



SINO-ENTERTAINMENT
TECHNOLOGY HOLDINGS LIMITED

新娛科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6933



2025
ANNUAL REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Sui Jiaheng (*Chairman*)
Mr. Li Tao

Non-executive Director

Mr. He Shaoning

Independent non-executive Directors

Ms. Pang Xia
Mr. Deng Chunhua
Ms. Chen Nan

BOARD COMMITTEES

Audit Committee

Ms. Pang Xia (*Chairlady*)
Mr. Deng Chunhua
Ms. Chen Nan

Remuneration Committee

Mr. Deng Chunhua (*Chairman*)
Ms. Pang Xia
Ms. Chen Nan

Nomination Committee

Mr. Sui Jiaheng (*Chairman*)
Ms. Pang Xia
Mr. Deng Chunhua

COMPANY SECRETARY

Mr. Yuen Chi Wai, *FCCA*

AUTHORISED REPRESENTATIVES

Mr. Sui Jiaheng
Mr. Yuen Chi Wai

AUDITORS

Asian Alliance (HK) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors
8/F, Catic Plaza
8 Causeway Road
Causeway Bay, Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite No. 2, 3/F Sino Plaza
255 Gloucester Road
Causeway Bay, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 3, Floor 5, Fortune Plaza
No. 4 Deshan Road, Luocheng Dongmen Town
Luocheng Mulao Autonomous County
Hechi City
Guangxi Zhuang Autonomous Region, China

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Postal Savings Bank of China

COMPANY'S INVESTOR RELATIONSHIP WEBSITE

www.sinotecw.com

STOCK CODE

6933

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of the Company, I hereby present the annual report of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025.

The Group is an integrated game publisher and developer with a historical focus on mobile game publishing in Mainland China. However, the Mainland China mobile game industry has become increasingly competitive in recent years, characterized by rapid market changes and shrinking profit margins for game publishing businesses. Confronted with these challenging market conditions, the Group has strategically adjusted its development focus, shifting more resources toward exploring growth opportunities outside Mainland China to drive long-term sustainable development.

During the year ended 31 December 2025, the Group's total revenue amounted to approximately RMB28,490,000, representing a decrease of approximately 36.2% compared to RMB44,664,000 in 2024. This decline was primarily driven by a significant reduction in mobile game business revenue, including the publishing of third parties games and development and sales of games, which fell from RMB44,664,000 in 2024 to RMB14,709,000 in 2025. This reduction was a deliberate strategic choice: we adopted a more selective approach in choosing cooperative game projects to minimize potential losses arising from discrepancies between expected and actual performance of the published games. For self-developed games, the Group maintained regular research and development activities during the year, which were mainly at the product reserve and commercialisation matching stage, and thus no revenue was generated.

In contrast, our emerging blockchain technology business began to deliver a positive segment result, achieving a revenue of RMB13,781,000 in 2025. This business, focused on development and sales and provision of technical support for SocialFi mobile apps powered by blockchain technology, has become a key stabilizer of our overall performance, partially offsetting losses from the mobile game segment.

Overall, the Group achieved a gross profit of approximately RMB10,970,000, representing an increase of approximately 512.5% compared to RMB1,791,000 in 2024, and recorded a loss for the year attributable to owners of the Company of approximately RMB28,966,000 (2024: RMB27,891,000), representing a further loss of approximately 3.9% year-on-year. The improvement in gross profit reflects the contribution of the blockchain technology business and our ongoing cost control efforts.

As at 31 December 2025, the Group's financial position remained solid with net assets and no borrowings, providing ample support for the sustained progress of various business operations.

In line with our strategic shift to prioritize overseas expansion, the Group has formally launched its overseas game publishing business starting from 2026. In March 2026, we have signed the first cooperation agreement to publish mobile games in overseas markets outside Mainland China, marking a critical step in our global expansion journey.

Chairman's Statement

Looking ahead, the Group will focus its development efforts on two core strategic pillars:

1. Blockchain technology business: We will strengthen the development of technical support for SocialFi mobile apps, accelerate the completion of subsequent functional modules, expand user acquisition channels, and explore diversified revenue models to tap into the high-growth potential of the SocialFi sector.
2. Game publishing: We will scale up our overseas game publishing business, leveraging the newly signed cooperation agreement to penetrate key international markets, and replicate our mature operational capabilities to capture opportunities in the global gaming industry. Meanwhile, the Group will continue to advance the preparation and commercialisation of self-developed game projects, and strive to generate income contributions in near future.

By concentrating resources on these two high-potential areas, the Group aims to diversify its revenue structure, reduce reliance on the challenging domestic game publishing market, and ultimately enhance long-term value for our shareholders.

On behalf of the Board, I would like to express my sincere gratitude to the Group's employees for their dedication and hard work, and to all shareholders, partners, and stakeholders for their continued trust and support.

Sui Jiaheng

Chairman

Hong Kong, 31 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is an integrated game publisher and developer with a historical focus on mobile game publishing in Mainland China, while strategically expanding into blockchain technology-related businesses and overseas game markets. We are committed to delivering quality interactive gameplay experiences to players through our industry expertise and in-depth understanding of partners and user needs. In parallel, we are leveraging technological innovation to explore high-growth tracks such as SocialFi and global game distribution, driving the Group's sustainable development.

BUSINESS REVIEW

For the Year, the total revenue of the Group decreased by 36.2% from that of approximately RMB44,664,000 last year to approximately RMB28,490,000.

The Group recorded a loss for the year attributable to owners of the Company of approximately RMB28,966,000 for the Year, representing a further loss of approximately 3.9% as compared with that of approximately RMB27,891,000 for the year ended 31 December 2024. Revenue from the blockchain technology business and tightened operational cost controls have effectively contained the loss to a slight increase, largely maintaining the loss level from the previous year while offsetting part of the mobile game segment's losses.

Major transaction

On 12 February 2025, Sino-Entertainment (HK) International Holdings Limited (a direct wholly-owned subsidiary of the Company, "**SEHKIHL**"), Time Entertainment International Limited (an indirect non-wholly owned subsidiary of the Company, "**TEIL**") and Time Is Money Co., Limited ("**TIMCL**") entered into the Shareholders' Agreement to govern, among other things, the relationship between SEHKIHL and TIMCL as shareholders of TEIL and the commitment by each of SEHKIHL and TIMCL to TEIL. Pursuant to the Shareholders' Agreement, SEHKIHL shall inject capital in the amount of HK\$20.0 million into TEIL ("**Capital Injection**"), and TIMCL shall procure the transfer of the core source code of the SocialFi mobile app developed by TIMCL and the other relevant intellectual properties related to the SocialFi mobile app, such as the data of the software framework, user interface design and programs, to TEIL. The source code will be developed as a SocialFi mobile app. As such, the amount of Capital Injection was in substance the consideration for the acquisition of the core source code of the SocialFi mobile app developed by TIMCL and the other relevant intellectual properties related to the SocialFi mobile app. TIMCL also guarantees to SEHKIHL that the aggregate audited net profit after tax of TEIL for the years ending 31 December 2025, 2026 and 2027 will not be less than HK\$40.0 million. If the aggregate audited net profit is less than HK\$40.0 million, TIMCL agrees to transfer such number of shares of TEIL held by TIMCL to SEHKIHL as calculated according to an agreed formula and if TEIL records aggregate audited loss for the years ending 31 December 2025, 2026 and 2027, TIMCL will transfer the entire number of shares of TEIL held by it to SEHKIHL.

Management Discussion and Analysis

The transactions under the Shareholders' Agreement constitute an acquisition (through contribution in kind) under the Listing Rules. As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the acquisition (through contribution in kind) contemplated under the Shareholders' Agreement exceed 25% but less than 100%, the entering into of the Shareholders' Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company's option (the "**Option**") to acquire the equity interests of TEIL under the profit guarantee clause of the Shareholders' Agreement is treated as a transaction and classified by reference to the percentage ratios pursuant to Rules 14.04(1)(b) and 14.73 of the Listing Rules. Since the exercise of the Option is at the discretion of the Company, according to Rule 14.75(1) of the Listing Rules, on the grant of the Option, only the premium (which is nil) will be taken into consideration for calculating the percentage ratios. The Company will comply with the relevant Listing Rules on the exercise of the Option (where required).

On 9 April 2025, an extraordinary general meeting of the Company was held at which the Shareholders' Agreement and the transactions contemplated thereunder were approved, confirmed and ratified by the Shareholders. For more details, please refer to the circular and the poll results announcement issued by the Company dated 21 March and 9 April 2025 respectively.

OUTLOOK

To pursue long-term sustainable development, the Group will focus on two core strategic pillars:

1. Blockchain technology business: We will strengthen technical support for SocialFi mobile apps, accelerate functional module development, expand user acquisition channels, and explore diversified revenue models to tap into the high-growth potential of the SocialFi sector.
2. Game publishing: Following its 2026 launch, we will scale up this business using the newly signed cooperation agreement to penetrate key international markets, leveraging our mature operational capabilities to capture global gaming industry opportunities. For self-developed games, the Group will continue to promote product development and preparation, and accelerate commercialisation, which is expected to gradually contribute revenue in the coming years.

The Group will adhere to applicable policies, regularly review its business strategy, and actively seize opportunities. By focusing on these high-potential areas, we aim to diversify revenue structure, reduce reliance on the domestic game publishing market, and enhance long-term shareholder value.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Year was approximately RMB28,490,000, representing a decrease of approximately 36.2% from that of approximately RMB44,664,000 for the year ended 31 December 2024.

Revenue performances in different business segments for the Year were further analysed below:

Publishing third-party games

For the Year, the Group as a co-publisher provided publishing services for 14 third-party games (for the year ended 31 December 2024: 24 third-party games), contributing co-publishing revenue of approximately RMB14,709,000 (for the year ended 31 December 2024: approximately RMB30,513,000).

Development and sales of games

For the Year, the Group had no revenue from development and sales of games (for the year ended 31 December 2024: approximately RMB14,151,000). This was mainly because self-developed games were at the product reserve and commercial matching stage without suitable sales arrangements in place during the year.

Provision of digital services with blockchain technology

For the Year, the Group generated revenue of approximately RMB13,781,000 arising from development and sales and provision of technical support services for SocialFi mobile app with blockchain technology (for the year ended 31 December 2024: nil).

Gross Profit

Gross profit for the Year was approximately RMB10,970,000 (for the year ended 31 December 2024: gross profit of approximately RMB1,791,000). The increase in gross profit for the Year was mainly due to the increase in revenue from blockchain technology business, effectively offsetting the impact of declining revenue from the mobile game segment.

Other income

Other income for the Year was approximately RMB363,000, representing a decrease of approximately 88.6% as compared with that of approximately RMB3,176,000 for the year ended 31 December 2024, which was mainly due to the decrease in government grant and interest income.

Other gains and losses, net

Other losses for the Year were approximately RMB615,000 (for the year ended 31 December 2024: other losses of approximately RMB110,000). Such losses mainly consisted of net foreign exchange loss.

Staff Costs

Staff costs comprised mainly salaries, wages and other staff benefits. The Group's staff costs for the Year amounted to approximately RMB8,772,000 (for the year ended 31 December 2024: approximately RMB18,210,000). The decrease in staff costs was mainly due to the decrease in expenses on share-based payments.

Impairment loss on trade, retention and other receivables

Impairment assessment under Expected Credit Loss (“ECL”) model on trade, retention and other receivables was performed. The Directors make periodic assessment on their recoverability based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. For the Year, impairment loss, net of reversal, of approximately RMB290,000 (2024: net reversal of impairment loss of approximately RMB26,932,000) was recognised.

Impairment assessment of intangible assets

As a result of the downsize of the business of publishing the mobile games in the PRC, the management of the Group concluded that there was indication of impairment and conducted impairment assessment on recoverable amount of intangible assets with finite useful lives as an integral part of the annual financial reporting process.

For the purpose of impairment assessment, licences, mobile game aggregation platform and game publishing rights which are recognised as intangible assets with finite useful lives have been allocated to one individual cash-generating unit engaged in publishing and development of mobile games. The recoverable amount of that cash-generating unit has been determined based on the value-in-use calculation by reference to valuation carried out by an independent qualified professional valuer. The calculation uses cash flow projections based on financial budgets covering a 5-year period, and pre-tax discount rate of 28.5% (2024: 31.5%). Details of the other key assumptions for the value-in-use calculations are set out in note 19 in the Notes to the Consolidated Financial Statements. Based on the result of the assessment, the Group determined that the recoverable amount of the cash generating unit is lower than the carrying amount. The impairment loss has been allocated to each category of intangible assets with finite useful lives. Based on the value in use calculation and the allocation, impairment loss of approximately RMB3,371,000, RMB40,000 and RMB1,401,000 have been recognised against the carrying amount of licences, mobile game aggregation platform and game publishing rights, respectively, for the year ended 31 December 2025 (2024: approximately RMB4,054,000, RMB52,000 and RMB3,184,000).

Administrative Expenses

Administrative expenses comprised mainly consumables costs, depreciation and auditors' remuneration. The Group's administrative expenses for the Year amounted to approximately RMB21,951,000 (for the year ended 31 December 2024: approximately RMB35,518,000). The decrease in administrative expenses was mainly due to decrease in expenses on share-based payments.

Taxation

For the Year, income tax expense was approximately RMB1,739,000 (for the year ended 31 December 2024: approximately RMB2,439,000).

Loss for the Year

The Group's loss for the Year attributable to owners of the Company amounted to approximately RMB28,966,000 (for the year ended 31 December 2024: approximately RMB27,891,000). Initial revenue from blockchain-powered SocialFi mobile app technical support and lower administrative expenses helped contain the loss to a slight increase, partially offsetting mobile game segment losses.

Liquidity and Financial Resources

During the Year, the Group funds its operations mainly with cash generated from its operations. As at 31 December 2025, the Group's net current assets were approximately RMB56,566,000 (31 December 2024: approximately RMB69,482,000), while the Group's cash and cash equivalents as at 31 December 2025 was approximately RMB2,017,000 (for the year ended 31 December 2024: approximately RMB29,715,000).

As at 31 December 2025, the Group did not have any bank borrowings (31 December 2024: nil).

Gearing ratio is calculated by dividing total debts by total equity as at the end of the year. The Group's gearing ratio as at 31 December 2025 was approximately 8.78% (31 December 2024: 10.74%).

Credit Risk

The Group uses provision matrix to calculate ECL for trade and retention receivables and calculates the ECL for other receivables by grouping the counterparties with similar nature under general approach. The provision of ECL is sensitive to changes in estimates. Impairment losses for the Year are recognised as a result of the expected loss assessment, which has considered the credit quality of debtors, including their credit worthiness and repayment history.

Currency Risk

The functional currency of the Group's operating subsidiaries is Renminbi as substantially the Group's revenue is in Renminbi. The Group has foreign currency bank balances which expose the Group to foreign currency risk. Currently, the Group does not have any hedging policy for foreign currencies. Nevertheless, the Group's management will continue to monitor the foreign currency risk and will consider hedging significant foreign currency risk when necessary.

Capital Commitments

As at 31 December 2025, the unpaid registered capital for the subsidiaries amounted to approximately RMB28,060,000 (2024: approximately RMB39,896,000). The Group did not have other material capital commitments (31 December 2024: nil).

Pledged Assets and Contingent Liabilities of the Group

At 31 December 2025, the Group had no pledged bank deposits (2024: nil). At 31 December 2025, the Group had no pledged assets (2024: nil).

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

Capital Structure

The Group's capital structure has remained unchanged during the Year. The Group's capital structure comprises equity attributable to owners of the Company (including issued share capital and reserves) and non-controlling interests. The Board reviews the Group's capital structure on a regular basis. As part of the review, the Board has considered the costs of capital and risks relating to various types of capital.

Significant Acquisitions and Disposals

Save as the major transaction as disclosed in the paragraph headed "Major transaction" in the section headed "MANAGEMENT DISCUSSION AND ANALYSIS" in this annual report, the Group did not have any significant acquisitions and disposals relating to subsidiaries, associates and joint ventures during the Year.

Significant Investments

As at 31 December 2025, the Group did not have any significant investments.

Employees and Remuneration Policy

As of 31 December 2025, the Group employed 22 (31 December 2024: 27) employees. Employees' remunerations are determined with reference to factors such as qualifications, duties, contributions and experience.

The Group also provides internal training to employees when necessary and other staff benefits which include share option scheme and share award plan.

REPORT OF THE DIRECTORS

PRINCIPAL ACTIVITIES

The Group is principally engaged in mobile game publishing as well as development and sale of customised software and mobile games and blockchain technology business.

SUBSIDIARIES

Details of the principal subsidiaries of the Group as at 31 December 2025 are set out in note 33 in the Notes to the Consolidated Financial Statements.

FINANCIAL STATEMENTS

The loss of the Group for the Year and the Group's financial position as at 31 December 2025 are set out in the financial statements on pages 74 to 169 of this annual report.

DIVIDENDS

The Board does not recommend any distribution of final dividend for the Year (2024: nil).

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2025, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately RMB45.3 million (2024: RMB54.2 million). Details of the reserves of the Company as at 31 December 2025 are set out in note 34 in the Notes to the Consolidated Financial Statements.

CHARITABLE DONATIONS

The Group did not have any charitable donation during the Year (2024: nil).

SHARE CAPITAL

Details of the movements in share capital of the Company during the Year are set out in note 25 in the Notes to the Consolidated Financial Statements.

DIRECTORS

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

Executive Directors

Mr. Sui Jiaheng (*Chairman*)

Mr. Li Tao

Non-executive Director

Mr. He Shaoning

Independent non-executive Directors

Ms. Pang Xia

Mr. Deng Chunhua

Ms. Chen Nan

The Company has not received any notification from its independent non-executive Directors of any event which affects their independence in accordance with factors as set out in Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive Directors are independent in accordance with the Listing Rules.

Each of the executive Directors had entered into a service contract with the Company for an initial term of three years.

The Company has entered into an appointment letter with each of the non-executive Director and independent non-executive Directors for an initial term of three years.

All the service contracts and appointment letters of the Directors are automatically renewed upon expiration and may be terminated by either party with a three-month's prior written notice.

In accordance with article 84 of the Company's articles of association (the "**Articles of Association**"), Mr. Li Tao and Ms. Pang Xia will retire from the Board at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management are set out on pages 64 to 67 of this annual report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save for the contractual arrangements described under “Connected transactions” below, there was no transaction, arrangement or contract of significance to which the Company, any of its holding companies, or any of its subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the Year.

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

As at 31 December 2025, the Directors and the chief executive of the Company and their respective associates had the following interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and the chief executive of the Company are taken and deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Long Positions in the Shares of the Company

Name of Director	Nature of interest	Number of Shares interested	Approximate percentage of interest in the issued share capital of the Company ⁽¹⁾
Mr. Sui Jiaheng ⁽²⁾	Interest in a controlled corporation	158,900,000	37.13%
Mr. Li Tao	Beneficial owner	292,500	0.07%

Notes:

- Based on 428,002,816 issued Shares as at 31 December 2025.
- Mr. Sui Jiaheng is the sole shareholder of Sun JH Holding Ltd. which holds 158,900,000 Shares. Therefore, Mr. Sui is deemed to be interested in Sun JH Holding Ltd.'s interest in the Shares pursuant to the SFO.

Long Positions in Associated Corporation

Luocheng Mulao Autonomous County Dinglian Technology Company Limited (羅城仫佬族自治縣頂聯科技有限責任公司) (“Dinglian Technology”)

Name of Director	Nature of interest	Approximate percentage of interest in the issued share capital of associated corporation
Mr. Sui Jiaheng (<i>Note</i>)	Beneficial interest	50%

Note: Mr. Sui Jiaheng holds 50% of the equity interest of Dinglian Technology as part of the contractual arrangements to enable the Company to maintain and exercise control over Dinglian Technology.

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.

At no time was the Company, or any of its holding companies and subsidiaries a party to any arrangements to enable the Directors and the chief executive of the Company (including their spouse and children under 18 years of age) to hold any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to any Director or chief executive of the Company, as at 31 December 2025, the persons or corporations (other than the Directors or chief executives of the Company) who had interest or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO, were as follows:

Long Positions in the Shares of the Company

Name	Nature of interest	Number of Shares interested	Approximate percentage of interest in the issued share capital of the Company ⁽¹⁾
Sun JH Holding Ltd. ⁽²⁾	Beneficial interest	158,900,000	37.13%
Li Wei ⁽²⁾	Interest of spouse	158,900,000	37.13%
Together Win Capital (Holdings) Co., Ltd. ⁽³⁾	Interest in controlled corporations	22,740,000	5.31%
Mr. Huang Zhigang ⁽⁴⁾	Interest in a controlled corporation	22,740,000	5.31%

Notes:

1. Based on 428,002,816 issued Shares as at 31 December 2025.
2. Ms. Li Wei is the spouse of Mr. Sui Jiaheng. By virtue of the SFO, Ms. Li Wei is deemed to be interested in the same number of Shares in which Mr. Sui Jiaheng is deemed to be interested; Mr. Sui Jiaheng is the sole shareholder of Sun JH Holding Ltd. Therefore, Mr. Sui Jiaheng is deemed to be interested in Sun JH Holding Ltd.'s interest in the Shares, pursuant to the SFO.
3. Together Win Capital (Holdings) Co., Ltd. is, pursuant to the SFO, a control entity of HX Tech Holdings Limited and LYZ Tech Holding Ltd., which hold 12,960,000 Shares and 9,780,000 Shares, respectively. Together Win Capital (Holdings) Co., Ltd. is deemed to be interested in an aggregate of 22,740,000 Shares pursuant to the SFO.
4. Mr. Huang Zhigang is the sole shareholder of Together Win Capital (Holdings) Co., Ltd. and thus is deemed to be interested in Together Win Capital (Holdings) Co., Ltd.'s interest in the Shares pursuant to the SFO.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other person, other than Directors and the chief executive of the Company, who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

OLD SHARE OPTION SCHEME

Pursuant to the written resolutions of the Shareholders passed on 19 June 2020, the Company adopted a share option scheme (the “**Old Share Option Scheme**”) to recognise and acknowledge the contributions that eligible persons (the “**Eligible Participants**”) have had or may have made to the Group. Eligible Participants of the Old Share Option Scheme include (a) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; (b) any Directors (including non-executive Directors and independent non-executive Directors) of the Company or any of its subsidiaries; (c) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries; and (d) such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group, the assessment criteria of which are: (aa) contribution to the development and performance of the Group; (bb) quality of work performed for the Group; (cc) initiative and commitment in performing his/her duties; and (dd) length of service or contribution to the Group.

The maximum number of Shares that may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the Listing Date, i.e. 40,000,000 Shares. There was no service provider sublimit under the Old Share Option Scheme. No option may be granted to any participant of the Old Share Option Scheme such that the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time. An option may be exercised in accordance with the terms of the Old Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised. Participants of the Old Share Option Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before the relevant acceptance date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant; and (c) the nominal value of a Share. The Old Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date, after which no further options will be granted or offered.

Since the date of adoption of the Old Share Option Scheme and up to 8 April 2025 (being the date immediately before the date of its termination), no option was granted under the Old Share Option Scheme. Accordingly, the number of Shares that may be issued upon exercise of all options under the Old Share Option Scheme as at 1 January 2025 and 9 April 2025 (the date of its termination) remained 40,000,000 Shares, which represented approximately 9.64% of the total number of the then issued Shares respectively.

On 9 April 2025, the Company adopted a New Share Scheme and on the same date, the Old Share Option Scheme was terminated by the Shareholders. Please refer to the paragraph headed “NEW SHARE SCHEME” in this annual report for more details of the New Share Scheme.

OLD SHARE AWARD PLAN

Pursuant to the share award plan (the “**Old Share Award Plan**”) approved by the Board of Directors on 15 April 2021 and further amended on 8 December 2021, the purposes of the Old Share Award Plan are to recognise and reward the contributions by eligible persons (the “**Eligible Participants**”) to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. Eligible Participants of the Old Share Award Plan include (a) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any subsidiary of the Company (the “**Subsidiary**”) or any entity in which any member of the Group holds any equity interest of the Company (the “**Invested Entity**”); (b) any non-executive director (including independent non-executive director) of the Company, any Subsidiary or any Invested Entity; (c) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any Invested Entity; and (d) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group. During the subsisting period of the Old Share Award Plan, the Board may, from time to time, grant awards to any Eligible Participant who the Board considers to have contributed or will contribute to the Group.

The total number of Shares that can be subscribed for and/or purchased by the Trustee by applying the Group's contribution for the purpose of the Old Share Award Plan shall not exceed 10% of the then total number of issued Shares from time to time (without taking into account the number of Shares to be subscribed for). The Board shall not instruct the Trustee to subscribe for and/or purchase any Shares for the purpose of the Old Share Award Plan when such subscription and/or purchase will result in such threshold being exceeded. As amended on 8 December 2021, the total number of Shares which may be subject to an award or awards each time granted to a selected participant shall not in aggregate exceed 1% of the total number of issued Shares as at the date(s) of such award(s). Duration of the Old Share Award Plan is 10 years commencing from the adoption date of 15 April 2021 but may be terminated earlier as determined by the Board of Directors. The Awardee is not required to pay any amount for application or acceptance of the Awarded Shares. The Awarded Shares shall be issued and allotted at par value to the Trustee by the Company under the terms of the Old Share Award Plan by utilising the funds allocated by the Board out of the Company's resources.

The Old Share Award Plan was terminated by the Shareholders on 9 April 2025. On the same date, the Company adopted a New Share Scheme. Please refer to the paragraph headed “NEW SHARE SCHEME” in this annual report for more details of the New Share Scheme. The early termination of the Old Share Award Plan does not affect the subsisting rights of the Awardees and unvested award Shares granted under the Old Share Award Plan continue to be valid in accordance with the Old Share Award Plan though no further share award can be granted under the Old Share Award Plan upon its termination.

At the beginning and end of the Year and as of 8 April 2025 (being the date immediately before the date of termination of the Old Share Award Plan), 41,483,781 number of Shares were available for grant under the Old Share Award Plan, representing 10% of the total number of the then issued shares of the Company, which is also the number of Shares that may be issued in respect of the awarded granted during the Year but before the termination of the Old Share Award Plan divided by the weighted average number of Shares in issue for the Year.

