netjoy

NETJOY HOLDINGS LIMITED
云想科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2131

ANNUAL REPORT 2025

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. Xu Jiaqing *(Chairman)*

Non-executive Directors

Mr. Dai Liqun
Mr. Wang Jianshuo

Independent Non-executive Directors

Mr. Chen Changhua
Dr. Ru Liyun
Ms. Cui Wen

AUDIT COMMITTEE

Mr. Chen Changhua *(Chairman)*
Dr. Ru Liyun
Mr. Dai Liqun

REMUNERATION COMMITTEE

Dr. Ru Liyun *(Chairman)*
Mr. Chen Changhua
Mr. Dai Liqun

NOMINATION COMMITTEE

Mr. Xu Jiaqing *(Chairman)*
Mr. Chen Changhua
Dr. Ru Liyun
Ms. Cui Wen *(appointed on June 23, 2025)*

AUTHORIZED REPRESENTATIVES

Ms. Peng Ting
Mr. Xu Jiaqing *(appointed on July 30, 2025)*

COMPANY SECRETARY

Ms. Peng Ting

HONG KONG LEGAL ADVISOR

Jia Yuan Law Office
Room 3502-3503, 35/F.
One Exchange Square
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AUDITOR

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Certified Public Accountants
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979 King's Road
Quarry Bay, Hong Kong

REGISTERED OFFICE

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Cayman Islands

HEADQUARTERS IN THE PRC

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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103 South Church Street
P.O. Box 10240
Grand Cayman, KY1-1002
Cayman Islands

HONG KONG SHARE REGISTRAR

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

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Minhang District, Shanghai
PRC

China Construction Bank Corporation
Shanghai Caohejing Branch
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Xuhui District, Shanghai
PRC

STOCK CODE

2131

COMPANY WEBSITE

www.netjoy.com

Financial Highlights

	Year ended December 31, 2025	2024	Year-on-year change
	(RMB in millions, except percentage)		
Revenue	**2,937.79**	3,149.63	(6.73)%
Gross profit	**268.48**	122.28	119.57%
Loss before tax	**(47.71)**	(465.14)	(89.74)%
Loss and total comprehensive loss for the year	**(53.10)**	(462.09)	(88.51)%
Adjusted net loss	**(36.91)**	(444.58)	(91.70)%

	Year ended December 31,				
	2025	2024	2023	2022	2021
	(RMB in millions)				
Revenue	**2,937.79**	3,149.63	3,009.89	3,310.09	3,122.49
Gross profit	**268.48**	122.28	250.75	30.48	218.67
(Loss)/profit before tax	**(47.71)**	(465.14)	9.41	(202.22)	134.32
(Loss)/profit and total comprehensive (loss)/income for the year	**(53.10)**	(462.09)	7.49	(178.57)	117.40
Adjusted net (loss)/profit	**(36.91)**	(444.58)	24.96	(199.13)	146.54

	As at December 31,				
	2025	2024	2023	2022	2021
	(RMB in millions)				
Non-current assets	**138.47**	150.87	237.66	141.87	69.16
Current assets	**1,936.47**	2,243.45	2,408.79	2,207.22	2,388.86
Current liabilities	**1,165.44**	1,446.75	1,252.13	973.61	871.77
Non-current liabilities	**9.25**	2.13	9.14	4.55	3.57
Total equity attributable to owners of the parent	**907.44**	949.02	1,386.50	1,370.95	1,582.68

Chairman's Statement

Dear Shareholders,

In 2025, the global economy remained sluggish on its way to recovery, with factors such as the evolving trade landscape and macroeconomic conditions continuing to weigh on the overall operating environment. Nevertheless, supported by China's ongoing policies to expand domestic demand, stimulate consumption, and stabilize growth, the domestic consumer market demonstrated relatively strong resilience. Demand for digital transformation and online consumption continued to rise, creating new opportunities for the digital marketing industry.

At the same time, artificial intelligence ("**AI**") technology continued its rapid iteration and development. Generative artificial intelligence ("**AIGC**") and AI agents have gradually evolved from tools and applications toward reshaping business processes, supporting the comprehensive intelligent transformation across content creation, advertising placement, data analysis, and marketing decision-making. Along with the expanded reach and effectiveness of new media platforms, brand clients have also raised their demand for omni-channel marketing, cross-platform operation, and global marketing services, unlocking new market space for the sector.

Consolidating Business Foundation and Enhancing Operational Quality

Facing a complex and volatile market environment, we have consistently maintained our strategic focus by adhering to the three key strategic directions of "platformization," "diversification," and "internationalization." We continued to optimize our business structure, deepen the application of AI technology, expand new businesses and overseas markets, and drive the business toward high-quality and sustainable development.

In 2025, we particularly focused on high-quality development by optimizing our revenue mix, expanding our reach in new media channels, and concentrating resources on high-potential key clients, thereby enhancing operational efficiency and overall business quality. We also strengthened our operational management and deepened relationships with key media platforms and brand clients to improve our comprehensive one-stop services, allowing us to boost service penetration, customer stickiness, and our competitive advantages.

In addition, we placed greater emphasis on operational quality and cash flow management, continuously optimizing cost control and resource allocation, and balancing operating efficiency and cash flow performance while promoting stable business development. As a result, the Group maintained positive operating cash flow and a strong cash position during the Year, providing solid support for future business development and strategic initiatives.

Embracing AI Technology and Innovation to Drive Comprehensive Intelligent Transformation

AI has become an important force driving transformation in the digital marketing industry. In view of this development, we have seized the opportunity to upgrade our service model by making greater use of AI intelligence and other technologies. During the Year, we continued to deepen the application of AI and AI Agents across the entire marketing and backend operation process, merging intelligence into idea generation, content creation, ad placement, and operational management. This has significantly improved our efficiency and service capabilities, leading to notable cost savings and efficiency enhancement.

Going forward, we will continue to expand the use of AI technology across different business applications, improving our intelligent marketing service solutions, and further enhancing our market competitiveness and platform's value-added capability.

Exploring New Growth Drivers to Establish a Diversified Business Model

While consolidating our core business operations, we continued to expand our business footprint and build new growth engines. For our e-commerce service solutions business, we maintained the dual-engine model of "new media e-commerce + content e-commerce", focusing on servicing specific industry verticals and improving our full-channel operational capabilities, in order to provide comprehensive one-stop solutions covering marketing, livestream operations, and channel management, that would allow us to generate sustainable revenue.

We also embraced the two-way movement of brands "going out + entering into" the Chinese market, actively realizing overseas marketing opportunities. Beyond marketing, we continued to advance content distribution and commercial monetization of overseas micro-short dramas, gradually establishing diversified revenue models and promoting the Group's sustainable development through multiple businesses.

Advancing "Platformization," "Diversification," and "Internationalization" Strategies to Drive High-quality Development

Looking ahead, we will continue to adhere to the three key strategic directions of "platformization," "diversification," and "internationalization," continuously enhance our core competitiveness, and drive the Group toward higher-quality and more sustainable development.

In terms of "platformization," we will continue to advance the intelligent upgrade of our in-house platform, further improving its service offerings across content creation, intelligent ad placement, data analysis, and operational management on our integrated cloud service ecosystem. Supported by the growing capabilities and improved efficiency, we are confident in satisfying the increasingly diverse marketing needs across different industries and brands, and in turn, laying a solid foundation for future business growth.

As for "diversification," we will continue to expand our media resources and coverage network, driving the synergistic development across different business forms such as e-commerce, micro-short dramas, comic dramas, AI content, and others, while exploring new and high-growth areas to create a more balanced and diversified business portfolio, which would also significantly improve our profitability and business resilience.

Regarding our "internationalization" strategy, we will continue to promote the two-way movement of "going out + entering into" the Chinese market, assisting more Chinese brands in expanding their overseas presence while helping overseas brands seize opportunities in the domestic market with better cross-border marketing services. We will also accelerate the commercialization of micro-short dramas in the overseas market to further realize the value of its established content.

Although the macro environment remains full of challenges, AI-driven industrial transformation has become an irreversible development trend. We will continue to embrace AI technological innovation, focus on high-quality development, continuously improve operational efficiency and core competitiveness, and seize new opportunities brought by digital marketing and globalization. By maintaining a long-term perspective, we remain confident in delivering stable and long-term value for our clients and shareholders.

On behalf of the Board, I would like to express my sincere gratitude to all shareholders, clients, partners, and employees for your continued trust, support, and contributions. With your help and support, we will forge ahead with determination, embracing innovation to achieve key milestones, and aim to create greater business and social value for all.

XU Jiaqing
Chairman and Executive Director

Shanghai, China
August 6, 2026

Management Discussion and Analysis

2025 ANNUAL RESULTS HIGHLIGHTS

In 2025, the pace of global economic recovery remained dragged down by factors such as interest rate policies and a slowdown in external demand, which caused the overall operating environment to persistently be challenging. Nevertheless, underpinned by the Chinese government's continuous rollout of consumption-boosting policies and domestic demand expansion measures, China's consumer market demonstrated strong resilience, with market confidence gradually recovering. During the year, China's gross domestic product grew by approximately 5.0% year-on-year ("**YoY**"), successfully achieving the annual growth target. Total retail sales of consumer goods surpassed RMB50 trillion for the first time, up 3.7% YoY, of which online retail sales nationwide increased by 8.6% YoY, reflecting that online consumption and the digital economy maintained sound growth momentum. With the ongoing release of pent-up consumer demands and the steady recovery of retail market, brand clients' willingness to invest in marketing also gradually improved, providing a solid foundation for the development of the digital marketing services industry.

Meanwhile, digital marketing market in China is also shifting towards intelligent and omni-channel development. Artificial intelligence ("**AI**") technology has further penetrated core business processes such as content creation, material generation, intelligent media placement, client management and data analysis, driving marketing services to gradually evolve from traditional human-powered approach to a new, AI-driven model, significantly enhancing operational efficiency and conversion performance. On the other hand, the continuous evolution of short video, social media and content platforms has further elevated the significance of new media channels, with brand clients setting higher expectations on cross-platform integrated marketing, omni-channel reach, and precise media placement. Integrated marketing service providers with multi-platform media resources, data analysis capabilities and AI technological strength will be better positioned to exploit economies of scale and capture the growth opportunities brought by market consolidation.

Furthermore, as Chinese enterprises continue to accelerate their pace of global expansion, "going out" has gradually extended from mere product exports to encompass full-funnel requirements including brand marketing, content operation, and localized operation. Meanwhile, a growing number of overseas brands are actively entering the Chinese market, driving sustained growth in marketing demands for "coming into" China. Driven by these mutual market demands, enterprises' needs for one-stop cross-border marketing, media placement, and localized operation services continue to rise.

2025 ANNUAL RESULTS HIGHLIGHTS (Continued)

Amidst the ever-changing market environment, the Group adhered to its three core strategies of "platformization", "diversification" and "internationalization", continuously scaled up the application of AI technology, improved its new media presence, and actively expanded into overseas markets and new business models to propel sustaining robust business growth. During the year, the Group's gross billing amounted to approximately RMB9.148 billion, representing a YoY increase of approximately 19.87%, primarily attributable to the continuous optimization of its business structure and the expansion into diversified business sectors, which boosted its overall business scale. Affected by the adjustments to the placement strategies of certain clients and changes in the business mix, total revenue decreased by approximately 6.73% YoY to approximately RMB2.938 billion. Meanwhile, through ongoing optimization of its business structure, enhanced operational efficiency, and strengthened cost control measures, the Group achieved an improvement in gross profit margin. Gross profit increased by approximately 119.57% YoY to approximately RMB268 million, and the gross profit margin increased by approximately 5.26 percentage points YoY to 9.14%. Although overseas business and new businesses such as WeChat Video Accounts were still in their early-stage investment phase, the Group narrowed its net loss for the year compared to the same period last year by continuously optimizing its business structure, improving gross profit margins, and strengthening cost control. Loss for the year was approximately RMB53.10 million, representing a decrease of approximately 88.51% YoY. Adjusted net loss was approximately RMB36.91 million, representing a decrease of approximately 91.70% YoY. As of December 31, 2025, the Group maintained positive cash flows from operating activities, with cash and bank balances of approximately RMB397 million, and its overall financial position remained sound.

Leveraging its content creation capabilities, media resource deployment, and intelligent delivery technology accumulated through years of deep cultivation in the digital marketing field, the Group had cumulatively provided services to 42,956 advertising clients across 395 industry verticals, covering multiple sectors including online gaming, internet services, financial services, healthcare, e-commerce, culture and media, and consumer goods. During the year, the number of key account ("**KA**") clients served by the Group continued to grow, demonstrating a continuous and high recognition from the market and clients for the Group's brand influence, professional service capabilities, and project execution abilities.

In terms of regional markets, the Group continued to advance its dual strategies of "going out" and "coming into" China, and has achieved notable breakthroughs in its overseas business. On one hand, leveraging the localized service capabilities of its overseas business platform and comprehensive cross-border marketing qualifications, the Group actively expanded into high-growth sectors such as healthcare, assisting over 150 overseas brands in successfully entering the Chinese market by providing one-stop solutions covering brand marketing, media placement, and localized operations. On the other hand, the Group continued to expand its overseas footprint, assisting domestic brands in brand promotion, content distribution, and commercial operations through mainstream overseas social media platforms, further broadening its overseas revenue sources and continuously enhancing its global business landscape.

Thanks to its outstanding digital marketing capabilities, innovative technology strength, and remarkable market performance, the Group received multiple industry recognitions during the year, including the "Best Digital Investor Relations Award" from RoadshowChina and Excellence IR, "Expansion Breakthrough Partner", "Expansion Pioneer Partner" and "Super-Charged Partner Award" from Bilibili, "2024 Cross-Border Outstanding Partner Award" from Ocean Engine, "Outstanding Contribution Award" and "RuiTuo Pioneer Award" from Alibaba Entertainment, "Shanghai Digital Advertising Leading Enterprise" and "Shanghai Advertising Industry Innovation Leading Figure" from the Shanghai Advertising Association, "Elite Partner Agency" and "Effective Life Achievement Award" from Alipay Advertising, "2025 Benchmark Partner Award" from Magnetic Engine, and "Long-term Mindset Brand Bronze Award" from Rednote. These honors fully demonstrated the Group's comprehensive competitive edges in intelligent marketing, media ecosystem cooperation, and digital innovation.

2025 ANNUAL RESULTS REVIEW

Intelligent marketing solutions

Intelligent marketing solutions remain the Group's core business, accounting for approximately 88.84% of the Group's total revenue for the year. As a one-stop intelligent platform for the marketing industry, the Group's full-process services cover marketing strategy formulation, mass content creation, cross-platform precision distribution, and real-time data feedback, continuously providing brand clients with efficient, precise, and measurable marketing solutions. In addition, the Group leverages Key Opinion Leaders (the "**KOLs**") and Key Opinion Consumers (the "**KOCs**") to provide brand clients with product seeding, promotion, and brand awareness amplification across various scenarios. Driven by the growing digital economy and the gradual rebound in advertising spending from brand clients, the Group leveraged its platform-based operational advantages, its expanded media channel coverage and enhanced advertising efficiency to sustain a relatively stable performance of its intelligent marketing solutions business. During the year, revenue from intelligent marketing solutions decreased by 13.21% YoY to RMB2.610 billion. Affected by adjustments to the advertising strategies of some clients and changes to the business mix, revenue from this business has declined. However, as traffic acquisition costs have been gradually optimised and the Group continued to improve its business structure and operational efficiency, the gross profit of this business increased by approximately 96.35% YoY to RMB95 million, with an increase in the gross profit margin by approximately 2.03 percentage points YoY to 3.65%, reflecting a further improvement in profitability. As of the end of the Reporting Period, the short video delivered and stylized by the Group had accumulated more than 1,415.1 billion times of exhibition and more than 488.9 billion times of video viewing, which reflected the Group's ability in content creation and precision distribution.

Backed by years of market insights and a well-established media ecosystem layout, the Group is actively shifting its client mix toward high-growth and high-value industry clients. Meanwhile, the Group maintains a diversified client portfolio, with services covering various industries such as online games, internet services, financial services, healthcare, e-commerce, and culture and media. In terms of "inbound", the Group regards the healthcare industry as a key priority for its future development. During the Reporting Period, the total number of advertising clients served by the Group increased to 1,535, representing a YoY increase of 9.0%. The number of new advertising clients reached 987, representing a YoY increase of 20.5%. The top three client industries by revenue were online games, financial services, and internet services, accounting for approximately 42.1%, 24.0%, and 19.4% of the revenue from intelligent marketing solutions, respectively.

In terms of media channels, the Group continued to consolidate its partnerships with mainstream media platforms while actively expanding into new media ecosystems, continuously improving its omni-channel coverage capabilities. In addition to maintaining in-depth cooperation with major media platforms such as Douyin, Kuaishou and Tencent, the Group achieved rapid growth in business on new media platforms including Alipay and Rednote during the year, with revenue from certain platforms achieving multi-fold YoY growth. The multi-platform strategy further enhanced the Group's cross-platform advertising capabilities and media resource integration advantages, further strengthening its market competitiveness in the digital marketing industry, and enabling the Group to provide brand clients with more comprehensive and efficient omni-channel marketing services.

Driven by the increasing maturity of artificial intelligence generative content (the "**AIGC**") and artificial intelligence agent (the "**AI Agent**") technologies, the Group fully integrated the application of AI technology into all aspects of its marketing business during the year, driving the comprehensive transition towards intelligent development in content creation, material production, marketing operations and data management. During the Reporting Period, the Group's self-developed AI Agent system was officially put into operation. The frequency of using automatic charge-back-transfer to complete intelligent processes such as AIGC continued to increase, demonstrating a sustained surge in both the Group's internal deployment and external market demand for AI marketing services.

2025 ANNUAL RESULTS REVIEW (Continued)

Intelligent marketing solutions (Continued)

In practical application, the total output of AIGC-generated visual content increased by approximately 15 times, while the overall efficiency of AI assets and creative output rose by approximately 50% compared to traditional workflow, effectively reducing the production cost per piece of content while enhancing content creative quality and material refresh speed, further enriching our marketing content and strengthening our market competitiveness.

Meanwhile, the Group also explored cooperation with major media platforms in the AI field, actively participating in multiple media AI co-construction projects. Going forward, the Group will continue to accelerate the application of AI technology across the entire marketing process, further driving the intelligentization of content creation, automation of operational processes, and platformization of service capabilities, thereby enhancing its operational efficiency and profitability.

E-commerce service solutions

Leveraging its extensive media channel resources and marketing experience, the Group continued to expand along the marketing value chain, further developing its e-commerce service solutions business. By establishing full-chain e-commerce service solutions that cover "people, goods, and fields", the Group's e-commerce service solutions are categorized into distribution business and full-service e-commerce operations, offering diversified services such as short-video marketing, platform DP agency operations, live-streaming operations, brand marketing, and inventory management, continuously providing brand clients with one-stop new media e-commerce solutions.

