during the year ended 31 December 2025 (2024: nil).

The Board of Directors does not recommend the payment of any final dividend in respect of the year ended 31 December 2025 (2024: Nil).

14 (LOSS)/EARNINGS PER SHARE

Following the completion of the Capitalisation Issue on 21 October 2025 as disclosed in Note 27(ii), the weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the years ended 31 December 2025 and 2024 has been retrospectively adjusted.

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to ordinary shareholders of the Company by the weighted average number of outstanding shares during the years ended 31 December 2025 and 2024.

For the purpose of computing basic and diluted (loss)/earnings per share, ordinary shares issued minus ordinary shares held for employee incentive, were considered in the calculation of share number.

	Year ended 31 December	
	2025	2024
(Loss)/profit attributable to ordinary shareholders of the Company (RMB'000)	(1,655,025)	12,152
Weighted average number of outstanding ordinary shares	227,800,897	178,182,600
Basic (loss)/earnings per share (RMB)	(7.27)	0.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 (LOSS)/EARNINGS PER SHARE (Continued)

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

As the Group incurred loss for the year ended 31 December 2025, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as the effect of their inclusion would be anti-dilutive.

For the year ended 31 December 2024, diluted earnings per share would be the same as basic earnings per share considering that (i) the share options and RSUs granted by the Company are subject to the IPO condition to be exercisable and are treated as contingently issuable shares because their issue is contingent on satisfying IPO condition in addition to the passage of time; (ii) the convertible redeemable preferred shares issued by the Company were excluded from the diluted earnings per share calculation, as their effect would have been anti-dilutive.

Accordingly, diluted (loss)/earnings per share for the years ended 31 December 2025 and 2024 was the same as basic (loss)/earnings per share of the respective year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 PROPERTY, PLANT AND EQUIPMENT

	Office and electronic equipment RMB'000	Vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
Year ended 31 December 2025				
Opening net book amount	910	1,259	1,529	3,698
Additions	36	1,356	18	1,410
Disposals	(12)	–	–	(12)
Depreciation (Note 7)	(386)	(376)	(1,352)	(2,114)
Closing net book amount	548	2,239	195	2,982
As at 31 December 2025				
Cost	5,321	2,937	17,396	25,654
Accumulated depreciation	(4,773)	(698)	(17,201)	(22,672)
Net book amount	548	2,239	195	2,982
	Office and electronic equipment RMB'000	Vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
Year ended 31 December 2024				
Opening net book amount	1,366	548	3,607	5,521
Additions	307	1,061	450	1,818
Disposals	(32)	(79)	–	(111)
Depreciation (Note 7)	(731)	(271)	(2,528)	(3,530)
Closing net book amount	910	1,259	1,529	3,698
As at 31 December 2024				
Cost	5,513	1,581	17,379	24,473
Accumulated depreciation	(4,603)	(322)	(15,850)	(20,775)
Net book amount	910	1,259	1,529	3,698

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

- (a) Depreciation expenses were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Selling and marketing expenses	66	582
General and administrative expenses	2,048	2,887
Research and development expenses	–	61
	2,114	3,530

No property, plant and equipment was restricted or pledged as security for liabilities as at 31 December 2025 and 2024.

16 LEASES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Right-of-use assets	8,357	15,279
Lease liabilities		
Current	8,640	9,315
Non-current	1,179	6,863
	9,819	16,178

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 LEASES (Continued)

- (i) The movements of the right-of-use assets were as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Opening net book value	15,279	26,439
Additions	2,804	1,356
Early termination	–	(7)
Depreciation charge (Note 7)	(9,726)	(10,858)
Modifications	–	(1,651)
Closing net book value	8,357	15,279

- (ii) Depreciation expenses were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets (Note 7)	9,726	10,858
Interest expense (Note 11)	604	1,079
Expense relating to short-term leases (included in cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses) (Note 7)	4,211	3,723

The total cash outflow for leases for the year ended 31 December 2025 was approximately RMB13,978,000 (2024: RMB15,907,000) out of which RMB9,767,000 (2024: RMB12,184,000) was relating to financing activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 INTANGIBLE ASSETS

	Goodwill (a) RMB'000	Customer relationship RMB'000	Software and others RMB'000	Total RMB'000
Year ended 31 December 2025				
Opening net book amount	–	2,550	1,487	4,037
Additions	–	–	289	289
Amortization charge (Note 7)	–	(1,700)	(205)	(1,905)
Closing net book amount	–	850	1,571	2,421
As at 31 December 2025				
Cost	9,927	8,500	2,618	21,045
Accumulated amortization	–	(7,650)	(1,047)	(8,697)
Impairment provision	(9,927)	–	–	(9,927)
Net book amount	–	850	1,571	2,421
Year ended 31 December 2024				
Opening net book amount	–	4,250	1,424	5,674
Additions	–	–	281	281
Amortisation charge (Note 7)	–	(1,700)	(218)	(1,918)
Closing net book amount	–	2,550	1,487	4,037
As at 31 December 2024				
Cost	9,927	8,500	2,329	20,756
Accumulated amortisation	–	(5,950)	(842)	(6,792)
Impairment provision	(9,927)	–	–	(9,927)
Net book amount	–	2,550	1,487	4,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 INTANGIBLE ASSETS (Continued)

Amortisation expenses were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cost of sales	–	29
Selling and marketing expenses	1,704	1,703
General and administrative expenses	201	174
Research and development expenses	–	12
	1,905	1,918

(a) Impairment test for goodwill

The goodwill of RMB9,927,000 represents the excess of the acquisition consideration transferred and amount of controlling interests in Zhuhai Furun over the fair value of the net identifiable assets acquired as at the acquisition date in July 2021, and was allocated on Zhuhai Furun. Due to the operations of Zhuhai Furun had been significantly impacted by factors after acquisition such as change of the macroeconomic conditions and customer attrition. As at 31 December 2022, the recoverable amount of Zhuhai Furun was estimated to be lower than the carrying amount of the CGU.