Report of the Directors

No Award Shares was granted under the Old Share Award Plan during the Year.

During the year ended 31 December 2025, the Group recognised share-based payments expenses of approximately RMB3,654,000 (2024: approximately RMB13,946,000).

During the Year, a total of 2,835,093 awarded shares vested under the Old Share Award Plan. The weighted average closing price of the Shares on the Stock Exchange immediately before the vesting date was approximately HK\$0.62.

The movement of the Old Share Award Plan during the Year is as follows:

Awardee	Date of grant	Subscription price	Closing price per share immediately before the date of grant	Fair value per share	Vesting period and vesting conditions	Not yet vested as at 1 January 2025	No. of Awarded Shares granted	Vested	Lapsed	Cancelled	Not yet vested as at 31 December 2025
He Shaoning (non-executive Director)	12 January 2023	The Awardee is not required to pay any amount for application or acceptance of the Awarded Shares. The Awarded Shares shall be issued and allotted at par value to the Trustee by the Company under the terms of the Share Award Plan by utilising the funds allocated by the Board out of the Company's resources	HK\$1.27	closing price of HK\$1.25 per share as quoted on the Stock Exchange as at the date of award	Note 1	1,400,000	—	1,400,000	—	—	—
Li Tao (executive Director)	12 January 2023	The Awardee is not required to pay any amount for application or acceptance of the Awarded Shares. The Awarded Shares shall be issued and allotted at par value to the Trustee by the Company under the terms of the Share Award Plan by utilising the funds allocated by the Board out of the Company's resources	HK\$1.27	closing price of HK\$1.25 per share as quoted on the Stock Exchange as at the date of award	Note 2	292,500	—	292,500	—	—	—
Non-connected Awardees	12 January 2023	The Awardee is not required to pay any amount for application or acceptance of the Awarded Shares. The Awarded Shares shall be issued and allotted at par value to the Trustee by the Company under the terms of the Share Award Plan by utilising the funds allocated by the Board out of the Company's resources	HK\$1.27	closing price of HK\$1.25 per share as quoted on the Stock Exchange as at the date of award	Note 3	1,142,593	—	1,142,593	—	—	—

Notes:

- Three years with (1) 20% of the Awarded Shares were vested on 28 December 2023; (2) 30% of the Awarded Shares were vested on 28 December 2024; and (3) 50% of the Awarded Shares shall be vested on 28 December 2025 subject to the terms of the Share Award Plan and upon satisfaction of the vesting conditions/performance targets of continuous performance in his role as non-executive Director and discharge his role of governance during the vesting period.
- Three years with (1) 20% of the Awarded Shares were vested on 28 December 2023; (2) 30% of the Awarded Shares were vested on 28 December 2024; and (3) 50% of the Awarded Shares shall be vested on 28 December 2025 subject to the terms of the Share Award Plan and upon satisfaction of the vesting conditions/performance targets of continuing to the contribution to the Group's business and passing the annual appraisal during the vesting period.

3. Three years with (1) 20% of the Awarded Shares were vested on 28 December 2023; (2) 30% of the Awarded Shares were vested on 28 December 2024; and (3) 50% of the Awarded Shares shall be vested on 28 December 2025 subject to the terms of the Share Award Plan and upon satisfaction of the vesting conditions/performance targets of the passing of an annual appraisal during the vesting period to be carried out by the head of the department in which the Non-connected Awardee is employed.

There is no clawback mechanism attached to the share awards. In the event that the Selected Participant who is an employee of the Group ceases to be so by virtue of a corporate reorganisation of the Group or the invested entity, then any Award made to such Selected Participant, to the extent not already vested, shall forthwith lapse and be cancelled.

Having considered that the past performance and contributions to the Group of the Selected Participants, the Remuneration Committee and the Board consider that the grant of such Awarded Shares with a short vesting period:

- (i) aligns the interests of the Selected Participants with those of the Company and the shareholders of the Company as a whole;
- (ii) rewards and recognises the contribution of the Selected Participants to the Group; and
- (iii) provides incentive to the Selected Participants to continue to work for the success and improved performance of the Group. All of these are consistent with the purpose of the Share Award Plan.

The fair value of the Awarded Shares was calculated based on the closing price of the Company's shares at the respective grant dates.

Saved as disclosed above, the Company did not make any grant of share awards to the directors and/or senior managers of the Group as set forth in Rules 17.03F, 17.06B(7) and 17.06B(8) of the Listing Rules during the year ended 31 December 2025.

NEW SHARE SCHEME

Pursuant to an ordinary resolution passed by the Shareholders on 9 April 2025 (the “**Adoption Date**”), the Company adopted a new share scheme (the “**New Share Scheme**”) to comply with the requirements of the amended Chapter 17 of the Listing Rules.

The purpose of the New Share Scheme is, through an award of Shares, to: (A) recognise and reward the contribution of Eligible Participants to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group; and (B) attract suitable personnel for further development of the Group.

Eligible Participants include (A) the Employee Participants (directors and employees (including full-time and part-time employees) of the Group (including persons who are granted awards as an inducement to enter into employment contracts with the Group); (B) the Service Provider Participants (persons or entities (other than Employee Participants or Related Entity Participants), providing goods and/or services to the Group on a continuing or recurring basis in the ordinary and usual course of business of the Group which are in the interests of the long-term growth of the Group); and (C) the Related Entity Participants (any persons who are employees (whether full-time or part-time or other employment relationship), directors or officers of the holding companies, fellow subsidiaries or associated companies of the Company).

An award (the “**Award**”) granted under the New Share Scheme by the Board may take the form of a Share Option or a Share Award.

As at the Adoption Date, (i) the maximum number of Shares which may be issued and the number of treasury Shares which may be transferred in respect of all awards under the New Share Scheme and other share schemes of the Company that involve the issuance of new Shares and transfer of treasury Shares (if any) would be no more than 41,483,781 Shares, representing approximately 10% of the total number of Shares in issue (excluding the treasury Shares) as at the Adoption Date (the “**Scheme Mandate Limit**”); and (ii) within the Scheme Mandate Limit, the maximum number of Shares that may be issued and the number of treasury Shares which may be transferred under the New Share Scheme and other share schemes of the Company that involve the issuance of new Shares and transfer of treasury Shares (if any) to the Service Provider Participants would be no more than 4,148,378 Shares, representing approximately 1% of the total number of Shares in issue (excluding the treasury Shares) as at the Adoption Date (the “**Service Provider Sublimit**”). For the avoidance of doubt, the Scheme Mandate Limit and the Service Provider Sublimit do not apply to Share Awards that are funded by existing Shares to be held by the Trustee, and there is no upper limit for Share Awards in this regard. Awards lapsed in accordance with the terms of the New Share Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit or the Service Provider Sublimit. The Board shall not instruct the Trustee to subscribe for and/or purchase any Shares for the purpose of the New Share Scheme when such subscription and/or purchase will result in the Scheme Mandate Limit or the Service Provider Sublimit being exceeded.

The maximum number of Shares, in a 12-month period up to and including the date of award, which may be issued (and, together with treasury Shares which may be transferred, as applicable) in respect of an Award or Awards to a Selected Participant together with any Shares to be issued under any options and awards granted to such Selected Participant under any share schemes of the Company shall not (i) in aggregate exceed 1% of the issued share capital (excluding treasury Shares) of the Company; and (ii) exceed any limits applicable to such Selected Participant under the Listing Rules. Any further grant of Awards must be separately approved by the Shareholders in general meeting with such Eligible Participant and his or her close associates (or his or her associates if the Eligible Participant is a connected person) abstaining from voting. The Company must then send a circular to its Shareholders and the circular must disclose the identity of the Eligible Participants, the number and terms of the Awards to be granted and Awards previously granted to such Eligible Participant and the information required under the Listing Rules. The number and terms of the Awards to be granted to such Eligible Participant must be fixed before Shareholders' approval.

The Trustee may, at any time during the continuation of the New Share Scheme and the Trust Deed, set aside the appropriate number of Award Shares out of a pool of issued Shares, fully paid or credited as fully paid, for the time being and from time to time held by the Trustee pursuant to the Trust Deed (the “**Shares Pool**”). In the event that the Trustee effects any purchases by off-market transactions, the purchase price for such purchases shall not be higher than the lower of (a) the closing market price on the date of such purchase, and (b) the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange.

Subject to early termination, the New Share Scheme shall be valid and effective for a term of 10 years commencing from the Adoption Date and the remaining life of the New Share scheme shall be approximately nine (9) years. Upon termination, no further Award (including Awards granted under the New Share Scheme but not yet exercised or in respect of which Award Shares are not yet issued to the Eligible Participant(s)) shall be granted but in all other respects the provisions of the New Share Scheme shall remain in full force and effect. The Award Shares granted and subsisting prior to the termination shall continue to be in full force and effect.

At the beginning of the Year, no share is available to be granted under the New Share Scheme as the same has not been adopted. At the end of the Year and as of the date of this annual report, after the grant of the Awards involving 13,165,000 Award Shares on 23 April 2025, 28,318,781 Shares will be available for future grants for awards under the New Share Scheme, of which 414,837 Shares will be available for future grants to the Service Providers.

The movement of the New Share Award Scheme during the Year is as follows:

Awardee	Date of grant	Subscription price	Closing price per share immediately before the date of grant	Fair value per share	Vesting period and vesting conditions	Not yet vested as at 1 January 2025	No. of Awarded Shares granted	Vested	Lapsed	Cancelled	Not yet vested as at 31 December 2025
Non-connected Awardees	23 April 2025	The Awardees are not required to pay any amount on application or for the acceptance of the Award. The Award Shares shall be issued and allotted at par value to the Trustee by the Company under the terms of the New Share Scheme by utilising the funds approved by the Board out of the Company's resources	HK\$0.153	closing price of HK\$0.153 per Share as quoted on the Stock Exchange as at the date of grant	Note 1	—	13,165,000	2,633,000	—	—	10,532,000

Note:

1. A period of more than two years upon satisfaction of the vesting conditions each year with (1) 20% of the Award Shares shall be vested on 28 November 2025; (2) 30% of the Award Shares shall be vested on 28 November 2026; and (3) 50% of the Award Shares shall be vested on 28 November 2027.

Since (i) the Award Shares are to be vested in batches; (ii) the first batch accounts for 20% only; (iii) the total vesting period lasts for more than two years; (iv) the Awards are granted to Employee Participants and are subject to the fulfilment of performance targets; (v) it is permissible under the terms of the New Share Scheme; and (vi) the reasons for and the benefits of the Award is to recognise the Employee Participants for their contribution to the Group and to offer competitive packages to retain such individuals to strive for the future development of the Group by providing them with the opportunity to own equity interests in the Company, the Remuneration Committee and the Board are of the view that the less than 12 months for the period between the date of grant and the first vesting date is appropriate and aligns with the purpose of the Share Scheme.

The Awarded Shares are either newly issued or are purchased from the open market. The net consideration paid, including any directly attributable incremental costs, is presented as “share held under share award scheme reserve” and deducted from equity. The fair value of shares granted to employees is recognised as share-based payment expenses with a corresponding increase in share-based payment reserve within equity. The fair value is based on the closing price of the Company's shares on grant date plus any directly attributable incremental costs. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares, the total fair value of the shares is spread over the vesting period, taking into account the probability that the shares will vest. During the vesting period, the number of shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/ credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based payment reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of shares that vest with corresponding adjustment to the share-based payment reserve.

During the Year, a total of 2,633,000 Awarded Shares vested under the New Share Scheme. The weighted average closing price of the Shares on the Stock Exchange immediately before the vesting date was approximately HK\$0.40.

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in “Old Share Option Scheme”, “Old Share Award Plan” and “New Share Scheme” above, at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or minor children, or were such rights exercised by them, or was the Company, or any of its holding companies and its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in the paragraph headed “Connected Transactions” below, no contracts of significance were entered into between the Company or any of its subsidiaries and any controlling Shareholders or any of these subsidiaries or any contracts of significance for the provision of services to the Company or any of its subsidiaries by any controlling Shareholders or any of these subsidiaries.

CONNECTED TRANSACTIONS

During the Year, no related party transactions disclosed in note 28 in the Notes to the Consolidated Financial Statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules. The Company has complied with the disclosure requirements set out in Chapter 14A of the Listing Rules.

Contractual Arrangements

Background

On 11 December 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (the “**FITE Regulations**”), which were amended on 10 September 2008 and 6 February 2016. According to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests of a company providing value-added telecommunications services. In addition, a foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations overseas (the “**Qualification Requirements**”). Currently, none of the applicable PRC laws, regulations or rules provided clear guidance or interpretation on the Qualification Requirements. Therefore, in order for the Company to be able to carry on its business in the PRC, the Group has entered into a series of contractual arrangements (the “**Contractual Arrangements**”) to enable the Company to exercise and maintain control over operations of the PRC Operating Entities and to consolidate these companies’ financial results into the Company’s results under IFRSs as if they are wholly-owned subsidiaries of the Company.

Despite the lack of clear guidance or interpretation on the Qualification Requirements, the Group has taken and plan to continue to take specific steps to comply with the Qualification Requirements.

Up to the date of this annual report, there is no further update in relation to the Qualification Requirements. The Contractual Arrangements which were in place during the Year are as follows:

1. the exclusive option agreement dated 7 November 2018, pursuant to which Khorgos Entertainment Information Technology Company Limited (霍爾果斯娛科信息技術有限公司) (“**Khorgos Entertainment**”) was granted an irrevocable and exclusive right to purchase from the Registered Shareholders all or any part of their equity interests in Dinglian Technology, and an irrevocable and exclusive right to purchase from Dinglian Technology all or any part of its assets, at a nominal price, unless the relevant governmental authorities request that another amount be used as the purchase price and in which case the purchase price shall be such amount (the “**Exclusive Option Agreement**”);

2. the exclusive business cooperation agreement dated 7 November 2018, pursuant to which Dinglian Technology agreed to, among other things, engage Khorgos Entertainment as its exclusive provider of business support, technical and consulting services in exchange for service fee (the “**Exclusive Business Cooperation Agreement**”);
3. the share pledge agreement dated 7 November 2018, pursuant to which the Registered Shareholders pledged all of their equity interests in Dinglian Technology to Khorgos Entertainment as collateral security for all of their payments due to Khorgos Entertainment and to secure performance of all obligations of Dinglian Technology and the Registered Shareholders under the Contractual Arrangements;
4. the shareholders’ rights entrustment agreement dated 7 November 2018 in relation to the entrustment of shareholders’ rights of Dinglian Technology and the irrevocable powers of attorney all dated 7 November 2018 executed by the Registered Shareholders, authorising Khorgos Entertainment and any person designated by it to, among other things, exercise all of their rights as registered shareholders of Dinglian Technology; and
5. the undertakings dated 7 November 2018 executed by the spouses of each of the Registered Shareholders.

During the Year, (i) there were no new contractual arrangements entered into, renewed or reproduced between the Group and the PRC Operating Entities, (ii) there were no material changes in the Contractual Arrangements or the circumstances under which they were adopted, and (iii) none of the structured contracts under the Contractual Arrangements mentioned above has been unwound as none of the restrictions that led to the adoption of structured contracts under the Contractual Arrangements have been removed. The Company will unwind the Contractual Arrangements as soon as the laws allow the business of the PRC Operating Entities to be operated without the Contractual Arrangements.

For the Year, no service was provided by Khorgos Entertainment to the PRC Operating Entities (including the provision of technical and management services). The financial statement balances and amounts of the PRC Operating Entities are set out in note 2 in the Notes to the Consolidated Financial Statements.

Risks associated with the Contractual Arrangements

For risks associated with the Contractual Arrangements, please see the section headed “Risk factors — Risks relating to our corporate structure” in the Prospectus for details.

Waiver from the Stock Exchange

The Stock Exchange has granted a waiver to the Company from strict compliance with the connected transactions requirements under Chapter 14A of the Listing Rules in respect of the Contractual Arrangements. For details, please see “Connected transactions” in the Prospectus.

Annual review by the independent non-executive Directors and auditor

The independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that:

1. the transactions carried out during the Year had been entered into in accordance with the relevant provisions of the Contractual Arrangements;
2. no dividends or other distributions had been made by the PRC Operating Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group;
3. other than the Contractual Arrangements, no new contracts had been entered into, renewed and/or reproduced between the Group and the PRC Operating Entities during the Year; and
4. the Contractual Arrangements had been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and had been entered into according to the agreements governing them which are fair and reasonable so far as the Group is concerned, and in the interest of the Company and its Shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to report on the Group's continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed above in accordance with Rule 14A.56 of the Listing Rules, with an emphasis of matter paragraph in relation to the fact that the Company is not required to establish and announce an annual cap in respect of the continuing connected transactions in connection with the Exclusive Business Cooperation Agreement for the year ended 31 December 2024. The auditor also concluded in the letter that nothing has come to their attention that causes them to believe that (a) the continuing connected transactions disclosed above have not been approved by the Board; (b) the continuing connected transactions disclosed above were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (c) any dividends or other distributions have been made by Dinglian Technology to holders of the equity interests of Dinglian Technology which are not otherwise subsequently assigned or transferred to the Group.

INTEREST IN COMPETING BUSINESS

The Directors confirm that none of the controlling Shareholders or the Directors and their respective close associates (as defined in the Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business during the Year and up to the date of this annual report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

EMOLUMENT POLICY

The Remuneration Committee (as defined below) is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group. The remunerations of the Directors are determined with reference to market terms, seniority, experiences, duties and responsibilities assumed by each Director as well as their individual performance. The Directors' remuneration, including the Directors' fees, is subject to the Shareholders' approval at general meeting. Other emoluments are recommended by the Remuneration Committee (as defined below) for the Board's approval, having regard to the operating results of the Group, individual performance and comparable market statistics.

PENSION SCHEME

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a state-managed retirement benefit scheme operated by the PRC government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The Group also operates a Mandatory Provident Fund Scheme ("**the MPF scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Hong Kong Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF scheme is a defined contribution retirement plan administered by independent trustees. 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 HK\$30,000.

The Group has no other material obligation for the payment of retirement benefits beyond the annual contributions described above.

EQUITY-LINKED AGREEMENT

Save as disclosed in the sections headed “Old Share Option Scheme”, “Old Share Award Plan” and “New Share Scheme” above, no equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the Year or subsisted at the said period.

BUSINESS REVIEW

A business review of the Group for the Year is set out in the section headed “Management Discussion and Analysis” from pages 5 to 10 of this annual report.

EVENTS AFTER REPORTING PERIOD

There were no significant events affecting the Group that had occurred since the end of the Year up to the date of this annual report.

PERMITTED INDEMNITY PROVISION

The Company’s Articles of Association provides that the directors shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses incurred or sustained by or by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company’s securities.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, aggregate sales attributable to the Group’s largest and five largest customers were 48% (2024: 53%) and 100% (2024: 100%) of the Group’s total sales respectively.

During the Year, aggregate purchases attributable to the Group’s largest and five largest suppliers were 31% (2024: 50%) and 100% (2024: 99%) of the Group’s total purchases respectively.

At no time during the Year, did a Director, his/her close associate(s) or a Shareholder, which to the knowledge of the Director owns more than 5% of the Company’s share capital, have an interest in any of the Group’s five largest customers and suppliers.

AUDITOR

The consolidated financial statements for the Year have been audited by Asian Alliance (HK) CPA Limited, who shall retire in the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company is incorporated in the Cayman Islands with its shares listed on the main board of the Stock Exchange. The Group's subsidiaries are incorporated in Hong Kong and the PRC. The Group's operations are carried out by the Group's subsidiaries. Our establishments and operations accordingly shall comply with relevant laws and regulations in the Cayman Islands, Hong Kong and the PRC. During the Year, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the minimum public float required under the Listing Rules during the Year and up to the date of this annual report.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 170 of this annual report.

On behalf of the Board

Sui Jiaheng

Chairman

31 March 2026

CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company is dedicated to the design, implementation and monitoring of the robust corporate governance and effective internal control system for the Group for the purpose of enhancing the corporate value and accountability, formulating effective strategies, developing sustainable business and safeguarding Shareholders' interests.

For the Year, the Board is of the view that the Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the "**CG Code**") published by the Stock Exchange (for disclosures on the new requirements as set out in the revised CG Code which took effect on 1 July 2025, they will be included in the 2026 annual report to be published in 2027).

The Company has adopted a corporate culture and embed it into our business and operation. By our culture, we strike to a sustainable development lawfully, ethically, and responsibly and to balance the benefits and risks bring along from long-term and short-term goals. The Board of the Directors takes a collective responsibility for promoting our corporate culture by setting examples in the daily operation, establishing relevant policies, such as code of conduct, building whistle blower system.

Our culture is characterized with the following features.

- **Integrity**

We require our directors and management to make decisions objectively in the best interests of the Company and its shareholders.

- **Transparency**

We encourage our directors and management to make decisions in accordance with the best information available to them and to take actions under the acknowledgement of one and each other.

- **Accountability**

We encourage our directors and management to make decisions in accordance with the best information available to them and to take actions under the acknowledgement of one and each other.

The Board of the Directors considers that our culture is properly preserved and promoted during 2023 and there are no adverse signs, including absence of material non-compliance or regulatory breaches, absence of high staff turnover rate caused by ethical issues, absence of serious stakeholders' complaints or any kind of reporting relating to fraud or corruption.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding Directors' securities transactions on the terms and the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix C3 to the Listing Rules. The Group has made specific enquiries of all the Directors and they have confirmed that they have been complying with the requirements under the Model Code throughout the Year. As far as the Group is aware, none of the Directors has breached the requirements under the Model Code.

The Company has also established written guidelines (the “**Employees Written Guidelines**”) no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. 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 oversees the Group’s businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

The Board currently comprises six Directors, consisting of two executive Directors, namely Mr. Sui Jiaheng and Mr. Li Tao, one non-executive Director, namely Mr. He Shaoning, and three independent non-executive Directors, namely Ms. Pang Xia, Mr. Deng Chunhua and Ms. Chen Nan.

The composition of the Board is as follows:

Executive Directors

Mr. Sui Jiaheng (*Chairman*)

Mr. Li Tao

Non-executive Director

Mr. He Shaoning

Independent non-executive Directors

Ms. Pang Xia

Mr. Deng Chunhua

Ms. Chen Nan

The biographical information of the Directors are set out in the section headed “Biographical Details of Directors and Senior Management” on pages 64 to 67 of this annual report. For the financial year ended 31 December 2025, the Group has complied with the relevant Listing Rules regarding (i) appointment of at least three independent non-executive Directors, among whom at least one independent non-executive director has appropriate professional qualifications or accounting or related financial management expertise; (ii) independent non-executive Directors account for at least one-third of the Board; (iii) independent non-executive Directors are the majority in the Audit Committee (as defined below) and the chairman of the Audit Committee is an independent non-executive Director; and (iv) at least a director of a different gender is appointed on the Board.

For the Year, the Company has held five Board meetings and will hold the upcoming annual general meeting in mid of 2025, to which all Directors have expressed their intention of attendance. The Board considers that it has fulfilled the principles and requirements set out in code provision C.5.1. The board meetings and the upcoming annual general meeting shall be chaired by the Chairman, Mr. Sui Jiaheng.

The attendance records of the Directors at the Board meetings held during the Year are as follows:

Name of Director	Number of Attendance/ Number of Board Meetings
Executive Directors	
Mr. Sui Jiaheng (<i>Chairman</i>)	6/6
Mr. Li Tao	6/6
Non-executive Director	
Mr. He Shaoning	6/6
Independent non-executive Directors	
Ms. Pang Xia	6/6
Mr. Deng Chunhua	6/6
Ms. Chen Nan	6/6

Apart from regular Board meetings, the Chairman also held meetings with independent non-executive Directors only without the presence of other Directors during the Year.

Responsibilities and Accountabilities

The Board is committed to acting in the best interest of the Group and its Shareholders. It has the ultimate responsibilities for the Group's strategy formulation, business development, corporate governance, risk management and internal control systems, dividend policy, board diversity policy, shareholders' relationship, accounting policies and financial statements, and other functions and matters assigned to the Board as set out in the Listing Rules and Articles of Association of the Company.

Senior management of the Group is responsible for the daily management, the execution of Board's decision and plan, and the implementation of risk management and internal controls.

The Group has set out that significant matters, such as entering into major contracts and transaction, financial assistance and guarantee, are reserved to the decisions of the Board pursuant to the Articles of Association and internal policies of the Company.

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 Company has separated the roles and duties of Chairman of the Board and Chief Executive Officer (“**CEO**”) which are held and exercised by Mr. Sui Jiaheng and Mr. Li Tao respectively.

The Chairman of the Board provides leadership for the Board, ensuring that Directors receive, in a timely manner, adequate information, which must be accurate, clear, complete and reliable, and the Board’s effectiveness in setting and implementing the Group’s strategy and corporate policies. The CEO is responsible for the implementation of the Board’s decision, execution of the Group’s business strategy and policies, day-to-day management and monitoring of the performance of Group.

The Chairman of the Board is responsible for chairing our Board meetings and the upcoming annual general meeting. He has also met with the independent non-executive Directors without the presence of other Directors.

Independence

The Board has reviewed the relationship among all Directors and is satisfied that they have no financial, business, family or other material/relevant relationship(s). As at the date of this report, the Board has not received any notification from its independent non-executive Directors of any event which affects their independence and the Board is satisfied that all independent non-executive Directors are independent and comply with the independence guidelines set out in Rule 3.13 of the Listing Rules.

Directors’ Training and Continuous Professional Development

The Company is responsible for arranging and funding suitable training for our Directors in relation to their roles, functions and responsibilities.

It is our policy that all our new Directors shall be given a formal and comprehensive induction training at the time of first appointment to ensure they have a proper understanding of the Group’s business and operations, and sufficient awareness of the director’s duties and responsibilities under the Listing Rules and related regulations.

During the Year, all the Directors have received training on the topics of relevant Listing Rules conducted by our legal counsel.

The training records of the Directors during the Year are summarized as follows:

Directors	Type of Training Note
Executive Directors	
Mr. Sui Jiaheng	A
Mr. Li Tao	A
Non-Executive Director	
Mr. He Shaoning	A
Independent Non-Executive Directors	
Ms. Pang Xia	A
Mr. Deng Chunhua	A
Ms. Chen Nan	A

Note:

Type of Training:

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

Key Terms of Appointment

All executive Directors, non-executive Director and independent non-executive Directors are appointed for a specific term of three years, subject to re-election or earlier determination in accordance with the Company's Articles of Association and/or applicable laws and regulations.