During the Reporting Period, the Group persisted in refining the development model of its e-commerce business, with a core focus on enhancing profitability and operational quality, proactively advancing its business restructuring and team competency development. While maintaining steady business growth, the Group further improved its overall operational efficiency and risk management capabilities. In addition, the Group continued to focus on high-potential product categories, with a particular emphasis on serving well-known brands from vertical categories of personal care. Meanwhile, it refined its media channel deployment across Kuaishou, WeChat Video Accounts, and Douyin, continuously enhancing brand channel operation capabilities. Benefiting from strengthened cooperation with brand clients and continuous improvement in operational capabilities, the Group achieved breakthrough in multiple key projects during the year. Among these, the gross merchandise value (the "**GMV**") of one key partner brand exceeded RMB100 million for the first time throughout the year.

During the Reporting Period, revenue from e-commerce service solutions increased by approximately 74.64% YoY to RMB123.65 million. With the continued expansion of our distribution business and the ongoing refinement of sales strategies, the gross profit of this business increased by approximately 52.30% YoY to RMB67.21 million, with the gross profit margin of approximately 54.36%.

Innovative business

During the year, with micro-short plays as its core business focus, the Group built a full-chain micro-short plays ecosystem that integrated IP creation, content production, drama distribution, platform operations, and commercial monetization, continuously driving the premium, intelligent, and diversified development of the innovative business. During the Reporting Period, revenue from the innovative business was approximately RMB204.19 million, with the gross profit of RMB106.09 million and the gross profit margin of approximately 51.96%.

2025 ANNUAL RESULTS REVIEW (Continued)

Innovative business (Continued)

As of the end of the Reporting Period, the Group has cumulatively participated in the production and distribution of over 90 micro-short plays, with multiple popular themes delivering outstanding performance and the overall hit rate continuing to improve. The Group also continued to optimize the business model of its innovative business, monetizing its micro-short play resources through multiple channels. Meanwhile, the Group continued to enhance the application of AI technology in content production processes and production efficiency, with AIGC micro-short plays successfully launched during the year, and continued to explore the application of AI in live-action dramas, animated dramas, and brand content creation.

In addition to commercial micro-short plays, the Group also actively expanded content application scenarios, successfully establishing cooperative relationships with multiple government departments and large enterprises during the year. Through diversified content formats such as micro-short plays, motion comics and promotional videos, the Group assisted its partners in enhancing brand image and publicity, fully demonstrating its comprehensive strengths in content creativity, IP planning, and brand communication.

BUSINESS OUTLOOK

Looking ahead, the Group will continue to focus on its three core strategic directions of "platformization", "diversification", and "internationalization", continuously accelerating the application of AI technology, improving its marketing services ecosystem and global business presence, further enhancing its core competitiveness to propel the Group towards a high-quality and sustainable development.

In terms of "platformization", the Group will continue to enhance the function of its self-developed platform, building an integrated cloud service ecosystem that covers creative planning, content production, intelligent distribution, and data analytics, thereby enhancing customer stickiness and client acquisition capabilities through faster, more precise, and more intelligent service capabilities. Meanwhile, the Group will continue to accelerate the application of AI technology, creating an AI creative content system that combines "efficient mass production" and "premium differentiation", continuously improving the creative quality of content and the utilization rate of AI-generated content, and further expanding its AI asset library to meet the diversified marketing needs of different brands and industries. In addition, the Group will actively promote the application of AI across a broader range of marketing scenarios, including automatic generation of daily report, competitor analysis, viral video element analysis, and intelligent influencer screening, comprehensively enhancing its marketing decision-making efficiency.

In terms of "diversification", the Group will continue to strengthen its presence across new media channels, fostering closer cooperation with mainstream media platforms while continuously broadening the reach of its media resources. Meanwhile, the Group will actively increase its leading major corporate clients, continuously upgrade its client base, and further consolidate the core revenue sources. In respect of e-commerce services, the Group will continue to expand its presence in high-growth vertical sectors including personal care, continuously improve the business matrix of "new media e-commerce + content e-commerce", and further enhance its brand omni-channel service capabilities. In terms of innovative business, the Group will actively expand into diversified content sectors such as motion comics, continuously broaden content application scenarios, and further demonstrate the Group's social value and brand influence. In addition, the Group will make full use of its existing media channel resources, data assets, and years of experience in marketing to actively explore new business areas with synergistic effects, building a more diversified and sustainable revenue structure.

BUSINESS OUTLOOK (Continued)

In terms of "internationalization", the Group will continue to seize market opportunities brought by the rising global demand for brand marketing, continuously advancing its "going out" and "coming into" development strategy. On one hand, the Group will further assist domestic brands in expanding into overseas markets, strengthening its strategic cooperation with multiple overseas media platforms, and providing one-stop full-service agency operations covering brand planning, media placement, content marketing, and e-commerce operations, helping brands continuously enhance their influence in overseas markets. On the other hand, the Group will fully capitalize on its proven capabilities in localized operations and its experience in provision of cross-border services to continuously assist overseas brands in entering the Chinese market, driving the steady development of its "inbound" business.

FINANCIAL REVIEW

Revenue

We generate our revenue primarily from the provision of (i) our intelligent marketing solutions to advertisers directly or through advertising agencies; (ii) e-commerce service solutions; and (iii) innovative business. Our total revenue decreased by 6.73% from RMB3,149.63 million in 2024 to RMB2,937.79 million in 2025, mainly due to the Group's adjustment of its business portfolio. During the year, the Group proactively adjusted its business structure and scaled down certain businesses with relatively lower gross profit margins. Although such adjustments had a short-term impact on the revenue scale, the Group's overall gross profit margin improved as its business mix continued to be optimised, reflecting an enhancement in the quality of its business operations.

Revenue by Business Line

The following table sets forth our revenue by business line for the years indicated:

	Year ended December 31,			
	2025		2024	
	(RMB'000)	**% of the total**	(RMB'000)	% of the total
Intelligent marketing solutions[1]	**2,609,950**	**88.8**	3,007,060	95.5
E-commerce service solutions	**123,651**	**4.2**	70,805	2.2
Innovative business[2]	**204,186**	**7.0**	71,760	2.3
Total	**2,937,787**	**100.0**	3,149,625	100.0

Notes:

(1) Intelligent marketing solutions include online marketing solutions, SaaS services and AIGC commercial applications.

(2) Innovative business mainly includes short play business.

We enter into annual framework agreements with our advertising customers and charge them for intelligent marketing solutions based primarily on a mix of oCPM, oCPC and CPC. During the Reporting Period, while cooperating with existing media channels, we actively expanded new media channels for in-depth cooperation, which enabled our intelligent marketing solutions business to develop steadily during the Reporting Period. For the year ended December 31, 2025, the revenue generated by the intelligent marketing solution business accounted for 88.8% of our total revenue.

FINANCIAL REVIEW (Continued)

Revenue by Business Line (Continued)

Revenue from intelligent marketing solutions business by type of advertising customers

Our advertising customers include primarily advertisers, and to a lesser extent, advertising agencies.

The table below sets forth a breakdown of revenue generated from our intelligent marketing solutions business by type of advertising customers for the years indicated:

	Year ended December 31,			
	2025		2024	
	(RMB'000)	% of the total	(RMB'000)	% of the total
Advertisers	**2,412,810**	**92.4**	2,714,217	90.3
Advertising agencies	**197,140**	**7.6**	292,843	9.7
Total	**2,609,950**	**100.0**	3,007,060	100.0

Revenue from intelligent marketing solutions business by industry verticals

The advertisers we serve operate in a wide array of industry verticals, which primarily include online games, financial services, e-commerce, internet services, advertising and culture & media.

The table below sets forth a breakdown of revenue generated from our intelligent marketing solutions business by industry verticals for the years indicated:

	Year ended December 31,			
	2025		2024	
	(RMB'000)	% of the total	(RMB'000)	% of the total
Online games	**1,098,472**	**42.1**	886,787	29.5
Financial services(1)	**627,163**	**24.0**	707,705	23.5
E-commerce	**89,961**	**3.4**	104,164	3.5
Internet services	**503,492**	**19.4**	851,339	28.3
Advertising	**98,896**	**3.8**	246,567	8.2
Culture & media	**170,260**	**6.5**	207,525	6.9
Others(2)	**21,706**	**0.8**	2,973	0.1
Total	**2,609,950**	**100.0**	3,007,060	100.0

Notes:

(1) Financial services primarily include online insurance, consumer financing and retail banking.

(2) Others mainly include business services and healthcare.

For the year ended December 31, 2025, the online game, financial services and internet services industries were our largest sources of advertising customers, which contributed aggregately 81.3% and 85.5% of our total revenue derived from intelligent marketing solutions business for the years ended December 31, 2024 and 2025, respectively.

FINANCIAL REVIEW (Continued)

Key Financial Ratios

	Year ended December 31,	
	2025	2024
Gross profit margin (%)(1)	**9.14**	3.88
Net loss margin (%)(2)	**(1.81)**	(14.67)
Current ratio (times)(3)	**1.66**	1.55
Adjusted net loss margin (%)(4)	**(1.26)**	(14.12)
Debt-to-asset ratio (times)(5)	**0.57**	0.61

Notes:

(1) Gross profit margin is calculated based on gross profit for the year divided by revenue for the respective year and multiplied by 100%.

(2) Net loss margin is calculated based on loss for the year divided by revenue for the respective year and multiplied by 100%.

(3) Current ratio is calculated based on total current assets divided by total current liabilities.

(4) Equals to adjusted net loss divided by revenue for the year and multiplied by 100%. For the reconciliation from net loss to adjusted net loss, see "Non-IFRS Measure: Adjusted Net Loss" below.

(5) Debt-to-asset ratio is calculated based on total liabilities divided by total assets.

Cost of Sales

The following table sets forth a breakdown of our cost of sales by nature for the years indicated:

	Year ended December 31,			
	2025		2024	
	(RMB'000)	**% of the total**	(RMB'000)	% of the total
Traffic acquisition costs	**2,491,054**	**93.3**	2,853,090	94.2
Employee benefit expenses	**34,421**	**1.3**	41,689	1.4
Others(1)	**143,834**	**5.4**	132,571	4.4
Total	**2,669,309**	**100.0**	3,027,350	100.0

Note:

(1) Others primarily comprise costs in relation to the rental of servers and the outsourcing of content production.

FINANCIAL REVIEW (Continued)

Cost of Sales (Continued)

Our cost of sales primarily consists of traffic acquisition costs, employee benefit expenses and others. In 2025, traffic acquisition costs constituted the largest portion of our cost of sales. For the years ended December 31, 2024 and December 31, 2025, our traffic acquisition costs amounted to RMB2,853.1 million and RMB2,491.1 million respectively, accounting for approximately 94.2% and 93.3% respectively, of our total cost of sales for the respective years, which was in line with our business change. For the years ended December 31, 2024 and December 31, 2025, the Group continuously optimized its organizational structure, which led to a reduction in employee benefit expenses from RMB41.7 million to RMB34.4 million, accounting for approximately 1.4% and 1.3% of cost of sales for the respective years. For the years ended December 31, 2024 and December 31, 2025, our other costs amounted to RMB132.6 million and RMB143.8 million, respectively, accounting for approximately 4.4% and 5.4%, respectively, of our total cost of sales for the respective years, the increase of which was attributable to the optimization of quality in short play business and the expansion of e-commerce service solutions business scale.

The following table sets forth a breakdown of our cost of sales by service offerings for the years indicated:

	Year ended December 31,			
	2025		2024	
	(RMB'000)	**% of the total**	(RMB'000)	% of the total
Intelligent marketing solutions[1]	**2,514,775**	**94.2**	2,958,588	97.7
E-commerce service solutions	**56,440**	**2.1**	26,673	0.9
Innovative business[2]	**98,094**	**3.7**	42,089	1.4
Total	**2,669,309**	**100.0**	3,027,350	100.0

Notes:

(1) Intelligent marketing solutions include online marketing solutions, SaaS services and AIGC commercial applications.

(2) Innovative business mainly includes short play business.

FINANCIAL REVIEW (Continued)

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by service offerings for the years indicated:

	Year ended December 31,			
	2025		2024	
	Gross Profit (RMB'000)	Gross Profit Margin %	Gross Profit (RMB'000)	Gross Profit Margin %
Intelligent marketing solutions[1]	95,175	3.6	48,472	1.6
E-commerce service solutions	67,211	54.4	44,132	62.3
Innovative business[2]	106,092	52.0	29,671	41.3
Total	268,478	9.1	122,275	3.9

Notes:

(1) Intelligent marketing solutions include online marketing solutions, SaaS services and AIGC commercial applications.

(2) Innovative business mainly includes short play business.

The Group recorded gross profit of RMB268.48 million in 2025, representing an increase of 119.57% as compared to the gross profit of RMB122.28 million in 2024. Gross profit margin increased from 3.9% in 2024 to 9.1% in 2025, mainly due to the Group's continuous optimisation of its business structure and enhancement of operational efficiency and cost control measures, which together led to an improvement in the gross profit margin.

Other Income and Gains

Our other income and gains increased from RMB20.79 million for the year ended December 31, 2024 to RMB23.03 million for the year ended December 31, 2025, mainly due to an increase of RMB2.78 million in government subsidies received by the Group in 2025 as compared with 2024.

Research and Development Expenses

Our research and development expenses primarily comprise (i) employee benefit expenses; (ii) outsourcing development expenses; and (iii) others, mainly consisting of server rental expenses. Our research and development expenses increased by 22.67% from RMB15.51 million for the year ended December 31, 2024 to RMB19.03 million for the year ended December 31, 2025, which was mainly due to the Group's continued enhancement of its R&D investment to improve its competitiveness and support its long-term development.

FINANCIAL REVIEW (Continued)

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of (i) employee benefit expenses for our sales and marketing staff; (ii) entertainment expenses for the maintenance and management of customer relationships; and (iii) travelling expenses for the transportation and accommodation of business travels of our sales and marketing staff.

Our selling and distribution expenses increased from RMB104.35 million for the year ended December 31, 2024 to RMB175.67 million for the year ended December 31, 2025, which was mainly attributable to our efforts to expand the diversified business market, and the increase in advertising expenses due to the expansion of e-commerce service solutions business and short play business.

General and Administrative Expenses

Our administrative expenses primarily consist of (i) employee benefit expenses; (ii) professional fees; (iii) depreciation and amortization expenses; (iv) office and rental expenses; (v) travelling expenses; and (vi) entertainment expenses for hospitality.

Our administrative expenses increased by 6.64% from RMB92.60 million for the year ended December 31, 2024 to RMB98.75 million for the year ended December 31, 2025, mainly due to the increase in legal and professional service fees during the year, resulting from the Group's advancement of resumption-related work and continuous enhancement of its corporate governance framework, including the engagement of external professional advisers for special reviews, internal control enhancement and other related professional services.

Other Expenses

Our other expenses decreased from RMB60.43 million for the year ended December 31, 2024 to RMB20.97 million for the year ended December 31, 2025, mainly due to the decrease in fair value loss of financial investment and financial derivatives tools.

Impairment Losses on Financial Assets, Net

Impairment losses on financial assets, net represent provisions of impairment of trade receivables, prepayments and other receivables, and debt instruments, net of reversal. We recorded net impairment losses on financial assets of approximately RMB3.43 million for the year ended December 31, 2025, mainly due to the general expected credit loss allowance recognised on our trade receivables.

Finance Costs

Our finance costs slightly decreased from RMB22.00 million for the year ended December 31, 2024 to RMB21.38 million for the year ended December 31, 2025, reflecting the net effect of lower bank loan balances and higher interest rates.

Income Tax Expenses

For the year ended December 31, 2025, our income tax expense was RMB5.39 million, as compared with an income tax credit of RMB3.04 million for the year ended December 31, 2024, primarily due to the narrowing of the Group's pre-tax net loss by RMB417 million during the year.

FINANCIAL REVIEW (Continued)

Loss for the Year

As a result of the above, our loss for the year was about RMB53.10 million, while our loss for the year ended December 31, 2024 was RMB462.09 million, representing a year-on-year decrease of 88.51%, and the loss further narrowed.

Non-IFRS Measure: Adjusted Net Loss

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

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

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

	Year ended December 31,	
	2025	2024
	(RMB in millions)	
Net loss for the year	**(53.10)**	(462.09)
Add:		
Share-based compensation	**7.23**	23.61
Foreign exchange differences	**3.57**	(3.06)
Income tax expense/(credit)	**5.39**	(3.04)
Adjusted net loss(1)	**(36.91)**	(444.58)

Note:

(1) Adjusted net loss is defined as net loss for the year after adding back share-based compensation, foreign exchange differences and income tax (credit)/expenses incurred during the respective year.

FINANCIAL REVIEW (Continued)

Liquidity and Financial Resources

Our business operations and expansion plans require a significant amount of capital, including acquiring user traffic from online publishers, enhancing our content production capabilities, improving our big data analytics and AI capabilities, upgrading our proprietary DMP and other infrastructures as well as other working capital requirements. Historically, we financed our capital expenditure and working capital requirements mainly through cash generated from operations, bank and other borrowings, and capital contributions from shareholders of the Company (the "**Shareholders**"). Our cash and bank balances decreased from RMB595.18 million as at December 31, 2024 to RMB396.72 million as at December 31, 2025, mainly attributable to the repayment of bank loans.

The table below sets out our cash and bank balance (including restricted cash) by currency as at December 31, 2024 and as at December 31, 2025, respectively:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Denominated in RMB	**392,173**	579,163
Denominated in HKD	**3,026**	4,545
Denominated in USD	**1,524**	11,467
	396,723	595,175

As at December 31, 2025, our bank loans amounted to approximately RMB329.03 million (December 31, 2024: approximately RMB603.15 million), which are denominated in RMB. The interest rates on our bank loans ranged from 2.30% to 10.00% (for the year ended December 31, 2024: 1.20% to 4.00%) per annum and the terms of the loans ranged from two months to one year. We will repay the aforementioned borrowings in due course on maturity.

Capital Expenditures

Our capital expenditures in 2025 primarily consists of expenditures on property, plant and equipment for office equipment and leasehold improvement.

The following table sets out our net capital expenditure as at the dates indicated:

	Year ended December 31,	
	2025	2024
	(RMB in millions)	
Property, plant and equipment	**6.00**	0.21
Total	**6.00**	0.21

We incurred capital expenditures of approximately RMB6.00 million for the year ended December 31, 2025, primarily related to office furniture and decoration. We intend to fund our planned capital expenditures through cash generated from operations.