The Group recorded impairment of approximately RMB9,927,000 as at 31 December 2022 in light of the changes in economic, operating and market environment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 INVESTMENT IN SUBSIDIARIES

As at 31 December 2025, the Company had direct and indirect interests in the following subsidiaries (including controlled structured entities):

Company name	Country/place and date of incorporation/ establishment	Registered issued capital	Attributable equity interest of the Group		Principal activities and place of operation
			As at 31 December		
			2025	2024	
Directly held:					
True Value Limited	BVI, 14 Sep 2021	USD 1	100%	100%	Investment holding, BVI
Indirectly held:					
Shanghai Jushuitan Network Technology Co., Ltd. 上海聚水潭網絡科技有限公司	The PRC, 26 Sep 2014	RMB606,481,809	100%	100%	SaaS services, Shanghai
Jiaying Jushuitan Smart Technology Co., Ltd. 嘉興聚水潭智能科技有限公司	The PRC, 29 Jun 2020	RMB50,000,000	100%	100%	SaaS services, Jiaying
Nanchang Jushuitan Information Technology Co., Ltd. 南昌聚水潭信息技術有限公司	The PRC, 28 Jan 2021	RMB10,000,000	100%	100%	SaaS services, Nanchang
Jiaying Jushuitan Information Technology Co., Ltd. 嘉興聚水潭信息科技有限公司	The PRC, 27 Jan 2014	RMB1,000,000	100%	100%	SaaS services, Jiaying
Shenzhen Zhongxiang Network Technology Co., Ltd. 深圳市眾享網絡科技有限公司	The PRC, 1 Aug 2011	RMB2,000,000	100%	100%	SaaS services, Shenzhen
Shanghai Juhuotong E-Commerce Co., Ltd. 上海聚貨通電子商務有限公司	The PRC, 26 Apr 2020	RMB5,000,000	90%	90%	SaaS services, Shanghai
Hangzhou Jushuitan Network Technology Co., Ltd. 杭州聚水潭網絡科技有限公司	The PRC, 28 Sep 2021	RMB10,000,000	85%	85%	SaaS services, Hangzhou
Shanghai Shengshang Technology Co., Ltd. 上海晟尚科技有限公司	The PRC, 31 Jan 2019	RMB60,000,000	100%	100%	SaaS services, Shanghai

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 INVESTMENT IN SUBSIDIARIES (Continued)

Company name	Country/place and date of incorporation/ establishment	Registered issued capital	Attributable equity interest of the Group		Principal activities and place of operation
			As at 31 December		
			2025	2024	
Hong Kong Jushuitan Technology Co., Limited 香港聚水潭科技有限公司	Hong Kong, 1 Sep 2020	USD2,571,572	100%	100%	Investment holding, Hong Kong
JST Investment Holding Corporation	BVI, 14 May 2021	–	100%	100%	Investment, BVI
Zhuhai Furun Technology Co., Ltd. 珠海富潤科技有限公司 ("Zhuhai Furun")	The PRC, 7 Apr 2011	RMB1,000,000	100%	100%	SaaS services, Zhuhai
JST ERP Technology (Thailand) Company Limited	Thailand, 31 Oct 2022	USD220,000	80%	80%	SaaS services, Thailand
Jiaxing Jushuitan Investment Management Partnership (limited partnership) ("Jiaxing Partnership") 嘉興聚水潭投資管理合夥企業 (有限合夥)	The PRC, 7 Sep 2017	RMB3,208,972	100%	100%	Investment holding, Jiaxing
HK True Value Limited	Hong Kong, 4 Oct 2021	HKD1	100%	100%	Investment holding, Hong Kong
JST Incentive Plan Limited	BVI, 17 May 2023	USD50,000	100%	100%	Investment holding, BVI

The total non-controlling interests as at 31 December 2025 amounted to RMB(2,963,000) (31 December 2024: RMB(8,208,000)). No subsidiary has non-controlling interests that are material to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

The Group has interests in a number of individually immaterial associates that are accounted for using the equity method.

The amounts summarised in the consolidated balance sheet are as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Investments in associates accounted for using the equity method		
– Immaterial associates	57,267	84,946

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Aggregate amounts of the Group's share of:		
Profit/(loss)	4,683	(4,438)
Other comprehensive income	–	–
Total comprehensive income/(loss)	4,683	(4,438)

The movement of the investment in associates accounted for using the equity method is set out below.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Beginning of year	84,946	99,539
Share of results of associates summarised in the consolidated statement of comprehensive income	4,683	(4,438)
Disposal of equity method investments ⁽ⁱ⁾	(32,362)	(10,155)
End of year	57,267	84,946

- (i) The Group disposed an associate in 2025, with the consideration of RMB36,140,000, resulted in a gain of RMB3,778,000. The total consideration has been settled in 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 DEFERRED INCOME TAX

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates which are expected to apply at the time of reversal of the temporary differences.