At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), 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 at an annual general meeting at least once every three years.

Devotion of Directors

The Directors are also required to disclose to the Company annually the number and nature of offices held in public companies or organizations and other significant commitments with an indication of the time involved. The Board is satisfied that all our Directors have devoted sufficient time and attention to their duties and the Company's affairs.

BOARD COMMITTEES

The Board has established three Board committees, namely the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”). All three Board committees are established, empowered and accountable for duties under relevant terms of references which are available on the Company’s and the Stock Exchange’s websites.

All Directors (including independent non-executive Directors) bring valuable business experience, knowledge, expertise and diversity from different areas to the Board, facilitating it to operate efficiently and effectively. They have full and timely access to all information of the Group and to the services and advice of the company secretary and senior management of the Company.

The Directors may, where appropriate, seek independent professional advice for performing their duties of the Group, at the expense of the Group. Directors shall disclose the details of their other duties to the Group and the Board of Directors regularly reviews the contributions of the Directors in the discharge of their duties with the Group.

Audit Committee

The Board has established the Audit Committee, composing of three independent non-executive Directors, namely Ms. Pang Xia, Mr. Deng Chunhua and Ms. Chen Nan, in compliance with the CG Code. Ms. Pang Xia is the chairlady of the Audit Committee and has professional qualifications and experience in accounting and financial management as stipulated in the Listing Rules.

The Audit Committee’s terms of reference were adopted by the Company on 14 July 2020 and amended on 29 August 2025. The Audit Committee should meet at least twice a year and the necessary quorum shall be at least two, including an independent non-executive Director.

For the Year, the Audit Committee has fulfilled its main responsibilities including, but not limited to:

1. Review and monitor the relationship with the Company’s auditors, including being primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and to raise any question of its resignation or dismissal;
2. Review of the Company’s financial information, including monitoring integrity of the Company’s financial statements and annual report and accounts, interim report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them;
3. Oversight of the Company’s financial reporting system, risk management and internal control systems, including reviewing the Company’s financial controls, and unless expressly addressed by a separate Board risk committee, or by the Board itself, to review the Company’s risk management and internal control systems;

4. Develop, review and monitor the code of conduct applicable to the Company's employees and the Board; and
5. Ensure that the internal audit function is adequately resourced, and to review and monitor its effectiveness.

For the Year, the Audit Committee has held three meetings and the attendance of the members is as follows:

Members of the Audit Committee	Attendance/ Number of meetings
Ms. Pang Xia (<i>Chairlady</i>)	3/3
Mr. Deng Chunhua	3/3
Ms. Chen Nan	3/3

The chairlady of the Audit Committee or (if absent) the other member of the Audit Committee (must be an independent non-executive Director) should attend the annual general meeting of the Company and handle the Shareholders' enquiry on the activities and responsibilities related to the Audit Committee. The company secretary of the Company is also the secretary of the Audit Committee and is responsible for maintaining full minutes of the Audit Committee which are open for inspection at any reasonable time on reasonable notice by any of the Directors.

Remuneration Committee

The Board has established the Remuneration Committee, composing of three independent non-executive Directors, namely Mr. Deng Chunhua, Ms. Pang Xia and Ms. Chen Nan, in compliance with the code provision of the CG Code. Mr. Deng Chunhua is the chairman of the Remuneration Committee.

The Remuneration Committee's terms of reference were adopted by the Company on 14 July 2020 and amended on 29 August 2025. The Remuneration Committee should meet at least once a year and the necessary quorum shall be at least two, including an independent non-executive Director. The Company adopts a Remuneration Committee model set out in code provision E.1.2(c)(ii) of the CG Code. Accordingly, the Remuneration Committee is responsible for making recommendations to the Board regarding the Company's remuneration policy.

Corporate Governance Report

For the Year, the Remuneration Committee has fulfilled its main responsibilities including, but not limited to:

1. Make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
2. Review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. Make recommendations to the Board on the remuneration packages of executive Directors, non-executive Directors and senior management;
4. Ensure that no Director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration;
5. Assess the performance of executive Directors; and
6. Review the terms of executive Directors' service contracts.

Details of the remuneration of the Directors and senior management for the Year are set out in note 14 in the Notes to the Consolidated Financial Statements.

For the Year, the Remuneration Committee has held three meetings and the attendance of the members is as follows:

Members of the Remuneration Committee	Attendance/ Number of meetings
Mr. Deng Chunhua (<i>Chairman</i>)	3/3
Ms. Pang Xia	3/3
Ms. Chen Nan	3/3

The chairman of Remuneration Committee or (if absent) the other member of Remuneration Committee (must be an independent non-executive Director) should attend the annual general meeting of the Company and handle the Shareholders' enquiry on the activities and responsibilities related to the Remuneration Committee. The company secretary of the Company is also the secretary of Remuneration Committee and is responsible for maintaining full minutes of the Remuneration Committee which are open for inspection at any reasonable time on reasonable notice by any of the Director.

Nomination Committee

The Board has established a Nomination Committee, composing of one executive Director, namely Mr. Sui Jiaheng, and two independent non-executive Directors, namely Ms. Pang Xia and Mr. Deng Chunhua, in compliance with the code provision of the Corporate Governance Code. Mr. Sui Jiaheng is the chairman of the Nomination Committee.

The Nomination Committee's terms of reference were adopted by the Company on 14 July 2020 and amended on 29 August 2025. The Nomination Committee should meet at least once a year and the necessary quorum shall be at least two, including an independent non-executive Director.

For the Year, the Nomination Committee has fulfilled its main responsibilities including, but not limited to:

1. Review the structure, size and composition (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. Identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. Assess the independence of the independent non-executive Directors;
4. Make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for directors, in particular the Chairman and the chief executive; and
5. Review the policy on board diversity (the "**Board Diversity Policy**") and any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives, and to make disclosure on its review results in the annual report of the Company annually.

For the Year, the Nomination Committee has held two meetings and the attendance of members is as follows:

Members of the Nomination Committee	Attendance/ Number of meetings
Mr. Sui Jiaheng (<i>Chairman</i>)	2/2
Ms. Pang Xia	2/2
Mr. Deng Chunhua	2/2

The chairman of the Nomination Committee or (if absent) the other member of the Nomination Committee (must be an independent non-executive Director) should attend the annual general meeting of the Company, handle the Shareholders' enquiry on the activities and responsibilities related to the Nomination Committee. The company secretary of the Company is also the secretary of the Nomination Committee and is responsible for maintaining full minutes of the Nomination Committee which are open for inspection at any reasonable time on reasonable notice by any Director.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions as set out in code provision A.2.1 of the CG Code, which include:

1. developing and reviewing the Company's policies and practices on corporate governance;
2. reviewing and monitoring the training and continuous professional development of the Directors and senior management;
3. reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
4. developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
5. reviewing the Company's compliance with the CG Code and disclosure in this report.

PROCEDURES FOR SHAREHOLDER TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

If a Shareholder wishes to propose a person other than a Director of the Company for election as a Director, the Shareholder must deposit a written notice (the **"Notice"**) to the principal place of business of the Company in Hong Kong at Suite No. 2, 3/F Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong, or the branch share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for the attention of the company secretary of the Company.

The Notice (i) must state clearly the name of the Shareholder and his/her/their shareholding, the full name of the person proposed for election as a Director, and the person's biographical details as required by Rule 13.51(2) of the Listing Rules, and (ii) must be signed by the Shareholder concerned (other than the person to be proposed). The Notice must also be accompanied by a letter of consent signed by the person proposed to be elected on his/her willingness to be elected as a Director.

The period for lodgment of the Notice will commence no earlier than the day after the despatch of the notice by the Company of the general meeting appointed for election of Director and end no later than 7 days prior to the date of such general meeting. If the Notice is received less than 15 days prior to the general meeting, the Company will need to consider the adjournment of the general meeting in order to give Shareholders 14 days' notice of the proposal.

The Notice will be verified by the Company's branch share registrar and upon their confirmation that the requisition is proper and in order, the company secretary of the Company will ask the Nomination Committee and the Board to consider to include the resolution in the agenda for the general meeting proposing such person to be elected as a Director.

NOMINATION POLICY

The Board has adopted a policy setting out the selection criteria and procedures to select and recommend suitable candidates for directorship (the “**Nomination Policy**”). Following the Nomination Policy, the Nomination Committee is required to consider a variety of factors in assessing the suitability of a proposed candidate, including but not limited to the following criteria:

- (a) Board Diversity Policy;
- (b) reputation for integrity;
- (c) sufficient commitment in time and interest to the Group;
- (d) qualification, experience and achievements that are relevant and appropriate to the Group’s business;
- (e) independence for the appointment of independent non-executive Directors; and
- (f) any other relevant and significant factors as may be considered by the Nomination Committee and/or the Board.

The Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

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

BOARD DIVERSITY POLICY

The Company highly values board diversity and has established the Board Diversity Policy. The Company believes that Board diversity shall be achieved through a number of elements and measurable objectives including but not limited to skills, regional and industrial experience, cultural and educational background, professional qualifications, race, gender, age and length of service and any other factors that the Board deems appropriate from time to time.

The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Annually, the Nomination Committee reviews the Board’s composition and diversity, including but not limited to progress on achieving any measurable objectives. The Nomination Committee also has the responsibility for identifying suitably qualified candidates to become members of the Board, with consideration given to the Board Diversity Policy.

The Nomination Committee will review the Policy on a regular basis, as appropriate, to ensure the effectiveness of the Policy and recommend any such revisions to the Board for consideration and approval.

As at the date of this report, the Board comprises seven Directors, two of whom are female. The Board considers that gender diversity on the Board has been achieved.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors are aware of their obligations to prepare the Group's consolidated financial statements for the Year, to reflect a true and fair financial position, results and cash flows of the Group for the year then ended, and the proper preparation of financial statements on an on-going basis in accordance with applicable statutory requirements and accounting standards.

The Directors are not aware of any material uncertainties that may affect the business of the Group or raise significant questions about the Group's ability to operate on an on-going basis.

COMPANY SECRETARY

For the Year and as of date of the annual report, the company secretary of the Company is Mr. Yuen Chi Wai.

Mr. Yuen obtained relevant professional qualifications in compliance with the requirement of the Listing Rules. Mr. Yuen has also taken not less than 15 hours of relevant professional training for the financial year ended 31 December 2025 in compliance with Rule 3.29 of the Listing Rules.

All Directors have access to the advice and services of the company secretary of the Company on corporate governance and board practices and matters. Mr. Sui Jiaheng, the Chairman of the Board has been designated as the primary contact person at the Company which would work and communicate with Mr. Yuen on the Company's corporate governance and secretarial and administrative matters.

SHAREHOLDERS' RIGHTS

The Board and management are committed to meeting and communicating with Shareholders through the annual general meeting of the Group, listening to Shareholders' opinions and answering questions from Shareholders about the Group and its business. The Chairman of the Board, the Directors and senior management will attend the annual general meeting of the Group to answer questions from Shareholders.

Procedure to Convene An Extraordinary General Meeting

Notice of the annual general meeting is sent to the Shareholders at least twenty (20) clear business days before the holding of the annual general meeting. All other general meetings (including an extraordinary general meeting) must be called by Notice of not less than fourteen (14) days and not less than ten (10) clear business days.

The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

If within twenty-one (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 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.

Contact Details

Address: Suite No. 2, 3/F Sino Plaza, 255 Gloucester Road, Causeway Bay, Hong Kong

Attention: Company Secretary

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

DIVIDEND POLICY

The Company has established a dividend policy, under which dividends may be recommended, declared and paid to Shareholders from time to time. The declaration of dividend is subject to the discretion of the Board, taking into consideration of, among others, summarised as below:

- the general economic conditions and other internal or external factors that may have impact on the business or financial performance and position of the Group;
- the Group's actual and expected financial results;
- the Group's business operation strategy, including expected working capital requirements, capital expenditure requirements and future development plans;
- the Group's cash flow and liquidity position;
- retained earnings and distributable profit reserves of the Group;
- contractual restrictions on the payment of dividends imposed by the Group's lenders and other institutions;
- interest of Shareholders;
- applicable statutory and regulatory restrictions; and
- any other factors that the Board considers to be applicable from time to time.

Depending on the factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period. The payment of dividend is subject to any restrictions under the Laws of Hong Kong and Cayman Islands and the Company's Articles of Association. The declaration, payment and amount of dividends will be subject to the Board's discretion and there are no assurance that dividends will be declared and/or paid in any particular amount for any given period. Any dividend for a financial year will be subject to Shareholders' approval. The Board will review the dividend policy on a regular basis.

AUDITOR'S STATEMENT AND REMUNERATION

A statement by the Group's auditors on their reporting obligations in respect of the Group's financial statements for the Year is set out in the "Independent Auditor's Report" section of the annual report.

An analysis of the remuneration of the external auditors of the Company for the year ended 31 December 2025 is set out below:

	Amount of Fee For the year ended 31 December 2025 RMB'000
Annual audit services (including RMB38,000 for audit of subsidiaries)	1,083
Non-audit services <i>(Note)</i>	238
Total	1,321

Note: During the year ended 31 December 2025, the non-audit service fee mainly include fee for the agreed-upon procedures on the interim financial information of the Group for the six months ended 30 June of RMB190,000.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for establishing and maintaining a robust risk management and internal control systems and reviewing their effectiveness as to identify, assess, update and monitor certain particular risks associated with its financial, operational and compliance activities. The Board aims to minimize the risks rather than eliminate them entirely.

The Board of Directors, assisted by the Audit Committee, is responsible for overseeing the overall risk management and internal control from financial, operational and compliance aspects, including those relating to ESG risks.

During the Year, the Board has maintained a proper governance structure of the Group and delegated key management functions, duties, and limited authority to management at appropriate level. The management is required to identify, manage, and monitor the affairs of their delegated areas and to establish relevant internal controls while they are also discharged with a duty to report the performance to the members of the Board on a timely basis.

The members of the Board also have a practice to engage with external professionals, such as auditor, legal advisor and internal control consultant, for further understanding and communicating the key performance and risks the Group encounters from an independent view.

The Company's risk management and internal control systems have been developed with the principle objective of managing the key risks of the Company to a reasonable level, rather than eliminated them. The key features and processes of the Company's risk management and internal control systems include:

- The Board established relevant policy manual at entity and process level to regulate the key activities and to communicate the expectation of the Company.
- The Board assigned management at appropriate level to implement the internal controls and ensure the related operating effectiveness.
- Key divisions/departments conducted self-assessment regularly to assess and report their key performance indicators.
- The management, in coordination with division/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 Year.

The Group does not have an internal audit department. The Board and the Audit Committee have reviewed the need for an internal audit function and consider it more cost-effective to appoint external independent professionals to independently review and continuously evaluate the Group's internal monitoring systems and risk management systems, taking into account the size and nature of the Group. The Board will review the need for an internal audit function at least once a year.

For the Year, the Company has engaged GRC Chamber Limited, an independent specialist firm (the **"Internal Control Consultant"**) to review the key business process and internal control systems, policies and procedures from financial, operational and compliance aspects and in accordance with the approved risk assessment and internal audit plan. The Internal Control Consultant has also submitted its independent report, inclusive of the findings and recommendations, to the Board and the Audit Committee.

The Board and the Audit Committee reviewed the risk management and internal control system of the Group, including the financial, operational, compliance and ESG-related controls, for the Year and up to the date of this report, and is of the view that such systems are effective and adequate based on their own understanding of the Group's risk management and internal control system, their review of report submitted by the Internal Control Consultant, the confirmation they obtained from management on the effectiveness of the Group's risk management and internal control systems, and all other important facts and information known to them. The Board and the management of the Company monitor the key risks and executes the key controls of the Group on an on-going basis while engaging an independent internal control review annually.

Whistle Blower Policy and System

The Company has established a whistle blowing policy pursuant to corporate governance code provision D.2.3 of the CG Code where our policy is featured with:

- Accept reporting from all stakeholders, including customers, suppliers, employees and investors.
- Accept reporting in confidence and anonymity.
- Overseen by our Audit Committee.
- Handled by management who are considered at appropriate level and independent from daily operation.
- Protect all good-will whistle blower from act of discrimination or retaliation.

Stakeholders are encouraged to file their reports to our registered office in Hong Kong or to email their reports to whistle@dingliangame.com.

The Company has also set out expected ethical acts for our directors and employees and embedded the relevant anti-corruption clause into our whistle-blower policy and code of conduct.

KEY INSIDE INFORMATION PROCEDURES

The Company has established key inside information procedure in accordance with the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”) Part XIVA, including, but not limited to:

1. The members of the Board and senior officers of the Company are responsible for establishing an effective system to identify and report inside information that is specific about the Company, not generally known to the public and that has impact on the price of the Company's securities;
2. The members of the Board, as soon as they are aware of any inside information, are individually and collectively responsible for assessing the information and documenting their assessment in respect of the disclosure and confidentiality requirement;
3. The members of the Board, senior officers and any relevant persons who might have access to the inside information are required not to deal in the Company's securities when they are in possession of unpublished inside information;
4. The members of the Board, senior officers and any relevant persons who might have access to the inside information must take reasonable due care for safeguarding the confidentiality of unpublished inside information;
5. The members of the Board are responsible for ensuring timely, fair and comprehensive dissemination of inside information, in principle of maintaining a fair and informed market, including issuing announcements and/or requesting trading halt in situation of unexpected and significant event.

INVESTORS' RELATIONSHIP

The Group is dedicated in providing shareholders and investors with accurate and timely information regarding the Group's financial and operational performance, important development and major events through annual, interim reports and announcements. All published information is uploaded to the Group's website at www.sinotecw.com.

The Articles of Association of the Company remains unchanged during the Year.

Policies relating to Shareholders

The Company has in place a shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Board of Directors considered that the Company has effectively communicated with the Shareholders during the Year with information communicated to the Shareholders through the Company's financial reports, circulars, annual general meetings and other general meetings that may be convened as well as all the published disclosures submitted to the Stock Exchange.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THIS REPORT

1.1 Overview

Sino-Entertainment Technology Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**” or “**we**” or “**us**”) is pleased to present our Environmental, Social and Governance (“**ESG**”) Report (“**ESG Report**”), which has been prepared in accordance with the ESG Reporting Guide (the “**Guide**”) set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**SEHK**”) (the “**Listing Rules**”).

We are fully aware of the importance of ESG to the Company’s long-term development, and are aware of the far-reaching impact of our operations and management on the environment and society. Key performance indicator (“**KPI**”) disclosures not only represent our long-standing compliance with regulations, but also demonstrate our determination and confidence in integrating environmental and social concerns with daily operations.

This report summarises in brief the Group’s initiatives, plans, performance and achievements regarding ESG aspects of our operational management, employment and labour practices, environmental protection and community investment, with a focus on discussing stakeholders’ concerns, which allow us to demonstrate the Group’s commitment to sustainable development.

1.2 Reporting Principles and Standard of Reference

This report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) under Appendix C2 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The principles of “materiality”, “quantitative”, and “consistency” have also been applied.

- **Materiality:** We conducted a materiality assessment in accordance with the ESG Reporting Guide and the results were reviewed and validated by the board of Directors (the “**Board**”). We report on ESG-related issues based on the results of the materiality assessment. For details of the materiality assessment, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment”.
- **Quantitative:** This report complies with the ESG Reporting Guide and uses a quantitative approach for measuring and disclosing applicable KPIs with reference to applicable quantitative standards and practices.
- **Consistency:** The statistical methods and KPIs for this year’s ESG report remain consistent with those of previous years.

1.3 Reporting Scope and Key Areas

The contents of this report cover the ESG performance of the Group and certain of its major subsidiaries, including Luo Cheng Mulao Autonomous County Dinglian Technology Company Limited (羅城仫佬族自治縣頂聯科技有限責任公司) (“**Luo Cheng Dinglian**”), Shenzhen Sino Entertainment Information Technology Company Limited (深圳新娛科資訊技術有限公司) (“**Shenzhen Sino Entertainment**”), Khorgos Dinglian Interactive Network Technology Company Limited (霍爾果斯頂聯互動網絡科技有限公司) (“**Khorgos Dinglian Interactive**”), Khorgos Entertainment Information Technology Company Limited (霍爾果斯娛科信息技術有限公司) (“**Entertainment Information Technology**”), Hechi Sino Entertainment Information Technology Company Limited (河池新娛科信息技術有限公司) (“**Hechi Sino Entertainment**”) (collectively, the “**Reporting Entities**” or “**we**” or “**our**”).

This report covers the period from 1 January 2025 to 31 December 2025.

2. ESG Framework

2.1 ESG Management System

Level of hierarchy	Body or department	Particular functions
Decision-making team	The Board	1. Discuss ESG direction and important matters 2. Review ESG working strategies 3. Review ESG working progress 4. Assess overall effectiveness of working system
Communication team	ESG working groups comprising senior management and department representatives	1. Identify ESG related risks 2. Formulate ESG working targets and strategies 3. Coordinate ESG information management and disclosure 4. Coordinate communication with stakeholders and materiality analysis 5. Report working progress to the Board on a regular basis
Execution team	ESG representatives from respective departments and subsidiaries	1. Complete tasks assigned by the communication team 2. Collect, compile and report relevant information on a regular basis 3. Provide timely feedback on actual working conditions and suggestions on actual working progress

2.2 Communication With Stakeholders

The Group attaches great importance to the feedback from stakeholders and strives to address their concerns. We improve our communication strategies and take concrete actions to enhance our sustainability performance. We have put in place various measures to continuously improve our communication with stakeholders. Set out below are channels we use to communicate with stakeholders and their issues of concern.

Stakeholder	Issues of concern	Communication channels	Frequency
Investors and shareholders	- Corporate governance - Financial performance - ESG matters	- General meeting - Financial report - ESG report - Announcement and circular	From time to time
Suppliers and customers	Product quality and customer service	Company website, email, employee feedback	From time to time
Employees	- Remuneration and benefits - Health and safety - Professional development	- Training and seminar - Regular job performance evaluation - Internal complaint mechanism	From time to time
Government	- Regulatory compliance - Worker safety - Social welfare	- Interaction and visit - Government inspection - Tax returns and other information	From time to time
Community	- Community environment - Employment and community development - Community welfare	Active engagement with relevant organisations	From time to time

2.3 Identifying Material Issues

To better understand stakeholders' expectations of the Group's ESG performance, on top of referencing business development strategies and industry practices, we have also conducted an assessment on material issues arising during the Year through various methods such as questionnaire surveys, in order to formulate the framework and contents of disclosure for this Report to address the concerns of the stakeholder groups.

Our assessment of material issues consists of the following procedures:

Identification of issues and stakeholders	Based on a review on sustainability strategies and disclosures, we identify issues that are relevant and considered important to each core business segment and its stakeholders, and formulate corresponding participation plans for each stakeholder group.
Participation of stakeholders	Stakeholders are invited to participate in a materiality survey. In-depth survey is conducted on respective stakeholder groups through methods such as interviews to understand their concerns and expectations in respect of the Company's ESG aspects.
Ranking of material issues	Respective ESG issues are analysed and ranked through quantifying stakeholder survey findings.
Approval by management	Material issues assessment and analysis results are submitted to management for discussion, approval, and final confirmation.

Based on our survey and analysis results, the Group's list of material issues are ranked by materiality as follows:

- Employee health and safety
- Product responsibility
- Remuneration and welfare
- Staff development and training
- Information security and privacy protection
- Product health and safety
- Anti-corruption
- Supply chain management
- Community building and contribution to society
- Usage of resources
- Emissions management
- Waste management

3. The Environment and Resources

We recognise the increasingly critical situation in addressing the environmental challenges posed by climate change and the need to take urgent action. To fulfill our corporate social responsibility, we value good environmental management, and are committed to providing the necessary human, material and financial resources towards environmental protection. In order to address the issues related to greenhouse gas (“GHG”) emissions and energy consumption in our operations, we established an environmental protection and resource conservation system in accordance with the relevant national requirements, and assign personnel to monitor the implementation of the system on a regular basis, to ensure our compliance with all laws, regulations and rules. At the same time, we correct any behavior that violates the Company’s environmental protection system, and carry out remedial measures correspondingly.

3.1 Emissions Management

As a mobile game developer, we generate minimal emissions, which mainly include GHG emissions from purchased electricity and non-hazardous waste. To address environment issues, we stipulated in the Environmental and Social Responsibility Management System that we will try our best to adopt environmentally friendly technology to save energy and minimise waste. At the same time, we also continue to raise employee’s awareness of environmental protection and resource conservation through publicity and education, such as encouraging them to take public transport to reduce GHG emissions incurred on a daily basis. To address the problems related to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, we will strictly comply with the relevant national laws and regulations, including the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》), the Law of the People’s Republic of China 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 Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》) and the Law of the People’s Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》). During the Reporting Period, no major violations related to environmental protection were identified, and no breaches of the laws and regulations were recorded.

Exhaust Gas Emissions

Due to our business nature, we are not involved in the industrial production or ownership of any vehicles. Therefore, the Group does not emit a significant amount of exhaust gas during its operations.

During the reporting period, our GHG emissions were as follows:

Indicator	Unit	2025
Total GHG emissions	Tonnes	26.70
Per capita GHG emissions	Tonnes/person	1.21

Discharge of sewage

Since the water usage of our business activities was minimal, we did not generate a significant amount of sewage. In addition, all sewage discharged were delivered to the local water treatment plant via the municipal sewage network for treatment, hence the amount of water consumed equals the amount of sewage discharged.

3.2 Waste Management

Adhering to the principles of waste management, we are committed to the proper treatment and disposal of all waste generated by our business activities. We identify, sort, store and dispose our waste in a centralised manner. We set up standardised collection bins and designate personnel to dispose waste in a timely manner, to ensure that all waste management practices comply with relevant environmental laws and regulations.

Hazardous waste

Due to our business nature, toxic or hazardous substances are not used in our operations, therefore, we do not generate any hazardous waste (e.g. chemical waste).