FINANCIAL REVIEW (Continued)

Pledge of Assets

As at December 31, 2025, the trade receivables of some customers of the Group have been pledged to guarantee the trade payables of approximately RMB150.00 million granted to the Group (2024: approximately RMB150.00 million). As at December 31, 2025, certain loans were secured by the Group's restricted cash, which amounted to RMB140.00 million (December 31, 2024: RMB130.00 million).

Foreign Exchange Risk Management

Foreign exchange risk refers to the risk of loss caused by the changes in foreign exchange rates. The operations of the Group are mainly located in the PRC with most transactions denominated and settled in RMB. The Group will closely monitor the relevant situation and take measures when necessary to ensure that the foreign exchange risk is within the controllable range.

Contingent Liabilities

As at December 31, 2025 and 2024, the Group did not have any material contingent liabilities.

MATERIAL ACQUISITION, DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND SIGNIFICANT INVESTMENT

Save as disclosed in the consolidated financial statements in this annual report, during the year ended December 31, 2025, the Group has no material acquisitions or disposals of subsidiaries, associates and joint ventures or significant investment.

EVENTS DURING AND SUBSEQUENT TO THE REPORTING PERIOD

(1) Suspension of trading on the Stock Exchange

Trading in the Company's shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, April 1, 2025, and will remain suspended until the Company meets all resumption guidance, remedies the issues causing its trading suspension and fully complies with the Listing Rules to the Stock Exchange's satisfaction.

EVENTS DURING AND SUBSEQUENT TO THE REPORTING PERIOD (Continued)

(2) Resumption guidance

As stated in the Company's announcement dated July 8, 2025, the Stock Exchange has formulated the following guidelines for the resumption of trading in the Company's Shares: (i) conduct an appropriate independent forensic investigation into the Prepayments and the related transactions, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions; (ii) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence; (iii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules; (iv) publish all outstanding financial results required under the Listing Rules and address any audit modifications; (v) demonstrate the Company's compliance with Rule 13.24; and (vi) inform the market of all material information for the Shareholders and other investors to appraise its position. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on September 30, 2026. If the Company fails to remedy the issues causing its trading suspension, fulfill the resumption guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by September 30, 2026, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period or to cancel the listing of the Company immediately, where appropriate.

(3) Progress in fulfilling resumption guidance

For details of the progress of the Company in reaching the guidelines for resumption of trading, please refer to the announcements issued by the Company on July 15, 2025, July 21, 2025, September 30, 2025, December 29, 2025, March 30, 2026, and June 30, 2026. The Company will continue to include relevant progress in quarterly updates and announcements in due course.

On April 14, 2025, the Company engaged one of the big four accounting firms as the forensic consultant to conduct an independent investigation of internal facts on the prepayment (the "**Independent Investigation**"). Please refer to the announcement of our company dated April 2, 2026 for details of the Independent Investigation results.

On the other hand, the Company engaged an internal control consultant to conduct an independent review of the Group's internal control procedures (the "**Internal Control Review**"), and to provide suggestions on remedial measures taken by the Company and conduct follow-up review (the "**Follow-up Review**"). For details of the Internal Control Review results, please refer to the announcement of the Company dated June 22, 2026. For details of the Follow-up Review results, please refer to the announcement of the Company dated August 6, 2026.

Directors and Senior Management

DIRECTORS

Executive Director

Mr. Xu Jiaqing (徐佳慶), aged 38, is the chairman of the Board, an executive Director, a vice president and the chief marketing officer of the Company. He is primarily responsible for overseeing daily operation and management and the implementation of the business plans of the Group.

Mr. Xu has an in-depth understanding of the industry where the Group operates with almost 15 years of working experience both inside and outside the Group and has accumulated extensive experience in the daily operation and management of the Group. From July 2012 to November 2013, Mr. Xu served as the general marketing manager of Netjoy Network in charge of overall planning of marketing strategies and management of sales operation. Mr. Xu has held directorship at Netjoy Network since October 2015, and has been its vice general manager since September 2017 and its chairman of the board and the legal representative since November 2018. Apart from holding positions in Netjoy Network, Mr. Xu also served as the chief operating officer of Letui (Shanghai) Culture Broadcast Co., Ltd. from the date of its establishment in December 2013 and has been its director since June 2019. In addition, Mr. Xu has been the executive director or general manager of several subsidiaries within the Group, including Quantum Culture Media since June 2017, Qizheng Culture since May 2019, Letui Information since August 2019, Yunxiang Information since August 2019, Guomeng Internet since December 2019 and Letui Zhixiao since January, 2020, respectively. Prior to joining the Group, Mr. Xu worked at Shanghai Ruichuang Network Technology Co., Ltd. (上海瑞創網絡科技有限公司), a company primarily engaging in internet advertising business, from September 2010 to June 2012.

Mr. Xu graduated with a college's degree in printing technology from Shanghai Publishing and Printing College (上海出版印刷高等專科學校) in July 2009.

DIRECTORS (Continued)

Non-executive Directors

Mr. Dai Liqun (戴立群), aged 49 with the former name as Dai Liqun (代立群), is a non-executive Director of the Company. He is primarily responsible for providing strategic advice and making recommendations on corporate operation and development of the Group. Mr. Dai is the spouse of Ms. Peng Ting, a vice president and a company secretary of the Company.

Mr. Dai joined the Group in October 2015 and has been a director of Netjoy Network since then. He has also been an executive director of Letui Culture from December 2013 to April 2021 and its chairman of the board from July 2019 to April 2021. Prior to joining the Group, Mr. Dai served as the technical director of Shanghai Yungang Tonghui Visual Art Design Co., Ltd. (上海雲罡同匯視覺藝術設計有限公司) from July 2008 to November 2013 and Shanghai Look Visual Art Design Co., Ltd. (上海路可視覺藝術設計有限公司) from June 2005 to June 2008, respectively, in charge of overall management of product research and development.

Mr. Dai graduated with a college's degree in automobile application engineering from Wuhan University of Technology (武漢理工大學) (formerly named as Wuhan Automotive Industry University (武漢汽車工業大學)) in June 1997.

Mr. Wang Jianshuo (王建碩), aged 48, is a non-executive Director of the Company. He is primarily responsible for providing strategic advice and making recommendations on corporate operation and development of the Group.

With more than 25 years of internet industry related working experience, Mr. Wang gathered substantial knowledge and experience in the area where the Group operates. He joined the Group in June 2018 and has been a director of Netjoy Network since then. Prior to that, Mr. Wang has been the chairman of the board of Baixing Net, a company listed on the NEEQ (NEEQ: 836012) which is one of the largest classified information platforms in the PRC in provision of local information to consumers and marketing resolutions to merchants, since August 2015. Mr. Wang previously served as an executive director of Baixing Net from September 2005 to August 2015. From June 1999 to March 2005, Mr. Wang worked at Microsoft (China) Co., Ltd. Shanghai Branch (微軟(中國)有限公司上海分公司) with his last position as the project manager.

Mr. Wang graduated with a bachelor's degree in automation from Shanghai Jiao Tong University (上海交通大學) in July 1999.

DIRECTORS (Continued)

Independent Non-executive Directors

Mr. Chen Changhua (陳長華), aged 46, is an independent non-executive Director of the Company. He is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Mr. Chen has served as the vice president of finance of Shanghai Hello Puhui Technology Co., Ltd. (上海哈囉普惠科技有限公司) since May 2024, mainly responsible for the financial operation of the company. Mr.Chen has been the chief financial officer of Shanghai Zhiduo Fish Information Technology Co.,Ltd. (上海智多魚信息科技有限公司) from May 2022 to April 2024. He was mainly responsible for the company's finance sector. Mr. Chen has held directorship at Guofu Life Insurance Co., Ltd. (國富人壽保險股份有限公司) from June 2018 to June 2020. He has extensive experience in accounting and financial management. Mr. Chen has been the chief financial officer of financial service platform (金融服務平台) in Tianjin Sankuai Technology Co., Ltd. (天津三快科技有限公司), a subsidiary of Meituan Dianping (美團點評) (stock code: 3690), since April 2018, primarily responsible for financial analysis. Prior to that, he served as the senior director of Vipshop (China) Co., Ltd. (唯品會(中國)有限公司) from October 2011 to April 2018, whose holding company, Vipshop Holdings Limited, is listed on the New York Stock Exchange (stock code: VPIS), primarily responsible for financial analysis. Mr. Chen also served as the audit manager at Deloitte Touche Tohmatsu CPA Ltd. (德勤華永會計師事務所有限公司) from July 2005 to November 2011.

Mr. Chen graduated with a bachelor's degree in marketing from Dalian Maritime University (大連海事大學) in July 2002. He further obtained a master's degree in industrial economics from Shanghai University (上海大學) in April 2005, and a master's degree in business administration from University of Southern California in August 2016, respectively. Mr. Chen was admitted as a member of Shanghai Institute of Certified Public Accountants (上海市註冊會計師協會) in April 2012, and was licensed as a certified public accountant by the Board of Accountancy of Washington in the U.S.

Dr. Ru Liyun (茹立雲), aged 46, is an independent non-executive Director of the Company. He is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Dr. Ru has almost 20 years of experience in internet technology industry. From July 2005 to June 2018, Dr. Ru held various positions within the group of Sogou Inc., a company listed on the New York Stock Exchange (NYSE stock code: SOGO), with his last position as the chief operational officer of Sogou Inc. He also served as a strategic counsel of Beijing Sogou Information Service Co., Ltd. (北京搜狗資訊服務有限公司) from June 2018 to May 2019. He founded Beijing Grape Intelligence Technology Co., Ltd. (北京葡萄智學科技有限公司) in March 2018 and has been its executive director, chief executive officer and chief science officer since then.

Dr. Ru majored in computer science and technology in Tsinghua University (清華大學) and obtained a bachelor's degree in July 2002, a master's degree in July 2005, and a doctoral degree through a program of work in January 2014. Dr. Ru received several awards and recognitions, including Top 50 of Chinese Business Innovation (中國商業創新50人) and Award of Technology Innovator (技術創新者獎) honored by CBN weekly (第一財經週刊) in February 2013, First Prize of Beijing Science and Technology Award (北京市科學技術獎一等獎) honored by Beijing Municipal People's Government (北京市人民政府) in December 2015 and in November 2017, respectively, and CCF Outstanding Engineer Award (中國計算機學會傑出工程師獎) honored by China Computer Federation (中國計算機學會) in December 2017.

DIRECTORS (Continued)

Independent Non-executive Directors (Continued)

Ms. Cui Wen (崔雯), aged 63, is an independent non-executive Director of the Company. She is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Ms. Cui has over 30 years of experience in senior management positions, including serving as chief operating officer in both multinational and domestic enterprises across human resources ("**HR**") and business operations. As the founding member, she has been a director, the general manager and a consultant of Xceed OD Consulting Co. Ltd. (惜德組織發展諮詢有限公司) since December 2013. From June 2014 to February 2018, Ms. Cui served as a member of the executive committee and the dean of seeding college (種子院) of Envision Energy (Jiangsu) Co. Ltd. (遠景能源（江蘇）有限公司) (subsequently renamed as Envision Energy Co. Ltd. (遠景能源有限公司). She also served as the global chief officer of organizational development of Uniplan (Shanghai) Co., Ltd. (德商優尼博覽諮詢（上海）有限公司) from March 2013 to October 2013, and the chief operational officer of Baixing Net from September 2011 to February 2013. Prior to that, Ms. Cui held HR related positions in certain corporations, including the U.S. headquarters of Nike Inc. as the global HR business partner from December 2009 to June 2011, Nike Sports (China) Co., Ltd. (耐克體育（中國）有限公司) as the greater China HR director from January 2006 to November 2009, Shanghai Roche Pharmaceutical Co. Ltd. (上海羅氏製藥有限公司) as the China HR director from August 2002 to December 2005, Reckitt Benckiser (China) Co. Ltd. (利潔時（中國）有限公司) as the China HR director from April 1997 to July 2002, and Xian-Janssen Pharmaceutical Co. Ltd. (西安楊森製藥有限公司), as the HR supervisor and compensation supervisor from April 1991 to March 1997.

Ms. Cui graduated from Xi'an University (西安大學) majored in industrial electrical automation in July 1984 and obtained a bachelor's degree in industrial electrical automation from Xi'an University of Technology (西安理工大學) (formerly known as Shaanxi Institute of Mechanical Engineering (陝西機械學院)) in January 1985. She graduated with a master's degree in philosophy from Nottingham Trent University in March 2015. She was recognised as the China's 15 people in 15 years (中國15年15人) by Wolters Kluwer in 2012. Ms. Cui successfully completed the requirements for the Stakeholders Centered Coaching by Marshall Goldsmith Coaching Certification Program and became a certified coach in October 2012. She has been appointed by Shanghai Vistage Management Consulting Co., Ltd. (上海偉仕達管理諮詢有限公司) as an executive coach since February 2018.

SENIOR MANAGEMENT

Mr. Xu Jiaqing, Chairman of the Board, executive Director, vice president and chief marketing officer of the Company. Please refer to the section headed "Executive Director" in this section.

Ms. Peng Ting (彭婷), aged 48, is a vice president and a company secretary of the Company. She is primarily in charge of the corporate governance, compliance matters and regulatory communications of the Group. Ms. Peng Ting is the spouse of Mr. Dai Liqun, one of our non-executive Directors.

Ms. Peng has more than ten years of experience in corporate governance and management. From November 2012 to October 2015, Ms. Peng served as the business manager and the marketing director of Netjoy Network. After that, she has been the company secretary to the board and the vice president of public service department of Netjoy Network. Ms. Peng has also held various positions in certain subsidiaries within the Group, including the legal representative and the executive director of Yunxiang Entertainment since August 2018, the supervisor of Qizheng Culture, Letui Information and Guomeng Internet since May 2019, August 2019, and December 2019, respectively. Prior to joining the Group, Ms. Peng worked at Shanghai Chendi Electronic Technology Co., Ltd. (上海辰迪電子科技有限公司), where she acted as the business manager from June 2011 to October 2012, and was primarily responsible for the development of business cooperation and communication and relationship maintenance with business partners.

Ms. Peng graduated with a college's degree in business administration through a long distance learning program from Changsha Industry Employees University (長沙工業職工大學) in January 2019. She was certified as a company secretary to board by NEEQ in May 2017 and by Shenzhen Stock Exchange in August 2016, respectively. Ms. Peng graduated from the Open University of China (國家開放大學) in July 2022 with a bachelor's degree in Business administration (undergraduate from Junior College).

Directors' Report

The Board of Directors is pleased to present this directors' report and the audited consolidated financial statements of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The Company is a leading short video marketing solutions provider in China. The business of the Company is mainly based on three business segments. The intelligent marketing solutions business is engaged in providing full-link services covering from marketing strategy formulation, large-scale content creation, accurate cross-platform distribution and real-time data analysis as well as providing software as a service (SaaS) services and artificial intelligence generated content (AIGC) commercial application products. The e-commerce solutions business is engaged in providing one-stop full-link e-commerce service solutions.The innovative business forms a closed-loop ecological chain of short drama industry integrating intellectual property (IP) creativity, content production, film distribution and platform operation. The analysis of the Group's revenue and contribution to the results by type of service for the year ended December 31, 2025 is set out in Note 5 to the consolidated financial statements.

RESULTS

The results of the Group during the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 155 of this annual report.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended December 31, 2025 (December 31, 2024: Nil). No Shareholder waives or agrees to waive any dividend arrangement.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to attend and vote at the 2026 annual general meeting of the Company (the "**2026 AGM**") held on Friday, September 11, 2026, the register of members of the Company will be closed from Tuesday, September 8, 2026 to Friday, September 11, 2026 (including the first and last days), during which no transfer of Shares will be registered. To qualify for attending and voting at the AGM, Shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, September 7, 2026 for registration of the relevant transfer.

BUSINESS REVIEW

The review of the Group's business during the Reporting Period and the discussion on future business development are set out in the section headed "Management Discussion and Analysis" on pages 8 to 22 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Due to the nature of its business, the Group does not produce any hazardous substances or pollutants in the course of business operation. During the Reporting Period, the Group did not incur any expenses for any failure of compliance with applicable environmental laws and regulations.

The environmental, social and governance report of the Company in accordance with Appendix C2 to the Listing Rules is set out on pages 105 to 148 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group is subject to various PRC laws and regulations in the course of daily operation. For details, please refer to the section headed "Regulatory Environment" of the Prospectus.

During the Reporting Period, the Group was not involved in any non-compliance incidents that resulted in fines, enforcement actions or other penalties to the Group which, in turn, may individually or as a whole have a material adverse impact on the Group's business, financial conditions or operating results, and the Group had complied with applicable PRC laws and regulations in all material aspects.

MAIN RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group believes that its success depends on the support of key stakeholders, including employees, customers and suppliers.

Employees

As of December 31, 2025, the Group had 350 full-time employees. The Group believes that the Group has always maintained a good relationship with its employees. The employees of the Group have not participated in any labor union. As of December 31, 2025, the Group did not experience any strikes or any labor disputes with its employees which have had or are likely to have a material effect on the Group's business.

The Group's employees typically enter into standard employment contracts with the Group. The Group places high value on recruiting, training and retaining its employees. The Group maintains high recruitment standards and provides competitive compensation packages. Remuneration packages for the Group's employees mainly comprise base salary and bonus. The Group also provides both internal and external trainings for its employees to improve their skills and knowledge. For the year ended December 31, 2025, total staff remuneration expenses including Directors' remuneration amounted to RMB94.40 million.

The Group contributes to social security insurance and housing provident funds for its employees in accordance with applicable PRC laws, rules and regulations in all material aspects. We have granted and planned to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development. Details of the Post-IPO Share Option Scheme, the Restricted Share Unit Scheme, the Amended Post-IPO Share Option Scheme and the Share Award Scheme are set out in the sections headed "Post-IPO Share Option Scheme", "Restricted Share Unit Scheme", "Amended Post-IPO Share Option Scheme" and "Share Award Scheme" of this directors' report and Note 28 to the consolidated financial statements in this annual report.

MAIN RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS (Continued)

Customers

The Group's customers primarily include (i) advertisers and advertising agencies for intelligent marketing solutions; and (ii) individuals for e-commerce service solutions and innovative business. As of December 31, 2025, the Group had accumulatively served approximately 5,965 key advertisers. The Group has maintained business relationships with top five customers for 4 to 6 years (as of December 31, 2025). The Group generally grants customers a credit period of 30 to 180 days, and settles with customers by wire transfer. The Group occasionally requires certain advertising customers to prepay for the Group's intelligent marketing solutions.