The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Deferred income tax assets:		
– to be recovered after more than 12 months	127,615	95,274
– to be recovered within 12 months	9,424	1,397
	137,039	96,671
Set-off of deferred tax liabilities	(2,505)	(6,296)
Net deferred tax assets	134,534	90,375
Deferred income tax liabilities:		
– to be recovered after more than 12 months	(1,152)	(4,965)
– to be recovered within 12 months	(1,353)	(1,331)
	(2,505)	(6,296)
Set-off of deferred tax assets	2,505	6,296
Net deferred tax liabilities	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 DEFERRED INCOME TAX (Continued)

The gross movement on the deferred income tax account is as follows:

	Deductible tax loss carried forward RMB'000	Lease liabilities RMB'000	Right-of- use assets RMB'000	Fair value change of non-current financial assets measured at FVTPL RMB'000	Customer relationship RMB'000	Total RMB'000
As at 1 January 2025	94,244	2,427	(2,292)	(3,621)	(383)	90,375
Credited/(charged) to consolidated statement of comprehensive income	41,323	(955)	1,038	2,498	255	44,159
As at 31 December 2025	135,567	1,472	(1,254)	(1,123)	(128)	134,534
As at 1 January 2024	7,682	–	(3,966)	(3,078)	(638)	–
Credited/(charged) to consolidated statement of comprehensive income	86,562	2,427	1,674	(543)	255	90,375
As at 31 December 2024	94,244	2,427	(2,292)	(3,621)	(383)	90,375

The Group only recognises deferred tax assets for cumulative tax losses if it is probable that future taxable income will be available to utilize those tax losses. Management will continue to assess the recognition of deferred tax assets in future reporting periods. As at 31 December 2025, management carried out an assessment to determine whether future taxable profits will be available to utilise the cumulative tax losses and the Group has recognised deferred tax assets of approximately RMB135,567,000 (31 December 2024: RMB94,244,000) for tax losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 DEFERRED INCOME TAX (Continued)

As at 31 December 2025, the Group did not recognise deferred income tax assets in respect of loss of RMB1,178,968,000 (31 December 2024: RMB1,550,419,000) that can be carried forward against future taxable income. The expiry calendar years of the related tax loss are as follow:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
2025	—	10,008
2026	—	41,818
2027	—	19,511
2028	—	—
2029	—	—
2030	—	179,312
2031	—	279,688
2032	475,333	485,456
2033	249,232	261,050
2034	334,259	273,576
2035	96,808	—
Indefinitely	23,336	—
	1,178,968	1,550,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 FINANCIAL ASSETS AT FVTPL AND FINANCIAL ASSETS AT FVOCI

(a) Financial assets at FVTPL – non-current

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Investments in unlisted entities		
– Investment in associates measured at FVTPL ⁽ⁱ⁾	77,727	101,411
– Other unlisted investments	23,516	19,631
	101,243	121,042

- (i) As at 31 December 2025 and 2024, the Group invested in certain unlisted companies. The Group has significant influence over these companies. In addition, these entities have share capital consisting of ordinary shares with preference rights, which are held directly by the Group and are measured at fair value through profit or loss. Management is of the view that none of these associates is individually material to the Group.

(b) Financial assets at FVOCI

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Time deposits – non-current	102,108	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables – net	10,198	5,110
Other receivables – net	215,823	185,337
Trade and other receivables – net	226,021	190,447

(i) Trade receivables

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables due from third parties	6,734	1,786
Trade receivables due from related parties (Note 33(c))	4,990	4,244
	11,724	6,030
Less: provision for loss allowance of receivables	(1,526)	(920)
Trade receivables – net	10,198	5,110

The ageing analysis of trade receivables based on invoice date, before provision for loss allowance, was as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables, gross		
Within 1 year	9,787	5,776
Over 1 year	1,937	254
	11,724	6,030

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 TRADE AND OTHER RECEIVABLES (Continued)

(ii) Other receivables

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Receivables due from e-Commerce platforms (a)	179,471	173,564
Receivables from employees for share option exercises	20,080	–
Deposits	6,753	6,714
Staff advances	5,361	5,141
Others	4,924	328
	216,589	185,747
Less: provision for loss allowance of receivables	(766)	(410)
	215,823	185,337

- (a) Customers typically need to pay software authorisation fees through e-Commerce platforms to use the Group's software and the authorisation fees will be refunded by the Group when meeting certain criteria. Receivables due from e-Commerce platforms represent the balances of authorisation fees paid by customers but yet to be settled by e-commerce platforms. Authorisation fees to be refunded represent the balances of authorisation fees yet to be refunded by the Group to customers.

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

The aging analysis of other receivables based on invoice date, before provision for loss allowance, was as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Other receivables, gross		
Within 1 year	204,899	174,412
Over 1 year and within 2 years	930	1,602
Over 2 years	10,760	9,733
	216,589	185,747

The provision for doubtful trade and other receivables refers to Notes 3.1(b)(ii).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cash at banks and on hand	3,019,857	1,148,981
Cash equivalents (i)	32,724	36,295
Less: restricted cash (b)	–	(100,000)
Cash and cash equivalents	3,052,581	1,085,276

(i) Cash equivalents represents cash balances kept in third party payment platforms, such as Ali-pay and WeChat account which can be withdrawn by the Group at any time.

Cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
RMB	912,530	1,055,667
USD	1,826,033	17,053
HKD	306,549	1,753
THB	7,469	10,803
	3,052,581	1,085,276

(b) Restricted cash

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cash at banks restricted for purchase of wealth management products	–	100,000

Restricted cash is denominated in RMB.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 PREPAYMENTS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Prepayments		
– Non-current		
Cloud server fee	56,088	57,597
– Current		
Cloud server fee	63,943	48,566
Technical service expense	2,336	578
Prepaid rental expense	248	287
Prepaid listing expense	–	1,095
Deferred listing expense	–	9,920
Others	5,614	3,646
	72,141	64,092
	128,229	121,689

25 TRADE AND OTHER PAYABLES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Authorisation fee to be refunded (Note 22(ii)(a))	423,491	417,643
Staff salaries and welfare payables	233,416	223,501
Commission fee payables	41,306	46,514
Accrued taxes other than income tax	32,477	27,563
Trade payables due to third parties	1,124	1,262
Listing expense payable	–	11,998
Employee stock options exercise fee payables	–	10,854
Other payables and accruals	12,344	10,431
	744,158	749,766

As at 31 December 2025 and 2024, all trade and other payables of the Group were non-interest bearing, and their carrying amounts, excluding the staff salaries and welfare payables and accrued taxes other than income tax which are not financial liabilities, approximated their fair values due to their short maturities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 TRADE AND OTHER PAYABLES (Continued)