Non-hazardous waste

Due to our business nature, the major type of non-hazardous waste generated in our operations is office paper. Adhering to the principles of recycling waste, we are committed to the proper management and disposal of non-hazardous waste generated in our operations. To reduce paper usage, we implemented the following measures relating to paper reduction and recycling:

- Set up waste paper collection bins to recycle printing paper and other kinds of waste paper;
- Reduce paper consumption by utilising double-sided printing;
- In promotion of a paperless office, our staff are encouraged to make good use of electronic communication;

Due to the above measures, we have raised our employees' awareness of waste management.

During the Reporting Period, our performance on non-hazardous waste emission was as follows:

Non-hazardous waste	Unit	2025
Waste paper	Kg	27.27
Intensity of waste paper	Kg/person	1.24

3.3 Usage of resources

With an aim to use resources effectively, we formulated energy saving policies to ensure that resources are reasonably and efficiently used in our business operations, and to promote a green business environment to minimise the impact of our operations on the environment. We take our responsibility to save energy and reduce emissions seriously. As such, we actively make use of energy saving products, develop a circular economy, and improve the utilisation rate of resources, so as to reduce the consumption of water, electricity, paper, and other resources.

Power Management

We actively implement the concept of energy saving and emissions reduction in our business. In addition to reducing the use of unnecessary electricity, we are also committed to fulfilling our corporate responsibility of energy saving and emissions reduction, to create an environmentally friendly working environment. To reduce electricity consumption, we actively adopted eco-friendly and advanced lighting solutions, and require our employees to reduce light usage or turn lights off when there is good visibility. Slogans are posted near lights, air conditioners, washrooms and photocopiers; examples include “Turn off the lights and save electricity”, “Energy saving and emission reduction is everyone’s responsibility”, “Save every drop of water”, and “Protect the forest, print double-sided”. We send out timely reminders to employees who fail to turn off lights and air conditioning, to ensure that they are familiar with the concept of environmental protection. Moreover, to reduce energy wastage, we formulated management practices in relation to the use of air conditioners and other office appliances, including but not limited to:

- The temperature of air conditioners is set not lower than 26 degrees for cooling in the summer, and not higher than 20 degrees for heating in the winter;
- Employees are encouraged to adjust the screen brightness on the office computers to avoid excessive brightness;
- Employees are required to turn off all computers at the end of their shift;
- Employees are asked to declutter and maintain good ventilation to prevent computers from overheating.



Energy saving slogans in the office

During the Reporting Period, our performance on energy consumption was as follows:

Type of energy	Unit	2025
Electricity	kWh	7.05
Intensity of consumption	kWh/person	0.32

Water Management

Our water usage mainly consists of domestic water usage, such as water for sanitation and drinking. We continue to strengthen our efforts in promoting water conservation by posting slogans related to water saving, to guide our staff to reasonably save water. In addition, we use water-saving cleaning appliances where possible, and regularly inspect the water supply and drainage system in washrooms and the pantry. Due to the above measures, we have raised our employee's awareness of water conservation.

During the Reporting Period, our performance on water consumption was as follows:

Water consumption	Unit	2025
Total water consumption	m ³	370.33
Intensity of water consumption	m ³ /person	16.83

3.4 Working environment management

We are committed to providing a comfortable and environmental friendly working environment for our employees and strive to maintain a hygienic and clean working space, so as to improve work efficiency. Together with our property management company, we conduct regular inspection of our office area to ensure a safe and orderly working environment. Problems and hazards in the office premise is checked and dealt with in a timely manner to reduce the possibility of hazardous incidents occurring.

Due to our business nature, insignificant volumes of exhaust gas and hazardous gas are generated from our daily operations. Nevertheless, we monitor indoor air conditions and clean air conditioners on a regular basis, to maintain good indoor air quality.

4. Employment

Our employees are our greatest wealth and our core competitive strength, as well as the driving force behind our continuous exploration and innovation. As such, we have formulated various personnel management policies to safeguard fundamental rights of our employees, so that they may grow with the Company. We have developed an Employee's Handbook and distributed a copy to each employee. The Handbook sets out the internal rules and guidelines regarding the best business practices, professional ethics, anti-fraud mechanisms, negligence at work and corruption. In addition, we also provide regular training and resources to employees and explain the guidelines contained in the Employee's Handbook. Through the above policies, we are committed to safeguarding the occupational health and safety of our staff, protecting their vital interests, fully respecting and valuing the motivation, initiative and creativity of our staff, and building a harmonious employer-employee relationship. At the same time, we are in strict compliance with the laws and regulations in relation to employment, including but not limited to the Labour Law of the People's Republic of China (《中華人民共和國勞動法》) and the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》). During the Reporting Period, we were not aware of any material non-compliance with relevant laws and regulations that have a significant impact on us relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

As at 31 December 2025, we have 22 staff in total. Their details are analyzed by age and gender as follows:

	No. of people	Percentage
By gender		
Male	12	55%
Female	10	45%
By age		
31 years old or below	0	0%
Over 31 years old	22	100%

An analysis of the employee turnover rate by type is as follows:

	No. of people	Percentage
By gender		
Male	3	37.5%
Female	5	62.5%
By age		
31 years old or below	2	25%
Over 31 years old	6	75%

4.1 Employee remuneration and benefits

We are committed to establishing a competitive and fair remuneration and benefits system and improving our remuneration and incentive policies through market research to attract and retain talents. We have formulated a Remuneration Management Policy, which states that an employee's remuneration generally includes their basic salary, performance bonus and year-end bonus. Besides, in order to further improve the Company's incentive mechanism, we also adopted and implemented an equity incentive scheme to reward our directors, senior management and employees for their contribution to the Group's development, and to attract and incentivise talents. With regards to the labour contract, we strictly comply with the relevant labour laws in the PRC and Hong Kong, and make contributions to the relevant social insurance and provident fund/MPF according to the law, to ensure that employees have sufficient safeguards for their rights to physical well-being.

4.2 Hiring, promotion and termination

We have developed a transparent and standardised Recruitment and Hiring Management System to attract and retain talents to enhance the Company's competitiveness. Adhering to the principle of equal opportunity, we ensure that both our staff and external parties are given equal employment opportunities for job openings. We also ensure fair competition by adopting a merit-based hiring system and providing probation periods. All candidates will be jointly examined by the Recruitment Team and the Human Resources Department in terms of professional skills, cognitive attitude and the suitability to the job role. The Human Resources Department is responsible for conducting the hiring, selection, interviewing and other procedures, as well as preparing annual and monthly recruitment plans based on our existing structure and the staffing needs in each department, so as to improve our recruitment system and recruitment process.

We have a Performance Management Policy in place that guides, assesses, develops, incentivises and rewards employees for their performance in a systematic manner.

Moreover, in order to standardise the termination management of the Company's employees, we have established the Termination Management System, which sets out clear termination procedures to ensure that the rights of the Company and the outgoing staff are duly protected.

We are committed to creating a culture of equality within the Company that promotes mutual communication and respect for diversity. We strictly comply with the laws and regulations of national and local governments and adopt a fair, equal and open recruitment process, and are committed to providing equal employment opportunities without discrimination on the basis of ethnicity, colour or age. During the hiring, training and promotion processes, we treat every candidate with the same respect to safeguard the rights of our employees.

4.3 Employee Health and Safety

As a mobile game developer, our employees are not exposed to major health and safety risks in our daily operations. Nevertheless, we attach great importance to the health and safety of our staff, and have formulated a relevant system to provide a healthy, safe and comfortable working environment for our staff. Smoking is prohibited in our offices to prevent fires. In the event of injury to workers, safety measures have been set out in our Employee's Handbook providing guidelines for employees to respond to the emergency. In addition, our offices and server rooms are equipped with fire extinguishers and fire hydrants to prevent fires. During the extremity of the novel coronavirus pandemic in particular, the Company was highly concerned for the health and safety of each and every employee. We implemented a series of measures such as increased publicity and regular disinfection to strengthen protection of our employee's working environment and physical health.

We are in strict compliance with the laws and regulations in relation to providing a safe working environment and protecting employees from occupational hazards, including but not limited to the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases (《中華人民共和國職業病防治法》), and the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》).

4.4 Development and Training

We attach great importance to the professional development of our staff. Therefore, we integrate continuous learning into our corporate culture by providing regular and specialised training that are tailored to the needs of our employees in each department. We have a training centre where senior staff or external consultants organise internal training programs on topics of interest selected and voted by employees. These training programs are initiated by the Human Resources Department, which is also responsible for monitoring the training process and subsequently assessing the training effectiveness. Topics included in the courses cover various aspects of business operations, including general management, project execution and technical knowledge. In addition, the Group also has emergency response plans in place and arrange for all our employees to participate in emergency drills by batches. Such regular training programs, seminars and other exchange activities promoted employees' overall understanding of the industry and enhanced their professional skills.

During the Reporting Period, the Group provided 4 training courses for all of its employees to enrich their knowledge and enhance their skills.

Type	Percentage of trained employees	Average training hours
All employees	100%	20.57
By gender		
Female	100%	20.63
Male	100%	20.52
By category		
Management	100%	25.60
Non-management	100%	17.78

4.5 Labour Standards

We are in strict compliance with the laws and regulations in relation to the prevention of child and forced labour, including but not limited to the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》), and the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》).

Child labour is strictly prohibited. In order to prevent the use of child labour in our business activities, we require job candidates to provide us with true and accurate personal information. The Recruitment Team of the Human Resources Department will then perform a thorough check on the candidates' background information such as ID number and account number, to further confirm their qualifications. We strictly comply with statutory working hours and holidays where our respective businesses operate. Office staff work five days a week and eight hours a day. We provide employees with leave entitlements including personal leave, sick leave, marital leave, bereavement leave, maternity leave, injury leave, family leave and annual leave, to facilitate work-life balance for our employees.

During the Reporting Period, we were not aware of any material non-compliance with relevant laws and regulations that have a significant impact on us relating to the prevention of child and forced labour.

5. Operation Management

With comprehensive internal compliance management, we maintain a zero tolerance approach on all forms of corrupt behaviour, as we improve supplier management, standardise our tender process, separate power and authority and improve the coverage of our supplier review. At the same time, we continue to strengthen communications with customers and actively respond to their demands, in order to improve our service quality and effectiveness.

5.1 Supply Chain Management

In the process of selecting suppliers, we consider the qualifications, reputations, technical requirements and quality of game developers and publishers. Only suppliers who have passed our preliminary assessment would be included on our list of approved suppliers. We assess approved suppliers annually to confirm that they continue to meet our requirements. Suppliers with less than satisfactory assessment results are immediately removed from our list of approved suppliers, to ensure that we provide game products of the best quality. We also include environmental and social risk factors of suppliers in our assessment criteria and select environmentally friendly products and services where possible; suppliers facing major risks or significant environmental issues are excluded from our list of approved suppliers.

Besides selecting suppliers, we also conduct the following assessment on game quality prior to obtaining exclusive rights to a game:

- 1) Conduct a background check on the game developer to survey its product portfolio.
- 2) Understand the target game's popularity and prospects in the current market by studying the local ranking charts.
- 3) Conduct internal testing to ensure the product operates as planned.

We only consider cooperation with game developers or suppliers when assessment results are to our satisfaction and their outlook is positive. The reporting entity had 4 suppliers, which were primarily from the PRC, contributing to 100% of the total amount of purchase during the Reporting Period. During the Reporting Period, we applied a consistent assessment criteria to all suppliers. No supplier that did not pass the assessment was included on our supplier list.

5.2 Product Responsibility

Providing users with a good gaming experience is the most important product responsibility of the Group, and is the key to attracting and retaining gaming users. We pay close attention to the quality of our products and services. When launching new games, we need to anticipate and accommodate users with their changing interests and preferences and adapt to the ever-changing environment of the competitive mobile game industry, as well as adopt effective promotion strategies and upgrade existing games to enhance regional penetration. Moreover, we continue to perform technological and infrastructure upgrades to minimise downtime and ensure the stability of our gaming systems.

5.3 Information Security and Privacy Protection

We strictly comply with legal requirements in providing a high level of security and confidentiality in the protection of personal data privacy. We believe personal data privacy is highly important and strive to maintain data protection. We collect only personal data that we believe is relevant or necessary to our operations. Unless customer agreement had been obtained, personal data is only used for purposes for which it was collected or directly related purposes. Unless required by law or on prior notice, we will not transfer or disclose any personal data to any non-member entity without customer consent. Further, we maintain appropriate security measures and system to safeguard unauthorised access of personal data.

We comply with and protect intellectual property and oppose any form of intellectual property violation, which is strictly implemented through established company policy, system and procedure.

5.4 Anti-Corruption

We have established relevant internal policies and formulated our Compliance Handbook and system processes such as Detection, Prevention and Reporting of Misconduct, which specify the scope of responsibility of the Company's management for anti-corruption. The Company prohibits employees (including the Directors) from making improper payments or accept any form of gifts or benefits without formal authorisation. Receipt of any gifts or benefits should be reported to management immediately for further determination. Employees are further prohibited from engaging in any illegal behaviour, including extortion, fraud and money laundering.

Meanwhile, through providing training to enhance anti-corruption and anti-money laundering concepts, the entire organisation from management to grassroots employees are trained to have a strong sense of anti-corruption, while we also monitor daily operations through internal audits. Various channels such as feedback boxes and whistleblowing mailbox have been set up to strengthen monitoring of management and build a sense of anti-corruption at the workplace.

We strictly comply with laws and regulations relating to anti-bribery, blackmail, fraud, and money laundering. During the Reporting Period, we did not have any incidents of corruption.

6. Community

We actively fulfill our corporate citizenship responsibilities and encourage employees to participate in social welfare activities.

As a cultural enterprise, we actively participate in various online and offline seminars at the provincial and municipal levels, proactively offer ideas and suggestions, and strive to contribute to the development of community cultural industries. In addition, we also actively cooperate with local communities in various business locations to carry out various activities and provide suggestions for local community development. In the future, we will invest in more community and social welfare activities and actively fulfill our corporate citizenship responsibilities.

Appendix

Stock Exchange ESG Guide KPI Index

This KPI index illustrates the Group's compliance with each of the "comply or explain" provisions and disclosure of "recommended disclosures" set out in the ESG Guide during the reporting period.

Issue	Guide requirements	Report section/remark
A1 Emissions		
General Disclosure	Information on:	Section 3
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
KPI A1.1	The types of emissions and respective emission data.	Section 3
KPI A1.2	Greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Section 3
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Section 3
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Section 3
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Section 3
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Section 3
A2 Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Section 3
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Section 3
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Section 3
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Section 3
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Section 3
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	A2.5 is not included as the products and services provided by the Group are online and do not involve any packaging material

Issue	Guide requirements	Report section/remark
A3 The Environment and Natural Resources		
General disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Group is principally engaged in game development and operation and has no material impact on the environment and natural resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
A4 Climate Change		
General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	The Group is principally engaged in game development and operation and has no material impact on the climate
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	
B1 Employment		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Section 4
KPI B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	Section 4
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Section 4
B2 Health and Safety		
General disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Section 4
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Section 4
KPI B2.2	Lost days due to work injury.	Section 4
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Section 4

Issue	Guide requirements	Report section/remark
B3 Development and Training		
General	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Section 4
Disclosure		
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Section 4
KPI B3.2	The average training hours completed per employee by gender and employee category.	Section 4
B4 Labour Standards		
General	Information on	Section 4
Disclosure		
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to preventing child and forced labour.	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Section 4
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	During the reporting period, we have complied with all laws and regulations on preventing child and forced labour in relation to employment that have a significant impact on the Group.
B5 Supply Chain Management		
General	Policies on managing environmental and social risks of the supply chain.	Section 5
Disclosure		
KPI B5.1	Number of suppliers by geographical region.	Section 5
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Section 5
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Section 5
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Section 5

Issue	Guide requirements	Report section/remark
B6 Product Responsibility		
General	Information on	Section 5
Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	There were no related incidents.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Section 5
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Section 5
KPI B6.4	Description of quality assurance process and recall procedures.	Section 5
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Section 5
B7 Anti-corruption		
General	Information on:	Section 5
Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to bribery, extortion, fraud and money laundering.	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Section 5
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Section 5
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Section 5
B8 Community Investment		
General	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Section 6
Disclosure		
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Section 6
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Section 6

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Sui Jiaheng (隋嘉恒), aged 42, is the chairman of the Board and an executive Director primarily responsible for the overall strategic planning and development of the Group and the overall management and operations of the Group. Mr. Sui joined the Group in August 2015 as the vice general manager (sales) of Dinglian Technology and was appointed as an executive director of Dinglian Technology in November 2015. He was appointed as a Director on 18 April 2018 and was redesignated as the chairman of our Board and an executive Director on 3 April 2019. Mr. Sui has been a director of Southeast Oriental Gaming Technology Pte. Ltd., a subsidiary of the Company, since August 2021. He has also been a director of Shenzhen Sino Entertainment Information Technology Company Limited (深圳新娛科信息技術科技有限公司), a subsidiary of the Company, since December 2021.

Prior to joining the Group, Mr. Sui has over nine years of experience in the consulting industry, where he was exposed to the gaming area and gained substantial skills and knowledge in organising the data collection, analysis and modelling, testing target gaming companies' products, performing forecast of the business development of the companies, as well as giving investment advice to clients. He was a consultant and researcher at Shanghai Hejun Venture Management Consulting Limited* (上海和君創業管理諮詢有限公司) ("**Shanghai Hejun Consulting**") from September 2004 to June 2006, and worked as a senior consultant and researcher at the company from June 2006 to September 2008. Shanghai Hejun Consulting is principally engaged in market research analysis, business development and data collection. Mr. Sui worked with industries such as technology, entertainment and gaming. During the period from October 2008 to September 2009, Mr. Sui was an assistant to the president of Beijing Hejun Venture Management Consulting Limited* (北京和君創業管理諮詢有限公司) ("**Beijing Hejun Consulting**"). Beijing Hejun Consulting is principally engaged in the provision of management and investment consulting. Mr. Sui was responsible for providing such consulting services in relation to industries including mining, farming, gaming, and real estate industries. Between September 2009 and February 2011, Mr. Sui was the senior manager of Beijing Hejun Venture Capital Management Limited* (北京和君創業資本管理有限公司) ("**Beijing Hejun Capital**"). From February 2011 to October 2013, he was the vice president and partner of Beijing Hejun Capital. Beijing Hejun Capital is principally engaged in consultancy services in investment and financial projects of technology and gaming companies. During Mr. Sui's tenure as the vice president and partner of Beijing Hejun Capital, he participated in a number of domestic and foreign financing, restructuring and merger projects. He founded and invested in Beijing Jia Ri Xian Technology Limited* (北京嘉日鮮科技有限公司), a company principally engaged in innovative information technology in December 2013 and has acted since then as the director.

Mr. Sui graduated from Hoosac School, a high school in New York, the US, in June 2001. He attended Boston University, majoring in management, from January 2002 to May 2004 but did not complete the study to pursue a career in the consulting industry with an exposure to the gaming area.

Mr. Sui was awarded the Top 10 Outstanding Entrepreneurs in the Gaming Industry* (遊戲行業十大優秀企業家) and the Top 10 Innovative Characters in the Gaming Industry* (遊戲行業十大創新人物) in November 2017, both jointly issued by the China Enterprise Development Association (中國企業發展協會) and the Whole Country Brand Authentication Alliance (全國品牌認證聯盟). He was also awarded with the Innovative Technology Outstanding Leader Award* (科技創新卓越領導者獎) and Innovative Technology Outstanding Result Award* (科技創新成果優秀獎) in December 2017 from the China Association for Quality Evaluation* (中國質量評價協會).

Mr. Li Tao (李濤), aged 45, is the chief executive officer and an executive Director. Mr. Li is primarily responsible for the overall business planning and daily management of the Group, including, among others, coordinating the publishing of online games. He joined the Group in January 2017 as the vice general manager of the gaming business department of Luocheng Mulao Autonomous County Dinglian Technology Company Limited* (羅城仫佬族自治縣頂聯科技有限責任公司) (“**Dinglian Technology**”). He was the general manager of the gaming business department of Khorgos Dinglian Interactive Network Technological Company Limited* (霍爾果斯頂聯互動網絡科技有限公司) from January 2018 to January 2019. Mr. Li has been the chief executive officer of Dinglian Technology since February 2018. He was appointed as executive Director on 15 April 2021.

Mr. Li has over 16 years of experience in marketing through his exposure to the gaming field and management of technology companies. Prior to joining the Group, Mr. Li worked in the marketing department of Guangzhou Jiexun Communication Technology Limited* (廣州捷訊通信技術有限公司) from September 2002 to April 2008, with the last position as marketing manager. From July 2008 to January 2011, Mr. Li worked on marketing-related matters at Shenzhen Zhengchuang Technology Limited* (深圳市徵創科技有限公司), a company principally engaged in game promotion. Mr. Li worked as the chief marketing officer at Guangzhou Miqi Network Technology Limited* (廣州市覓奇網絡科技有限公司) from November 2011 to July 2013. Mr. Li served as a marketing director of Guangzhou Yinhan Technology Co., Ltd.* (廣州銀漢科技有限公司), a company principally engaged in the provision of mobile value-added services, mass online game development and operation services, from August 2013 to May 2014. During the period from June 2014 to November 2014, Mr. Li was a marketing manager of Guangdong Xinghui Tiantuo Interactive Entertainment Limited* (廣東星輝天拓互動娛樂有限公司) (“**Teamtop**”). Teamtop, a wholly-owned subsidiary of Rastar Group (星輝互動娛樂股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 300043), is an integrated platform game company principally engaged in the research, development and distribution of internet games. Mr. Li worked as a general manager of Guangzhou Tianhen Network Technology Limited* (廣州市天痕網絡科技有限公司), a company principally engaged in the information technology services and promotion of games, from July 2015 to July 2016. Mr. Li obtained his diploma in tourism management from Guizhou University of Commerce (貴州商業高等專科學院) in July 2002.

NON-EXECUTIVE DIRECTOR

Mr. He Shaoning (何紹寧), aged 46, is a non-executive Director of the Group, primarily responsible for the day-to-day business management of the Group. He has been the general manager of Dinglian Technology from December 2014 to April 2021, and has accumulated extensive experience in managing daily operations of Dinglian Technology and is responsible for work related to finance and human resources. He was appointed as director of Dinglian Technology from October 2017 to April 2021. He was appointed as an executive Director and the general manager of the Group from 3 April 2019 to 14 April 2021. Mr. He was redesignated as non-executive Director from executive Director since 15 April 2021.

Mr. He is one of the founders of the Group. He has over six years of sales and marketing experience and over four years of business management experience in the mobile game industry. Prior to joining the Group, from January 2002 to April 2007, he worked at Tongyun Business Shopping Mall* (通運商貿購物中心) as a salesperson. Mr. He served as the vice president and marketing director of Luocheng Mulao Autonomous County Wuyuechun Wine Limited* (羅城仫佬族自治縣五月春酒業有限公司) from June 2007 to November 2014.

Biographical Details of Directors and Senior Management

Mr. He graduated from Guangxi Commercial School* (廣西商業學校), majoring in marketing and sales, in June 1998. He was awarded the Personal Science and Technology Innovation Award (個人科技創新獎) jointly by the China Enterprise Development Association (中國企業發展協會) and the Whole Country Brand Authentication Alliance (全國品牌認證聯盟) in November 2017.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Pang Xia (龐霞), aged 56, an independent non-executive Director primarily responsible for overseeing the management of the Group independently. She joined the Group on 5 September 2022 when she was appointed as an independent non-executive Director.

Ms. Pang obtained a Graduation Certificate from 廣西欽州供銷學校 (Guangxi Qinzhou Supply & Demand School*) (now known as 廣西欽州商貿學校 (Guangxi Qinzhou Commercial & Trade School*)) after passing the examination in finance and accounting in 1990. She went on to further study and obtained a Graduation Certificate in finance and accounting in 2015 through the online program of 廣西廣播電視大學 (Guangxi Radio & TV University*) and a Graduation Certificate from 中央財經大學 (Central University of Finance and Economics*) after passing the examination in financial management in 2019. Ms. Pang has over 16 years of experience in accounting and financial management. Ms. Pang was the chief financial officer of a fruit juice company which was a subsidiary of a company whose shares are listed in Hong Kong during the period from October 2010 to January 2019 and was mainly responsible for internal control and financial management, financial analysing and reporting of its group.

Mr. Deng Chunhua (鄧春華), aged 49, an independent non-executive Director primarily responsible for overseeing the management of the Group independently. He joined the Group on 23 April 2020, when he was appointed as an independent non-executive Director.

Mr. Deng has over 22 years of experience in wealth management and investment consultation. From July 1997 to September 2016, he served different positions including as a director of wealth management centre and investment analyst at Sealand Securities Co., Ltd. (國海證券股份有限公司). From October 2016 to December 2017, he served as an assistant to the general manager of the sales team in the Beihai office of China Merchants Securities Co., Ltd. (招商證券股份有限公司), where he advised on wealth management and institutional business. Since June 2018, Mr. Deng has served as an assistant to the chairman and secretary of the board of Beihai Xingshi Carbon Material Technology Limited* (北海星石碳材料科技有限責任公司), where he assisted in the general management of the company. He has also been appointed as a director of the company since October 2018.

Mr. Deng obtained his bachelor's degree in economics from Guangxi University (廣西大學) in December 2003. He received his master's degree in business management from Guangxi University (廣西大學) in October 2011. He obtained the qualification of securities investment adviser granted by Securities Association of China (中國證券業協會) in June 2014.

Ms. Chen Nan (陳楠), aged 41, is an independent non-executive Director primarily responsible for overseeing the management of the Group independently. She joined the Group on 23 April 2020, when she was appointed as an independent non-executive Director.

Ms. Chen worked in the Shenzhen office of JunZeJun Law Offices (君澤君律師事務所) as a paralegal from February 2012 to August 2013. She worked in the Shenzhen office of Dentons, a global law firm, as a paralegal from September 2013 to May 2015 and as an associate from June 2015 to May 2017. Ms. Chen is an associate of the Shenzhen office of JunZeJun Law Offices, and has focused her practice in domestic and foreign investment and financing, mergers and acquisitions of listed companies, foreign investment, and initial public offering since April 2017.

Ms. Chen obtained her bachelor's degree in law from South-Central Minzu University (中南民族大學) in June 2008. She obtained her master's degree in constitutional and administrative law from South-Central Minzu University in June 2012. She was admitted as a PRC qualified lawyer in March 2014 by Guangdong Department of Justice (廣東省司法廳).