Suppliers

The Group's suppliers primarily include (i) media partners, consisting of online publishers (namely, owners of content distribution platforms) and media agents which engage with the Group on behalf of online publishers, for traffic acquisition; and (ii) third-party content distribution partners which conduct content marketing for and bring traffic to the Group's Huabian Platform. The Group has maintained business relationships with top five suppliers for 2 to 8 years (as of December 31, 2025). The suppliers of the Group generally settle with the Group via wire transfer and grant the Group a credit period from 30 to 90 days. Certain suppliers also require for prepayment for acquiring traffic.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

- The Group acted as a middleman between advertising customers and Supplier A and relied on Supplier A to acquire user traffic for the Group's advertisers. If the Group fails to maintain its business relationship with Supplier A or if Supplier A loses its leading market position or popularity, the Group's business, financial condition and results of operations could be materially and adversely affected.

- If the Group fails to retain the existing advertising customers, deepen or expand its relationships with the advertising customers, or attract new advertising customers, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

- If the Group fails to retain the existing media partners, deepen or expand its relationships with the media partners, or attract new media partners, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

- If online publishers transact with advertisers directly, the Group may be exposed to the risk of disintermediation.

- Increased governmental regulation of content platforms may subject the Group to penalties and other administrative actions.

PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

- If the online marketing industry fails to continuously develop and grow, or if the online marketing industry develops or grows at a pace slower than expected, the Group's profitability and prospects may be materially and adversely affected.

- Any discontinuation or change in preferential tax treatment or government grants that currently are or may be available to the Group in the future could materially and adversely affect the Group's business, financial condition and results of operations.

- The Group may face certain risks in collecting its trade receivables, and the failure to collect could have a material adverse effect on the Group's business, financial condition and results of operations.

- The Group may be subject to liquidity risks, which could constrain the Group's operational flexibility and materially and adversely affect the Group's business, financial condition and results of operations.

- Trading in the shares of the Group has been suspended on the Stock Exchange since April 1, 2025, and the resumption of trading must meet the resumption guidelines issued by the Stock Exchange. If the Group fails to meet these resumption conditions in time or in full, the trading of shares may continue to be suspended or even face the risk of delisting, which will have a significant adverse impact on the reputation, business and financing ability of the Group.

FINANCIAL SUMMARY

The summary of the results and assets and liabilities of the Group for the past five financial years is set out on page 4 of this annual report. This summary does not form part of the audited consolidated financial statements.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed in the section headed "Material Acquisition, Disposal of Subsidiaries, Associates and Joint Ventures and Significant Investment" in this report, the Group did not have any other future plans for material investment and capital assets as of the date of this report.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

During the Reporting Period, the transaction amount with the top five customers of the Group accounted for 25.0% of the total revenue of the Group as compared to 30.2% in 2024, and the transaction amount with the single largest customer of the Group accounted for 6.5% of the total revenue of the Group as compared to 9.0% in 2024.

Major Suppliers

During the Reporting Period, the transaction amount with the top five suppliers of the Group accounted for 83.7% of the total purchases of the Group during the Reporting Period as compared to 92.1% in 2024, and the transaction amount with the single largest supplier of the Group accounted for 41.1% of the total purchases of the Group as compared to 46.5% in 2024.

During the Reporting Period, none of the Directors, any of their close associates or any Shareholders who, to the knowledge of the Directors, own more than 5% of the number of issued Shares of the Company, had an interest in the top five customers or suppliers of the Group.

PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, details of the changes in the property, plant and equipment of the Company and the Group are set out in Note 13 to the consolidated financial statements in this annual report.

SHARE CAPITAL

During the Reporting Period, the details of the changes in the Company's share capital are set out in Note 27 to the consolidated financial statements in this annual report.

RESERVES

The details of the changes in the reserves of the Company and the Group during the Reporting Period are set out in the consolidated statement of changes in equity on page 158 of this annual report.

DISTRIBUTABLE RESERVE

During the Reporting Period, the distributable reserve of the Company amounted to approximately RMB955.87 million (as at December 31, 2024: RMB996.67 million).

TAX CREDIT

The Directors are not aware of any tax credit available to the Shareholders by reason of their holding of the Company's securities.

BANK BORROWINGS AND OTHER BORROWINGS

Details of the bank borrowings and other borrowings of the Company and its subsidiaries during the Reporting Period are set out in Note 25 to the consolidated financial statements in this annual report.

DIRECTORS

During the Reporting Period and up to the date of this annual report, the Directors are as follows:

Executive Directors:

Mr. Xu Jiaqing *(Chairman)*
Mr. Wang Chen *(Resigned as executive Director and Chief Executive Officer on July 30, 2025)*
Ms. Zha Lijun *(Resigned as executive Director on January 23, 2026)*

Non-Executive Directors:

Mr. Dai Liqun
Mr. Wang Jianshuo
Mr. Lin Qian *(Resigned as Chief Financial Officer on October 15, 2024, re-designated as a non-executive Director on November 19, 2024, resigned as a non-executive Director on January 17, 2025)*

Independent Non-Executive Directors:

Mr. Chen Changhua
Dr. Ru Liyun
Ms. Cui Wen

Pursuant to Article 109(a) of the Articles of Association, at each AGM one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

Pursuant to Article 113 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a vacancy or as an additional Director, provided that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders at the AGM or in the Articles of Association. Any Director appointed by the Board to fill a casual vacancy or to join the present Board shall hold office only until the first AGM of the Company after his appointment and shall be eligible for re-election. Any Director appointed under this Rule shall not betaken into account when deciding the number of directors or directors who at prepared to retire by rotation at the AGM of the Company.

Accordingly, Mr. Wang Jianshuo and Mr. Chen Changhua will retire by rotation at the AGM and, being eligible, have offered themselves for re-selection at the AGM.

DIRECTORS AND SENIOR MANAGEMENT

The details of the biographies of Directors and senior management are set out in the section headed "Directors and Senior Management" on pages 23 to 27 of this annual report.

CHANGE IN DIRECTORS' INFORMATION

The Directors, including the Chief Executive Officer, confirm that save for the changes in Directors as already disclosed in the relevant announcements, the Company has verified with each of the current Directors and the Chief Executive Officer that there has been no change in any Director's information, including the Chief Executive Officer's information, since the publication of the 2025 interim report up to the date of this annual report that is required to be disclosed in accordance with paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules. For details, please refer to the Company's announcement dated July 30, 2025.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received a confirmation from each of the independent non-executive Directors confirming their independence under Rule 3.13 of the Listing Rules, and the Company considers that all independent non-executive Directors are independent throughout the Reporting Period and up to the date of this annual report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of Mr. Xu and Mr. Wang, being the executive Directors, entered into service contract with the Company on November 17, 2020. Each service contract is for an initial term of three years commencing from the Listing Date, and automatically renewed after the expiration, and can be terminated by either party with not less than one month's written notice or according to the terms of the service contract. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations. Mr. Wang terminated his service contract on July 30, 2025.

Both of Ms. Zha Lijun, being the executive Director and Mr. Lin Qian, being the non-executive Director entered into service contracts with the Company on March 31, 2022. Each service contract is for an initial term of three years commencing from March 31, 2022, and automatically renewed after the expiration, and can be terminated by either party with not less than one month's written notice or according to the terms of the service contract. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations. Mr. Lin Qian terminated his service contract on January 17, 2025. Ms. Zha terminated her service contract on January 23, 2026.

Each of Mr. Dai Liqun and Mr. Wang Jianshuo, being the non-executive Directors, and Mr. Chen Changhua, Dr. Ru Liyun and Ms. Cui Wen, being the independent non-executive Directors, has entered into an appointment letter with the Company on November 17, 2020. Each appointment letter is for an initial term of three years commencing from the Listing Date, and automatically renewed after the expiration, and can be terminated by either party with not less than one month's written notice or according to the terms of the letter of appointment. The letters of appointment may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

None of the Directors has entered into or intends to enter into any service contract with any member company of the Group which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

CONTRACT WITH CONTROLLING SHAREHOLDERS

Save as disclosed in the section headed "Contractual Arrangements" of this directors' report and Note 1 and Note 33 to the consolidated financial statements in this annual report, for the year ended December 31, 2025, none of the Company or any of its subsidiaries entered into any contracts of significance with the Controlling Shareholder or any of its subsidiaries other than the Company, nor was there any contracts of significance between the Company or any of its subsidiaries and the Controlling Shareholder or any of its subsidiaries other than the Company in relation to provision of services during the Reporting Period.

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Contractual Arrangements" of this directors' report and Note 1 and Note 33 to the consolidated financial statements in this annual report, for the year ended December 31, 2025, none of the Directors had, directly or indirectly, a material interest in any transaction, arrangement or contract to which the Company, any of its subsidiaries or fellow subsidiaries is a party and is of significance to the business of the Group.

MANAGEMENT CONTRACTS

For the year ended December 31, 2025, the Company has not signed or entered into any contract for the management and administration of the whole or any substantial part of its business.

REMUNERATION POLICY

The Remuneration Committee has been established with an aim to review the remuneration policies and remuneration structure of the Group for the Directors and senior management of the Company based on the Group's operating results, the personal performance of Directors and senior management of the Company, and comparable market practices.

Details of the remunerations of the Directors and the five highest paid individuals during the Reporting Period are set out in Note 8 and Note 9 to the consolidated financial statements in this annual report.

RETIREMENT AND EMPLOYEE BENEFITS SCHEMES

The Group only operate defined contribution pension plans. The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

No forfeited contribution (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) is available to be utilized by the Group to reduce the contributions payable in the future years or to reduce the Group's existing level of contributions to the pension scheme.

Details of the Company's pension and employee benefit schemes are set out in Note 2.4 to the consolidated financial statements in this annual report.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at December 31, 2025, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of 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 Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which have been entered in the register required to be kept pursuant to section 352 of the SFO, or which shall be required to be notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

(i) Interests in the Shares of the Company

Name of Director/ Chief executive	Nature of interest	Number of Shares	Approximate percentage of the total number of the Company's shares(2)
Mr. Wang(3)(4)(5)(6)	Founder of a discretionary trust/Interest in a controlled corporation/Beneficial owner/Trust beneficiary (except discretionary interests)	121,814,831 (L)	15.31%
Mr. Xu(7)(8)(9)	Founder of a discretionary trust/Interest in a controlled corporation/Beneficial owner/Trust beneficiary (except discretionary interests)	104,282,288 (L)	13.11%
Mr. Dai(10)(13)	Founder of a discretionary trust/Interest in a controlled corporation	52,981,959 (L)	
	Interest of spouse	9,762,588 (L)	
		62,744,547 (L)	7.89%
Mr. Wang Jianshuo(11)	Interest in a controlled corporation	72,637,002 (L)	9.13%
Ms. Peng Ting(12)(13)	Beneficial owner	9,762,588 (L)	
	Interest of spouse	52,981,959 (L)	
		62,744,547 (L)	7.89%
Ms. Zha Lijun(14)(15)(16)	Beneficial owner	11,028,075 (L)	
	Trust beneficiary (except discretionary interests)	3,350,000 (L)	
Mr. Lin Qian(17)	Beneficial owner	14,378,075 (L)	1.81%
		236,666(L)	0.03%

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES OR DEBENTURES (Continued)

(i) Interests in the Shares of the Company (Continued)

Notes:

1. The letter "L" denotes a long position in these shares.

2. As at December 31, 2025, the Company had 795,658,000 issued shares (excluding treasury shares) in total.

3. Mr. Wang is interested in 218,524 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to him upon the fully exercise of all the options granted to him under the Post-IPO Share Option Scheme.

4. Mr. Wang has an interest in 7,800,000 relevant shares, which are Restricted Share Units granted under the Restricted Share Unit Scheme, which are subject to the vesting schedule and are not subject to any performance targets or any callback mechanism.

5. Wang SPV is the Direct Holding SPV of The Longhills Trust, which is set up by Mr. Wang (as the economic settlor and the protector) and Derun Investments (as the settlor). Derun Investments is the Offshore Holding Company wholly owned by Mr. Wang. Therefore, Mr. Wang (as the founder of The Longhills Trust and the sole shareholder of Derun Investments) is deemed to be interested in the Shares directly held by Wang SPV by virtue of the SFO.

6. Mr. Wang resigned as Executive Director and Chief Executive Officer on July 30, 2025.

7. Mr. Xu is interested in 333,135 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to him upon the fully exercise of all the options granted to him under the Post-IPO Share Option Scheme.

8. Mr. Xu has an interest in 7,800,000 relevant shares, which are Restricted Share Units granted under the Restricted Share Unit Scheme, which are subject to the vesting schedule and are not subject to any performance targets or any callback mechanism.

9. Xu SPV is the Direct Holding SPV of The FS Trust, which is set up by Mr. Xu (as the economic settlor and the protector) and Quantum Computing (as the settlor). Quantum Computing is the Offshore Holding Company wholly owned by Mr. Xu. Therefore, Mr. Xu (as the founder of The FS Trust and the sole shareholder of Quantum Computing) is deemed to be interested in the Shares directly held by Xu SPV by virtue of the SFO.

10. Dai SPV is the Direct Holding SPV of The RGRGU Trust, which is set up by Mr. Dai (as the economic settlor and the protector) and Global Awesomeness (as the settlor). Global Awesomeness is the Offshore Holding Company wholly owned by Mr. Dai. Therefore, Mr. Dai (as the founder of The RGRGU Trust and the sole shareholder of Global Awesomeness) is deemed to be interested in the Shares directly held by Dai SPV by virtue of the SFO.

11. Kijiji is a wholly-owned subsidiary of Baixing Net. Mr. Wang Jianshuo is entitled to exercise the voting rights attached to approximately 40.84% shares of Baixing Net which are directly held by himself and three entities (i.e. Shanghai Xiangnong, Shanghai Paisen, and Shanghai Fangxi). Each of Shanghai Xiangnong, Shanghai Paisen, and Shanghai Fangxi is a limited partnership established in the PRC, the sole general partner of which is Mr. Wang Jianshuo. Therefore, Baixing Net and Mr. Wang Jianshuo are deemed to be interested in the Shares directly held by Kijiji by virtue of the SFO.

12. Ms. Peng Ting, vice president and company secretary of the Company, is interested in 9,762,588 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to her upon the fully exercise of all the options granted to her under the Post-IPO Share Option Scheme.

13. Ms. Peng Ting is the spouse of Mr. Dai. Therefore, Ms. Peng and Mr. Dai are deemed to be interested in each other's interests by virtue of the SFO.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES OR DEBENTURES (Continued)

(i) Interests in the Shares of the Company (Continued)

Notes: (Continued)

14. Ms. Zha Lijun is interested in 11,028,075 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to her upon the fully exercise of all the options granted to her under the Post-IPO Share Option Scheme.

15. Ms. Zha Lijun has an interest in 3,350,000 relevant shares, which are Restricted Share Units granted under the Restricted Share Unit Scheme, which are subject to the vesting schedule and are not subject to any performance targets or any callback mechanism.

16. Ms. Zha Lijun resigned as an executive Director on January 23, 2026.

17. Mr. Lin Qian resigned as a non-executive Director on January 17, 2025.

(ii) Interests in associated corporation

Name of Director/ Chief executive	Nature of interest	Name of associated corporation	Attributable registered capital (RMB)	Approximate percentage
Mr. Wang	Beneficial interest	Netjoy Network	10,156,872	18.97%
	Beneficial interest	Tradeplus	2,000,000	40.00%
Mr. Xu	Beneficial interest	Netjoy Network	8,581,778	16.03%
Mr. Dai	Beneficial interest	Netjoy Network	5,992,656	11.20%
	Beneficial interest	Tradeplus	3,000,000	60.00%

Save as disclosed above, as of December 31, 2025, none of the Directors or chief executive of the Company had any interests 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) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which shall be entered in the register required to be kept pursuant to section 352 of the SFO, or which shall be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHT TO PURCHASE SHARES OR DEBENTURES

Except as disclosed in this annual report, the Company or its subsidiaries or Consolidated Affiliated Entities did not enter into any arrangement at any time during the Reporting Period to enable the Directors to acquire benefits by purchasing the shares or debentures of the Company or any other corporation, and no directors or their spouses or children under the age of 18 had been granted any right to subscribe for the equity or debt securities of the Company or any other corporation, or had exercised any such right.

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

As at December 31, 2025, to the knowledge of the Directors, the following persons (not being Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which are required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholders	Nature of interest	Number of Shares	Approximate percentage of the total number of the Company's Shares(2)
CityLinkers Trust Hong Kong Limited(3)(6)(9)(10)	Trustee	315,997,070 (L)	39.72%
Mr. Wang(4)(5)(6)	Founder of a discretionary trust/Interest in a controlled corporation/Beneficial owner/Trust beneficiary (except discretionary interests)	121,814,831 (L)	15.31%
Derun Investments(6)	Founder of a discretionary trust	113,796,307 (L)	14.30%
Wang SPV(6)	Beneficial owner	113,796,307 (L)	14.30%
Derun International(6)	Interest in a controlled corporation	113,796,307 (L)	14.30%
Mr. Xu(7)(8)(9)	Founder of a discretionary trust/Interest in a controlled corporation/Beneficial owner/Trust beneficiary (except discretionary interests)	104,282,288 (L)	13.11%
Quantum Computing(9)	Founder of a discretionary trust	96,149,153 (L)	12.08%
Xu SPV(9)	Beneficial owner	96,149,153 (L)	12.08%
FSS Investment(9)	Interest in a controlled corporation	96,149,153 (L)	12.08%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES (Continued)

Name of Shareholders	Nature of interest	Number of Shares	Approximate percentage of the total number of the Company's Shares[2]
Mr. Dai[10][12]	Founder of a discretionary trust/Interest in a controlled corporation	52,981,959 (L)	
	Interest of spouse	9,762,588 (L)	
		62,744,547 (L)	7.89%
Global Awesomeness[10]	Founder of a discretionary trust	52,981,959 (L)	6.66%
Dai SPV[10]	Beneficial owner	52,981,959 (L)	6.66%
Baxter Investment[10]	Interest in a controlled corporation	52,981,959 (L)	6.66%
Ms. Peng Ting[11][12]	Beneficial owner	9,762,588 (L)	
	Interest of spouse	52,981,959 (L)	
		62,744,547 (L)	7.89%
Kijiji[13]	Beneficial interest	72,637,002 (L)	9.13%
Baixing Net[13]	Interest in a controlled corporation	72,637,002 (L)	9.13%
Mr. Wang Jianshuo[13]	Interest in a controlled corporation	72,637,002 (L)	9.13%
Wutong Holding	Beneficial interest	46,200,666 (L)	5.81%
Jingheng Jianyong[14] (as defined below)	Beneficial interest	40,468,390 (L)	5.09%
Beijing Jingheng[14] (as defined below)	Interest in a controlled corporation	40,468,390 (L)	5.09%
Mr. Song Lingjie[14]	Interest in a controlled corporation	40,468,390 (L)	5.09%
Ms. Liu Yongyan[14]	Interest in a controlled corporation	40,468,390 (L)	5.09%
Schroders Plc[15]	Investment manager	70,327,000 (L)	8.84%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES (Continued)

Notes:

1. The letter "L" denotes a long position in these shares.

2. As at December 31, 2025, the Company had 795,658,000 issued shares (excluding treasury shares) in total.

3. CityLinkers Trust Hong Kong Limited is the trustee of the Family Trusts, the discretionary family trusts set up by Mr. Wang, Mr. Xu, Mr. Qin, Mr. Dai, and Mr. Ru respectively. Therefore, CityLinkers Trust Hong Kong Limited is deemed to be interested in the Shares directly held by Wang SPV, Xu SPV, Qin SPV, Dai SPV, and Ru SPV by virtue of the SFO. (For the convenience of administration, the discretionary family trusts established by Mr. Wang, Mr. Xu, Mr. Qin, Mr. Dai and Mr. Ru was moved from PraxisIFM Fiduciaries (Hong Kong Limited to CityLinkers Trust Hong Kong Limited (the "**new trustee**") in June 2024. The new trustee has been exempted from the mandatory comprehensive tender offer responsibility arising from the change of trustee under Note 6 of Rule 26.1 of the Code of Takeovers, Mergers and Share Repurchases of Hong Kong Companies.)