Aging analysis of the trade and other payables based on recognition at the respective balance sheet dates were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Less than 1 year	740,598	748,383
Over 1 year	3,560	1,383
	744,158	749,766

26 CONVERTIBLE REDEEMABLE PREFERRED SHARES

Since the date of incorporation, the Company has completed several rounds of financing by issuing Preferred Shares to investors, namely, Series Angel Preferred Shares, Series Pre-A Preferred Shares, Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares. The key terms of Series Angel to Series C Preferred Shares are summarized as follows:

Liquidation Preferences

In the event of any i) liquidation; ii) dissolution; iii) winding up of the Company; iv) any consolidation, amalgamation or merger of the Company with or into any other person or other corporate reorganisation, in which the members of the Company immediately prior to such consolidation, amalgamation, merger or reorganisation, own less than 50% of the Company's voting power or shares immediately after such consolidation, merger, amalgamation, or reorganisation, or any transaction or series of related transactions to which the Company is a party in which in excess of 50% of the Company's voting power or shares is transferred, but excluding any transaction effected solely for tax purposes or to change the Company's domicile; v) a sale, lease, exclusively license or other disposition of all or substantially all of the assets, intellectual properties or business of the Group Companies; vi) change of the actual controller of the Company, other than (a) a consolidation with a wholly-owned subsidiary of the Company; (b) a merger effected exclusively to change the domicile of the Company; and (c) an equity financing consummated solely for capital-raising purposes in which the Company is the surviving corporation and which is approved by the preferred majority and two-thirds of the Board members.

The liquidation preference amount shall be equal to any dividends declared and unpaid with respect to the Preferred Shares plus the liquidation preference amount. The liquidation preference amount of Series Angel and Series Pre-A is calculated as the 125% and 100% of the original investment principal from Series Angel and Series Pre-A investors, respectively. The liquidation preference amount of Series A, B and C is calculated as the 100% of the original investment principal plus a return at the simple annual rate of 10% of the original investment principal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 CONVERTIBLE REDEEMABLE PREFERRED SHARES (Continued)

Conversion Rights

Each Preferred Share may, at the option of the Preferred Shareholders thereof, be converted at any time after the date of issuance of such Preferred Shares into fully-paid and non-assessable ordinary shares at an initial conversion ratio of 1:1 subject to i) adjustment for share splits and combinations; ii) adjustment for ordinary share dividends and distributions; iii) adjustments for reorganisations, mergers, consolidations, reclassifications, exchanges, substitutions; iv) adjustments to conversion price for dilutive issuance.

In addition, each Preferred Share shall automatically be converted, based on the then-effective conversion price, without any action being required by the holder of such Preferred Share and whether or not the certificates representing such Preferred Share surrendered to the Company or its transfer agent, into fully-paid and non-assessable ordinary shares upon the earlier of (a) the closing of an qualified IPO duly approved in accordance with the shareholders agreement and the memorandum and articles and (b) the date specified by written consent of all Series Angel to Series C Preferred Shareholders.

Redemption Rights of Series B and Series C Preferred Shares

Series B and Series C Preferred Shares shall be redeemable at the election of Series B and Series C Preferred Shareholders upon specific conditions as follows: (i) the Company's failure to consummate a Qualified IPO on or prior to 13 August 2025 (i.e. the fifth (5th) anniversary of the closing date of the series C financing of the Company); (ii) the Company or the founder has severely violated the provisions of the transaction documents or a breach of Laws to materially affect the Company's ability to continue to operate or Qualified IPO; (iii) the information provided by the Company to the Series C Investors or the Series B Investors about the Group deviates materially from the actual situation or the Company conceals, misleads, misrepresents or defrauds in the process of information disclosure; (iv) any act of appropriation of funds, transaction or guarantee between any Group Company and its Affiliates that has a material adverse effect on the operation of any Group Company and fails to be corrected within thirty days after investors' request for correction; (v) the accounting firm's failure to issue an unqualified audit report on the Company; (vi) a material change in the Company's business (except as agreed by investors) or (vii) any other Shareholder exercises its redemption right in accordance with the transaction documents.

Pursuant to the amendment to shareholders agreement as entered into with respective investors on 8 June 2023, which agreed that the redemption right shall be ceased immediately before submitting the application to the Hong Kong Stock Exchange for the initial public offering by the Company, provided such redemption right shall automatically be reinstated upon the occurrence of certain agreed uncontrollable events, all redemption liabilities were still being recognised and will be re-classified to equity upon the successful listing of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 CONVERTIBLE REDEEMABLE PREFERRED SHARES (Continued)

Redemption Rights of Series B and Series C Preferred Shares (Continued)

Pursuant to the updated shareholders agreement signed in May 2025, certain investors' rights to request the Company to settle the convertible redeemable preferred shares will be reinstated and become exercisable if the initial public offering, listing and trading of the Company's shares on a recognised stock exchange does not occur before 31 December 2025. The redemption price shall be paid within 12 months of the date of the redemption request.

Pursuant to the side letters signed in May 2025, certain investors have already undertaken that they will not exercise their redemption rights prior to 31 December 2026.

Upon listing on the Hong Kong Stock Exchange on 21 October 2025, the remaining Preferred Shares were converted into ordinary shares.

Dividends and voting rights

Each preferred shares shall have voting rights and dividend rights equivalent to ordinary shareholders into which such preferred shares (including warrants) could be convertible.