COMPANY SECRETARY

Mr. Yuen Chi Wai (袁志偉) was appointed as a company secretary of the Company on 13 July 2021.

Mr. Yuen, FCPA, obtained his bachelor of commerce in accounting and finance degree from The University of New South Wales in April 1998. He was admitted as a fellow of the Hong Kong Institute of Certified Public Accountants in March 2013 and a fellow of CPA Australia in July 2014. Mr. Yuen is experienced in auditing, corporate internal control, as well as financial and risk management. Mr. Yuen had been an independent non-executive director of Central China Securities Co., Ltd. (中原證券股份有限公司) (carrying on business in Hong Kong as “中州證券”) from June 2014 to June 2021, the shares of which are listed on the Stock Exchange (stock code: 1375) and listed on the Shanghai Stock Exchange (stock code: 601375). Mr. Yuen has been the company secretary of Zhixin Group Holding Limited since May 2019, the shares of which are listed on the Stock Exchange (stock code: 2187). Mr. Yuen has been the company secretary of XiangXing International Holding Limited since May 2023, the shares of which are listed on the Stock Exchange (stock code: 1732). Mr. Yuen has been the Managing Director of Venture Executive Services Limited since August 2014, which is principally engaged in provision of company secretarial and other corporate services to various listed and unlisted companies.

INDEPENDENT AUDITOR'S REPORT



**TO THE MEMBERS OF
SINO-ENTERTAINMENT TECHNOLOGY HOLDINGS LIMITED
新娛科控股有限公司**

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Sino-Entertainment Technology Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 74 to 169, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), as applicable to audits of financial statements of public interest entities together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Cayman Islands. We have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade and retention receivables	
As disclosed in Note 21 to the consolidated financial statements, as at 31 December 2025, the Group's gross trade receivables and retention receivables amounted to approximately RMB57,041,000 and RMB1,794,000, respectively, allowance for credit losses of approximately RMB19,729,000 and RMB10,000, respectively, was included in the Group's consolidated statement of financial position. The impairment losses, net of reversal, on trade and retention receivables, included in the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025 amounted to approximately RMB280,000 and RMB10,000 respectively. The allowance for credit losses on trade and retention receivables represents the management's best estimates at the end of the reporting period of expected credit losses under Hong Kong Financial Reporting Standard 9: <i>Financial Instruments</i>' Expected Credit Loss (the "ECL") Model. As disclosed in Note 31(b) to the consolidated financial statements, the ECL in relation to trade and retention receivables are assessed collectively based on provision matrix.	Our audit procedures in relation to management's assessment on allowance for credit losses of trade and retention receivables included: • understanding key controls on how the management estimates the ECL allowance on trade and retention receivables; • testing the integrity of information used by the management to develop the provision matrix, including trade and retention receivables aging analysis as at 31 December 2025, on a sample basis, by comparing individual items in the analysis with the relevant sale invoices and other supporting documents; • assessing the reasonableness of the methods and assumptions used in the Group's ECL model based on our understanding on the Group's customer portfolio and discussion with management, including the credit quality of the customers, such as any experience in default, delay in payments, aging analysis, historical settlement pattern, provision rates, and internal credit ratings;

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade and retention receivables (continued) The management assessed the ECL based on historical observed default rates and adjusted by forward-looking information that is reasonable and supportable, and is available without undue costs or effort. We considered impairment assessment of trade and retention receivables as a key audit matter because of its significance to the consolidated financial statements and the significant estimates and judgement involved in determining the ECL allowance on trade and retention receivables.	• reviewing the repayment history and settlements received subsequent to the reporting period from the debtors; and • evaluating the disclosures regarding the impairment assessment of trade and retention receivables in Note 31(b) to the consolidated financial statements.
Impairment assessment of intangible assets As disclosed in Note 19 to the consolidated financial statements, as at 31 December 2025, the Group's intangible assets amounted to approximately RMB25,156,000 was included in the Group's consolidated statement of financial position. The impairment loss of approximately RMB4,812,000 has been recognised in the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025.	Our audit procedures in relation to management's assessment on impairment loss of intangible assets included: • assessing the competency, capabilities, and objectivity of the independent professional valuer engaged by the management; • obtaining the valuation report of intangible assets and to assess the appropriateness of valuation methodology adopted by the management; • obtaining the discounted cash flow forecast and checking its mathematical accuracy;

Key audit matter	How our audit addressed the key audit matter
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Impairment assessment of intangible assets (continued)

Impairment loss of licenses/game publishing rights was assessed by comparing the recoverable amount and carrying amount of the licenses/game publishing rights at the end of the reporting period. The Group engaged an independent professional valuer to carry out an impairment assessment by estimating the recoverable amount of the cash-generating unit in which the licenses/game publishing right have been allocated, with reference to value in use calculation which required significant judgement on assumptions and input adopted in the underlying cash flows. Key estimates involved in the preparation of cash flow projections for the period covered by the approved financial budgets include the discount rate and growth rate in the industry in order to derive the recoverable amount.

We considered impairment assessment of intangible assets as a key audit matter due to significant estimates and judgements involved in the impairment assessment.

- challenging and evaluating the reasonableness of key assumptions and methodologies used by the management in the cash flow forecasts, such as growth rate and discount rate taking into account industry forecasts and market developments, the budget, future business plan and historical performance; and
- reviewing the sensitivity analysis performed by the management on the key assumptions to understand the impact of reasonably possible change in assumptions on the estimated recoverable amount.

OTHER INFORMATION

The directors of the Company (the “**Directors**”) are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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 solely to you, as a body, in accordance with our agreed terms of engagement, 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 HKSAs 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 HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

Asian Alliance (HK) CPA Limited

Certified Public Accountants (Practising)

Cheng Ting Chiu

Practising Certificate Number: P06598

8/F., Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

31 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	28,490	44,664
Cost of sales		(17,520)	(42,873)
Gross profit		10,970	1,791
Other income	8	363	3,176
Other gains and losses, net	9	(615)	(110)
Administrative expenses		(21,951)	(35,518)
(Impairment loss recognised) reversal of impairment loss under expected credit loss model, net	10	(290)	26,932
Impairment loss recognised in respect of intangible assets	19	(4,812)	(7,290)
Finance costs	11	—	(845)
Research and development expenses	13	(11,297)	(14,765)
Loss before tax	13	(27,632)	(26,629)
Income tax expense	12	(1,739)	(2,439)
Loss for the year		(29,371)	(29,068)
Other comprehensive (expenses) income for the year, net of income tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(1,742)	1,206
Total comprehensive expenses for the year		(31,113)	(27,862)
Loss for the year attributable to:			
— Owners of the Company		(28,966)	(27,891)
— Non-controlling interests		(405)	(1,177)
		(29,371)	(29,068)
Total comprehensive expenses attributable to:			
— Owners of the Company		(29,200)	(26,903)
— Non-controlling interests		(1,913)	(959)
		(31,113)	(27,862)
Loss per share	17		
— Basic and diluted (RMB cents)		(7.07)	(6.89)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property and equipment	18	22	13
Intangible assets	19	25,156	18,151
Retention receivables	21	1,784	—
Deferred tax assets	24	1,552	3,150
		28,514	21,314
CURRENT ASSETS			
Cryptocurrencies	20	6	4
Trade and other receivables	21	63,188	49,516
Cash and cash equivalents	22	2,017	29,715
		65,211	79,235
CURRENT LIABILITIES			
Trade and other payables	23	7,473	6,234
Tax liabilities		1,172	3,519
		8,645	9,753
NET CURRENT ASSETS		56,566	69,482
NET ASSETS		85,080	90,796
CAPITAL AND RESERVES			
Share capital	25	294	285
Reserves		60,684	84,467
Equity attributable to owners of the Company		60,978	84,752
Non-controlling interests	33	24,102	6,044
TOTAL EQUITY		85,080	90,796

The consolidated financial statements on pages 74 to 169 were approved and authorised for issue by the Board of Directors on 31 March 2026 and are signed on its behalf by:

Sui Jiaheng
Director

Li Tao
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company										
	Share capital	Share premium	Other reserve	Statutory surplus reserve	Share held under share award reserve	Share-based payment reserve	Translation reserve	Accumulated losses	Non-controlling interests		Total
									Subtotal		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(note a)	(note b)								
At 1 January 2024	285	118,624	(3,141)	4,177	(7)	845	3,612	(26,686)	97,709	7,003	104,712
Loss for the year	—	—	—	—	—	—	—	(27,891)	(27,891)	(1,177)	(29,068)
Other comprehensive income for the year, net of income tax:											
Items that may be reclassified subsequently to profit or loss:											
Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	988	—	988	218	1,206
Total comprehensive income (expenses) for the year	—	—	—	—	—	—	988	(27,891)	(26,903)	(959)	(27,862)
Equity-settled share-based transaction (Note 26)	—	—	—	—	—	13,946	—	—	13,946	—	13,946
Allotment of awarded shares (Note 26)	—	14,787	—	—	4	(14,791)	—	—	—	—	—
At 31 December 2024	285	133,411	(3,141)	4,177	(3)	—	4,600	(54,577)	84,752	6,044	90,796

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company											
	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Other reserve <i>RMB'000</i> <i>(note a)</i>	Statutory surplus reserve <i>RMB'000</i> <i>(note b)</i>	Share held	Share-based payment reserve <i>RMB'000</i> <i>(note c)</i>	Capital reserve <i>RMB'000</i> <i>(note c)</i>	Translation reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Subtotal <i>RMB'000</i>	Non-controlling interests <i>RMB'000</i>	Total <i>RMB'000</i>
					under share							
					award							
					scheme							
				reserve								
At 1 January 2025	285	133,411	(3,141)	4,177	(3)	—	—	4,600	(54,577)	84,752	6,044	90,796
Loss for the year	—	—	—	—	—	—	—	—	(28,966)	(28,966)	(405)	(29,371)
Other comprehensive expenses for the year, net of income tax:												
Items that may be reclassified subsequently to profit or loss:												
Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	—	(234)	—	(234)	(1,508)	(1,742)
Total comprehensive expenses for the year	—	—	—	—	—	—	—	(234)	(28,966)	(29,200)	(1,913)	(31,113)
Capital injection by non-controlling interests	—	—	—	—	—	—	1,772	—	—	1,772	19,971	21,743
Issuance of shares under the share award scheme (Note 25)	9	—	—	—	(9)	—	—	—	—	—	—	—
Equity-settled share-based transaction (Note 26)	—	—	—	—	—	3,654	—	—	—	3,654	—	3,654
Allotment of awarded shares (Note 26)	—	3,596	—	—	3	(3,599)	—	—	—	—	—	—
At 31 December 2025	294	137,007	(3,141)	4,177	(9)	55	1,772	4,366	(83,543)	60,978	24,102	85,080

Notes:

- The amount represents the nominal amount of paid-in capital of Luocheng Mulao Autonomous County Dinglian Technology Company Limited ("**Dinglian Technology**") (羅城仫佬族自治縣頂聯科技有限責任公司) which conducts the Group's operations. Upon completion of the group reorganisation, the amount is transferred from paid-in capital to other reserve.
- According to the relevant requirements in the articles of association of the relevant group entities and the relevant laws and regulatory regime of the People's Republic of China (the "**PRC**"), it is required to transfer 10% of profit after taxation, which is limited to 50% of the paid-in capital, to statutory surplus reserve. The transfer must be made before the distribution of a dividend to equity owners. The statutory surplus reserve is non-distributable other than upon liquidation and can be used to make up the prior year losses, if any.
- Capital reserve represents the difference between the nominal value of the shares issued by Time Entertainment International Limited ("**TEIL**"), an indirect non-wholly owned subsidiary of the Group, and the consideration paid by Sino-Entertainment (HK) International Holdings Limited ("**SEHKIHL**"), a direct wholly-owned subsidiary of the Company, in exchange for cash contribution and intangible assets by SEHKIHL and Time is Money Co., Limited ("**TIMCL**"), respectively. Please refer to Note 19(d) for details.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Loss before tax	(27,632)	(26,629)
Adjustments for:		
Interests on loans from a non-controlling interest	—	845
Interest income from cash and cash equivalents	(358)	(3,056)
Depreciation of property and equipment	1	—
Fair value gain of financial assets at FVTPL	—	(62)
Depreciation of right-of-use assets	—	14
Amortisation of intangible assets	8,413	5,230
Impairment loss recognised (reversal of impairment loss) under expected credit loss model, net	290	(26,932)
Impairment loss recognised in respect of cryptocurrencies	4	—
Impairment loss recognised in respect of intangible assets	4,812	7,290
Share-based payments expenses	3,654	13,946
Operating cash flows before movements in working capital	(10,816)	(29,354)
(Increase) decrease in trade and other receivables	(13,958)	9,277
Increase in retention receivables	(1,794)	—
Increase (decrease) in trade and other payables	1,239	(672)
Cash used in operations	(25,329)	(20,749)
Income taxes paid	(2,485)	—
NET CASH USED IN OPERATING ACTIVITIES	(27,814)	(20,749)
INVESTING ACTIVITIES		
Interest received from cash and cash equivalents	358	3,056
Purchase of property and equipment	(10)	—
Proceeds on disposal of financial assets at FVTPL	—	8,200
Purchase of intangible assets	—	(17,449)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	348	(6,193)

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
FINANCING ACTIVITIES		
Payment of lease liabilities	—	(15)
Repayments of loans from a non-controlling interest	—	(22,266)
Interest paid on loans from a non-controlling interest	—	(2,469)
NET CASH USED IN FINANCING ACTIVITIES	—	(24,750)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(27,466)	(51,692)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	29,715	79,569
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(232)	1,838
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by cash and cash equivalents	2,017	29,715

MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2024, pursuant to the game publishing rights transfer agreement entered between the Group and the game publishers, the Group has acquired 1 game publishing rights at the consideration of approximately RMB3,422,000. The consideration was settled by offsetting the refundable down payments to the game publishers for securing the publishing rights with 1 new game with fair value of approximately RMB773,000 (net of tax effect of RMB194,000) from the Group.

During the year ended 31 December 2025, trade receivables were settled by cryptocurrencies of 127,700 Tether USD (“**USDT**”), a blockchain-based cryptocurrency, equivalent to US\$127,700, being the fair value of the USDT at the date of payment (one USDT can be redeemed for one U.S. dollars).

During the year ended 31 December 2025, the Group had prepayments of 127,000 USDT (equivalent to US\$127,000) to a third party for the research and development expenses.

During the year ended 31 December 2025, the Group acquired the intangible assets for the core source code of the SocialFi mobile app which was developed by TIMCL, the non-controlling interests of Time Entertainment International Limited, the total investment costs and staff costs incurred for the development of the existing core source code of the framework module of the SocialFi mobile app (including the relevant intellectual properties related to it) as capital injection by non-controlling interests were approximately RMB21,743,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL

Sino-Entertainment Technology Holdings Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 of the Cayman Islands on 18 April 2018 by eleven citizens of the People's Republic of China (the “**PRC**”) (the “**Registered Shareholders**”) through setting up wholly-owned companies incorporated in the British Virgin Islands (“**BVI**”). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in publishing and development of mobile games (the “**Listing Business**”) in the PRC and blockchain technology business. The operations of the Listing Business are conducted by Luo Cheng Mulao Autonomous County Dinglian Technology Company Limited (“**Dinglian Technology**”) and its subsidiaries (the “**Operating Entities**”) while Dinglian Technology is legally owned by the Registered Shareholders. The principal activities of its subsidiaries are set out in Note 33 to the consolidated financial statements.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 15 July 2020.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

2. CONTRACTUAL ARRANGEMENTS

Due to the restrictions imposed by Law of the People's Republic of China (the “**PRC Laws**”) on foreign ownership of companies engaged in the Listing Business carried out by the Group, the Group conducts a substantial portion of the Listing Business through the Operating Entities. On 7 November 2018, Khorgos Entertainment Information Technology Company Limited (“**Khorgos Entertainment**”), Dinglian Technology and the Registered Shareholders entered into a series of contractual agreements (collectively, the “**Contractual Arrangements**”), which enable Khorgos Entertainment and the Group to:

- exercise effective control over the Operating Entities, expose, or has rights, to variable returns from its involvement with the Operating Entities and has ability to affect those returns through its power over the Operating Entities;
- exercise equity holders' controlling voting rights of the Operating Entities;
- receive substantially all of the economic interest returns generated by the Operating Entities in consideration for the business support, technical and consulting services provided by Khorgos Entertainment;
- obtain an irrevocable and exclusive right to purchase all or part of equity interests in the Operating Entities from the Registered Shareholders at a nominal consideration unless the relevant government authorities request that another amount be used as the purchase consideration permitted under the PRC Laws. Khorgos Entertainment may exercise such options at any time until it has acquired all equity interests and/or all assets of the Operating Entities. In addition, the Operating Entities are not allowed to sell, transfer, or dispose any assets, or make any distributions to their equity holders without prior consent of Khorgos Entertainment; and

For the year ended 31 December 2025

2. CONTRACTUAL ARRANGEMENTS (Continued)

- obtain a pledge over the entire equity interest of the Operating Entities from their equity holders as collateral security, to secure performance of all obligations of Dinglian Technology and the Registered Shareholders under the Contractual Arrangements.

The Group does not have any equity interest in the Operating Entities. However, as a result of the Contractual Arrangements, the Group has rights to variable returns from its involvement with the Operating Entities and has the ability to affect those returns through its power over the Operating Entities and is considered to have control over the Operating Entities. Consequently, the Company regards the Operating Entities as indirect subsidiaries.

The financial statements balances and amounts of the Operating Entities are as follows:

	2025 RMB'000	2024 RMB'000
Revenue	14,709	44,664
(Loss) profit before taxation	(28,980)	3,379
Non-current assets	1,505	5,431
Current assets	85,195	115,234
Current liabilities	6,906	8,166

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS**Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to Hong Kong Accounting Standards ("HKAS") 21 and HKFRS 1	<i>Lack of Exchangeability</i>
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The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

For the year ended 31 December 2025

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments²</i>
Amendments to HKFRS 10 and HKAS 28	<i>Amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to Contracts Referencing Nature-dependent Electricity²</i>
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards — Volume 11²</i>
HKFRS 18	<i>Presentation and Disclosure in Financial Statements³</i>
HKFRS 19	<i>Subsidiaries without Public Accountability Disclosures³</i>
Amendment to HK Interpretation 5	<i>Amendments to Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)³</i>

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company (the “**Directors**”) anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

For the year ended 31 December 2025

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments (Continued)

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 *Presentation and Disclosure in Financial Statements*

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 and HKAS 33.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Basis for preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 *Financial Instruments*. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

The Group recognises revenue from the following sources: (i) Publishing of third party games with third party platforms; (ii) publishing of self-developed mobile games with other publishing service providers; (iii) development and sales of games; (iv) provision of digital services with blockchain technology; and (v) development and sales and providing technical support for SocialFi mobile app with blockchain technology.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

(i) Publishing of third party games with third party platforms

The Group is a co-publisher of mobile games developed by third party game developers, and earns game publishing service revenue by publishing them to the game players through the third party platforms. The games are operated under a free-to-play model whereby game players can play the games free of charge and are charged for the purchase of game tokens or other virtual items via payment channels, such as the various mobile carriers and third party internet payment systems.

The Group is engaged by the game publishers to provide publishing related services, e.g. marketing, promotion, navigating the game players to register and recharge in the game, etc. Proceeds from game tokens or other virtual items are collected by the game developers or game publishers themselves who have the primary responsibility for the mobile game operation. The Group views the game publishers as its customers and generally charges the game publishers for the publishing related services on a cost-per-click, cost-per-action or cost-per-sales basis, pursuant to which the Group bills the game publishers based on the number of clicks, on actions including downloading, installing, registration, recharging, etc. that game players complete or revenue tracked from the game players. In order to provide such publishing related services to the game publishers, the Group engages other major online platforms to navigate the game players.

As the Group is solely responsible for identifying, contracting with and maintaining the relationship of the other major online platforms, the service fees charged by the other online platforms are included in cost of sales. Service fees per sales based on pre-agreed percentage of the revenue tracked, service charges of payment channels and service fees per time, action, click, etc., are included in cost of sales when incurred.

Revenue is recognised over time as the customer simultaneously receives and consumes the benefits of the Group's performance over time.

The contracts with customers are with variable consideration and the duration is within one year.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

(ii) *Publishing of self-developed mobile games with other publishing service providers*

The Group is also engaged in operating self-developed mobile games. The self-developed mobile games are published with other game publishing service providers under various game distribution arrangements. The Group has also entered into revenue sharing agreements with other game publishing service providers. Under these agreements, in-game fee is firstly collected by the game publishing service providers and then paid to the Group after deduction of predetermined service fees of the game publishing service providers. The Group has the primary responsibilities for the hosting and maintenance of the game servers and providing the game content to the game players and have the right to determine the pricing of in-game virtual items and the specification, modification or any update of the game themselves. The game publishing service providers' responsibilities to the Group are publishing, providing payment solution, market promotion service and customer service and maintaining the access portal network. Both the game publishing service providers and the Group have responsibilities to ensure the game players can continue to gain access to the mobile game to get the game experience and benefit after the sale of the virtual items. The revenue derived from publishing of self-developed mobile games with other publishing service providers are recorded on a gross basis as the Group acts as a principal to fulfil primary obligation related to the game operation. The amounts withheld by the publishing channels and other game publishing service providers are recorded as cost of sales.

The Group has determined that it is obliged to provide on-going services to the game players.

When the game players buy the game tokens, the Group records them as contract liabilities as the Group has not yet passed the control of service. The game players will use the game tokens to purchase consumable virtual items and durable virtual items.

For consumable virtual items, the Group passes the control of consumable virtual items to the game players when they are purchased. Therefore, the Group recognises revenue at a point in time when the consumable virtual items are purchased.

For durable virtual items, the game players enjoy and benefit ratably during the average playing period of the paying players (the "**Player Relationship Period**") after the game players purchase the durable virtual items. It meets the criteria of revenue recognition over time that the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Therefore, the revenue is recognised over the Player Relationship Period.

The Group estimates the Player Relationship Period on a game-by-game basis and reassesses such period semi-annually. If there is insufficient data to determine the Player Relationship Period, such as in the case of a newly launched game, the Group estimates the Player Relationship Period based on other similar types of games until the new game has established its own patterns and history.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

(ii) *Publishing of self-developed mobile games with other publishing service providers* (Continued)

The Group also estimate the players' unexercised right (the "breakage") based on historical consumption pattern and revenue for the expected breakage amount is recognised when the likelihood of the player exercising the remaining rights becomes remote.

The contracts with customers are with variable consideration and the duration is within one year.

(iii) *Development and sales of games*

Revenue from sales of games is recognised at a point in time when the customer obtains the control of games (i.e. the customer issued game acceptance document) and the Group has present right to payment and the collection of the consideration is probable.

The contracts with customers are with fixed consideration and the duration is within one year.

(iv) *Provision of digital services with blockchain technology*

The Group engaged in the provision of digital service to liquidity pools operating on blockchain protocols within cryptocurrency networks, commonly termed "cryptocurrency mining". As consideration for these services, the Group receives non-cash consideration in the form of cryptocurrency from each specific network in which the Group participates and from the customers of the Group. Revenue is measured based on the fair value of the cryptocurrencies received. The fair value is determined using the spot price of the cryptocurrencies on the date of receipt. A cryptocurrency is considered earned on the completion of services and addition of a block to the blockchain, at which time the economic benefit is received and can be reliably measured.

The contracts with customers are with fixed consideration and the duration is within one year.

(v) *Development and sales and providing technical support for SocialFi mobile app with blockchain technology*

Revenue from development and sales and providing technical support for SocialFi mobile app with blockchain technology is recognised over time based on the progress towards completion when the customer controls the asset as it is created. This progress is determined by output method, which recognises revenue based on direct, measurable progress (date of module completion and testing sign-off).

The contracts with customers are with fixed consideration and the duration is more than two years.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or the services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the expected value method which better predicts the amount of consideration of which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Cryptocurrencies

The Group considers cryptocurrencies as a type of intangible asset and accounts for cryptocurrencies held by the Group under the cost model. The cryptocurrencies held by the Group are considered to have indefinite life, given there is no foreseeable limit to the period over which the relevant cryptocurrencies are expected to generate net cash inflows for the Group. They are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised as an expense immediately when the recoverable amount is below the carrying amount. The recoverable amounts of the cryptocurrencies are determined based on fair values less costs of disposal. Fair values are estimated using the assumptions that market participants would use when pricing the cryptocurrencies, assuming that market participants act in their economic best interest.

Cryptocurrencies that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. The increased carrying amount of cryptocurrencies attributable to a reversal of an impairment loss, which is recognised in profit or loss, will not exceed the carrying amount that would have been determined had no impairment loss been recognised for the cryptocurrencies in prior accounting periods.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of HKFRS 16 *Leases* or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 *Leases* at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to lease of an office premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

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

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend 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 the option; and

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Foreign currencies (Continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme ("**the MPF Scheme**") and defined state-managed retirement schemes in the PRC are recognised as an expense when employees have rendered service entitling them to the contributions.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Employee benefits (Continued)

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Share-based payments

Equity settled share-based payments transactions

Share award

The Group also grants shares of the Company to employees under its share award plan, under which the awarded shares are either newly issued or are purchased from the open market. The net consideration paid, including any directly attributable incremental costs, is presented as "share held under share award scheme reserve" and deducted from equity.

For the shares granted under the share award scheme, the fair value of shares granted to employees is recognised as share-based payment expenses with a corresponding increase in share-based payment reserve within equity. The fair value is based on the closing price of the Company's shares on grant date plus any directly attributable incremental costs. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares, the total fair value of the shares is spread over the vesting period, taking into account the probability that the shares will vest.

During the vesting period, the number of shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based payment reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of shares that vest with corresponding adjustment to the share-based payment reserve.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Taxation

Income tax expense represents the sum of currently and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses, if any. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of the reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

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

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Impairment on property and equipment and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, (if any).

The recoverable amount of property and equipment and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Impairment on property and equipment and intangible assets other than goodwill (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised as immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liabilities and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest/dividend income which are derived from the Group's ordinary course of business are presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Financial assets that meet the following condition are subsequently measured at fair value through other comprehensive income (“**FVTOCI**”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income (“**OCI**”) if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “other gains or losses” line item.