4. Mr. Wang is interested in 218,524 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to him upon the fully exercise of all the options granted to him under the Post-IPO Share Option Scheme.

5. Mr. Wang has an interest in 7,800,000 relevant shares, which are Restricted Share Units granted under the Restricted Share Unit Scheme, which are subject to the vesting schedule and are not subject to any performance targets or any callback mechanism.

6. Wang SPV is wholly owned by Derun International, which is in turn the holding vehicle of the Trustee of The Longhills Trust. The Longhills Trust is set up by Mr. Wang (as the economic settlor and the protector) and Derun Investments (as the settlor). Derun Investments is the Offshore Holding Company wholly owned by Mr. Wang. Therefore, each of Mr. Wang (as the founder of The Longhills Trust and the sole shareholder of Derun Investments), Derun Investments (as the founder of The Longhills Trust), Derun International (as the sole shareholder of Wang SPV) is deemed to be interested in the Shares directly held by Wang SPV by virtue of the SFO.

7. Mr. Xu is interested in 333,135 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to him upon the fully exercise of all the options granted to him under the Post-IPO Share Option Scheme.

8. Mr. Xu has an interest in 7,800,000 relevant shares, which are Restricted Share Units granted under the Restricted Share Unit Scheme, which are subject to the vesting schedule and are not subject to any performance targets or any callback mechanism.

9. Xu SPV is wholly owned by FSS Investment, which is in turn the holding vehicle of the Trustee of The FS Trust. The FS Trust is set up by Mr. Xu (as the economic settlor and the protector) and Quantum Computing (as the settlor). Quantum Computing is the Offshore Holding Company wholly owned by Mr. Xu. Therefore, each of Mr. Xu (as the founder of The FS Trust and the sole shareholder of Quantum Computing), Quantum Computing (as the founder of The FS Trust), FSS Investment (as the sole shareholder of Xu SPV) is deemed to be interested in the Shares directly held by Xu SPV by virtue of the SFO.

10. Dai SPV is wholly owned by Baxter Investment, which is in turn the holding vehicle of the Trustee of The RGRGU Trust. The RGRGU Trust is set up by Mr. Dai (as the economic settlor and the protector) and Global Awesomeness (as the settlor). Global Awesomeness is the Offshore Holding Company wholly owned by Mr. Dai. Therefore, Mr. Dai (as the founder of The RGRGU Trust and the sole shareholder of Global Awesomeness), Global Awesomeness (as the founder of The RGRGU Trust), Baxter Investment (as the sole shareholder of Dai SPV) is deemed to be interested in the Shares directly held by Dai SPV by virtue of the SFO.

11. Ms. Peng Ting, vice president and company secretary of the Company, is interested in 9,762,588 underlying shares. Such underlying shares are the relevant shares that may be allotted and issued to her upon the fully exercise of all the options granted to her under the Post-IPO Share Option Scheme.

12. Ms. Peng Ting is the spouse of Mr. Dai. Therefore, Ms. Peng and Mr. Dai are deemed to be interested in the interests of each other by virtue of the SFO.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES (Continued)

Notes: (Continued)

13. Kijiji is a wholly-owned subsidiary of Baixing Net. Mr. Wang Jianshuo, a non-executive Director, is entitled to exercise the voting rights attached to approximately 40.84% shares of Baixing Net which are directly held by himself and three entities (i.e. Shanghai Xiangnong, Shanghai Paisen, and Shanghai Fangxi). Each of Shanghai Xiangnong, Shanghai Paisen, and Shanghai Fangxi is a limited partnership established in the PRC, the sole general partner of which is Mr. Wang Jianshuo. Therefore, Baixing Net and Mr. Wang Jianshuo are deemed to be interested in the Shares directly held by Kijiji by virtue of the SFO.

14. Hangzhou Jingheng Jianyong Venture Capital Partnership (Limited Partnership) (杭州靜衡堅勇創業投資合夥企業（有限合夥）) ("**Jingheng Jianyong**") (formerly known as Hangzhou Jingheng Jianyong Equity Investment Partnership (Limited Partnership), is controlled by its general partner Beijing Jingheng Investment Management Co., Ltd. (北京靜衡投資管理有限公司) ("**Beijing Jingheng**"), which is in turn owned by Ms. Liu Yongyan (劉勇燕) as to 90%. Mr. Song Lingjie (宋靈潔) is a limited partner of Jingheng Jianyong holding approximate 41.96% (more than one third) interests therein. Therefore, Beijing Jingheng, Mr. Song Lingjie and Ms. Liu Yongyan are deemed to be interested in the Shares directly held by Jingheng Jianyong by virtue of the SFO.

15. These Shares are directly held by Schroder Investment Management Limited as to 56,000, Schroder Investment Management (Hong Kong) Limited as to 62,660,000 and Schroder Investment Management (Singapore) Ltd as to 7,611,000, respectively. Each of Schroder Investment Management (Hong Kong) Limited, Schroder Investment Management (Singapore) Ltd and Schroder Investment Management Limited is direct wholly-owned by Schroder International Holdings Limited, which is indirect wholly-owned by Schroder Administration Limited. Schroder Administration Limited is indirect wholly-owned by Schroders Plc, therefore Schroders Plc is deemed to be interested in these Shares by virtue of the SFO.

Save as disclosed above, as at December 31, 2025, to the knowledge of the Directors, no other persons (not being Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which are required to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO or which shall be entered in the register referred to in section 336 of the SFO.

POST-IPO SHARE OPTION SCHEME

The Company has adopted the Post-IPO Share Option Scheme approved by a written resolution passed by the then Shareholders on November 17, 2020 and has taken effect from the Listing Date.

(a) Purpose of the Post-IPO Share Option Scheme

The purpose of the Post-IPO Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole. The Post-IPO Share Option Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to selected participants.

(b) Selected participants to the Post-IPO Share Option Scheme

Any individual, being an employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group is entitled to be offered and granted options.

(c) Maximum number of Shares

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other schemes is 80,000,000, being no more than 10% of the Shares in issue (excluding treasury shares) on the date the Shares commence trading on the Stock Exchange (the "**Option Scheme Mandate Limit**") (excluding any Shares which may be issued pursuant to the exercise of the options which may be granted under the Post-IPO Share Option Scheme). As of the date of this report, it accounts for about 10.05% of all issued shares (excluding treasury shares) (i.e. 795,658,000 shares). Options which have lapsed in accordance with the terms of the rules of the Post-IPO Share Option Scheme shall not be counted for the purpose of calculating the Option Scheme Mandate Limit.

(d) Maximum entitlement of a grantee

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of the Company to each selected participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue (the "**Individual Limit**"). Any further grant of options to a selected participant which would result in the aggregate number of Shares issued and to be issued upon exercise of all options granted and to be granted to such selected participant (including exercised, canceled and outstanding options) in the 12 month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of the Shareholders (with such selected participant and his associates abstaining from voting).

POST-IPO SHARE OPTION SCHEME (Continued)

(e) Options granted to Directors or substantial shareholders

Each grant of options to any director, chief executive or substantial shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of options).

Where any grant of options to a substantial shareholder or an independent non-executive Director of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, canceled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and

(ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange),

such further grant of options shall be subject to prior approval of the Shareholders (voting by way of poll) in a general meeting. In obtaining the approval, the Company shall send a circular to the Shareholders in accordance with and containing such information as is required under the Listing Rules. The relevant selected participants, their associates, and all core connected persons of the Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

(f) Time of exercise of an option

An option may, subject to the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.

(g) Vesting period

According to the requirements of the Listing Rules, the vesting period of share options granted to participants shall not be less than 12 months. The specific vesting period shall be decided by the Board at its discretion when granting.

POST-IPO SHARE OPTION SCHEME (Continued)

(h) Notice of offer and share option grant

The offer must be made to the selected participants in duplicate, specifying the terms of the grant of options. These terms may include any minimum term in which the share options must be held and/or the minimum target performance that must be achieved before the share options can be exercised in whole or in part, and may also include other terms imposed on individual or general situations at the discretion of the Board.

If the Company receives a copy of the letter of offer (which contains the number of shares accepted) signed by the grantee within 20 business days after sending the letter of offer to the grantee, together with the remittance of HK$1.00 paid to the Company as the consideration for the share option granted, the offer will be deemed to have been accepted, and the share options related to the offer will be deemed to have been granted and become effective.

Any offer can be accepted for less than the number of shares it offers, provided that the shares accepted are one or more tradable shares. If the offer is not accepted within 20 business days after the date of sending the letter containing the offer to the relevant selected participants, it is deemed to have been irrevocably rejected.

(i) Subscription price

The amount payable for each Share to be subscribed for under an option (the "**Subscription Price**") in the event of the option being exercised shall be determined by the Board in its absolute discretion but shall be not less than the higher of:

(i) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;

(ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the date of grant; and

(iii) the nominal value of a Share on the date of grant.

(j) Duration

The Post-IPO Share Option Scheme shall be valid and effective for the period of ten years commencing on the Listing Date (after which, no further options shall be offered or granted under the Post-IPO Share Option Scheme), but in all other respects the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the rules of the Post-IPO Share Option Scheme.

On December 22, 2023, the Post-IPO Share Option Scheme was replaced by the Amended Post-IPO Share Option Scheme (as defined below), but the options granted under the Post-IPO Share Option Scheme will continue to be valid. As of December 31, 2025, the remaining term of the Post-IPO Share Option Scheme is approximately 5 years.

POST-IPO SHARE OPTION SCHEME (Continued)

(k) Implementation of Post-IPO Share Option Scheme during the Reporting Period

On January 27, 2022 (after trading hours), the Company cancelled a total of 8,808,000 Share Options granted on January 15, 2021 with effect from January 27, 2022. The Company further granted 5,281,600 Share Options under the Post-IPO Share Option Scheme to a total of sixty-eight (68) eligible participants to subscribe for an aggregate of 5,281,600 Shares, and the exercise price per Share Option was HK$2.462, representing approximately 0.664% of the total issued Shares as of the Latest Practicable Date. For details, please refer to the announcement of the Company dated January 28, 2022.

The Share Options granted shall be valid from January 27, 2022 to January 14, 2031, both days inclusive. The Share Options shall be vested in accordance with the timetable below (for this purpose, the date or each such date on which the Share Options are vested being hereinafter referred to as a "**Vesting Date**"), subject to the grantees' achievement of performance targets as of each Vesting Date:

Vesting Date	Percentage of Share Options to vest
January 27, 2022	Approximately one-third of the total number of Share Options granted
January 14, 2023	Approximately one-third of the total number of Share Options granted
January 14, 2024	Approximately one-third of the total number of Share Options granted

The Remuneration Committee believes that the vesting of Share Options according to the above schedule is more appropriate and in line with the purpose of the post-IPO Share Option Scheme. Because the grantees of the newly granted options are the grantees of the cancelled options, and these grantees have already met the vesting period of the cancelled options, it is fair and reasonable to vest according to the above timetable.

On September 5, 2022 (after trading hours), the Company decided to grant 2,395,588 Share Options to a total of thirteen (13) eligible participants under the Post-IPO Share Option Scheme, and they can subscribe for a total of 2,395,588 shares, with the exercise price of HK$2.462 per Share, representing approximately 0.301% of the total issued Shares as of the Latest Practicable Date. For details, please refer to the announcement of the Company dated September 5, 2022.

The option is valid for ten (10) years from the date of grant (i.e. September 5, 2022). The Share Options shall vest according to the following schedule (for this purpose, the vesting date of the Share Options), but the grantee shall achieve the performance target on each vesting date.

Vesting Date	Percentage of Share Options to vest
September 5, 2023	Approximately one-third of the total number of Share Options granted
September 5, 2024	Approximately one-third of the total number of Share Options granted
September 5, 2025	Approximately one-third of the total number of Share Options granted

POST-IPO SHARE OPTION SCHEME (Continued)

(k) Implementation of Post-IPO Share Option Scheme during the Reporting Period (Continued)

On July 17, 2023 (after trading hours), the Company decided to grant options to a total of twenty-two (22) eligible participants under the Post-IPO Share Option Scheme (the "**Options**"), and to subscribe for a total of 63,514,812 shares, with an exercise price of HK$0.816 per share, accounting for about 7.9827% of the total issued shares on the Last Practical Date. For details, please refer to the announcement of the Company dated July 17,2023 and the circular of the Company dated July 31, 2023.

The option is valid for ten (10) years from the date of grant (i.e. July 17, 2023). The share options shall vest according to the following schedule (for this purpose, the vesting date of the share options), but the grantee shall achieve the performance target on each vesting date.

Vesting Date	Percentage of share options to vest
July 31,2024	Approximately one-third of the total number of Share Options granted
July 31,2025	Approximately one-third of the total number of Share Options granted
July 31,2026	Approximately one-third of the total number of Share Options granted

Details of valuation of the Share Options during the Reporting Period, including the accounting standard and policy adopted for the Post-IPO Share Option Scheme are set out in Note 28 to the consolidated financial statements in this annual report.

POST-IPO SHARE OPTION SCHEME (Continued)

(k) Implementation of Post-IPO Share Option Scheme during the Reporting Period (Continued)

Particulars and movements of the Share Options granted to the Directors, chief executive, senior management and other employees of the Group in under the Post-IPO Share Option Scheme during the Reporting Period are as follows.

Name of grantee [1]	Date of grant [7][8][9]	Vesting Date [2][3][4]	Exercise price per Share (HKD)	Vested in 2022 [10]	Vested in 2023 [11]	Vested in 2024 [13]	Number of Shares Subject to outstanding options as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period [12]	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period [5]	Number of Shares Subjected to outstanding options as at December 31, 2025	The weighted average closing price of the Shares immediately before the dates on which the Share Options were vested (HKD)
Directors														
Mr. Wang	January 27, 2022	January 27, 2022	2.462	72,841	–	–	72,841	–	–	–	–	–	72,841	2.692
		January 14, 2023	2.462	–	72,841	–	72,841	–	–	–	–	–	72,841	1.490
		January 14, 2024	2.462	–	–	72,842	72,842	–	–	–	–	–	72,842	0.596
Mr. Xu	January 27, 2022	January 27, 2022	2.462	111,045	–	–	111,045	–	–	–	–	–	111,045	2.692
		January 14, 2023	2.462	–	111,045	–	111,045	–	–	–	–	–	111,045	1.490
		January 14, 2024	2.462	–	–	111,045	111,045	–	–	–	–	–	111,045	0.596
Ms.Zha Lijun	January 27, 2022	January 27, 2022	2.462	49,420	–	–	49,420	–	–	–	–	–	49,420	2.692
		January 14, 2023	2.462	–	49,420	–	49,420	–	–	–	–	–	49,420	1.490
		January 14, 2024	2.462	–	–	49,421	49,421	–	–	–	–	–	49,421	0.596
	July 17, 2023	July 31, 2024	0.816	–	–	3,626,604	3,626,604	–	–	–	–	–	3,626,604	0.524
		July 31, 2025	0.816	–	–	–	3,626,604	–	3,626,604	–	–	–	3,626,604	0.455
		July 31, 2026	0.816	–	–	–	3,626,606	–	–	–	–	–	3,626,606	0.455
Vice president and company secretary														
Ms. Peng Ting	January 27, 2022	January 27, 2022	2.462	72,841	–	–	72,841	–	–	–	–	–	72,841	2.692
		January 14, 2023	2.462	–	72,841	–	72,841	–	–	–	–	–	72,841	1.490
		January 14, 2024	2.462	–	–	72,842	72,842	–	–	–	–	–	72,842	0.596
	July 17, 2023	July 31, 2024	0.816	–	–	3,181,354	3,181,354	–	–	–	–	–	3,181,354	0.524
		July 31, 2025	0.816	–	–	–	3,181,354	–	3,181,354	–	–	–	3,181,354	0.455
		July 31, 2026	0.816	–	–	–	3,181,356	–	–	–	–	–	3,181,356	0.455
Grantees who have been granted more than 1% individual limit[6]														
Ms. Zha Junling	July 17, 2023	July 31, 2024	0.816	–	–	3,503,729	3,503,729	–	–	–	–	–	3,503,729	0.524
		July 31, 2025	0.816	–	–	–	3,503,729	–	3,503,729	–	–	–	3,503,729	0.455
		July 31, 2026	0.816	–	–	–	3,503,729	–	–	–	–	–	3,503,729	0.455
Mr. Xu Songdao	July 17, 2023	July 31, 2024	0.816	–	–	3,298,515	3,298,515	–	–	–	–	–	3,298,515	0.524
		July 31, 2025	0.816	–	–	–	3,298,515	–	3,298,515	–	–	–	3,298,515	0.455
		July 31, 2026	0.816	–	–	–	3,298,517	–	–	–	–	–	3,298,517	0.455

POST-IPO SHARE OPTION SCHEME (Continued)

(k) Implementation of Post-IPO Share Option Scheme during the Reporting Period (Continued)

Name of grantee [1]	Date of grant [7][8][9]	Vesting Date [2][3][4]	Exercise price per Share (HKD)	Vested in 2022 [10]	Vested in 2023 [11]	Vested in 2024 [13]	Number of Shares Subject to outstanding options as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period [12]	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period [5]	Number of Shares Subjected to outstanding options as at December 31, 2025	The weighted average closing price of the Shares immediately before the dates on which the Share Options were vested (HKD)
Senior management and other employees														
	January 27, 2022	January 27, 2022	2.462	1,233,888	–	–	1,233,888	–	–	–	–	–	1,233,888	2.692
		January 14, 2023	2.462	–	1,233,888	–	1,233,888	–	–	–	–	–	1,233,888	1.490
		January 14, 2024	2.462	–	–	1,233,886	1,233,886	–	–	–	–	–	1,233,886	0.596
	September 5, 2022	September 5, 2023	2.462	–	654,278	–	654,278	–	–	–	–	–	654,278	0.680
		September 5, 2024	2.462	–	–	649,496	650,346	–	–	–	–	–	650,346	0.522
		September 5, 2025	2.462	–	–	–	654,279	–	654,279	–	–	–	654,279	0.455
	July 17, 2023	July 31, 2024	0.816	–	–	5,536,306	5,536,306	–	–	–	–	–	5,536,306	0.524
		July 31, 2025	0.816	–	–	–	5,386,925	–	5,386,925	–	–	1,792,515	3,594,410	0.455
		July 31, 2026	0.816	–	–	–	5,386,926	–	–	–	–	1,792,515	3,594,411	0.455
Total				1,540,035	2,194,313	21,336,040	63,719,778	–	19,651,406	–	–	3,585,030	60,134,748	

Notes:

(1) There are no options granted to suppliers of goods or services or other participants.