The movements of the convertible redeemable preferred shares are set out as below:

	RMB'000
At 31 December 2024	3,143,911
Redemption of convertible redeemable preferred shares (i)	(543,292)
Loss on convertible redeemable preferred shares (ii)	1,769,644
Change in fair value due to own credit risk	2,141
Conversion of convertible redeemable preferred shares into ordinary shares	(4,372,404)
At 31 December 2025	–
	RMB'000
At 31 December 2023	3,127,901
Change in fair value	18,526
Change in fair value due to own credit risk	(2,516)
At 31 December 2024	3,143,911

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 CONVERTIBLE REDEEMABLE PREFERRED SHARES (Continued)

Dividends and voting rights (Continued)

- (i) On 19 May 2025, 235,627 series C convertible redeemable preferred shares have been redeemed by the Company from certain Series C preferred shareholders, at a consideration of approximately USD75.6 million (equivalent to RMB543 million) and the Company derecognised the carrying amount of relevant Series C convertible redeemable preferred shares accordingly.
- (ii) The Company recognised loss on convertible redeemable preferred shares in total amount of RMB1,769,644,000 for the year ended 31 December 2025, which included the fair value change of convertible redeemable preferred shares and gain or loss from modification of terms of the redemption rights.

The Group applied the discount cash flow method to determine the underlying equity value of the Company and adopted option-pricing method and equity allocation model to determine the fair value of the convertible redeemable preferred shares. Significant unobservable inputs are set as below:

	As at 31 December 2024
Discount rate	16.00%
Risk free rate	4.30%
DloM	15.00%
Volatilities	44.90%

Key assumptions used in the valuation of the convertible redeemable preferred shares include discount rate and DloM. The Company performed sensitivity analysis on these key assumptions for the year ended 31 December 2024. If the discount rate had decreased or increased by 1% with all other variables held constant, the convertible redeemable preferred shares would have been increased or decreased by approximately RMB23,836,000 as at 31 December 2024. If the DloM had decreased or increased by 1% with all other variables held constant, the convertible redeemable preferred shares would have been increased or decreased by approximately RMB4,344,000 as at 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 SHARE CAPITAL AND SHARE PREMIUM

(a) Share capital

	Number of ordinary shares	Nominal value of shares US\$
Authorised:		
As at 31 December 2023 and 2024	498,199,255	49,820
Redemption and reclassification from convertible redeemable preferred shares to ordinary shares	1,800,745	180
Increase authorised ordinary shares	500,000,000	50,000
As at 31 December 2025	1,000,000,000	100,000

	Number of ordinary shares	Nominal value of share capital US\$'000	Equivalent nominal value of share capital RMB'000
Issued:			
As at 31 December 2023 and 2024	2,013,606	–	1
Conversion of convertible redeemable preferred shares into ordinary shares (i)	1,565,118	–	1
Capitalisation issue (ii)	354,293,676	35	251
Issuance of ordinary shares upon Global Offering (iii)	68,166,200	7	49
Issuance of ordinary shares upon exercise of over-allotment option (iii)	10,224,900	1	7
As at 31 December 2025	436,263,500	43	309

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 SHARE CAPITAL AND SHARE PREMIUM (Continued)

(b) Share premium

	Share premium RMB'000
As at 31 December 2023 and 2024	2,479,571
Conversion of convertible redeemable preferred shares into ordinary shares (i)	4,372,403
Capitalisation issue (ii)	(229)
Issuance of ordinary shares upon Global Offering (iii)	1,904,365
Issuance of ordinary shares upon exercise of over-allotment option (iii)	284,778
Share issuance costs (iii)	(98,741)
Exercise of share options and RSUs vesting	128,304
As at 31 December 2025	9,070,451

- (i) On 21 October 2025, all of the 1,565,118 redeemable and convertible preferred shares were converted into the same number of ordinary shares (Note 26). The fair value of the Preferred Shares immediately before the conversion was RMB4,372,404,000, and the conversion resulted in the increase in share capital of approximately RMB1,000 and share premium of approximately RMB4,372,403,000.
- (ii) Pursuant to a written resolution of all shareholders of the Company passed on 5 October 2025, and subject to the share premium account of the Company being credit as a result of the issuance of new shares pursuant to the global offering, the directors of the Company were authorised to allot and issue a total of 354,293,676 ordinary shares credited as fully paid at par to the shareholders on the register of members of the Company in the Cayman Islands at the close of business on the business day preceding 21 October 2025, in proportion to their existing respective shareholdings (save that no shareholders shall be entitled to be allotted or issued any fraction of a share) by way of the capitalisation of the sum of USD35,000 (equivalent to approximately RMB251,000) standing to the credit of the share premium account of the Company. ("Capitalisation Issue").
- (iii) Upon the listing on the Main Board of the Hong Kong Stock Exchange on 21 October 2025, the Company issued 68,166,200 new ordinary shares at par value of USD0.0001 per share for cash consideration of HKD30.60 each. Subsequently, on 16 November 2025, the Company issued additional 10,224,900 new ordinary shares through the exercise of the over-allotment option. The gross proceeds received by the Company was approximately HKD2,398,767,660 (equivalent to approximately RMB2,189,199,000). The respective share capital amount was approximately RMB56,000 and share premium arising from the issuance was approximately RMB2,189,143,000. The share issuance costs relating to the global offering amounted to RMB98,741,000 were recorded in share premium.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 OTHER RESERVES

The following table shows a breakdown of the balance sheet line item “other reserves” and its movement during the respective years.