Impairment of financial assets subject to impairment assessment under HKFRS 9 *Financial Instruments*

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets (including trade, retention and other receivables and bank balances) which are subject to impairment assessment under HKFRS 9 *Financial Instruments*. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade and retention receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade and retention receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade, retention and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities including trade and other payables are subsequently measured at amortised cost using the effective interest method.

For the year ended 31 December 2025

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

4.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Contractual arrangements

The Group conducts a substantial portion of the Listing Business in the PRC through the Operating Entities due to restrictions imposed by the PRC Laws on foreign ownership of companies engaged in the Listing Business carried out by the Group. The Group does not have any equity interest in the Operating Entities. The Directors assessed whether or not the Group has control over the Operating Entities based on whether the Group has rights to variable returns from its involvement with the Operating Entities and has the ability to affect those returns through its power over the Operating Entities. After assessment, the Directors concluded that the Group has control over the Operating Entities as a result of the Contractual Arrangements and other measures and accordingly, the Group has consolidated the financial information of the Operating Entities during the reporting periods.

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

Contractual arrangements (Continued)

Nevertheless, the Contractual Arrangements and other measures may not be as effective as direct legal ownership in providing the Group with direct control over the Operating Entities and uncertainties presented by the legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the Operating Entities. The Directors, based on the advice of its legal counsel, consider that the Contractual Arrangements among Khorgos Entertainment, Dinglian Technology and the Registered Shareholders are in compliance with the relevant PRC Laws and are legally enforceable.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Deferred tax asset

As at 31 December 2025, no deferred tax asset has been recognised on the unused tax losses of approximately RMB148,407,000 (2024: RMB125,055,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

Provision of ECL for trade and retention receivables

Trade and retention receivables are assessed for ECL using a provision matrix. The provision rates are based on aging analysis as groupings of various debtors that have similar loss patterns. The provision matrix is based on internal credit ratings and the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable, and is available without undue costs or effort. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade and retention receivables are disclosed in Notes 31(b) and 21 respectively.

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Estimated impairment of intangible assets

Intangible assets are stated at costs less accumulated amortisation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts. Furthermore, the cash flows projections and discount rate are subject to higher degree of estimation uncertainties in the current year due to uncertainty on evolve and volatility in financial markets, including potential disruptions of the Group's operation.

As at 31 December 2025, the carrying amount of intangible assets was approximately RMB25,156,000 (2024: RMB18,151,000). The Group considered that impairment loss of approximately RMB4,812,000 (2024: RMB7,290,000) on intangible assets was considered necessary as the recoverable amount of cash-generating unit, which was determined by the Group based on the value-in-use calculations, was lower than its carrying amount as at 31 December 2025. Detail of the impairment assessment is disclosed in Note 19.

For the year ended 31 December 2025

6. REVENUE**(i) Disaggregation of revenue from contracts with customers****For the year ended 31 December 2025**

	Publishing of third parties games RMB'000	Development and sales of games RMB'000	Provision of digital services with blockchain technology RMB'000	Total RMB'000
Geographical markets				
Hong Kong	—	—	13,781	13,781
The PRC	14,709	—	—	14,709
Total	14,709	—	13,781	28,490
Time of revenue recognition				
A point in time	—	—	—	—
Over time	14,709	—	13,781	28,490
Total	14,709	—	13,781	28,490

For the year ended 31 December 2024

	Publishing of third parties games RMB'000	Development and sales of games RMB'000	Provision of digital services with blockchain technology RMB'000	Total RMB'000
Geographical markets				
Hong Kong	—	—	—	—
The PRC	30,513	14,151	—	44,664
Total	30,513	14,151	—	44,664
Time of revenue recognition				
A point in time	—	14,151	—	14,151
Over time	30,513	—	—	30,513
Total	30,513	14,151	—	44,664

For the year ended 31 December 2025

6. REVENUE (Continued)**(i) Disaggregation of revenue from contracts with customers** (Continued)

	2025 RMB'000	2024 <i>RMB'000</i>
The contracts with customers are with:		
Variable consideration	14,709	30,513
Fixed price	13,781	14,151
	28,490	44,664

(ii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and the expected timing of recognising revenue are as follows:

	Blockchain technology business <i>RMB'000</i>
More than one year but not more than two years	13,781
More than two years	13,781
	27,562

For the year ended 31 December 2024, all contracts with customers are for period of one year or less. As permitted under HKFRS 15 *Revenue from contracts with customers*, the transaction price allocated to these unsatisfied contracts is not disclosed.

7. OPERATING SEGMENTS

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by Mr. Sui Jiaheng, an executive director and the Chairman of the Company, and Mr. Li Tao, an executive director and the chief executive officer of the Company, being the chief operating decision makers (the “**CODM**”), in order for the CODM to allocate resources and to assess performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments under HKFRS 8 *Operating Segments* are as follows:

- (i) Mobile game business: publishing and development and sales of mobile games in the PRC.
- (ii) Blockchain technology business: provision of digital services to liquidity pools operating on blockchain protocols within cryptocurrency networks and development and sales and providing technical support for SocialFi mobile app with blockchain technology.

For the year ended 31 December 2025

7. OPERATING SEGMENTS (Continued)**(a) Segment revenues and results**

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2025

	Mobile game business RMB'000	Blockchain technology business RMB'000	Total RMB'000
Revenue	14,709	13,781	28,490
Segment results	(22,553)	2,128	(20,425)
Unallocated other gains or losses			(549)
Unallocated corporate expenses			(6,658)
Loss before tax			(27,632)

For the year ended 31 December 2024

	Mobile game business RMB'000	Blockchain technology business RMB'000	Total RMB'000
Revenue	44,664	—	44,664
Segment results	(10,817)	1,531	(9,286)
Unallocated other gains or losses			(110)
Unallocated corporate expenses			(17,233)
Loss before tax			(26,629)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4. Segment results represent the profit (loss) from each segment without allocation of certain administration costs, certain other income and certain other gains and losses. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

For the year ended 31 December 2025

7. OPERATING SEGMENTS (Continued)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

As at 31 December 2025

	Mobile game business RMB'000	Blockchain technology business RMB'000	Total RMB'000
ASSETS			
Segment assets	53,008	40,511	93,519
Unallocated corporate assets			206
Consolidated total assets			93,725
LIABILITIES			
Segment liabilities	7,160	212	7,372
Unallocated corporate liabilities			1,273
Consolidated total liabilities			8,645

As at 31 December 2024

	Mobile game business RMB'000	Blockchain technology business RMB'000	Total RMB'000
ASSETS			
Segment assets	66,562	33,557	100,119
Unallocated corporate assets			430
Consolidated total assets			100,549
LIABILITIES			
Segment liabilities	8,408	13	8,421
Unallocated corporate liabilities			1,332
Consolidated total liabilities			9,753

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain cash and cash equivalents; and
- all liabilities are allocated to operating segments other than certain other payables.

For the year ended 31 December 2025

7. OPERATING SEGMENTS (Continued)**(c) Other segment information****For the year ended 31 December 2025**

Amounts included in the measure of segment results or segment assets:

	Mobile game business RMB'000	Blockchain technology business RMB'000	Unallocated RMB'000	Total RMB'000
Addition of property and equipment	10	—	—	10
Addition of intangible assets	—	21,743	—	21,743
Addition of cryptocurrencies	—	891	—	891
Disposal of cryptocurrencies	—	(886)	—	(886)
Depreciation of property and equipment	1	—	—	1
Amortisation of intangible assets	3,203	5,210	—	8,413
Impairment loss under ECL model, net of reversal				
— Trade receivables	219	61	—	280
— Retention receivables	—	10	—	10
Impairment loss recognised in respect of intangible assets	4,812	—	—	4,812
Impairment loss recognised in respect of cryptocurrencies	—	4	—	4
Other income	(9)	(354)	—	(363)
Other gain and loss	19	47	549	615

For the year ended 31 December 2025

7. OPERATING SEGMENTS (Continued)**(c) Other segment information** (Continued)**For the year ended 31 December 2024**

Amounts included in the measure of segment results or segment assets:

	Mobile game business RMB'000	Blockchain technology business RMB'000	Unallocated RMB'000	Total RMB'000
Addition of intangible assets	10,679	7,543	—	18,222
Depreciation of right-of-use assets	14	—	—	14
Amortisation of intangible assets	4,979	251	—	5,230
Reversal of impairment loss under ECL model, net — Trade receivables	(26,932)	—	—	(26,932)
Impairment loss recognised in respect of intangible assets	7,290	—	—	7,290
Finance costs	—	845	—	845
Other income	(132)	(3,044)	—	(3,176)
Other gain and loss	—	—	110	110

For the year ended 31 December 2025

7. OPERATING SEGMENTS (Continued)**Geographical information**

The Group's operations are located in the PRC and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the customers/location of the operation. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Hong Kong	13,781	—	18,243	—
The PRC	14,709	44,664	8,719	18,164
	28,490	44,664	26,962	18,164

Note: Non-current assets excluded deferred tax assets.

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's revenue during the reporting periods is as follows:

	2025 RMB'000	2024 RMB'000
Customer A (Note a)	Nil	14,151
Customer B (Note b)	11,154	23,771
Customer C (Note b)	3,555	6,742
Customer D (Note c)	13,781	Nil

Notes:

- (a) Revenue from development and sales of games
- (b) Revenue from publishing of third parties games
- (c) Revenue from development and sales and providing technical support for SocialFi mobile app with blockchain technology.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Government grant	2	90
Value-added tax refund	3	26
Interest income from cash and cash equivalents	358	3,056
Others	—	4
	363	3,176

9. OTHER GAINS AND LOSSES, NET

	2025 RMB'000	2024 RMB'000
Net foreign exchange loss	(615)	(172)
Fair value gain of financial assets at FVTPL	—	62
	(615)	(110)

10. (IMPAIRMENT LOSS RECOGNISED) REVERSAL IMPAIRMENT LOSS UNDER EXPECTED CREDIT LOSS MODEL, NET

	2025 RMB'000	2024 RMB'000
Reversal of impairment loss on:		
— Trade receivables	9,347	27,263
Impairment loss on:		
— Trade receivables	(9,627)	(331)
— Retention receivables	(10)	—
	(290)	26,932

Details of impairment assessment are set out in Note 31(b).

For the year ended 31 December 2025

11. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interests on loans from a non-controlling interest	—	845

12. INCOME TAX EXPENSE

	2025 RMB'000	2024 RMB'000
Current tax:		
Hong Kong Profits Tax	141	—
Deferred tax (<i>Note 24</i>):		
Current year	1,598	2,439
Income tax expense	1,739	2,439

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of entity not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

During the year ended 31 December 2025, the Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits.

No provision for taxation in Hong Kong has been made as the Group did not generate any assessable profits arising in Hong Kong for the years ended 31 December 2024.

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

During the years ended December 2025 and 31 December 2024, pursuant to Cai Shui [2023] No.7 issued by Ministry of Finance, enterprise engaging in research and development activities are entitled to claim 200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profit derived after 1 January 2008 are generally subject to a 10% PRC Withholding Tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

The Group has made its best estimate for such deduction to be claimed for the Group's entities in ascertaining their assessable profits for the reporting periods.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled from loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	(27,632)	(26,629)
Tax at PRC EIT rate of 25% (2024: 25%)	(6,908)	(6,657)
Tax effects of expenses not deductible for tax purposes	4,828	1,688
Tax effects of income not taxable for tax purposes	(1)	(23)
Deduction for research and development expenses	(19)	(128)
Effect of different tax rates of subsidiaries operating in other jurisdiction	(362)	(119)
Utilisation of temporary differences previously not recognised	(2,078)	(2,461)
Tax effect of tax losses not recognised	6,523	10,139
Utilisation of tax losses previously not recognised	(244)	—
Income tax expense for the year	1,739	2,439

For the year ended 31 December 2025

13. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Staff cost		
Directors' and chief executive's emoluments (<i>Note 14</i>)	3,072	2,300
Other staff cost	3,569	2,760
Retirement benefit scheme contributions for other staff	390	351
Share-based payments for other staff (<i>Note 26</i>)	1,741	12,799
Total staff cost (<i>Note a</i>)	8,772	18,210
Depreciation and amortisation		
Depreciation of property and equipment	1	—
Depreciation of right-of-use assets	—	14
Amortisation of intangible assets	8,413	5,230
Total depreciation and amortisation	8,414	5,244
Auditors' remuneration		
— Audit service	1,083	1,080
— Non-audit service (<i>Note b</i>)	238	238
Research and development expenses (<i>Note a</i>)	11,297	14,765
Legal and professional fees	2,816	2,076
Short-term rental	141	197

Notes:

- (a) During the year ended 31 December 2025, research and development expenses consist of staff costs for the Group's research and development personnel of approximately RMB78,000 (2024: RMB513,000) which are included in "Staff cost" as above.
- (b) During the year ended 31 December 2025, the non-audit service fee mainly include fee for the agreed-upon procedures on the interim financial information of the Group for the six months ended 30 June 2025 of RMB190,000 (2024: RMB190,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

2025	Fees RMB'000	Salaries and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments (Note 26) RMB'000	Total RMB'000
Executive directors					
Mr. Sui Jiaheng ("Mr. Sui") (Chairman)	396	32	39	—	467
Mr. Li Tao (Chief Executive Officer)	388	45	53	331	817
Non-executive directors					
Mr. He Shaoning	48	6	8	1,582	1,644
Independent non-executive directors					
Mr. Deng Chunhua	48	—	—	—	48
Ms. Chen Nan	48	—	—	—	48
Ms. Pang Xia	48	—	—	—	48
	976	83	100	1,913	3,072

2024	Fees RMB'000	Salaries and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments (Note 26) RMB'000	Total RMB'000
Executive directors					
Mr. Sui (Chairman)	396	32	39	—	467
Mr. Li Tao (Chief Executive Officer)	388	45	47	198	678
Non-executive directors					
Mr. He Shaoning	48	6	8	949	1,011
Independent non-executive directors					
Mr. Deng Chunhua	48	—	—	—	48
Ms. Chen Nan	48	—	—	—	48
Ms. Pang Xia	48	—	—	—	48
	976	83	94	1,147	2,300

For the year ended 31 December 2025

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)*Note:*

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' and independent non-executive directors' emoluments shown above were for their services as Directors.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: Nil).

15. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year include three (2024: three) directors of whose remuneration are set out in Note 14 above. The remaining two (2024: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other benefits	751	760
Retirement benefit scheme contributions	97	96
Share-based payments	107	1,430
	955	2,286

The number of the highest paid employees who are not the Directors nor the chief executive whose remuneration fell within the following bands is as follows:

	Number of individuals 2025	2024
Nil to RMB1,000,000	2	1
RMB1,000,001 to RMB2,000,000	0	1
	2	2

16. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2025 RMB'000	2024 RMB'000
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	(28,966)	(27,891)
	2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share (Note a)	409,609	404,700
Effect of dilutive potential ordinary shares:		
Effect of share awarded under share award scheme	10,532	2,835
Weighted average number of ordinary shares for the purpose of diluted loss per share	420,141	407,535

Notes:

- The calculation of weighted average number of ordinary shares exclude 13,202,000 ordinary shares (2024: 5,505,000 ordinary shares) held under the share award scheme for the year ended 31 December 2025.
- The computation of diluted loss per share for the years ended 31 December 2025 and 31 December 2024 did not assume the vesting of awarded shares since it would result in a decrease in loss per share for the year which was regarded as anti-dilutive.

For the year ended 31 December 2025

18. PROPERTY AND EQUIPMENT

	Office equipment RMB'000	Leasehold improvement RMB'000	Total RMB'000
COST			
At 1 January 2024 and 31 December 2024	345	110	455
Additions	10	—	10
At 31 December 2025	355	110	465
DEPRECIATION			
At 1 January 2024 and 31 December 2024	332	110	442
Provided for the year	1	—	1
As at 31 December 2025	333	110	443
CARRYING VALUES			
At 31 December 2025	22	—	22
At 31 December 2024	13	—	13

The above items of property and equipment, after taking into account their residual values, are depreciated on a straight-line basis over their estimated useful life as follows:

Office equipment	3 years
Leasehold improvements	3 years

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19. INTANGIBLE ASSETS

	Licenses RMB'000 (Note a)	Mobile game aggregation platform RMB'000 (Note b)	Game publishing rights RMB'000 (Note c)	Software platform system RMB'000 (Note d)	Total RMB'000
COST					
At 1 January 2024	38,632	3,019	23,580	—	65,231
Addition	9,906	—	773	7,543	18,222
Disposal	(2,755)	—	—	—	(2,755)
31 December 2024	45,783	3,019	24,353	7,543	80,698
Addition	—	—	—	21,743	21,743
Exchange adjustment	—	—	—	(1,524)	(1,524)
31 December 2025	45,783	3,019	24,353	27,762	100,917
AMORTISATION AND IMPAIRMENT					
At 1 January 2024	37,669	2,868	12,245	—	52,782
Charge for the year	776	22	4,181	251	5,230
Disposal	(2,755)	—	—	—	(2,755)
Impairment loss recognised	4,054	52	3,184	—	7,290
At 31 December 2024	39,744	2,942	19,610	251	62,547
Charge for the year	675	13	2,515	5,210	8,413
Exchange adjustment	—	—	—	(11)	(11)
Impairment loss recognised	3,371	40	1,401	—	4,812
At 31 December 2025	43,790	2,995	23,526	5,450	75,761
CARRYING VALUES					
At 31 December 2025	1,993	24	827	22,312	25,156
At 31 December 2024	6,039	77	4,743	7,292	18,151

For the year ended 31 December 2025

19. INTANGIBLE ASSETS (Continued)*Notes:*

- (a) Pursuant to the fiction and animation copyright agreements entered between the Group and the fiction and animation copyright owners, the Group pays loyalty fees to the fiction and animation copyright owners as the Group is entitled to develop, publish and operate mobile games based on the fiction and animation copyright. The Group recognises the loyalty fees as intangible assets. These intangible assets are initially recorded at cost and amortised on a straight-line basis over the license period of 10 years.

During the year ended 31 December 2024, the Group entered into the animation copyright agreements with the animation copyright owners, the Group paid loyalty fees of approximately RMB9,906,000 to the animation copyright owners and, the Group is entitled to develop, publish and operate mobile games based on the animation copyright. The Group recognises the loyalty fees as intangible assets. These intangible assets are initially recorded at cost and amortised on a straight-line basis over the license period of 10 years.

- (b) During the year ended 31 December 2022, the Group acquired a mobile game aggregation platform from an independent third party for the publish and operate of the mobile games. The mobile game aggregation platform is initially recorded at cost and amortised on a straight-line basis over the estimated useful lives of 8 years.
- (c) During the year ended 31 December 2024, pursuant to the game publishing rights transfer agreements entered between the Group and the game publishers, the Group has acquired 1 game publishing rights at the consideration of approximately RMB3,422,000. The consideration was settled by offsetting the refundable down payments to the game publisher, for securing the publishing rights of 1 new game with fair value of approximately RMB773,000 (net of tax effect of RMB194,000) from the Group.

The game publishing rights are initially recorded at fair value and amortised on a straight-line basis over the estimated useful lives of 3 years.

- (d) On 12 February 2025, SEHKIHL, a direct wholly-owned subsidiary of the Company, TEIL, an indirect non-wholly owned subsidiary of the Group, and TIMCL, a non-controlling interest of TEIL, entered into the shareholders' agreement (the "**Shareholders' Agreement**"). Pursuant to the Shareholders' Agreement, SEHKIHL shall inject capital in the amount of HK\$20,000,000 into TEIL, and TIMCL shall procure, the transfer of the core source code of the SocialFi mobile app developed by TIMCL and the other relevant intellectual properties related to the SocialFi mobile app to TEIL. Details of the acquisition has been disclosed in the Company's circular dated 21 March 2025..

The Group acquired the intangible assets for the core source code of the SocialFi mobile app which was developed by TIMCL, the total investment costs and staff costs incurred for the development of the existing source code of the framework module of the SocialFi mobile app (including the relevant intellectual properties related to it) as capital injection by non-controlling interests were approximately HK\$22,870,000 (equivalent to approximately RMB21,743,000). The software is initially recorded at cost and amortised on a straight-line basis over the estimated useful lives of 5 years.

During the year ended 31 December 2024, the Group acquired a software platform system from an independent third party for developing and providing technical support for mobile app with blockchain technology. The software platform system is initially recorded at cost and amortised on a straight-line basis over the estimated useful lives of 5 years.

For the year ended 31 December 2025

19. INTANGIBLE ASSETS (Continued)

Impairment assessment of intangible assets

During the current year, as a result of the downsize of the business of publishing the mobile games in the PRC, the management of the Group concluded that there was indication of impairment and conducted impairment assessment on recoverable amount on intangible assets with finite useful lives for mobile game business segment.

For the purpose of impairment assessment, licenses, mobile game aggregation platform and game publishing rights which are recognised as intangible assets with finite useful lives have been allocated to one individual cash-generating unit, comprising four subsidiaries (2024: four subsidiaries) engaged in publishing and development of mobile games.

For impairment assessment purpose for the year ended 31 December 2025, the recoverable amount of that cash-generating unit has been determined based on the value-in-use calculation by reference to valuation carried out by an independent qualified professional valuer. The calculation uses cash flow projections based on financial budgets approved by the management covering a 5-year period, and pre-tax discount rate of 28.5% (2024: 31.5%). Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which include budgeted sales ranged from approximately RMB15,839,000 to RMB23,433,000 (2024: approximately RMB42,018,000 to RMB71,028,000) and gross margin of 16.8% (2024: 16.6% to 31.2%), such estimation is based on the cash generating units' past performance and management's expectations for the market development.

Based on the result of the assessment, management of the Group determined that the recoverable amount of the cash generating unit is lower than the carrying amount. The impairment loss has been allocated to each category of intangible assets with finite useful lives. Based on the value in use calculation and the allocation, impairment loss of approximately RMB3,371,000, RMB40,000 and RMB1,401,000 have been recognised against the carrying amount of licenses, mobile game aggregation platform and game publishing rights, respectively, for the year ended 31 December 2025 (2024: approximately RMB4,054,000, RMB52,000 and RMB3,184,000).

The sensitivity analysis below has been determined based on the exposure to the pre-tax discount rate and budgeted gross margin, representing the key inputs to the determination to the recoverable amount.

For the year ended 31 December 2025

19. INTANGIBLE ASSETS (Continued)**Impairment assessment of intangible assets** (Continued)***For the year ended 31 December 2025***

If the pre-tax discount rate was changed from 28.5% to 31.5%, while other parameters remain constant, the recoverable amount of the cash generating unit would be reduced to approximately RMB2,436,000 and further impairment of the intangible assets of approximately RMB408,000 would be recognised.

If the budgeted sales was changed from a range from RMB15,839,000 to RMB23,433,000 to a range from RMB15,339,000 to RMB22,933,000, while other parameters remain constant, the recoverable amount of the cash generating unit would be reduced to approximately RMB117,000 and further impairment of the intangible assets of approximately RMB2,727,000 would be recognised.

If the budgeted gross margin was changed from 16.8% to 14.8%, while other parameters remained constant, the recoverable amount of the cash generating unit would be reduced to approximately RMB486,000 and further impairment of the intangible assets of approximately RMB2,358,000 would be recognised.

For the year ended 31 December 2024

If the pre-tax discount rate was changed from 31.5% to 34.5%, while other parameters remain constant, the recoverable amount of the cash generating unit would be reduced to approximately RMB9,372,000 and further impairment of the intangible assets of approximately RMB1,487,000 would be recognised.

If the budgeted sales was changed from a range from RMB42,018,000 to RMB71,028,000 to a range from RMB41,018,000 to RMB70,028,000, while other parameters remain constant, the recoverable amount of the cash generating unit would be reduced to approximately RMB2,399,000 and further impairment of the intangible assets of approximately RMB8,460,000 would be recognised.

If the budgeted gross margin was changed from a range from 16.6% to 31.2% to a range from 13.6% to 28.2%, while other parameters remained constant, the recoverable amount of the cash generating unit would be reduced to approximately RMB358,000 and further impairment of the intangible assets of approximately RMB10,501,000 would be recognised.

For the year ended 31 December 2025

20. CRYPTOCURRENCIES

	RMB'000	
COST		
At 1 January 2024	574	
Exchange adjustment	16	
At 31 December 2024	590	
Addition	891	
Disposal	(886)	
Exchange adjustment	(26)	
At 31 December 2025	569	
IMPAIRMENT LOSS		
At 1 January 2024	571	
Exchange adjustment	15	
At 31 December 2024	586	
Impairment loss recognised	4	
Exchange adjustment	(27)	
At 31 December 2025	563	
CARRYING VALUES		
At 31 December 2025	6	
At 31 December 2024	4	
Held on exchange institutions		
At 31 December 2025	6	
At 31 December 2024	4	
	2025	2024
	Equivalent to	Equivalent to
	RMB'000	RMB'000
Representing:		
Ethereum ("ETH")	—	4
Tether USD ("USDT")	6	—

The Group estimated the recoverable amounts of cryptocurrencies based on their fair value less costs of disposal, which were arrived at using reference prices that were available in the relevant cryptocurrencies markets. The fair values were categorised under Level 1 fair value hierarchy as their fair values were based on a quoted (unadjusted) market price in active markets for identical assets. The Directors considered that the carrying amounts of cryptocurrencies approximated to their fair value less costs of disposal.

For the year ended 31 December 2025

21. TRADE, RETENTION AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables — contracts with customers	57,041	57,357
Less: Allowance for credit losses	(19,729)	(19,449)
Trade receivables, net (<i>Note a</i>)	37,312	37,908
Retention receivables	1,794	—
Less: Allowance for credit losses	(10)	—
Retention receivables, net (<i>Note e</i>)	1,784	—
Down payments to game publishers — refundable	—	18,022
Less: Allowance for credit losses	—	(18,022)
Down payments to game publishers — refundable, net	—	—
Other receivables	—	5,970
Less: Allowance for credit losses	—	(5,970)
Other receivables, net	—	—
Amount due from a director (<i>Note d</i>)	370	—
Advances to suppliers (<i>Note b</i>)	5,833	3,035
Deposits and prepayments (<i>Note c</i>)	9,945	99
Value-added tax recoverable	9,728	8,474
Other receivables, deposits and prepayments, net	25,506	11,608
Trade, retention and other receivables, net	64,972	49,516
Analysed for reporting purposes as:		
Current	63,188	49,516
Non-current — retention receivables	1,784	—
	64,972	49,516

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21. TRADE, RETENTION AND OTHER RECEIVABLES (Continued)

Notes:

- (a) At 1 January 2024, trade receivables from contracts with customers amounted to approximately RMB15,526,000, net of allowance of credit losses of approximately RMB48,807,000.