(2) The Share Options granted on January 27, 2022 shall be valid from January 27, 2022 to January 14, 2031 (including the first and last days).

(3) The Share Options granted on September 5, 2022 shall be valid from September 5, 2022 to September 4, 2032 (including the first and last days).

(4) The Share Options granted on July 17, 2023 shall be valid from July 17, 2023 to July 16, 2033 (including the first and last days).

(5) These Share Options expire at zero purchase price, because the participants have not paid any price for these expired Share Options.

(6) Ms. Zha Lijun and Ms. Peng Ting are also grantees who have been granted more than 1% individual limit. Please refer to the information in the category of "Directors" above.

(7) The closing price of the Shares immediately (i.e. January 26, 2022) before the date of which the Share Options were granted, i.e. January 27, 2022, was HK$2.310. The fair value of the Share Options at the date of grant was HK$2.310 per Share.

POST-IPO SHARE OPTION SCHEME (Continued)

(k) Implementation of Post-IPO Share Option Scheme during the Reporting Period (Continued)

Notes: (Continued)

(8) The closing price of the Shares immediately (i.e. September 2, 2022) before the date of which the Share Options were granted, i.e. September 5, 2022, was HK$1.310. The fair value of the Share Options at the date of grant was HK$1.310 per Share.

(9) The closing price of the Shares immediately (i.e. July 14, 2023) before the date of which the Share Options were granted, i.e. July 17, 2023, was HK$0.810. The fair value of the Share Options at the date of grant was HK$0.810 per Share.

(10) The number of Share Options vested in 2022 was not exercised during 2022. These Share Options have not expired, and participants may choose to exercise these vested Share Options during the duration of the scheme, as long as these Share Options have not expired or been cancelled according to the rules of the scheme. Therefore, as of the beginning and end of 2022, the number of shares subject to the exercise of Options remains unchanged.

(11) The number of Share Options vested in 2023 was not exercised during 2023. These Share Options have not expired, and participants may choose to exercise these vested Share Options during the duration of the scheme, as long as these Share Options have not expired or been cancelled according to the rules of the scheme. Therefore, as of the beginning and end of 2023, the number of shares subject to the exercise of Options remains unchanged.

(12) The number of Share Options vested during the Reporting Period was not exercised during the Reporting Period. These Share Options have not expired, and participants may choose to exercise these vested Share Options during the duration of the scheme, as long as these Share Options have not expired or been cancelled according to the rules of the scheme. Therefore, at the beginning and end of the Reporting Period, the number of shares subject to outstanding options remained unchanged.

(13) The number of Share Options vested in 2024 was not exercised during 2024. These Share Options have not expired, and participants may choose to exercise these vested Share Options during the duration of the scheme, as long as these Share Options have not expired or been cancelled according to the rules of the scheme. Therefore, as of the beginning and end of 2023, the number of shares subject to the exercise of Options remains unchanged.

(14) Since the date of grant of the Share Options and up to the annual report, none of the Share Options had been exercised, and accordingly, the exercise price is not applicable.

During the Reporting Period, the vesting of the above-mentioned Share Options granted under the Post-IPO Share Option Scheme was not restricted by any performance target of the Group or each eligible participant, which has been reviewed by the Remuneration Committee at the time of grant. Given the purpose of the Grant is to motivate and retain the Grantees by allowing them to share the results achieved by the Group as a result of their efforts and contributions and encourage them to work towards achieving the long-term development of the Group, having considered that: (a) the Grantees' experiences in the Group's business, length of service to the Group and contribution and dedication to the promotion of the Group's business; (b) their contributes to the overall business performance, sustainable development and/or good corporate governance of the Group; and (c) that the Share Options will be vested to them in tranches over a period of three years from the date of grant, where the value of the Share Options will be linked to future prices of the Shares which in turn will depend upon the performance of the Company. In view of the above, especially the minimum vesting period, the Remuneration Committee was of the view that the Grant without performance targets is (i) in line with the purpose of the Share Option Scheme; and (ii) fair and reasonable to the Company and Shareholders as a whole.

POST-IPO SHARE OPTION SCHEME (Continued)

(k) Implementation of Post-IPO Share Option Scheme during the Reporting Period (Continued)

During the Reporting Period, the vesting of the above-mentioned Share Options granted under the Post-IPO Share Option Scheme were subject to clawback mechanism, that is if a participant ceases to be eligible to participate in the Share Option Scheme, the Board may decide that Share Options that have not yet been exercised (regardless of whether they have been vested or have been granted but not yet vested) shall lapse unless the Board otherwise determines that such Share Options shall be exercisable.

During the Reporting Period, except as disclosed above, the Company did not grant or agree to grant other Share Options under the Post-IPO Share Option Scheme. On January 1, 2025 and December 31, 2025, there was no shares that could be granted under the Post-IPO Share Option Scheme. The number of Shares that may be issued in respect of the options granted under the Post-IPO Share Option Scheme during the Reporting Period divided by the weighted average number of Shares in issued (excluding treasury shares) during the Reporting Period was 7.90%. As of the date of this report, the total number of Shares that can be issued under the Post-IPO Share Option Scheme is 60,134,748, accounting for 7.56% of the total number of issued Shares (excluding treasury shares) (i.e. 795,658,000 Shares).

From the date of revision of the Post-IPO Share Option Scheme, the existing Post-IPO Share Option Scheme adopted on November 17, 2020 has been replaced entirely by the Amended Post-IPO Share Option Scheme (as defined below). As of the date of this annual report, 60,134,748 share options (accounting for about 7.56% of the shares issued (excluding treasury shares) on the date of this annual report) have been granted to participants under the existing Post-IPO Share Option Scheme, while the number of shares to be issued under the existing Post-IPO Share Option Scheme is zero. The share options granted under the existing Post-IPO Share Option Scheme will continue to be valid and exercisable in accordance with the terms and conditions thereunder, and will not be included in the Scheme Mandate Limit (as defined below).

RESTRICTED SHARE UNIT SCHEME

The Restricted Share Unit Scheme (the "**RSU Scheme**") was adopted and approved by a resolution of the Board of Directors on October 18, 2021 (the "**Adoption Date**"). The following is a summary of the principal terms of the RSU Scheme:

(a) Purpose

The purpose of the RSU Scheme is to recognize and reward Participants for their contribution to the Group, to attract best available personnel to provide service to the Group, and to provide additional incentives to them to remain with and further promote the success of the Group's business.

(b) Who May Join

The Participants include: (i) full-time employees (including directors, officers and members of senior management) of any member of the Group; (ii) any non-executive directors (including independent non-executive directors) of the Group or any Invested Entity; (iii) 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 (iv) 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 (the "**Participants**").

RESTRICTED SHARE UNIT SCHEME (Continued)

(c) RSU Limit

The total number of Shares underlying the RSU Scheme (excluding the Shares underlying the RSUs that have lapsed or been cancelled in accordance with the relevant provisions of the RSU Scheme) shall not exceed 80,000,000 Shares (the "**RSU Limit**"), representing 10% of the issued Shares (excluding treasury shares) as of the Adoption Date. As of the date of this report, it accounts for about 10.05% of all issued shares (excluding treasury shares) (i.e. 795,658,000 shares).

(d) Maximum entitlement of a grantee

Unless otherwise stipulated in the Listing Rules, there is no limit on maximum the maximum entitlement to each grantee of the restricted share unit.

(e) Time for exercising RSU

Subject to limitations and conditions of the RSU Scheme, the Administrator may grant to each of the selected Participants an offer of grant of Award by way of a restricted share unit award agreement or any such notice or document in such form as the Administrator may from time to time determine for acceptance by the selected Participant (the "**Award Agreement**"), subject to additional terms and conditions that the Administrator thinks fit which shall be stated in the Award Agreement.

If the selected Participant intends to accept the Grant as specified in the Award Agreement, he/she is required to sign the Award Agreement to confirm his/her acceptance and return it to the Administrator within the time period and in a manner prescribed in the Award Agreement. Upon the receipt from the selected Participant of a duly executed Award Agreement and payment of total consideration (if any), the RSUs shall be granted to such Participant in respect of a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof, and such Participant shall become a Grantee pursuant to the RSU Scheme. To the extent that the Grant or any term or condition set out in the Award Agreement is not accepted by any selected Participant within the time period or in a manner prescribed in the Award Agreement, it shall be deemed that such Grant has irrevocably lapsed and terminated and that the RSUs that would have been granted under the Grant have immediately lapsed.

(f) Vesting period

Upon fulfilment or waiver (by the Administrator in its sole and absolute discretion) of the vesting period and vesting conditions (if any) applicable to a Grantee or a Grant, a vesting notice will be sent to the Grantee by the Administrator, or by the relevant Trustee under the authorization and instruction by the Administrator, confirming (i) the extent to which the vesting period and vesting conditions have been fulfilled or waived; (ii) the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) or the amount of cash the Grantee will receive; and (iii) where the Grantee will receive Shares, the lock-up arrangements for such Shares (if applicable). The Grantee is required to execute, after receiving the vesting notice, certain documents set out in the vesting notice that the Administrator considers necessary (which may include, without limitation, a certification that he or she has complied with all the terms and conditions set out in the RSU Scheme and the Award Agreement). In the event that the Grantee fails to execute the required documents within 30 Business Days after receiving the vesting notice, the vested RSUs will lapse.

RESTRICTED SHARE UNIT SCHEME (Continued)

(g) Subscription price

The Board or the relevant committee may, at its sole discretion, restrict the purchase price (if any) of the RSUs and the time limit within which any such payment must be made in the notice of grant.

(h) Effective period

Unless the Board may decide to terminate the RSU Scheme in advance according to the terms of the RSU Scheme, the RSU Scheme will take effect from the adoption date (with a validity period often (10) years), and no awards will be granted after the expiration of the validity period, but the provisions of the RSU Scheme shall be fully effective and effective in all other aspects and the awards granted during the RSU Scheme period will continue to take effect according to their respective grant terms.

(i) Implementation of RSU Scheme during the Reporting Period

As at December 31, 2025, the remaining validity period of the RSU Scheme is about 6 years.

As at December 31, 2025, the trustee appointed by the Company to manage the RSU Scheme has purchased a total of 34,631,544 shares in the market, accounting for about 4.35% of the total issued shares (excluding treasury shares) (i.e. 795,658,000 shares) as of December 31, 2025.

The grant of RSUs only involves existing shares. After the vesting of the RSUs granted to the grantee of RSUs, the Company will not issue and distribute any new shares. Therefore, the vesting of RSUs will not have any dilution effect on the equity of existing shareholders of the Company.

On September 5, 2022 (after trading hours), the Company granted a total of 1,868,186 RSUs to one director and four employees of the Group under the RSU Scheme, accounting for about 0.235% of the total issued shares (excluding treasury shares) as of the Latest Practicable Date. For details, please refer to the announcement issued by the Company on September 5, 2022.

RESTRICTED SHARE UNIT SCHEME (Continued)

(i) Implementation of RSU Scheme during the Reporting Period (Continued)

The term of validity of RSUs is ten (10) years after the date of grant. The 1,868,186 RSUs granted to the grantee of RSUs will be vested as follows:

(i) About one-third of the RSUs will vest on September 5, 2023;

(ii) About one third of the RSUs will vest on September 5, 2024; and

(iii) About one third of the RSUs will vest on September 5, 2025.

On December 28, 2023 (after trading hours), the Company granted a total of 40,000,000 RSUs to four directors and three employees of the Group under the RSU Scheme, accounting for about 5.03% of the total issued shares (excluding treasury shares) as at December 31, 2023. The above-mentioned grantee of RSUs is not required to pay fees for any restricted share units granted under the RSU Scheme or for exercising such RSUs. For details, please refer to the announcement issued by the Company on December 28, 2023.

The term of validity of RSUs is ten (10) years after the date of grant. The 40,000,000 RSUs granted to the grantee of RSUs will be vested as follows:

(i) About one-third of the RSUs will vest on December 28, 2024;

(ii) About one third of the RSUs will vest on December 28, 2025; and

(iii) About one third of the RSUs will vest on December 28, 2026.

RESTRICTED SHARE UNIT SCHEME (Continued)

(i) Implementation of RSU Scheme during the Reporting Period (Continued)

Details and changes of RSUs granted to Directors, chief executive, senior management and other employees of the Group under the RSU Scheme during the Reporting Period are as follows:

Name of grantee [1]	Date of grant [5][6]	Vesting Date [2][3]	Exercise price per Share (HKD)	Number of Shares subject to RSUs as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of Shares Subjected to RSUs as at December 31, 2025 [4]	The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested (HKD)
Directors										
Mr. Xu	December 28, 2023	December 28, 2024	–	2,600,000	–	–	–	–	2,600,000	0.560
		December 28, 2025	–	2,600,000	–	–	–	–	2,600,000	0.455
		December 28, 2026	–	2,600,000	–	–	–	–	2,600,000	–
Mr. Wang	December 28, 2023	December 28, 2024	–	2,600,000	–	–	–	–	2,600,000	0.560
		December 28, 2025	–	2,600,000	–	–	–	–	2,600,000	0.455
		December 28, 2026	–	2,600,000	–	–	–	–	2,600,000	–
Ms. Zha Lijun	December 28, 2023	December 28, 2024	–	1,116,666	–	–	–	–	1,116,666	0.560
		December 28, 2025	–	1,116,666	–	–	–	–	1,116,666	0.455
		December 28, 2026	–	1,116,668	–	–	–	–	1,116,668	–
The grantee whose total number of options and RSUs exceeds 1% individual limit within 12 months.										
Ms. Zhou Haisu	December 28, 2023	December 28, 2024	–	2,500,000	–	–	–	–	2,500,000	0.560
		December 28, 2025	–	2,500,000	–	–	–	2,500,000	–	0.455
		December 28, 2026	–	2,500,000	–	–	–	2,500,000	–	–
Mr. Xu Songdao	December 28, 2023	December 28, 2024	–	2,500,000	–	–	–	–	2,500,000	0.560
		December 28, 2025	–	2,500,000	–	–	–	–	2,500,000	0.455
		December 28, 2026	–	2,500,000	–	–	–	–	2,500,000	–
Ms. Zha Junling	December 28, 2023	December 28, 2024	–	1,800,000	–	–	–	–	1,800,000	0.560
		December 28, 2025	–	1,800,000	–	–	–	–	1,800,000	0.455
		December 28, 2026	–	1,800,000	–	–	–	–	1,800,000	–

RESTRICTED SHARE UNIT SCHEME (Continued)

(i) Implementation of RSU Scheme during the Reporting Period (Continued)

Name of grantee [1]	Date of grant [5][6]	Vesting Date [2][3]	Exercise price per Share (HKD)	Number of Shares subject to RSUs as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of Shares Subjected to RSUs as at December 31, 2025 [4]	The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested (HKD)
Other employees	September 5, 2022	September 5, 2023	–	–	–	–	–	–	–	0.680
		September 5, 2024	–	–	–	–	–	–	–	0.522
		September 5, 2025	–	223,396	–	223,396	–	–	–	0.455
Total				39,573,396	–	223,396	–	5,000,000	34,350,000	

Notes:

(1) There are no RSUs granted to suppliers of goods or services or other participants.

(2) The RSUs granted on September 5, 2022 shall be valid from September 5, 2022 to September 4, 2032 (including the first and last days).

(3) The RSUs granted on December 28, 2023 shall be valid from December 28, 2023 to December 27, 2033 (including the first and last days).

(4) The RSUs with a vesting date of December 28, 2024 and December 28, 2025 were not vested during the Reporting Period as the vesting was deferred by mutual agreement between the Company and the relevant participants. These RSUs remain outstanding and have not lapsed or been cancelled.

(5) The closing price of shares immediately (i.e. September 2, 2022) before the grant date of RSUs, i.e. September 5, 2022 was HK$1.310. The fair value of the RSUs at the date of grant was HK$1.310.

(6) The closing price of shares immediately (i.e. December 27, 2023) before the grant date of RSUs, i.e. December 28, 2023 was HK$0.540. The fair value of the RSUs at the date of grant was HK$0.540.

As of the date of this Report, after the grant listed above, there are 44,793,148 shares under the RSU Scheme available for grant in the future, accounting for about 5.63% of the total issued shares (excluding treasury shares) as of the date of this Report.

RESTRICTED SHARE UNIT SCHEME (Continued)

The vesting of the RSUs granted to the Grantee of RSUs was not restricted by any performance target of the Group or the grantee of RSUs. These performance target have been reviewed by the Remuneration Committee at the time of grant. Given the purpose of granting RSUs is to motivate and retain the Grantees by allowing them to share the results achieved by the Group as a result of their efforts and contributions and encourage them to work towards achieving the long-term development of the Group, having considered that: (a) the Grantees' experiences in the Group's business, length of service to the Group and contribution and dedication to the promotion of the Group's business; (b) their contributes to the overall business performance, sustainable development and/or good corporate governance of the Group; and (c) that the RSUs will be vested to them in tranches over a period of three years from the date of grant, where the value of the RSUs will be linked to future prices of the Shares which in turn will depend upon the performance of the Company. In view of the above, especially the minimum vesting period, the Remuneration Committee was of the view that the Grant without performance targets is (i) in line with the purpose of the RSU Scheme; and (ii) fair and reasonable to the Company and Shareholders as a whole.

During the Reporting Period, the vesting of the above-mentioned RSUs granted under the RSU Scheme were subject to clawback mechanism, that is if a participant ceases to be eligible to participate in the RSU Scheme, the Board may decide that RSUs that have not yet been exercised (regardless of whether they have been vested or have been granted but not yet vested) shall lapse unless the Board otherwise determines that such RSUs shall be exercisable.