	Shares held for employee incentive (i) RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Foreign currency translation RMB'000	Fair value changes on convertible redeemable preferred shares due to own credit risk RMB'000	Total RMB'000
As at 1 January 2025	–	(4,235,557)	170,560	(12)	4,579	(4,060,430)
Foreign currency translation	–	–	–	(190)	–	(190)
Fair value change of convertible redeemable preferred shares	–	–	–	–	(2,141)	(2,141)
Conversion of convertible redeemable preferred shares into ordinary shares	–	–	–	–	(2,438)	(2,438)
Capitalisation issue (Note 27 (ii))	(22)	–	–	–	–	(22)
Exercise of share options and RSUs vesting	20	–	(97,395)	–	–	(97,375)
Share-based payments for employees (Note 29)	–	–	29,344	–	–	29,344
As at 31 December 2025	(2)	(4,235,557)	102,509	(202)	–	(4,133,252)
As at 1 January 2024	–	(4,235,557)	159,832	90	2,063	(4,073,572)
Foreign currency translation	–	–	–	(102)	–	(102)
Fair value changes on convertible redeemable preferred shares	–	–	–	–	2,516	2,516
Share-based payments for employees (Note 29)	–	–	10,728	–	–	10,728
As at 31 December 2024	–	(4,235,557)	170,560	(12)	4,579	(4,060,430)

- (i) As at 31 December 2025, 2,851,300 shares were held by JST Incentive Plan Limited for the employee incentive (31 December 2024: 311,780) (Note 29).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 SHARE-BASED PAYMENTS

In 2018, the board of directors approved the establishment of the share incentive scheme with the purpose of which is to provide incentive for certain senior management members and employees contributing to the Group through a limited liability partnership before the reorganisation.

On 7 September 2017, Jiaxing Partnership was established serving as the employee incentive platform, in which Mr. Luo Haidong was the general partner. In 2018, Mr Luo Haidong and the other two founders of Shanghai Jushuitan transferred their in total of 4.83% share of Shanghai Jushuitan to Jiaxing Partnership. Jiaxing Partnership further subscribed aggregately 8.11% shares of Shanghai Jushuitan in 2018. 8.75 % and 2.54% of Shanghai Jushuitan's shares that were held by Jiaxing Partnership were granted to employees on 1 January 2018 and 31 March 2021, respectively, in exchange for their services to certain of the Group's subsidiaries which includes the grant of restricted stock units ("RSUs") and share options.

During the reorganisation in 2023, the above share incentive scheme was replaced by the new share incentive scheme. Under the new share incentive scheme, 32.3213 share options/RSUs correspond to 1 share of the Company (or 100 shares as adjusted immediately after the Capitalisation Issue). The vesting condition does not change, and no additional benefit to the employee upon modification and thus does not have any accounting impact. The RSUs granted to Mr. Wang Yu had their terms modified during the reorganisation, removing the IPO condition and accelerating the expense recognition.

On 15 April 2024, the chairman of the board of directors approved to grant 450,591 options to its employees and adopt a new expiry date of the above share option. The new expiry date is set to ten years from the approved date. The vesting commencement date of the granted options was on 1 January 2024.

On 20 May 2025, the chairman of the board of directors approved to re-grant 447,000 options by repurchasing from the departure of the grantees. The vesting commencement date of the re-grant options was on 1 January 2024.

The options/RSUs shall vest under service condition and the Company's successful IPO. The granted options/RSUs have a contractual option term of ten years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 SHARE-BASED PAYMENTS (Continued)

The movements in the number of share options outstanding and their related exercise prices are summarised as follows:

Share options

	Number of share options (in thousands)	Number of shares subject to the options (in thousands)	Average exercise price per share option RMB
Outstanding as at 1 January 2025	5,918	182	5.4
Granted during the year	447	14	8.0
Forfeited during the year	(105)	(3)	8.0
Capitalisation Issue	–	19,177	–
Exercised during the year	(5,362)	(16,593)	5.1
Outstanding as at 31 December 2025	898	2,777	8.0
Outstanding as at 1 January 2024	5,858	180	5.4
Granted during the year	451	14	8.0
Forfeited during the year	(391)	(12)	8.0
Outstanding as at 31 December 2024	5,918	182	5.4

No options were vested and exercisable as at 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 SHARE-BASED PAYMENTS (Continued)

RSUs

	Number of RSUs (in thousands)	Number of shares subject to the RSUs (in thousands)	Average vest price per RSU RMB
Outstanding as at 1 January 2025 and 1 January 2024	1,470	46	2.5
Capitalisation Issue	–	4,502	–
Exercised during the year	(1,470)	(4,548)	2.5
Outstanding as at 31 December 2025	–	–	–

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the years as part of employee benefit expense were as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Share-based payments for employees (Note 28)	29,344	10,728

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 SHARE-BASED PAYMENTS (Continued)

Expenses arising from share-based payment transactions (Continued)

The share options outstanding as at 31 December 2025 have the following vesting dates and exercise prices:

Grant date	Expiry date	Exercise price per share option/RSU (RMB)	Outstanding share options/ RSUs (in thousands) As at 31 December	
			2025	2024
1 January 2018	15 April 2034	2.5	—	2,845
31 March 2021	15 April 2034	8.0	—	2,622
1 January 2024	15 April 2034	8.0	451	451
20 May 2025	15 April 2034	8.0	447	—
Total			898	5,918

Weighted average remaining contractual life of options outstanding at end of period are listed as below.

Grant date	As at 31 December	
	2025	2024
1 January 2018	—	9.30
31 March 2021	—	9.30
1 January 2024	8.30	9.30
20 May 2025	8.30	—

(i) Fair value of options/RSUs granted

The fair value of each RSUs granted with service conditions is estimated based on the fair market value of the underlying ordinary shares of Shanghai Jushuitan on the date of grant.