The Group allows a credit period of 90 to 360 days (2024: 90 to 360 days) to its trade customers.

The following is an aged analysis of trade receivables, net of allowance for credit losses presented based on the date of module completion and testing sign-off or monthly statements issued, at the end of the reporting periods:

	2025 RMB'000	2024 RMB'000
0 to 90 days	—	7,271
91 to 180 days	5,839	7,479
181 to 365 days	21,489	18,978
Over one year	9,984	4,180
	37,312	37,908

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB9,984,000 (2024: RMB4,180,000) which are past due as at the reporting date. Out of the past due balances, RMB Nil (2024: RMB4,180,000) has been past due 90 days or more.

- (b) During the year ended 31 December 2025 and 31 December 2024, the advances to suppliers was mainly included the prepaid game promotion spending with the game platform operators.

Subsequent to the year ended 31 December 2025, no advances to supplier had been utilised up to the report date (2024: RMBNil).

- (c) During the year ended 31 December 2025, the increase in prepayments was mainly due to the prepayment for the development of live streaming platforms for gaming services of approximately RMB4,350,000 and the advertising fees and technical consulting service fee for mobile app on SocialFi of approximately RMB5,431,000.
- (d) The amount due from a director, Mr. Sui was unsecured, interest-free and repayable on demand.
- (e) Retention receivables for blockchain technology should be released to the Group pursuant to the provisions of the relevant contracts after the completion of the entire project (i.e. 13 months). As at 31 December 2025, the retention receivables, net of allowance for credit loss, of approximately RMB1,784,000 were expected to be received after 1 year and were classified as non-current assets.

Details of impairment assessment of trade and other receivables are set out in Note 31(b).

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22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included demand deposits and short-term deposits for the purpose of meeting the Group's short-term cash commitments, which carried interest at market rates ranging from 0.001% to 4.300% (2024: 0.001% to 4.880%).

Included in cash and cash equivalents were the following amounts denominated in currencies other than the group entities' functional currencies:

	2025 RMB'000	2024 RMB'000
Hong Kong Dollars ("HK\$")	87	15
United States Dollars ("US\$")	504	26,685

Included in the cash and cash equivalents are the following amounts which are subject to foreign exchange control regulations or not freely transferable:

	2025 RMB'000	2024 RMB'000
Amounts denominated in RMB — cash and cash equivalents	1,426	3,015

Details of impairment assessment of bank balances are set out in Note 31(b).

23. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	5,537	4,495
Other tax payables	22	22
Payroll and welfare payables	418	319
Accrued expenses	1,496	1,332
Others	—	66
	7,473	6,234

The credit period on services provided by suppliers is generally from 30 to 90 days.

For the year ended 31 December 2025

23. TRADE AND OTHER PAYABLES (Continued)

The following is an aged analysis of trade payables presented based on the receipt of services or monthly statements issued at the end of the reporting period.

	2025 RMB'000	2024 RMB'000
0 to 30 days	—	1,170
31 to 60 days	—	1,669
61 to 90 days	—	1,322
91 to 180 days	4,417	334
Over 180 days	1,120	—
	5,537	4,495

24. DEFERRED TAX ASSETS

	2025 RMB'000	2024 RMB'000
Deferred tax assets	1,552	3,150

The following are the deferred tax assets recognised and movements thereon during the current and prior years:

	ECL allowance RMB'000	Intangible assets impairment RMB'000	Tax losses RMB'000	Total RMB'000
At 1 January 2024	5,401	188	—	5,589
Debited to profit or loss (Note 12)	(2,251)	(188)	—	(2,439)
At 31 December 2024	3,150	—	—	3,150
Debited to profit or loss (Note 12)	(1,598)	—	—	(1,598)
At 31 December 2025	1,552	—	—	1,552

At the end of the reporting period, the Group has unused tax losses of approximately RMB148,407,000 (2024: approximately RMB125,055,000) available for offset against future profits. As at 31 December 2025 and 31 December 2024, no deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

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24. DEFERRED TAX ASSETS (Continued)

Included in unrecognised tax losses are losses of approximately RMB148,407,000 (2024: RMB125,055,000) with expiry dates as disclosed in the following table.

	2025 RMB'000	2024 RMB'000
2025	—	1,765
2026	17,047	17,047
2027	14,036	15,013
2028	50,676	50,676
2029	40,554	40,554
2030	26,094	—
	148,407	125,055

As at 31 December 2025, the Group has deductible temporary differences of RMB70,436,000 (2024: RMB89,396,000). A deferred tax asset has been recognised in respect of RMB10,351,000 (2024: RMB21,002,000) of such deductible temporary differences. No deferred tax asset has been recognised in respect of RMB60,085,000 (2024: RMB68,394,000) of deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

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25. SHARE CAPITAL

		Share capital	
	Number of shares '000	Shown in the consolidated financial statements US\$'000	RMB'000
Ordinary shares of US\$0.0001 each			
Authorised:			
At 1 January 2024, 31 December 2024 and 31 December 2025	500,000	50	
Issued and fully paid:			
At 1 January 2024 and 31 December 2024	414,838	42	285
Issue of shares under share award plan (Note a)	13,165	1	9
At 31 December 2025	428,003	43	294

Note:

- (a) On 26 September 2025, the Company had issued and allotted 13,165,000 ordinary shares, with aggregate nominal value of approximately US\$1,000 (equivalent to approximately RMB9,000) to the trustee pursuant to the share award plan adopted on 9 April 2025 for the purpose of awarding shares to the participants under the share award plan. Details are set out in Note 26 to the consolidated financial statements.

All the ordinary shares issued during the year ended 31 December 2025 and 31 December 2024 ranked pari passu with the existing ordinary shares in all respects.

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26. SHARE AWARD PLAN

(a) New Share Scheme

Pursuant to an ordinary resolution passed by the Shareholders on 9 April 2025 (the “**Adoption Date**”), the Company adopted a new share scheme (the “**New Share Scheme**”) to comply with the requirements of the amended Chapter 17 of the Listing Rules.

Purposes of the New Share Scheme

The purpose of the New Share Scheme is, through an award of shares, to recognise and reward the contribution of Eligible Participants (as defined below) to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and attract suitable personnel for further development of the Group.

Administration

The New Share Scheme shall be subject to the administration of the board of directors (the “**Board**”) and the trustee (the “**Trustee**”) in accordance with the terms of the New Share Scheme and the terms of the trust deed (the “**Trust Deed**”). The administration of the trust property held by the Trustee pursuant to the Trust Deed.

Eligibility

Any person at any time during the scheme period belonging to the following classes of participants (the “**Eligible Participants**”):

- (a) any Employee Participants (chief executive and directors and employees (including full-time and part-time employees) of the Group (including persons who are granted awards as an inducement to enter into employment contracts with the Group);
- (b) any Related Entity Participants (any persons who are employees (whether full-time or part-time or other employment relationship), directors or officers of the holding companies, fellow subsidiaries or associated companies of the Company); and
- (c) any Service Provider Participants (persons or entities (other than employee participants or related entity participants), providing goods and/or services to the Group on a continuing or recurring basis in the ordinary and usual course of business of the Group which are in the interests of the long-term growth of the Group).

and, for the purposes of the New Share Scheme, the award may be made to any company wholly-owned by one or more of the above participant or any trust which the settlor is the above participant.

For the year ended 31 December 2025

26. SHARE AWARD PLAN (Continued)

(a) New Share Scheme (Continued)

Shares Pool

In order to satisfy any award (the “**Award**”) to be granted under the New Share Scheme from time to time, the Trustee shall maintain a shares pool which shall comprise the following:

- (a) issued shares as may be purchased by the Trustee on the Stock Exchange or off the market by utilising the funds allocated by the Board out of the Company’s resources;
- (b) issued shares as may be subscribed by the Trustee by utilising the funds allocated by the Board out of the Company’s resources, subject to the Company having obtained the requisite shareholders’ approval in general meeting under Scheme Mandate Limit or Service Provider Sublimit for the allotment and issue of new shares, the grant of listing of and permission to deal in such shares by the Stock Exchange, and compliance with the applicable requirements under the Listing Rules;
- (c) issued shares as may be allotted or issued to the Trustee as a holder of shares, whether by way of scrip dividend or otherwise; and
- (d) issued shares which remain unvested and revert to the Trustee;
- (e) issued shares which any person or company recommended by the Company may irrevocably donate or transfer to or irrevocably vest or caused to be vested in the Trustee to be held upon trusts and with and subject to the powers and provisions in the Trust Deed;
- (f) issued shares vested and transferred to a Selected Participant but subject to lock-up, which are returned to the Share Pool according to the condition set out in the Award Letter, to form part of the Trust Fund; and/or
- (g) treasury shares which shall be held by the broker after repurchase of such shares.

The Trustee may, at any time during the continuation of the New Share Scheme and the Trust Deed, set aside the appropriate number of issue of new shares (the “**Award Shares**”) out of a pool of issued shares, fully paid or credited as fully paid, for the time being and from time to time held by the Trustee pursuant to the Trust Deed (the “**Shares Pool**”). In the event that the Trustee effects any purchases by off-market transactions, the purchase price for such purchases shall not be higher than the lower of (a) the closing market price on the date of such purchase, and (b) the average closing market price for the five preceding trading days on which the shares were traded on the Stock Exchange.

For the year ended 31 December 2025

26. SHARE AWARD PLAN (Continued)**(a) New Share Scheme** (Continued)***Award of shares***

The Board shall, subject to and in accordance with the rules of the New Share Scheme, be entitled to, at any time during the continuation of the New Share Scheme, make an Award (the “**Award**”) out of the Shares Pool to any of the Eligible Participants such number of shares as it shall determine pursuant to the New Share Scheme.

An Award granted under the New Share Scheme by the Board may take the form of a Share Option or a Share Award.

The eligibility of any of the Eligible Participants to an Award shall be determined by the Board from time to time on the basis of the Board’s opinion as to his contribution and/or future contribution to the development and growth of the Group.

The Board shall notify the Trustee in writing upon the making of an Award under the New Share Scheme by giving the Trustee an award notice (the “**Award Letter**”).

The making of an Award to any connected person of the Company shall be subject to compliance with the applicable Listing Rules.

No Award may be made by the Board during the black-out period.

Clawback mechanism

The Awards granted but not yet exercised or vested shall be clawed back and shall immediately lapse, where (a) the Employee Participant ceasing to be an Eligible Participant by reason of termination of his/her employment or contractual engagement with the Group for cause (including but not limited to, misconduct, fraud or poor performance) or as a result of the Employee Participant having been charged, penalised or convicted or an offence involving the Employee Participant’s integrity or honesty; (b) the Employee Participant commits a serious misconduct or breach, including with respect to a policy or code of or other agreement with the Group, which is considered to be material; (c) the Employee Participant has engaged in any act or omission to perform his/her duties that has had or will have a material adverse effect on the reputation or interests of the Group; or (d) the Award to the Employee Participant will no longer be appropriate and aligned with the purpose of the New Share Scheme.

For the year ended 31 December 2025

26. SHARE AWARD PLAN (Continued)

(a) New Share Scheme (Continued)

Vesting of the Awarded Shares

The Trustee shall transfer to and vest in any Selected Participant the legal and beneficial ownership of the Award Shares to which such Selected Participant is entitled under the relevant Award as soon as practicable after the latest of:

- (a) The earliest vesting date as specified in the Award Letter to which such Award relates;
- (b) The receipt by the Trustee of the requisite information and documents stipulated by the Trustee within the stipulated period; and
- (c) Where applicable, the date on which the condition and/or performance target (if any) to be attained or paid by such Selected Participant as specified in the related Award Letter have been attained or paid and notified to the Trustee by the Board in writing.

Lapse of Award

Without prejudice to the authority of the Board to provide additional situations when an Award shall lapse in the terms of any Award Letter, an Award shall lapse automatically on the earliest of:

- (a) the expiry of any applicable exercise period;
- (b) the Selected Participant no longer qualifies as an Eligible Participant;
- (c) the clawback mechanism being triggered;
- (d) the expiry of any of the periods for accepting or exercising the Awards;
- (e) the Selected Participant breaching the rule against transferring the Awards; and
- (f) the Selected Participant forfeiting the Award as a result of (i) the voluntary liquidation or winding up of the Company; (ii) the death of the Selected Participant; or (iii) the Selected Participant has become bankrupt or has made any arrangement or composition with his/her creditors or has been convicted of any criminal offense involving fraud or dishonesty.

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26. SHARE AWARD PLAN (Continued)**(a) New Share Scheme** (Continued)***New Share Scheme limit***

As at the Adoption Date, (i) the maximum number of shares which may be issued and the number of treasury shares which may be transferred in respect of all awards under the New Share Scheme and other share schemes of the Company that involve the issuance of new shares and transfer of treasury shares (if any) would be no more than 10% of the total number of shares in issue (excluding the treasury shares) as at the Adoption Date (the “**Scheme Mandate Limit**”); and (ii) within the Scheme Mandate Limit, the maximum number of shares that may be issued and the number of treasury shares which may be transferred under the New Share Scheme and other share schemes of the Company that involve the issuance of new shares and transfer of treasury shares (if any) to the Service Provider Participants would be no more than 1% of the total number of shares in issue (excluding the treasury shares) as at the Adoption Date (the “**Service Provider Sublimit**”). For the avoidance of doubt, the Scheme Mandate Limit and the Service Provider Sublimit do not apply to Share Awards that are funded by existing shares to be held by the Trustee, and there is no upper limit for Share Awards in this regard. Awards lapsed in accordance with the terms of the New Share Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit or the Service Provider Sublimit. The Board shall not instruct the Trustee to subscribe for and/or purchase any shares for the purpose of the New Share Scheme when such subscription and/or purchase will result in the Scheme Mandate Limit or the Service Provider Sublimit being exceeded.

The maximum number of shares, in a 12-month period up to and including the date of award, which may be issued (and, together with treasury shares which may be transferred, as applicable) in respect of an award or awards to a Selected Participant (the “**Awarded Share(s)**”) together with any shares to be issued under any options and awards granted to such Selected Participant under any share schemes of the Company shall not (i) in aggregate exceed 1% of the issued share capital (excluding treasury shares) of the Company; and (ii) exceed any limits applicable to such Selected Participant under the Listing Rules. Any further grant of Awards must be separately approved by the Shareholders in general meeting with such Eligible Participant and his or her close associates (or his or her associates if the Eligible Participant is a connected person) abstaining from voting. The Company must then send a circular to its Shareholders and the circular must disclose the identity of the Eligible Participants, the number and terms of the Awards to be granted and Awards previously granted to such Eligible Participant and the information required under the Listing Rules. The number and terms of the Awards to be granted to such Eligible Participant must be fixed before Shareholders’ approval.

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26. SHARE AWARD PLAN (Continued)

(a) New Share Scheme (Continued)

Duration of the New Share Scheme and termination of the New Share Scheme

Subject to early termination, the New Share Scheme shall be valid and effective for a term of 10 years commencing from the Adoption Date. Upon termination, no further award (including awards granted under the New Share Scheme but not yet exercised or in respect of which Award Shares are not yet issued to the Eligible Participant(s)) shall be granted but in all other respects the provisions of the New Share Scheme shall remain in full force and effect. The Award Shares granted and subsisting prior to the termination shall continue to be in full force and effect.

On 23 April 2025, the Board has resolved to issue and award a total of 13,165,000 Awarded Shares to 12 Employee Participants under the New Share Scheme.

The allotment and issue of 13,165,000 Awarded Shares to the Trustee was completed on 26 September 2025.

Details of Awarded Shares granted by the Company pursuant to the New Share Scheme during the years ended 31 December 2025 are as follows:

Awardee	Grant date	Fair value per share RMB	Vesting period	Number of Awarded Shares			
				At			At
				1 January 2025	Granted	Vested	31 December 2025
New Share Scheme							
Non-connected Awardees	23 April 2025	0.15	23 April 2025– 28 November 2025	—	2,633,000	(2,633,000)	—
	23 April 2025	0.15	29 November 2025– 28 November 2026	—	3,949,500	—	3,949,500
	23 April 2025	0.15	29 November 2026– 28 November 2027	—	6,582,500	—	6,582,500
Total				—	13,165,000	(2,633,000)	10,532,000

For the year ended 31 December 2025

26. SHARE AWARD PLAN (Continued)**(b) Old Share Award Plan**

On 15 April 2021 (the “**2021 Adoption Date**”), the Directors approved the adoption of a share award plan (the “**Old Share Award Plan**”).

Purposes of the Old Share Award Plan

The purpose of the Old Share Award Plan are to recognise and reward the contribution of Eligible Participants (as defined below) to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Administration

The Old Share Award Plan shall be subject to the administration of the board of directors (the “**Board**”) and the trustee (the “**Trustee**”) in accordance with the terms of the Old Share Award Plan and the terms of the trust deed (the “**Trust Deed**”). The Trustee shall hold the trust fund (the “**Trust Fund**”) in accordance with the terms of the Trust Deed.

Eligibility

Under the rules constituting the Old Share Award Plan, the following classes of participants (excluding the excluded participants) (the “**Eligible Participants**”) are eligible for participation in the Old Share Award Plan:

- (a) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any subsidiary or any invested entity (an “**Employee**”);
- (b) any non-executive director (including independent non-executive director) of the Company, any subsidiary or any invested entity;
- (c) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any invested entity; and
- (d) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the Old Share Award Plan, the award may be made to any company wholly-owned by one or more of the above participants.

For the year ended 31 December 2025

26. SHARE AWARD PLAN (Continued)

(b) Old Share Award Plan (Continued)

Shares Pool

In order to satisfy any award (the “**Award**”) to be granted under the Old Share Award Plan from time to time, the Trustee shall maintain a shares pool (the “**Shares Pool**”) which shall comprise the following:

- (a) issued shares as may be purchased by the Trustee on the Stock Exchange or off the market by utilising the funds allocated by the Board out of the Company’s resources;
- (b) issued shares as may be subscribed by the Trustee by utilising the funds allocated by the Board out of the Company’s resources, subject to the Company having obtained the requisite shareholders’ approval in general meeting under general mandate or specific mandate for the allotment and issue of new shares, the grant of listing of and permission to deal in such shares by the Stock Exchange, and compliance with the applicable requirements under the Listing Rules;
- (c) issued shares as may be allotted or issued to the Trustee as a holder of shares, whether by way of scrip dividend or otherwise; and
- (d) issued shares which remain unvested and revert to the Trustee due to the lapse of the Award.

The Trustee may purchase the shares on the Stock Exchange at the prevailing market price (subject to the maximum price as may be from time to time prescribed by the Board), or off the market. In the event that the Trustee effects any purchases by off-market transactions, the purchase price for such purchases shall not be higher than the lower of the following: (i) the closing market price on the date of such purchase, and (ii) the average closing market price for the five preceding trading days on which the shares were traded on the Stock Exchange.

Where any Award is proposed to be made to a connected person and the relevant Award of the shares is to be satisfied by an allotment and issue of new shares (the “**Awarded Shares**”), the Award shall be separately approved by the shareholders in general meeting with such connected person and his associates abstaining from voting and shall comply with all other requirements of Chapter 14A of the Listing Rules applicable to such Award.

Award of shares

The Board shall, subject to and in accordance with the rules of the Old Share Award Plan, be entitled to, at any time during the continuation of the Old Share Award Plan, make an Award out of the Shares Pool to any of the Eligible Participants such number of shares as it shall determine pursuant to the Old Share Award Plan.

The eligibility of any of the Eligible Participants to an Award shall be determined by the Board from time to time on the basis of the Board’s opinion as to his contribution and/or future contribution to the development and growth of the Group.

For the year ended 31 December 2025

26. SHARE AWARD PLAN (Continued)**(b) Old Share Award Plan** (Continued)**Award of shares** (Continued)

The Board shall notify the Trustee in writing upon the making of an Award under the Old Share Award Plan by giving the Trustee an award notice.

The making of an Award to any connected person of the Company shall be subject to compliance with the applicable Listing Rules.

No Award may be made by the Board during the black-out period.

Vesting of the Awarded Shares

The Board may from time to time, at its discretion, determine the earliest vesting date (the “**Vesting date**”) and other subsequent date(s), if any, subject to and upon which the Awarded Shares held by the Trustee upon trust and which are referable to a selected participant (the “**Selected Participant**”) shall vest in that Selected Participant.

At any time prior to a Vesting Date, unless the Board otherwise determines, in respect of a Selected Participant who:

- (a) died, all the awarded shares of the Selected Participant shall be deemed to be vested on the Selected Participant on the day immediately prior to his death; or
- (b) (in the case of a Selected Participant who is an Employee) retired at his normal retirement date, all the Awarded Shares of the Selected Participant shall be deemed to be vested on the Selected Participant on the day immediately prior to his normal retirement date; or
- (c) (in the case of a Selected Participant who is an Employee) retired at an earlier retirement date (with prior written agreement given by the Company or the subsidiary or the invested entity), all the Awarded Shares of the Selected Participant shall be deemed to be vested on the Selected Participant on the day immediately prior to his earlier retirement date.

Lapse of Award

In the event that the Selected Participant who is an Employee ceases to be an Employee by virtue of a corporate reorganisation of the Group or the invested entity, then any Award made to such Selected Participant, to the extent not already vested, shall forthwith lapse and be cancelled.

An Award (or, as the case may be, the relevant part of an Award) shall, under the following circumstances and subject to the terms of the Share Award Plan, automatically lapse forthwith and all the Awarded Shares (or, as the case may be, the relevant Awarded Shares) are not vested and/or are forfeited in accordance with the terms of the Old Share Award Plan (the “**Returned Shares**”):

- (a) the Selected Participant ceases to be an Employee (other than for reason as provided in the paragraph headed “Vesting of the Awarded Shares” above); or

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26. SHARE AWARD PLAN (Continued)

(b) Old Share Award Plan (Continued)

Lapse of Award (Continued)

- (b) the subsidiary or invested entity by which a Selected Participant is employed or, in respect of a deceased or retired Selected Participant as provided in the paragraph headed “Vesting of the Awarded Shares” above, was employed immediately prior to his death or retirement, ceases to be a subsidiary or invested entity of the Company (or of a member of the Group); or
- (c) the Board shall at its absolute discretion determine in respect of a Selected Participant (other than a Selected Participant who is an Employee) that (i) the Selected Participant or his associate has committed any breach of any contract entered into between the Selected Participant or his associate on one part and any member of the Group or any invested entity on the other part as the Board may in its absolute discretion determine; or (ii) the Selected Participant has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (iii) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group or the invested entity by reason of the cessation of its relationship with the Group or its invested entity or by any other reasons whatsoever; or
- (d) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company; or
- (e) a Selected Participant is found to be an excluded participant; or
- (f) subject to the terms of the Old Share Award Plan, a Selected Participant fails to return the duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares under the Old Share Award Plan within the stipulated period.

Old Share Award Plan limit

The total number of shares that can be subscribed for and/or purchased by the Trustee by applying the Group contribution for the purpose of the Old Share Award Plan shall not exceed 10% of the then total number of issued shares from time to time (without taking into account the number of shares to be subscribed for). The Board shall not instruct the Trustee to subscribe for and/or purchase any shares for the purpose of the Old Share Award Plan when such subscription and/or purchase will result in such threshold being exceeded.

The total number of shares which may be subject to an award or awards each time granted to a Selected Participant (the “**Awarded Share(s)**”) shall not in aggregate exceed 1% of the total number of issued shares as at the date(s) of such award(s).

Duration of the Old Share Award Plan and termination of the Old Share Award Plan

The Old Share Award Plan shall be valid and effective for a period of 10 years commencing from the 2021 Adoption Date but may be terminated earlier as determined by the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant.

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26. SHARE AWARD PLAN (Continued)**(b) Old Share Award Plan** (Continued)***Duration of the Old Share Award Plan and termination of the Old Share Award Plan***
(Continued)

If, at the date of the termination of the Old Share Award Plan, the Trustee holds any share which has not been set aside in favour of any Selected Participant or retains any unutilised funds received as the Group's contribution, then the Trustee shall, within 21 business days (on which the trading of the shares has not been suspended) after receiving actual notice of such termination, sell such shares and remit the proceeds of sale (after making appropriate deductions in respect of stamp duty and other costs, liabilities and expenses in accordance with the Trust Deed) together with such unutilised funds to the Company. Subject to the decision of the Board and subject to the terms of the Old Share Award Plan, all the awarded shares shall become vested on the Selected Participant on such date of termination upon termination of the Old Share Award Plan.

On 8 December 2021, the Board has resolved to issue and award a total of 9,167,630 Awarded Shares to 42 Selected Participants under the Share Award Plan.

The allotment and issue of 9,167,630 Awarded Shares to the Selected Participants pursuant to the general mandate was completed on 10 January 2022.

On 12 January 2023, the Board has resolved to provisionally award a total of 9,670,186 Awarded Shares to 20 awardees, of which 2,285,186 Awarded Shares were provisionally awarded to 17 employees of the Group (the "**Non-connected Awardees**") and 7,385,000 Awarded Shares were provisionally awarded to 3 Directors pursuant to the general mandate granted by the Shareholders at the annual general meeting of the Company held on 24 June 2022. The provisional awards to the 3 Directors were subject to the approval by the Shareholders.

On 3 March 2023, the Shareholders approved to award 3,385,000 Awarded Shares to 2 Directors. On 7 March 2023, the Stock Exchange granted a conditional listing approval for 5,670,186 Awarded Shares subject to fulfillment of all other conditions.

The allotment and issue of 5,670,186 Awarded Shares to the Selected Participants pursuant to the general mandate was completed on 1 November 2023.