During the Reporting Period and as of the date of this Report, except as disclosed above, the Company did not grant or agree to grant, vest, transfer, expire or cancel any RSUs according to the RSU Scheme.

AMENDED POST-IPO SHARE OPTION SCHEME

The Amended Post-IPO Share Option Scheme (the "**Amended Post-IPO Share Option Scheme**") was adopted and approved by the EGM of Shareholders on December 22, 2023 (the "**Adoption Date**") to replace the Post-IPO Share Option Scheme. For details, please refer to the company's circular on December 5, 2023 and announcement on December 22, 2023. The following is a summary of the main terms of the Amended Post-IPO Share Option Scheme:

(a) The Purpose of the Amended Post-IPO Share Option Scheme

The purpose of the Amended Post-IPO Share Option Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

(b) The Participants of the Amended Post-IPO Share Option Scheme

The Participants of the Scheme:

(i) any director or employee (whether full time or part time) of the Company or any of its subsidiaries (and including persons who are granted Option(s) under the Amended Post-IPO Share Option Scheme as an inducement to enter into employment or service contracts with these companies); and

(ii) any director or employee (whether full time or part time) of the holding companies, fellow subsidiaries or associated companies of the Company.

AMENDED POST-IPO SHARE OPTION SCHEME (Continued)

(c) The maximum number of shares

The total number of shares that can be issued after the exercise of all Options or awards to be granted under the Amended Post-IPO Share Option Scheme, Share Award Scheme and any other share schemes of the Company is 79,565,800, which is at most 10% of the shares issued on the date when the shareholders approve the Amended Post-IPO Share Option Scheme (excluding any shares that can be issued due to the exercise of Options or awards that may be granted under the Amended Post-IPO Share Option Scheme and Share Award Scheme) (the "**Scheme Mandate Limit**"). As of the date of this Report, it accounts for about 10% of all issued shares (excluding treasury shares) (i.e. 795,658,000 shares). Share Options that have lapsed according to the terms of the Amended Post-IPO Share Option Scheme will not be included in the calculation of the scheme mandate limit of the Share Option Scheme.

(d) Maximum entitlement of a grantee

Unless approved by the Shareholders, the total number of shares issued or to be issued to each selected participant due to the exercise of the or awards or Options granted or to be granted under Share Award Scheme, Amended Post-IPO Share Option Scheme, and any other share schemes of the Company (including exercised and unexercised awards or Options) within any 12-month period shall not exceed 1% of the total number of shares issued. If the re-granting of awards or Options to the selected participant will cause all the awards or Options granted or to be granted to the selected participant (including exercised, cancelled and unexercised Options or awards) to be exercised within a period of 12 months up to and including the date of re-granting, and the total number of shares issued and to be issued exceeds the individual limit, it must be approved by the Shareholders separately, and the selected participant and their associates shall abstain from voting.

(e) Granting Options to a director or substantial shareholder

Each grant of Options to any director, chief executive or substantial Shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is a proposed recipient of the grant of Options). The number of Shares issued and to be issued if the grant of Share Options to the Company's major shareholders or independent non-executive directors (or any of their respective associates) will result in the exercise of all share Options granted or to be granted to that person (including exercised, cancelled and unexercised share Options) within a period of 12 months up to and including the date of grant: the total is equal to more than 0.1% of the issued shares (or such other higher percentage as the Stock Exchange may specify from time to time) at the closing price set out in the daily quotation sheet issued by the Stock Exchange on the date of grant,then the further grant of share Options must be approved by Shareholders in advance at the Shareholders' meeting (by voting). In order to obtain approval, the Company shall send a circular letter to Shareholders in accordance with the Listing Rules, which shall contain relevant information stipulated in the Listing Rules. Relevant selected participants, their associates and all core related persons of the Company must abstain from voting at the Shareholders' meeting, but related persons can vote against relevant resolutions at the Shareholders' meeting on the condition that they have stated their intentions in the circular sent to Shareholders.

Every share option granted to the directors or senior management of the Company under the Amended Post-IPO Share Option Scheme or any other share scheme set out in Rules 17.03(F) and 17.06B(7) and (8) of the Listing Rules shall be approved by the Remuneration Committee.

AMENDED POST-IPO SHARE OPTION SCHEME (Continued)

(f) Time to exercise Share Options

Subject to the terms and conditions of the grant of the Share Options, the grantee may exercise all or part of the Share Options by sending a written notice to the Company in the form determined by the Board from time to time, stating the number of Shares involved in the exercise of the Share Options thereby.

(g) Vesting

The vesting period of Share Options granted to employee participants may, at the discretion of the Board (or any duly authorized committee or person by the Board), be shorter than 12 months under the following circumstances:

(i) grants of "make-whole" Share Options to an employee participant who is a new joiner to replace the options he forfeited when leaving his previous employer(s);

(ii) grants of "make-whole" Share Options to an employee participant who is an existing key personnel of a newly acquired subsidiary of the Company to replace the awards or options he forfeited upon the acquisition of the subsidiary by the Company. In such case, the vesting period may be shorter to reflect the remaining vesting period in respect of the forfeited awards or options;

(iii) grants of Share Options to an employee participant whose employment is terminated due to death or disability or occurrence of any out of control event. In those circumstances, the vesting of an Option may accelerate;

(iv) grants of Share Options with performance-based vesting conditions provided in the Amended Post-IPO Share Option Scheme in lieu of time-based vesting criteria;

(v) grants of Share Options that are made in batches during a year for administrative and compliance reasons. They may include Options that have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which an Option would have been granted;

(vi) grants of Share Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months;

(vii) the occurrence of an event of change in control of the Company, where by way of offer, merger or scheme of arrangement; or

(viii) grants of Share Options with a total vesting and holding period of more than 12 months.

AMENDED POST-IPO SHARE OPTION SCHEME (Continued)

(g) Vesting (Continued)

Save for the above, there are no other circumstances that would result in a vesting period of less than 12 months.

The Board may at its discretion specify any condition in the offer letter at the grant of the Share Options which must be satisfied before the Share Options may be vested. Vesting shall only occur upon satisfaction (or where applicable, waived by the Remuneration Committee and the Board) of the conditions imposed by the Remuneration Committee and the Board.

The Company, any subsidiary, related entity or affiliated company shall have the right to withhold, and any grantee shall pay any tax and/or social security contributions related to the grant of Share Options. The Company does not apply to the amount (if any) to be paid when applying for or accepting the Share options, the time limit for payment or notice of payment or the time limit for repayment of the option loan.

(h) Notice of offer and share option grant

The offer must be made to the selected participants in duplicate, specifying the terms of the grant of Share Options. These terms may include any minimum term in which the Share Options must be held and/or the minimum target performance that must be achieved before the Share Options can be exercised in whole or in part, and may also include other terms imposed on individual or general situations at the discretion of the Board.

If the Company receives a copy of the letter of offer (which contains the number of shares accepted) signed by the grantee within 20 business days after sending the letter of offer to the grantee, together with the remittance of HK$1.00 paid to the company as the consideration for the Share Option granted, the offer will be deemed to have been accepted, and the Share Options related to the offer will be deemed to have been granted and become effective.

Any offer can be accepted for less than the number of shares it offers, provided that the shares accepted are one or more tradable shares. If the offer is not accepted within 20 business days after the date of sending the letter containing the offer to the relevant selected participants, it is deemed to have been irrevocably rejected.

AMENDED POST-IPO SHARE OPTION SCHEME (Continued)

(i) Subscription price

The exercise price shall be such price determined by the Board in its absolute discretion and notified to the participant in the Offer and shall be no less than the higher of:

(i) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant;

(ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant (provided that in the event that any Option is proposed to be granted within a period of less than five business days after the trading of the Shares first commences on the Stock Exchange); or

(iii) the nominal value of a Share on the Date of Grant.

(j) Duration

The Amended Post-IPO Share Option Scheme is valid and effective for a period of 10 years from the date of adoption (after that, no other Share Options may be proposed or granted under the Amended Post-IPO Share Option Scheme), but the provisions of the Amended Post-IPO Share Option Scheme will remain valid in all other respects, provided that any Share Options granted before the expiration of the Share Option Scheme are effectively exercised or the Share Options are effectively exercised under other circumstances under the Amended Post-IPO Share Option Scheme.

As at December 31, 2025, the remaining term of the Amended Post-IPO Share Option Scheme is approximately eight (8) years.

(k) Implementation of the Amended Post-IPO Share Option Scheme during the Reporting Period

As at December 31, 2025, there were no Share Options granted under the Amended Post-IPO Share Option Scheme. As of the date of this Report, the total number of shares that can be issued under the Amended Post-IPO Share Option Scheme is 79,565,800, accounting for about 10% of the total number of issued shares (excluding treasury shares) (i.e. 795,658,000 shares).

SHARE AWARD SCHEME

The Share Award Scheme (the "**Share Award Scheme**") was adopted and approved by the EGM of Shareholders on December 22, 2023 (the "**Adoption Date**"). For details, please refer to the company's circular on December 5, 2023 and announcement on December 22, 2023. The following is a summary of the main terms of the Share Award Scheme:

(a) The purpose of the Share Award Scheme

The specific objectives of the Scheme are to:

(i) recognise the present and historical contributions by certain selected participants with an opportunity to acquire a proprietary interest in the Company;

(ii) encourage and retain such individuals for the continual operation and development of the Group;

(iii) provide additional incentives for them to achieve performance goals;

(iv) attract suitable personnel for further development of the Group; and

(v) motivate the selected participants to maximize the value of the Company for the benefits of both the selected participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the selected participants directly to the shareholders of the Company through ownership of Shares.

(b) The Participants of the Share Award Scheme

The Participants of the Scheme:

(i) any director or employee (whether full time or part time) of the Company or any of its subsidiaries (and including persons who are granted Option(s) under the Amended Post-IPO Share Option Scheme as an inducement to enter into employment or service contracts with these companies); and

(ii) any director or employee (whether full time or part time) of the holding companies, fellow subsidiaries or associated companies of the Company.

(c) The maximum number of shares

The total number of shares that can be issued after the exercise of all awards or Options to be granted under the Share Award Scheme, Amended Post-IPO Share Option Scheme, and any other share schemes of the Company is 79,565,800, which is at most 10% of the shares issued on the date when the shareholders approve the Amended Post-IPO Share Option Scheme (excluding any shares that can be issued due to the exercise of awards or Options that may be granted under the Share Award Scheme, Amended Post-IPO Share Option Scheme). As of the date of this Report, it accounts for about 10% of all issued shares (excluding treasury shares) (i.e. 795,658,000 shares). Awards that have lapsed according to the terms of the Share Award Scheme will not be included in the calculation of the scheme mandate limit of the Share Award Scheme.

SHARE AWARD SCHEME (Continued)

(d) Maximum entitlement of a grantee

Unless approved by the Shareholders, the total number of shares issued or to be issued to each selected participant due to the exercise of the Options or awards granted or to be granted under the Share Award Scheme, Amended Post-IPO Share Option Scheme and any other share schemes of the Company (including exercised and unexercised Options or awards) within any 12-month period shall not exceed 1% of the total number of shares issued. If the re-granting of awards or Options to the selected participant will cause all the awards or Options granted or to be granted to the selected participant (including exercised, cancelled and unexercised awards or Options) to be exercised within a period of 12 months up to and including the date of re-granting, and the total number of shares issued and to be issued exceeds the individual limit, it must be approved by the Shareholders separately, and the selected participant and their associates shall abstain from voting.

(e) Granting share awards to a director or substantial shareholder

Each grant of share awards to any director, chief executive or substantial Shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is a proposed recipient of the grant of Options). The number of Shares issued and to be issued if the grant of share awards to the Company's major shareholders or independent non-executive directors (or any of their respective associates) will result in the exercise of all share awards granted or to be granted to that person (including exercised, cancelled and unexercised share awards) within a period of 12 months up to and including the date of grant: the total is equal to more than 0.1% of the issued shares (or such other higher percentage as the Stock Exchange may specify from time to time) at the closing price set out in the daily quotation sheet issued by the Stock Exchange on the date of grant, then the further grant of share awards must be approved by Shareholders in advance at the Shareholders' meeting (by voting). In order to obtain approval, the Company shall send a circular letter to Shareholders in accordance with the Listing Rules, which shall contain relevant information stipulated in the Listing Rules. Relevant selected participants, their associates and all core related persons of the Company must abstain from voting at the Shareholders' meeting, but related persons can vote against relevant resolutions at the Shareholders' meeting on the condition that they have stated their intentions in the circular sent to Shareholders.

Every share award granted to the directors or senior management of the Company under the Share Award Scheme or any other share scheme set out in Rules 17.03(F) and 17.06B(7) and (8) of the Listing Rules shall be approved by the Remuneration Committee.

(f) Time to exercise share awards

Subject to the terms and conditions of the grant of the share awards, the grantee may exercise all or part of the share awards by sending a written notice to the Company in the form determined by the Board from time to time, stating the number of Shares involved in the exercise of the share awards thereby.

SHARE AWARD SCHEME (Continued)

(g) Vesting

The vesting period for the share awards shall not be less than 12 months or such other period as the Listing Rules may prescribe or permit. Awards granted to an employee participant may be subject to a shorter vesting period under specific circumstances as set out below:

(i) Grants of "make-whole" awards to an employee participant who is a new joiner to replace the share awards he forfeited when leaving his previous employer(s);

(ii) Grants of "make-whole" awards to an employee participant who is an existing key personnel of a newly acquired subsidiary of the Company to replace the awards or options he forfeited upon the acquisition of the subsidiary by the Company. In such case, the vesting period may be shorter to reflect the remaining vesting period in respect of the forfeited awards or options;

(iii) Grants of awards to an employee participant whose employment is terminated due to death or disability or occurrence of any out of control event. In those circumstances, the vesting of an award may accelerate;

(iv) Grants of awards with performance-based vesting conditions provided in the Share Award Scheme in lieu of time-based vesting criteria;

(v) Grants of awards that are made in batches during a year for administrative and compliance reasons. They may include awards that have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which an award would have been granted;

(vi) Grants of awards with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of 12 months;

(vii) The occurrence of an event of change in control of the Company, where by way of offer, merger or scheme of arrangement; or

(viii) Grants of awards with a total vesting and holding period of more than 12 months.

Save for the above, there are no other circumstances that would result in a vesting period of less than 12 months.

The Board may at its discretion specify any condition in the offer letter at the grant of the award which must be satisfied before the awarded shares may be vested. Vesting shall only occur upon satisfaction (or where applicable, waived by the Remuneration Committee and the Board) of the conditions imposed by the Remuneration Committee and the Board. The Remuneration Committee and the Board or person(s) to which the Remuneration Committee and the Board delegated their authority may either direct and procure the Trustee(s) to release from the Trusts the awarded shares to the selected participants by transferring the number of awarded shares to the selected participants in such manner as determined by the Remuneration Committee and the Board from time to time.

SHARE AWARD SCHEME (Continued)

(g) Vesting (Continued)

The Company, any subsidiary, related entity or affiliated company shall have the right to withhold, and any grantee shall pay any tax and/or social security contributions related to the grant of award. The Company does not apply to the amount (if any) to be paid when applying for or accepting the award, the time limit for payment or notice of payment or the time limit for repayment of the award loan.

(h) Subscription price

The Board or the relevant Committee may, at its sole discretion, award the purchase price of the shares (if any) and the time limit within which any such payment must be made in the notice of grant, which shall be based on considerations such as the current market price of the shares, the purpose of the share awards and the characteristics and profile of the relevant selected participants.

(i) Duration

Except for any early termination that may be decided by the Board according to the Share Award Scheme, the validity period of the Share Award Scheme shall take effect from the adoption date of the Share Award Scheme (the validity period is ten (10) years), and no award will be granted after the expiration of the validity period, but the provisions of the Share Award Scheme shall be fully effective in all other aspects and the awards granted during the period of the Share Award Scheme will continue to take effect according to their respective grant terms.

As at December 31, 2025, the remaining term of the Share Award Scheme is about eight (8) years.

(j) Implementation of the Share Award Scheme during the Reporting Period

As at December 31, 2025, there were no share awards granted under the Share Award Scheme. As of the date of this Report, the total number of shares that can be issued under the Share Award Scheme is 79,565,800, accounting for about 10% of the total number of issued shares (excluding treasury shares) (i.e. 795,658,000 shares).

EQUITY-LINKED AGREEMENT

Except as disclosed in the section headed "Post-IPO Share Option Scheme", "Restricted Share Unit Scheme", "Amended Post-IPO Share Option Scheme" and "Share Award Scheme" above, there was no equity-linked agreement entered into by the Company or subsisting during the year ended December 31, 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended December 31, 2025, none of the Company or any of its subsidiaries or its consolidated affiliated entities had purchased, sold or redeemed any of the listed securities of the Company (including treasury shares). As of December 31, 2025, the Company did not hold any treasury shares (as defined in the Listing Rules). Since the adoption of the RSU Scheme and up to December 31, 2025, the trustee of the RSU Scheme had purchased a total of 34,631,544 Shares of the Company on the Hong Kong Stock Exchange.

PRE-EMPTIVE RIGHTS

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

NON-COMPETITION UNDERTAKING

On March 31, 2022, each of the Controlling Shareholders (i.e. the AIC Parties) entered into the Termination Agreement to terminate the acting-in-concert arrangement among them upon mutual agreement, with effect from March 31, 2022. Upon the execution of the Termination Agreement, the AIC Parties are no longer controlling shareholders of the Company, and they will no longer be bound by the Deed of Non-competition according to the terms of the Deed of Non-competition. For details, please refer to the announcement of the Company dated March 31, 2022.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of December 31, 2025, Mr. Wang Jianshuo was the chairman of the board of Baixing Net, and together with the persons acting in concert with him, held approximately 40.84% of the registered capital of Baixing Net, which primarily operates one of the largest classified information internet platforms in the PRC (i.e. www.baixing.com) that enables local merchants and consumers to exchange information and conduct business with each other.

As disclosed in the Prospectus, Baixing Net engages in information stream business with a focus on traffic distribution as an advertising agency, which are similar to the online marketing solutions business of the Group. For details of the delineation of the business of the Group and those of Baixing Net, please refer to the section headed "Directors and Senior Management" of the Prospectus.

Save as disclosed above, as of December 31, 2025, none of the Directors or their associates has any interest in any business that directly or indirectly competes with or may compete with the business of the Group.

CONNECTED TRANSACTIONS

Save as disclosed in the section headed "Contractual Arrangements" of this directors' report, during the Reporting Period, there was no other related party transaction or continuing related party transaction set out in Note 33 to the consolidated financial statements in this annual report which constitutes discloseable connected transaction or continuing connected transaction under the Listing Rules. In respect of the connected transactions and the continuing connected transactions, the Company has complied with the disclosure requirements of the Listing Rules (as amended from time to time).