The assessed fair value at grant date of options granted was RMB1,382 per share (issued on 15 April 2024) and RMB1,366 per share (issued on 20 May 2025), respectively. The fair value at grant date is independently determined using an adjusted form of the Binary Tree Model which includes a Binary Tree Model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 SHARE-BASED PAYMENTS (Continued)

Expenses arising from share-based payment transactions (Continued)

(i) Fair value of options/RSUs granted (Continued)

The significant input into the model was as follows:

Share options issued on 15 April 2024

15 April 2024
Equivalent to RMB

Spot share price	1,608
Exercise price per share	259
Expected volatility	49.50%
Maturity (years)	10.00
Risk-free interest rate	2.60%
Dividend yield	—

Share options issued on 20 May 2025

20 May 2025
Equivalent to RMB

Spot share price	1,896
Exercise price per share	259
Expected volatility	47.80%
Maturity (years)	8.90
Risk-free interest rate	1.70%
Dividend yield	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 CASH GENERATED FROM OPERATIONS

(a) Reconciliation of loss before income tax to net cash generated from operations

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before income tax for the year	(1,693,569)	(79,641)
Adjustments for:		
– Depreciation of property, plant and equipment (Note 15)	2,114	3,530
– Amortisation of right-of-use assets (Note 16)	9,726	10,858
– Amortisation of intangible assets (Note 17)	1,905	1,918
– Gain on disposal of an associate (Note 10)	(3,778)	(3,345)
– Gain on disposal of property, plant and equipment (Note 10)	(18)	(1,019)
– Provision for loss allowance of receivables (Note 3.1)	1,095	150
– Share of net (gain)/loss of investments accounted for using equity method (Note 19)	(4,683)	4,438
– Share-based payments for employees (Note 29)	29,344	10,728
– Finance costs (Note 11)	604	1,079
– Foreign exchange loss (Note 10)	20,100	693
– Interest income from loans to employees and related parties (Note 9)	(220)	(162)
– Interest received from time deposits (Note 11)	(2,108)	–
– Fair value change of unlisted equity investments (Note 10)	19,799	10,731
– Fair value change of wealth management products (Note 10)	(6,353)	(8,639)
– Loss on convertible redeemable preferred shares (Note 26)	1,769,644	18,526
	1,837,171	49,486

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 CASH GENERATED FROM OPERATIONS (Continued)

(a) Reconciliation of loss before income tax to net cash generated from operations (Continued)

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Changes in working capital:		
– Increase in trade and other receivables	(16,695)	(93,094)
– Increase in prepayments	(17,562)	(17,381)
– Decrease/(increase) in inventories	24	(58)
– Increase in contract acquisition cost	(18,727)	(23,724)
– Increase in trade and other payables	11,652	93,252
– Increase in contract liabilities	302,484	350,419
	261,176	309,414
Cash generated from operations	404,778	279,259

(b) Non-cash investing and financing activities

The major non-cash investing and financing transactions during the years ended 31 December 2025 and 2024 mainly include (i) the additions of the right-of-use assets and lease liabilities described in Note 16, (ii) convert convertible redeemable preferred shares to ordinary shares described in Note 26.

(c) Net debt reconciliation

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cash and cash equivalents	3,052,581	1,085,276
Lease liabilities	(9,819)	(16,178)
Convertible redeemable preferred shares	–	(3,143,911)
Net debt	3,042,762	(2,074,813)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 CASH GENERATED FROM OPERATIONS (Continued)

(c) Net debt reconciliation (Continued)

	Cash and cash equivalents RMB'000	Lease liabilities RMB'000	Convertible redeemable preferred shares RMB'000	Total RMB'000
Net debt as at 1 January 2025	1,085,276	(16,178)	(3,143,911)	(2,074,813)
Cash flows	1,987,595	9,767	543,292	2,540,654
Foreign exchange	(20,290)	–	–	(20,290)
Interest expenses	–	(604)	–	(604)
Other non-cash movements	–	(2,804)	2,600,619	2,597,815
Net cash as at 31 December 2025	3,052,581	(9,819)	–	3,042,762
Net debt as at 1 January 2024	897,327	(29,221)	(3,127,901)	(2,259,795)
Cash flows	188,743	12,184	–	200,927
Foreign exchange	(794)	–	–	(794)
Interest expenses	–	(1,079)	–	(1,079)
Other non-cash movements	–	1,938	(16,010)	(14,072)
Net debt as at 31 December 2024	1,085,276	(16,178)	(3,143,911)	(2,074,813)

31 COMMITMENTS

(a) Capital commitments

No capital expenditure contracted for at 31 December 2025 and 2024, but not yet incurred.

(b) Lease commitments

The Group leases certain offices under non-cancellable lease arrangements with lease terms less than 1 year, which can be exempted from IFRS 16. The Group's future aggregate minimum lease payments for such short term non-cancellable leases were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	690	1,159

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 CONTINGENCIES

The Group did not have any material contingent liabilities as at 31 December 2025 and 2024.

33 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

(a) The directors of the Company are of the view that the following parties/companies were related parties that had transaction or balances with the Group during the year ended 31 December 2025 and 2024:

Name	Relationships with the Group
Mr. Cen Wenchu 岑文初	Director of significant subsidiaries
Shenzhen Lingxing	Associate
Zhejiang Quality Control Technology Management Co., Ltd.	Associate
Wuxi Wuhe Cloud Network Technology Co., Ltd.	Associate
Shenzhen Zexi Network Technology Co., Ltd. *	Associate
Hangzhou Zhuidian Network Technology Co., Ltd.	Investment with significant influence
Dian Inc.	Investment with significant influence
Hangzhou Youfan Information Technology Co., Ltd.	Investment with significant influence
Beijing Jishiyu Intelligent Technology Co., Ltd.	Investment with significant influence

* This investment was disposed in 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

Operating activities

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Revenue – Promotion service fees		
Dian Inc.	2,278	2,043
Hangzhou Youfan Information Technology Co., Ltd.	2,249	4,209
Zhejiang Quality Control Technology Management Co., Ltd.	485	528
Shenzhen Lingxing	414	480
Hangzhou Zhuidian Network Technology Co., Ltd.	216	279
Wuxi Wuhe Cloud Network Technology Co., Ltd.	128	214
Beijing Jishiyu Intelligent Technology Co., Ltd.	17	16
Shenzhen Zexi Network Technology Co., Ltd.	–	40
	5,787	7,809

The prices for the above service fees were determined in accordance with the terms mutually agreed by the contract parties.