The Old Share Award Plan was terminated by the Shareholders on 9 April 2025. On the same date, the Company adopted a New Share Scheme. The early termination of the Old Share Award Plan does not affect the subsisting rights of the awardees and unvested award shares granted under the Old Share Award Plan continue to be valid in accordance with the Old Share Award Plan though no further share award can be granted under the Old Share Award Plan upon its termination.

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26. SHARE AWARD PLAN (Continued)

(b) Old Share Award Plan (Continued)

Duration of the Old Share Award Plan and termination of the Old Share Award Plan (Continued)

No Award Shares were granted under the Old Share Award Plan during the year ended 31 December 2025.

Details of Awarded Shares granted by the Company pursuant to the Old Share Award Plan during the years ended 31 December 2025 and 31 December 2024 are as follows:

				Number of Awarded Shares				
				At				
				At	31 December		At	
Awardee	Grant date	Fair value per share RMB	Vesting period	1 January 2024	Vested	1 January 2025	Vested	31 December 2025
Old Share Award Plan								
Non-connected Awardees	8 December 2021	3.98	8 December 2021– 30 November 2022	—	—	—	—	—
	8 December 2021	3.98	1 December 2022– 30 November 2023	—	—	—	—	—
	8 December 2021	3.98	1 December 2023– 30 November 2024	3,233,815	(3,233,815)	—	—	—
				<u>3,233,815</u>	<u>(3,233,815)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Non-connected Awardees	12 January 2023	1.13	12 January 2023– 28 December 2023	—	—	—	—	—
	12 January 2023	1.13	29 December 2023– 28 December 2024	685,556	(685,556)	—	—	—
	12 January 2023	1.13	29 December 2024– 28 December 2025	1,142,593	—	1,142,593	(1,142,593)	—
				<u>1,828,149</u>	<u>(685,556)</u>	<u>1,142,593</u>	<u>(1,142,593)</u>	<u>—</u>
Directors	12 January 2023	1.13	12 January 2023– 28 December 2023	—	—	—	—	—
	12 January 2023	1.13	29 December 2023– 28 December 2024	1,015,500	(1,015,500)	—	—	—
	12 January 2023	1.13	29 December 2024– 28 December 2025	1,692,500	—	1,692,500	(1,692,500)	—
				<u>2,708,000</u>	<u>(1,015,500)</u>	<u>1,692,500</u>	<u>(1,692,500)</u>	<u>—</u>
Total				7,769,964	(4,934,871)	2,835,093	(2,835,093)	—

For the year ended 31 December 2025

26. SHARE AWARD PLAN (Continued)**(b) Old Share Award Plan** (Continued)***Duration of the Old Share Award Plan and termination of the Old Share Award Plan***
(Continued)

The Awarded Shares will be vested subject to the satisfactory evaluation of the performance of the Selected Participants at the end of each of the vesting period.

The fair value of the Awarded Shares was calculated based on the closing price of the Company's shares at the respective grant date.

During the year ended 31 December 2025 and 31 December 2024, no awarded shares is forfeited for the Selected Participants during the vesting period.

During the year ended 31 December 2022, 2,670,000 Awarded Shares granted to 18 Selected Participants had been forfeited following their resignation during the vesting period.

During the year ended 31 December 2025, the Group recognised share-based payments expenses of approximately RMB3,654,000 (2024: approximately RMB13,946,000), and 5,468,093 Awarded Shares (2024: 4,934,871 Awarded Shares) are vested to 20 (2024: 26) Selected Participants as they satisfied the performance evaluation at the end of the year.

As 31 December 2025, the Group had 13,202,000 (2024: 5,505,093) Awarded Shares which was held under the share award scheme.

During the year ended 31 December 2025, a total of 5,468,093 (2024: 4,934,871) awarded shares vested under the New Share Scheme and Old Share Award Plan. The weighted average closing price of the Shares on the Stock Exchange immediately before the vesting dates was approximately HK\$0.51 (equivalent to RMB0.46) (2024: HK\$0.21 (equivalent to RMB0.20)).

27. RETIREMENT BENEFITS SCHEME

The employees of the Group's subsidiaries in the PRC are members of the state-managed defined contribution retirement benefits scheme operated by the government of the PRC. The subsidiaries in the PRC are required to contribute a certain percentage of the payroll cost to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

The Group also operates the MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Hong Kong Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. 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 HK\$30,000.

The Group's contributions under the above-mentioned defined contribution retirement plans had no forfeited contributions that may be used to reduce the existing level of contributions.

For the year ended 31 December 2025

27. RETIREMENT BENEFITS SCHEME (Continued)

The total expense recognised in profit or loss of approximately RMB490,000 (2024: approximately RMB445,000) represents contributions paid or payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December 2025 and 31 December 2024, no contributions due in respect of the year ended 31 December 2025 and 31 December 2024 had not been paid over to the plans.

28. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these consolidated financial statements, the Group did not have material transactions with related parties during both years ended 31 December 2025 and 31 December 2024.

Compensation of key management personnel

The remuneration of Directors and key executives during the year was as follows:

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	1,059	1,059
Post-employment benefits	100	94
Share-based payments	1,913	1,147
	3,072	2,300

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

29. CAPITAL COMMITMENTS

	2025 RMB'000	2024 RMB'000
Contracted for but not provided in the consolidated financial statements:		
Unpaid registered capital for the subsidiaries	28,060	39,896

For the year ended 31 December 2025

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising share capital and reserves as disclosed in the consolidated statement of changes in equity.

The Directors review the capital structure regularly. The management considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through new share issues of the Company.

31. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
Amortised cost	41,557	67,722
Financial liabilities		
Amortised cost	7,451	6,212

b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, retention receivables, cash and cash equivalents and trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)**b. Financial risk management objectives and policies** (Continued)**Market risks***(i) Foreign currency risk*

Several subsidiaries of the Company have foreign currency bank balances and loans from a non-controlling interest which expose the Group to foreign currency risk.

The carrying amounts of Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
HK\$	—	—	87	15
US\$	—	—	504	26,685

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign currency exposure and will consider hedging significant foreign exchange exposure should the need arises.

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the RMB against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period. A positive (negative) number below indicates a increase in loss in 2025 and 2024 after taxation where the functional currencies of each group entity strengthens 5% against the relevant foreign currencies. For a 5% weakening of the functional currencies against the relevant foreign currencies, there would be an equal and opposite impact on the loss after taxation.

	2025	2024
	RMB'000	RMB'000
HK\$	(4)	(1)
US\$	(25)	(1,334)

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)**b. Financial risk management objectives and policies** (Continued)**Market risks** (Continued)*(ii) Interest rate risk*

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances.

Total interest income from financial assets that are measured at amortised cost is as follows:

	2025 RMB'000	2024 RMB'000
Financial assets at amortised cost	358	3,056

Interest expense on financial liabilities not measured at FVTPL:

	2025 RMB'000	2024 RMB'000
Financial liabilities at amortised cost	—	845

Sensitivity analysis

For the years ended 31 December 2025 and 31 December 2024, no sensitivity analyses were presented for bank balances as the Directors considered the Group's exposure to cash flow interest rate risk was not material.

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and retention receivables and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment are summarised as below:

Trade and retention receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group assesses the potential customer's credit quality and reputation and enterprise in the game publishing services and blockchain technology services industry, assign an internal credit rating and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on a periodic basis. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

As at 31 December 2025, the Group has concentration of credit risk on trade and retention receivables as 100% (2024: 100%) of the total trade and retention receivables were due from the Group's five largest debtors, which are well-known game publishers/game publishing service providers in the PRC and sales and providing technical support for SocialFi mobile app with blockchain technology in Hong Kong with good reputation in the industry. The Group's concentration of credit risk by geographical location is in PRC and Hong Kong, which accounted for 68.24% and 31.76% respectively (2024: 100% in PRC) of the total trade receivables and retention receivable as at 31 December 2025.

In addition, the Group performs impairment assessment under ECL model on trade and retention receivables collectively based on provision matrix on shared credit risk characteristics by reference to the Group's internal credit rating. Impairment loss of approximately RMB290,000 (2024: reversal of impairment loss of approximately RMB26,932,000) was recognised during the year ended 31 December 2025. Details of the quantitative disclosures are set out below in this note.

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)**b. Financial risk management objectives and policies** (Continued)**Credit risk and impairment assessment** (Continued)*Other receivables and deposit*

For other receivables, the Directors make periodic assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised based on significant increases in the likelihood or risk of a default occurring since initial recognition. No impairment loss were recognised on other receivables for the years ended 31 December 2025 and 31 December 2024.

For deposit, the management has assessed that the expected loss rate for the deposit was immaterial and hence no loss allowance was recognised for both years ended 31 December 2025 and 2024.

Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)**b. Financial risk management objectives and policies** (Continued)**Credit risk and impairment assessment** (Continued)*Bank balances* (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL — not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL — not credit-impaired	12m ECL
Doubtful	Amount is >30 days past due or there have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off	Amount is written-off

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31. FINANCIAL INSTRUMENTS (Continued)**b. Financial risk management objectives and policies** (Continued)**Credit risk and impairment assessment** (Continued)

The table below details the credit risk exposure of the Group's financial assets, which are subject to ECL assessment.

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	2025 Gross carrying amount RMB'000	2024 Gross carrying amount RMB'000
Financial assets at amortised costs						
Trade receivables	21	N/A	(Note 2)	Lifetime ECL	27,484	34,059
— contracts with customers			Loss	Lifetime ECL	29,557	23,298
				(credit-impaired)		
Retention receivables	21	N/A	(Note 2)	Lifetime ECL	1,794	—
				(collective assessment)		
					58,835	57,357
Other receivables	21	N/A	(Note 1)	Lifetime ECL	—	23,992
				(credit-impaired)		
Amount due from a director	21	N/A	Low risk	12m ECL	370	—
Deposit	21	N/A	Low risk	12m ECL	74	99
Bank balances	22	A1–A3	N/A	12m ECL	2,017	29,715

Notes:

1. For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

	Past due RMB'000
2025	
Other receivables	—
2024	
Other receivables	23,992

2. For trade and retention receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items on a collective basis, grouped by internal credit rating.

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)**b. Financial risk management objectives and policies** (Continued)**Credit risk and impairment assessment** (Continued)

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its operation. The following table provides information about the exposure to credit risk for trade and retention receivables which are assessed on a collective basis within lifetime ECL. Debtors that are credit-impaired with gross carrying amounts of RMB29,557,000 as at 31 December 2025 (2024: RMB23,298,000).

Internal credit rating	Trade and retention receivables RMB'000	Average loss rate	Expected credit loss RMB'000
As at 31 December 2025			
Low risk	29,278	0.57%	167
As at 31 December 2024			
Low risk	34,059	0.97%	331

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

As at 31 December 2025, the Group provided approximately RMB167,000 (2024: RMB331,000) impairment allowance for trade and retention receivables based on collective assessment. Impairment allowance of approximately RMB19,572,000 (2024: RMB19,118,000) were made on debtors with credit-impaired balances.

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31. FINANCIAL INSTRUMENTS (Continued)**b. Financial risk management objectives and policies** (Continued)**Credit risk and impairment assessment** (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade and retention receivables under the simplified approach:

	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	75	48,732	48,807
Changes due to financial instruments recognised as at 1 January 2024:			
— Impairment losses reversed	(75)	(27,188)	(27,263)
New financial assets originated	331	—	331
Write-off	—	(2,426)	(2,426)
As at 31 December 2024	331	19,118	19,449
Changes due to financial instruments recognised as at 1 January 2025:			
— Impairment losses recognised	96	9,470	9,566
— Impairment losses reversed	(89)	(9,258)	(9,347)
Transfer to credit-impaired	(242)	242	—
New financial assets originated	71	—	71
As at 31 December 2025	167	19,572	19,739

Changes in the loss allowance for trade receivables are mainly due to:

	2025 (Decrease) increase in lifetime ECL (credit- impaired) RMB'000
Settlement of trade receivables with gross carrying amount of approximately RMB13,438,000	(9,258)
Debtors with gross carrying amount of RMB19,697,000 defaulted	9,470

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)**b. Financial risk management objectives and policies** (Continued)**Credit risk and impairment assessment** (Continued)

Changes in the loss allowance for trade receivables are mainly due to: (Continued)

	2024 Decrease in lifetime ECL (credit- impaired) RMB'000
Settlement of trade receivables with gross carrying amount of approximately RMB34,431,000	(27,188)
No realistic prospect of recovery	(2,426)

The following tables show reconciliation of loss allowances that have been recognised for other receivables:

	Lifetime ECL (credit- impaired) RMB'000
As at 1 January 2024	26,447
Transfer to refundable down payment	(2,455)
As at 31 December 2024	23,992
Write-off	(23,992)
As at 31 December 2025	—

For the year ended 31 December 2025

31. FINANCIAL INSTRUMENTS (Continued)**b. Financial risk management objectives and policies** (Continued)**Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirement. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

In the management of the liquidity risk, the Group monitors and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flow are floating rate, the undiscounted amount is derived based on management's best estimates at the end of the reporting period.

Liquidity table	Weighted average interest rate %	On demand or less than 6 months RMB'000	6 months to 1 year RMB'000	Over 1 year RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2025						
Trade and other payables	N/A	7,451	—	—	7,451	7,451
		7,451	—	—	7,451	7,451
Liquidity table	Weighted average interest rate %	On demand or less than 6 months RMB'000	6 months to 1 year RMB'000	Over 1 year RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2024						
Trade and other payables	N/A	6,212	—	—	6,212	6,212
		6,212	—	—	6,212	6,212

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32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities:

	Loans from a non- controlling interest RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	23,257	15	23,272
Changes from financing cash flows:			
— Repayment of borrowings	(22,266)	—	(22,266)
— Interest paid	(2,469)	—	(2,469)
— Repayment of lease	—	(15)	(15)
Total changes from financing cash flows	(24,735)	(15)	(24,750)
Non-cash changes:			
— Finance cost accrued	845	—	845
— Exchange adjustments	633	—	633
Total changes from non-cash items	1,478	—	1,478
At 31 December 2024 and 31 December 2025	—	—	—

For the year ended 31 December 2025

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

33.1 General information of subsidiaries

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

Name of subsidiaries	Place and date of incorporation/ establishment	Issued and fully paid capital/ registered capital	Shareholding/ equity interest attributable to the Company as at		Proportion of voting power held by the Company as at		Principal activities
			2025	2024	2025	2024	
Directly held:							
Sino-Entertainment (HK) International Holdings Limited	Hong Kong 30 April 2018	HK\$100	100%	100%	100%	100%	Investment holding
Hechi Sino Entertainment Information Technology Company Limited ("Hechi Sino Entertainment")* (河池新娛科信息技術有限公司)	PRC 14 October 2020	HK\$92,600,000 paid-up registered capital and HK\$7,400,000 unpaid registered capital	100%	100%	100%	100%	Development, operation and publishing of mobile games
Indirectly held:							
Khorgos Entertainment*	PRC 20 September 2018	RMB29,500,000 paid-up registered capital and RMB20,500,000 unpaid registered capital (2024: RMB18,000,000 paid-up registered capital and RMB32,000,000 unpaid registered capital)	100%	100%	100%	100%	Investment holding and development of mobile games
Shenzhen Sino Entertainment Information Technology Company Limited (深圳新娛科信息技術有限公司)	PRC 6 December 2021	HK\$1,000,000 unpaid registered capital	51%	51%	51%	51%	Development, operation and publishing of mobile games
Southeast Oriental Gaming Technology Pte. Ltd	Singapore 11 July 2018	SGD\$1.00	—	51%	—	51%	Development, operation and publishing of mobile games
Luo Cheng Dinglian (International)	Hong Kong 2 February 2017	HK\$22,442,377	51%	51%	51%	51%	Provision of digital services with blockchain technology in Hong Kong

For the year ended 31 December 2025

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

33.1 General information of subsidiaries (Continued)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below: (Continued)

Name of subsidiaries	Place and date of incorporation/ establishment	Issued and fully paid capital/ registered capital	Shareholding/ equity interest attributable to the Company as at		Proportion of voting power held by the Company as at		Principal activities
			2025	2024	2025	2024	
TEIL# (時光娛樂國際有限公司)	Hong Kong 31 July 2024	HK\$200	51%	51%	51%	51%	Development and providing technical support for mobile app with blockchain technology
Controlled by the Company pursuant to the Contractual Arrangements (Note)							
Dinglian Technology	PRC 2 December 2014	RMB5,000,000	100%	100%	100%	100%	Development, operation and publishing of mobile games
Khorgos Dinglian Interactive	PRC 19 July 2017	RMB1,000,000	100%	100%	100%	100%	Development, operation and publishing of mobile games
Luo Cheng Dinglian New Entertainment Technology Limited (羅城頂聯新娛科信息技術有限公司)	Hong Kong 28 September 2021	HK\$60,000,000	100%	100%	100%	100%	Development, operation and publishing of mobile games

Wholly foreign-owned enterprise established in the PRC.

On 10 September 2024, TEIL, an indirect wholly-owned subsidiary of the Group, allotted and issued 2 new ordinary shares to SEHKIHL, a direct wholly-owned subsidiary of the Company, at a consideration of HK\$2 and 98 new ordinary shares to TIMCL, an independent third party, at a consideration of HK\$98. The share capital of TEIL increased from HK\$100 to HK\$200. This resulted in a decrease in the Group's equity interest in TEIL from 100% to 51%. The Group still retains its control over TEIL, which is then accounted for an equity transaction with non-controlling interests. The difference between the consideration and the carrying value of net assets disposed of amounting to HK\$98* was recognised in equity as other reserve.

* Amount less than RMB1,000

For the year ended 31 December 2025

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

33.1 General information of subsidiaries (Continued)

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below: (Continued)

None of the subsidiaries had issued any debt securities at the end of both years or during both years.

Note:

These subsidiaries are controlled through Contractual Arrangements as explained in Note 2. Due to the restrictions imposed by the PRC Laws on foreign ownership of companies engaged in the Listing Business carried out by the Group through the Operating Entities, the Group does not have legal ownership in equity of these subsidiaries.

33.2 Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows the details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		(Loss) profit allocated to non-controlling interests		Total comprehensive expense allocated to non-controlling interests		Accumulated non-controlling interests	
		31 December 2025	31 December 2024	31 December 2025 RMB'000	31 December 2024 RMB'000	31 December 2025 RMB'000	31 December 2024 RMB'000	31 December 2025 RMB'000	31 December 2024 RMB'000
Luocheng Dinglian (International) and its subsidiaries (collectively referred to as the "Luocheng Dinglian (International) Group")	Hong Kong	49%	49%	(1,417)	(934)	(1,808)	(712)	4,483	6,291
TEIL	Hong Kong	49%	49%	1,012	(243)	(105)	(247)	19,619	(247)
				(405)	(1,177)	(1,913)	(959)	24,102	6,044

Summarised consolidated financial information in respect of the Luocheng Dinglian (International) Group and TEIL that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

For the year ended 31 December 2025

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

33.2 Details of non-wholly owned subsidiaries that have material non-controlling interests

(Continued)

Luocheng Dinglian (International) Group

	2025 RMB'000	2024 RMB'000
Current assets	25,380	53,129
Non-current assets	—	—
Current liabilities	(16,231)	(40,291)
Non-current liabilities	—	—
Equity attributable to owners of the Company	4,666	6,547
Non-controlling interests of Luocheng Dinglian (International) Group	4,483	6,291
Total revenue	354	3,046
Total expenses	(3,245)	(4,952)
Loss for the year	(2,891)	(1,906)
Loss attributable to owners of the Company	(1,474)	(972)
Loss attributable to non-controlling interests of Luocheng Dinglian (International) Group	(1,417)	(934)
Loss for the year	(2,891)	(1,906)
Other comprehensive (expenses) income attributable to owners of the Company	(407)	231
Other comprehensive (expenses) income attributable to non-controlling interests of Luocheng Dinglian (International) Group	(391)	222
Other comprehensive (expenses) income for the year	(798)	453
Total comprehensive expenses attributable to owners of the Company	(1,881)	(741)
Total comprehensive expenses attributable to non-controlling interests of Luocheng Dinglian (International) Group	(1,808)	(712)
Total comprehensive expenses for the year	(3,689)	(1,453)
Net cash inflow (outflow) from operating activities	1,273	(5,488)
Net cash inflow from investing activities	—	—
Net cash outflow from financing activities	(25,417)	(46,475)
Net cash outflow	(24,144)	(51,963)

For the year ended 31 December 2025

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

33.2 Details of non-wholly owned subsidiaries that have material non-controlling interests

(Continued)

TEIL

	2025 RMB'000	2024 RMB'000
Current assets	16,132	5
Non-current assets	24,106	7,292
Current liabilities	(199)	(7,801)
Non-current liabilities	—	—
Equity attributable to owners of the Company	20,420	(257)
Non-controlling interests of TEIL	19,619	(247)
Total revenue	13,781	—
Total expenses	(11,716)	(496)
Profit (loss) for the year	2,065	(496)
Profit (loss) attributable to owners of the Company	1,053	(253)
Profit (loss) attributable to non-controlling interests of TEIL	1,012	(243)
Profit (loss) for the year	2,065	(496)
Other comprehensive expense attributable to owners of the Company	(1,162)	(4)
Other comprehensive expense attributable to non-controlling interests of TEIL	(1,117)	(4)
Other comprehensive expense for the year	(2,279)	(8)
Total comprehensive income (expenses) attributable to owners of the Company	(109)	(257)
Total comprehensive expenses attributable to non-controlling interests of TEIL	(105)	(247)
Total comprehensive expenses for the year	(214)	(504)
Net cash (outflow) inflow from operating activities	(10,704)	12
Net cash inflow (outflow) from investing activities	1	(7,543)
Net cash inflow from financing activities	11,471	7,543
Net cash inflow	768	12

For the year ended 31 December 2025

34. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSET		
Investments in subsidiaries	77,960	77,960
CURRENT ASSETS		
Amount due from a subsidiary	826	9,300
Cash and cash equivalents	207	157
	1,033	9,457
CURRENT LIABILITIES		
Other payables	1,273	1,324
Amounts due to subsidiaries	32,120	31,600
	33,393	32,924
NET CURRENT LIABILITIES	(32,360)	(23,467)
NET ASSETS	45,600	54,493
CAPITAL AND RESERVES		
Share capital	294	285
Share premium and reserves	45,306	54,208
TOTAL EQUITY	45,600	54,493

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 31 March 2026 and are signed on its behalf by:

Sui Jiaheng
Director

Li Tao
Director

For the year ended 31 December 2025

34. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Movement in the Company's reserves

	Share premium RMB'000	Share held under share award scheme reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	118,624	(7)	845	(59,521)	59,941
Loss and total comprehensive expense for the year	—	—	—	(19,679)	(19,679)
Equity-settled share-based transaction	—	—	13,946	—	13,946
Allotment of awarded shares	14,787	4	(14,791)	—	—
At 31 December 2024	133,411	(3)	—	(79,200)	54,208
Loss and total comprehensive expense for the year	—	—	—	(12,547)	(12,547)
Issuance of shares under the share award scheme	—	(9)	—	—	(9)
Equity-settled share-based transaction	—	—	3,654	—	3,654
Allotment of awarded shares	3,596	3	(3,599)	—	—
At 31 December 2025	137,007	(9)	55	(91,747)	45,306

35. EVENTS AFTER THE REPORTING PERIOD

There have been no material events subsequent to the year ended 31 December 2025 and up to the date of this report.

FIVE-YEAR FINANCIAL SUMMARY

	Year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	28,490	44,664	8,998	12,302	104,267
Cost of sales	(17,520)	(42,873)	(23,372)	(16,016)	(75,461)
Gross profit (loss)	10,970	1,791	(14,374)	(3,714)	28,806
Other income	363	3,176	3,467	583	6,817
Other gains and losses, net (Impairment losses recognised) reversal of impairment losses under expected credit loss model, net	(615)	(110)	619	(408)	(975)
Impairment loss recognised in respect of intangible assets	(4,812)	(7,290)	(12,546)	(24,657)	—
Impairment loss recognised in respect of cryptocurrencies	—	—	—	(540)	—
Administrative expenses	(21,951)	(35,518)	(28,273)	(22,073)	(19,741)
Impairment loss recognised in respect of down payments to game publishers	—	—	(810)	(2,500)	—
— non-refundable	—	(845)	(1,673)	(1,954)	(11)
Finance costs	—	(845)	(1,673)	(1,954)	(11)
Research and development expenses	(11,297)	(14,765)	(14,416)	(12,580)	(14,860)
Loss before tax	(27,632)	(26,629)	(102,076)	(107,727)	(2,556)
Income tax (expense) credit	(1,739)	(2,439)	(2,535)	8,768	(394)
Loss for the year	(29,371)	(29,068)	(104,611)	(98,959)	(2,950)
As at 31 December					
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Assets, Liabilities and Equity					
TOTAL ASSETS	93,725	100,549	138,409	343,649	299,897
TOTAL LIABILITIES	8,645	9,753	33,697	145,077	12,535
TOTAL EQUITY	85,080	90,796	104,712	198,572	287,362

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Company”	Sino-Entertainment Technology Holdings Limited
“Director(s)”	the director(s) of the Company
“EIT”	enterprise income tax in the PRC
“Global Offering”	the initial public offering of the Shares pursuant to the terms of the Prospectus
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on the Listing Date
“Listing Date”	15 July 2020, on which dealing in the Shares first commenced on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on 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
“PRC”	the People’s Republic of China, which, for the purpose of this report, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Operating Entities”	the entities the Company controls through the Contractual Arrangements, being Dinglian Technology, Beihai Dinglian, Khorgos Dinglian Interactive, Khorgos Dinglian Network and Luocheng Dinglian New Entertainment
“Prospectus”	the prospectus of the Company dated 30 June 2020

Glossary

“Registered Shareholder(s)”	direct shareholder(s) of Dinglian Technology, being Mr. Sui, Mr. Li, Mr. Huang Xin, Mr. Liang Yuezhong, Ms. Shen Shiyin, Mr. Wu Lihui, Mr. Liang Hanjun, Mr. Liang Hong, Mr. Ou Yajie, Mr. Gao Changhai and Mr. Ke Zhenhua
“Reorganisation”	the reorganisation of the Group in relation to the Listing, details of which are set out in note 2 in the Notes to the Consolidated Financial Statements
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Year”	year ended 31 December 2025
“%”	per cent.

* *In this annual report, the English translation which are marked with “*” is for identification purpose only*