Non-operating activities

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Repayment from related parties		
Mr. Cen Wenchu	–	1,578

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 RELATED PARTY TRANSACTIONS (Continued)

(c) Year-end balances with related parties

(i) Trade balances with related parties

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Trade receivables		
Dian Inc.	4,351	2,736
Hangzhou Youfan Information Technology Co., Ltd.	372	1,131
Zhejiang Quality Control Technology Management Co., Ltd.	130	156
Shenzhen Lingxing	96	156
Hangzhou Zhuidian Network Technology Co., Ltd.	41	65
	4,990	4,244

The above balances with related parties were mainly denominated in RMB. They were unsecured, trade in nature and non-interest bearing.

(d) Key management compensation

Compensations for key management other than those for directors and as disclosed in Note 34 is set out below.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries and other short-term employee benefits	8,990	6,120
Share-based payments for employees	17,255	12,846
	26,245	18,966

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

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

Name	Fees RMB'000	Salaries RMB'000	Housing allowance and contributions to a retirement benefit scheme RMB'000	Share based payment RMB'000	Total RMB'000
Executive Directors					
– Mr. Luo Haidong	–	2,554	146	–	2,700
– Mr. He Xingjian	–	4,413	18	–	4,431
– Mr. Li Cansheng	–	3,676	18	–	3,694
– Mr. Wang Yu	–	4,512	18	–	4,530
Non-executive Directors					
– Mr. Wang Donghui (i)	–	–	–	–	–
– Mr. Chen Hongliang (i)	–	–	–	–	–
– Mr. Zhou Kui (i)	–	–	–	–	–
Independent Non-Executive Directors					
– Ms. Luo Mei (ii)	60	–	–	–	60
– Mr. Li Jiajun (ii)	60	–	–	–	60
– Mr. Sheng Kaiqiang (ii)	60	–	–	–	60
	180	15,155	200	–	15,535

(i) Mr. Wang Donghui, Mr. Chen Hongliang and Mr. Zhou Kui resigned as non-executive directors on 21 October 2025. The above disclosure of Mr. Wang Donghui, Mr. Chen Hongliang and Mr. Zhou Kui's emoluments only covered period from 1 January 2025 to 21 October 2025.

(ii) Ms. Luo Mei, Mr. Li Jiajun and Mr. Sheng Kaiqiang have been appointed as independent non-executive directors from 21 October 2025. The above disclosure of Ms. Luo Mei, Mr. Li Jiajun and Mr. Sheng Kaiqiang's emoluments only covered period from 21 October 2025 to 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

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

Name	Fees RMB'000	Salaries RMB'000	Housing allowance and contributions to a retirement benefit scheme RMB'000	Share based payment RMB'000	Total RMB'000
Executive Directors					
– Mr. Luo Haidong	–	2,629	71	–	2,700
– Mr. He Xingjian	–	3,347	12	–	3,359
– Mr. Li Cansheng	–	2,572	–	–	2,572
– Mr. Wang Yu	–	4,026	–	–	4,026
Non-executive Directors					
– Mr. Wang Donghui	–	–	–	–	–
– Mr. Chen Hongliang	–	–	–	–	–
– Mr. Zhou Kui	–	–	–	–	–
	–	12,574	83	–	12,657

(b) Directors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors for the years ended 31 December 2025 and 2024.

(c) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available directors' services subsisted at the end of the year or at any time for the years ended 31 December 2025 and 2024.

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors for the years ended 31 December 2025 and 2024.

(e) Directors' material interests in transactions, arrangements or contract

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted for the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 BALANCE SHEET AND OTHER RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

	As at 31 December	
	2025 RMB'000	2024 RMB'000
ASSETS		
Non-current assets		
Investment in subsidiaries	5,165,782	5,136,438
Total non-current assets	5,165,782	5,136,438
Current assets		
Other receivables	32,738	350,027
Prepayments	–	11,015
Cash and cash equivalents	2,020,482	709
Total current assets	2,053,220	361,751
Total assets	7,219,002	5,498,189
EQUITY		
Attributable to equity owners of the Company		
Share capital	309	1
Share premium	9,070,451	2,479,571
Other reserves (a)	35,730	108,362
Accumulated losses	(2,040,062)	(245,912)
Total equity	7,066,428	2,342,022
LIABILITIES		
Current liabilities		
Other payables	152,574	12,256
Convertible redeemable preferred shares	–	3,143,911
Total current liabilities	152,574	3,156,167
Total liabilities	152,574	3,156,167
Total equity and liabilities	7,219,002	5,498,189

The balance sheet of the Company was approved by the Board of Directors on 30 March 2026 and was signed on its behalf:

Mr. Luo Haidong
Executive Director & Chairman

Mr. He Xingjian
Executive Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 BALANCE SHEET AND OTHER RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Other reserve movement of the Company

	Shares held for employee incentive RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Fair value changes on convertible redeemable preferred shares due to own credit risk RMB'000	Total RMB'000
As at 1 January 2025	–	1,445	102,338	4,579	108,362
Fair value changes on convertible redeemable preferred shares due to own credit risk	–	–	–	(2,141)	(2,141)
Conversion of convertible redeemable preferred shares into ordinary shares	–	–	–	(2,438)	(2,438)
Capitalisation issue (Note 27 (ii))	(22)	–	–	–	(22)
Exercise of share options and RSUs vesting	20	–	(97,395)	–	(97,375)
Share-based payments for employees	–	–	29,344	–	29,344
As at 31 December 2025	(2)	1,445	34,287	–	35,730
As at 1 January 2024	–	1,445	91,610	2,063	95,118
Capital contribution from owners	–	–	–	–	–
Fair value changes on convertible redeemable preferred shares	–	–	–	2,516	2,516
Share-based payments for employees	–	–	10,728	–	10,728
As at 31 December 2024	–	1,445	102,338	4,579	108,362