CONTRACTUAL ARRANGEMENTS

Reasons for Entering into Contractual Arrangements

Foreign investment activities in the PRC are mainly governed by the Catalog and the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (the "**Negative List**", together with the Catalog, the "**Relevant PRC Regulations**"), promulgated and amended from time to time jointly by the Ministry of Commerce of the People's Republic of China and the National Development and Reform Commission of the People's Republic of China. Pursuant to the Relevant PRC Regulations, foreign investments in certain industries are subject to restriction or prohibition.

Below table sets out a summary of our businesses and the corresponding business sectors which are subject to foreign investment restriction or prohibition carried out by our PRC operating company under the Relevant PRC Regulations as confirmed by our PRC Legal Advisors:

Operating company of the Group	Description of business	Business sector under the Relevant PRC Regulations	Category under the Relevant PRC Regulations
Netjoy Network	Operating a pan entertainment-oriented content platform	Value-added telecommunications services	Restricted
	Planning and production of short video	Radio and TV programs production and operation services	Prohibited
Tradeplus	Planning and production of short video	Radio and TV programs production and operation services	Prohibited
	Operating a one-stop short video programmatic advertising and data management platform (the businesses carried out by Netjoy Network and Tradeplus are collectively referred to herein as the "**Relevant Businesses**")	Value-added telecommunications services	Restricted

CONTRACTUAL ARRANGEMENTS (Continued)

Reasons for Entering into Contractual Arrangements (Continued)

We also have minority interest in six companies through Netjoy Network and Tradeplus, namely Shanghai Buwei, Horgos Buwei Culture Media Co., Ltd. (霍爾果斯不維文化傳媒有限公司) ("**Horgos Buwei**") (the wholly-owned subsidiary of Shanghai Buwei) and Shanghai Opera Good-looking Network Technology Co., Ltd. (上海劇好看網絡科技有限公司) ("**Shanghai Juhaokan**"), and Wuhan Juhaokan Network Technology Co., Ltd. (武漢劇好看網絡科技有限公司) ("**Wuhan Juhaokan**") (the wholly-owned subsidiary of Shanghai Juhaokan), and Shaanxi Drama Gravity Culture Communication Co., Ltd. (陝西劇有引力文化傳播有限公司) ("**Shaanxi Drama Gravity**") (the wholly-owned subsidiary of Shanghai Juhaokan), and Shenzhen Jiusong Kunxin Investment Center (Limited Partnership) (深圳九頌坤信投資中心(有限合夥)) ("**Jiusong Kunxin**"), together with Shanghai Buwei and Horgos Buwei and Shanghai Juhaokan and Wuhan Juhaokan and Shaanxi Drama Gravity and Jiusong Kunxin (the "**Relevant Entities**"). Our PRC Legal Advisors are of the view that the businesses carried on by the Relevant Entities are also subject to foreign investment prohibition or restriction under the Relevant PRC Regulations. The table below sets out the Group's equity interest in the Relevant Entities and their businesses and categories:

Name of entities	Equity interest held by the Group	Description of business	Business sector under the Relevant PRC Regulations	Category under the Relevant PRC Regulations
Shanghai Buwei	20% equity interests held by Netjoy Network	Planning, production and distribution of internet short videos	Radio and TV programs production and operation services	Prohibited
Horgos Buwei	20% equity interest held by Netjoy Network through Shanghai Buwei	Planning, production and distribution of internet short videos	Radio and TV programs production and operation services	Prohibited
Shanghai Juhaokan	100% equity interests held by Tradeplus	Preparation to run small programs	Value-added telecommunication service	Restricted
		Planning and production of short plays	Radio and television program production and operation services	Prohibited
		Preparation to run small programs	Value-added telecommunication service	Restricted
Wuhan Juhaokan	100% equity interests held by Tradeplus through Shanghai Juhaokan	Network performance	Network culture	Prohibited
		Planning and production of short plays	Radio and television program production and operation services	Prohibited
		Preparation to run small programs	Value-added telecommunication service	Restricted
Shaanxi Drama Gravity	100% equity interests held by Tradeplus through Shanghai Juhaokan	Planning and production of short plays	Radio and television program production and operation services	Prohibited
Jiusong Kunxin	34.0522% equity interests held by Netjoy Network	Private equity investment	Private equity fundraising and investment business	Restricted

CONTRACTUAL ARRANGEMENTS (Continued)

Reasons for Entering into Contractual Arrangements (Continued)

In order to comply with PRC laws and regulations while availing ourselves of international capital markets and maintaining effective control over all of our business operations, we determined that it was not viable for the Company to hold Netjoy Network and Tradeplus directly through equity ownership. Instead, we decided that, in line with common practice in industries in the PRC subject to foreign investment restrictions, we would gain effective control over Netjoy Network and Tradeplus through the Contractual Arrangements.

Furthermore, as illustrated above, given the fact that the businesses carried on by the Relevant Entities are also subject to foreign investment prohibition or restriction under the current PRC laws and regulations, we determined that it was not viable for the Company to hold the minority interest in the Relevant Entities directly through equity ownership. Instead, we decided that, in line with common practice in industries in the PRC subject to foreign investment prohibition or restriction, we would hold the minority interest in the Relevant Entities through Netjoy Network and Tradeplus under the Contractual Arrangements.

We, through Yunxiang Information, entered into the Contractual Arrangements with the Registered Shareholders of Netjoy Network and the Netjoy Network on March 30, 2020, pursuant to which, Yunxiang Information has acquired effective control over the financial and operational policies of Netjoy Network and has become entitled to all the economic benefits derived from its operations.

We, through Yunxiang Information, entered into the Contractual Arrangements with the Registered Shareholders of Tradeplus and the Tradeplus on June 16, 2021, pursuant to which, Yunxiang Information has acquired effective control over the financial and operational policies of Tradeplus and has become entitled to all the economic benefits derived from its operations.

Given that the Consolidated Affiliated Entities have obtained the necessary radio and television program production license and value-added telecommunication business license for all our business operations, the Board believes that the Consolidated Affiliated Entities are of great significance to the Group.

CONTRACTUAL ARRANGEMENTS (Continued)

Summary of the Material Terms of Contractual Arrangements

(a) Exclusive Business Cooperation Agreements

Yunxiang Information entered into an exclusive business cooperation agreement with each of Netjoy Network and Tradeplus on March 30, 2020 and June 16, 2021, respectively (the "**Exclusive Business Cooperation Agreements**"), pursuant to which, in exchange for a service fee, Yunxiang Information agreed to provide Netjoy Network/Tradeplus with technical support, consultation and other services, including but not limited to:

- the use of any relevant intellectual property rights and software legally owned by the Yunxiang Information;
- development, maintenance and updating of software in respect of the Netjoy Network/Tradeplus business;
- design, installation, daily management, maintenance and updating of network systems, hardware and database;
- providing technical support and staff training services to relevant employees of Netjoy Network/Tradeplus;
- providing assistance in consultancy, collection and research of technology and market information (excluding market research business that wholly foreign owned enterprises are prohibited from conducting under the PRC laws);
- providing corporate management consultation;
- providing corporate strategy and development consultation;
- providing financial consultation and management services;
- providing business operation related information consultation;
- providing marketing and promotional services;
- providing customer order management and customer services;
- transfer, leasing and disposal of equipment or properties; and
- other relevant services requested by Netjoy Network/Tradeplus from time to time to the extent permitted under the PRC laws.

CONTRACTUAL ARRANGEMENTS (Continued)

Summary of the Material Terms of Contractual Arrangements (Continued)

(a) Exclusive Business Cooperation Agreements (Continued)

The service fee under the Exclusive Business Cooperation Agreements shall consist of 100% of the total consolidated profits of Netjoy Network/Tradeplus under IFRSs, after offset by any accumulated deficit in respect of the preceding financial year(s) (if any) and deducting relevant operating costs, expenses, taxes, statutory surplus reserves legally to be withdrawn and other statutory contributions. Notwithstanding the foregoing, Yunxiang Information may adjust the scope and amount of services fees according to PRC tax law and tax practices and with reference to the need of the working capital of Netjoy Network/Tradeplus, and Netjoy Network/Tradeplus will accept such adjustments.

(b) Exclusive Option Agreements

Yunxiang Information, with each of Netjoy Network and its Registered Shareholders and with each of Tradeplus and its Registered Shareholders entered into an exclusive option agreement on March 30, 2020 and June 16, 2021, respectively (the "**Exclusive Option Agreements**"), pursuant to which Yunxiang Information (or its designee(s)) was granted an irrevocable and exclusive right (the "**Exclusive Option Rights**") to purchase from the Registered Shareholders all or any part of their equity interests in Netjoy Network/Tradeplus, at any time and from time to time, at the amount of the registered capital of Netjoy Network/Tradeplus multiply by the proportion of the purchased equity interests in the total equity interests of Netjoy Network/Tradeplus or a lowest price legally permissible under the applicable laws of PRC, in which case the purchase price shall be the lowest amount under such request. Upon receiving all the duly executed share transfer documents and approvals and after deducting necessary tax expenses, Yunxiang Information or its designee(s) shall pay the purchase price within 10 Business Days to the designated bank accounts of the Registered Shareholders. Subject to relevant PRC laws and regulations, the Registered Shareholders shall return any amount of the purchase price within 10 Business Days after they have received relevant remedies from Yunxiang Information or its designee(s). Upon receiving the notice issued by Yunxiang Information (or its designee(s)) to exercise their Exclusive Option Rights (the "**Notice**"), the Registered Shareholders of Netjoy Network and Netjoy Network or the Registered Shareholders of Tradeplus and Tradeplus, within 30 days, shall execute all other contracts, agreements or documents with relevant parties, and shall take all necessary actions to engage in, complete, or obtain the approval, filing, registration procedures and consent with regulatory authorities without any delay, so that the relevant equity interests in Netjoy Network/Tradeplus as set out in the Notice, without any security interest attached to them, can be effectively transferred to and registered under the name of Yunxiang Information (or its designee(s)).

(c) Equity Pledge Agreements

Yunxiang Information, with each of Netjoy Network and its Registered Shareholders and with each of Tradeplus and its Registered Shareholders entered into an equity pledge agreements on March 30, 2020 and June 16, 2021, respectively (the "**Equity Pledge Agreements**"), pursuant to which the Registered Shareholders agreed to pledge all of their respective equity interests in Netjoy Network/Tradeplus as the first sequence to guarantee the payment of the secured debts of, the performance of the obligations of, and the representations, undertakings, and warrants provided by, Netjoy Network and its Registered Shareholders and Tradeplus and its Registered Shareholders under the Contractual Arrangements.

CONTRACTUAL ARRANGEMENTS (Continued)

Summary of the Material Terms of Contractual Arrangements (Continued)

(d) Powers of Attorneys

Yunxiang Information, with each of Netjoy Network and its Registered Shareholders and with each of Tradeplus and its Registered Shareholders entered into a powers of attorneys on March 30, 2020 and June 16, 2021, respectively (the "**Powers of Attorneys**"), pursuant to which the Registered Shareholders unconditionally and irrevocably appoint Yunxiang Information or its designee(s) (including but not limited to directors of Yunxiang Information and the Company and their successors and liquidators replacing the directors but excluding those non-independent or who may give rise to conflict of interests) as their attorney – in-fact, to exercise on their behalf, pursuant to the instructions of Yunxiang Information, all the rights that they have as the shareholders of Netjoy Network/Tradeplus as set out in the then-valid articles of association of Netjoy Network/Tradeplus.

(e) Spouse Undertakings

The spouse of each of the individual Registered Shareholders, where applicable, has signed an undertaking (collectively, the "**Spouse Undertakings**") to the effect that, among others, (i) the equity interests (together with any other interests therein) of Netjoy Network/Tradeplus held and to be held by each of the Registered Shareholders do not fall within the scope of communal properties; (ii) she unconditionally and irrevocably waives any rights or interests that may be granted to her under the applicable laws of any jurisdictions in respect of equity interests in Netjoy Network/Tradeplus, and she undertakes not to claim such rights or interests; (iii) no authorization or consent of her is required when performance, modification or termination of the Contractual Arrangements or execution of other documents in place of any agreements under the Contractual Arrangements; (iv) she will execute all necessary documents and take all necessary actions to ensure the appropriate performance of the Contractual Arrangements; (v) she will not, at any time, take any actions in conflict with the Spouse Undertakings and the Contractual Arrangements; and (vi) she will not take any actions to prevent the performances under the Contractual Arrangements in any circumstances, including but not limited to divorce of him or her with spouse.

(f) Confirmation from Registered Shareholders

Each of the individual Registered Shareholders undertakes to Yunxiang Information that, in the event of death, incapacity, divorce, or other circumstances regarding the Registered Shareholders which may affect the exercise of his direct or indirect equity interests (together with any other interests therein) in Netjoy Network/Tradeplus, the Registered Shareholder's respective spouse, successor, custodian, creditor, and any other person/entity which may as a result of the above events claim rights or other benefits on the equity interests (together with any other interests therein) in Netjoy Network/Tradeplus directly or indirectly shall not prejudice or hinder the enforcement of the Contractual Arrangements.

CONTRACTUAL ARRANGEMENTS (Continued)

Summary of the Material Terms of Contractual Arrangements (Continued)

For further details of the Contractual Arrangements, please refer to the "Contractual Arrangements" section of the Prospectus.

Save as disclosed above, during the Reporting Period, the Group did not enter into, renew and/or reproduce other new contractual arrangements with the Consolidated Affiliated Entities. During the Reporting Period, there were no significant changes in the Contractual Arrangements and/or the circumstances under which the Contractual Arrangements were adopted.

During the Reporting Period, none of the Contractual Arrangements had been unwound on the basis that none of these restrictions that led to the adoption of the Contractual Arrangements had been removed. As of December 31, 2025, the Company did not encounter any interference or hindrance by any PRC regulatory authority when operating its business through the Consolidated Affiliated Entities according to the Contractual Arrangements.

Accounting Aspects of the Contractual Arrangements

As a result of the Exclusive Business Cooperation Agreement and the Exclusive Option Agreement, the Company has obtained control of the Consolidated Affiliated Entities through Yunxiang Information and, at the Company's sole discretion, can receive all of the economic interest returns generated by the Consolidated Affiliated Entities. Accordingly, the Consolidated Affiliated Entities' results of operations, assets and liabilities, and cash flows are consolidated into the Company's financial statements.

Qualification Requirements

On December 11, 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the "**FITE Regulations**"), which were amended on September 10, 2008, February 6, 2016 and March 29, 2022. According to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services, including ICP services. According to the FITE Regulations, foreign investors investing in 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 with good performance (the "**Qualification Requirements**").

CONTRACTUAL ARRANGEMENTS (Continued)

PRC Laws on Foreign Investment

The Foreign Investment Law (2019) was adopted at the Second Session of the Thirteenth National People's Congress of the PRC on March 15, 2019 and came into force on January 1, 2020 (the "**FIL 2019**"). The FIL 2019 is intended to replace the current foreign investment legal foundation in the PRC consisting of three laws: the Sino-Foreign Equity Joint Venture Enterprise Law (《中外合資經營企業法》), the Sino-Foreign Cooperative Joint Venture Enterprise Law (《中外合作經營企業法》) and the Wholly Foreign-Invested Enterprise Law (《外資企業法》).

Our PRC Legal Advisors are of the view that since Contractual Arrangements are not specified as "foreign investments" under the FIL 2019 and if there is no applicable law or regulation that explains "other means" of foreign investment under the FIL 2019, or if "other means" of foreign investment are specified under applicable laws or regulations not to include Contractual Arrangements, it is unlikely that our Contractual Arrangements will be deemed as "foreign investments" under the FIL 2019 and therefore (i) the Contractual Arrangements shall neither be subject to the "negative list" nor be regulated by relevant authorities in accordance with the requirements of the "negative list;" and (ii) the FIL 2019 would not apply to the Contractual Arrangements as it does not substantially change the principle of recognition and treatment of Contractual Arrangements as compared with the current PRC laws and regulations, and the legality and validity of the Contractual Arrangements would not be affected.

If the operation of our Relevant Businesses is not on the "negative list" and we can legally operate such businesses under PRC laws, Yunxiang Information will exercise the option under the Exclusive Option Agreement to acquire the equity interests of Netjoy Network and unwind the Contractual Arrangements subject to re-approval by the relevant authorities.

If the operation of our Relevant Businesses is on the "negative list", unless applicable laws or regulations define Contractual Arrangements are one of the "other means" of foreign investment, the probability that Contractual Arrangements will be deemed as "foreign investment" under the FIL 2019 and be regulated by relevant authorities in accordance with the requirements of the "negative list," which could result in the Contractual Arrangements being deemed as invalid or being required to meet the requirements of the "negative list", is low. In addition, considering that a number of existing entities are operating under Contractual Arrangements and some of which have obtained listing status abroad, our PRC Legal Advisors are of the view that the PRC government is likely to take a relatively cautious attitude towards the supervision of Contractual Arrangements and the enactment of laws and regulations impacting them, and will make decisions according to different situations in practice.

CONTRACTUAL ARRANGEMENTS (Continued)

Details of Consolidated Affiliated Entities

Netjoy Network, a limited liability company established in the PRC on November 15, 2012, is a Consolidated Affiliated Entity indirectly controlled by the Company through the Contractual Arrangements. Netjoy Network principally engages in (i) operating our Huabian Platform, a pan entertainment-oriented content platform; and (ii) planning and production of short video.

As of December 31, 2025, Netjoy Network is 100% held by the following Registered Shareholders of Netjoy Network:

Shareholder	Attributable registered capital (RMB)	Approximate percentage of shareholding
Mr. Wang	**10,156,872**	18.97%
Mr. Xu	**8,581,778**	16.03%
Kijiji	**6,956,880**	13.00%
Mr. Dai	**5,992,656**	11.20%
Wutong Holding	**5,368,203**	10.03%
Guzon Asset	**5,143,560**	9.61%
Jingheng Jianyong	**3,612,000**	6.75%
Mr. Qin	**2,818,158**	5.26%
Mr. Ru	**2,140,096**	4.00%
Aofa Management	**1,372,000**	2.56%
Qipu Xinzhe	**700,000**	1.31%
Wideview Asset	**686,000**	1.28%
Total	**53,528,203**	100.00%

Tradeplus, a limited liability company established in the PRC on May 6, 2021, is a Consolidated Affiliated Entity indirectly controlled by the Company through the Contractual Arrangements. Tradeplus principally engages in (i) operating a one-stop short video programmatic advertising and data management platform; and (ii) planning and production of short video.

CONTRACTUAL ARRANGEMENTS (Continued)

Details of Consolidated Affiliated Entities (Continued)

As of December 31, 2025, Tradeplus is 100% held by the following Registered Shareholders of Tradeplus:

Shareholders	Attributable registered Capital (RMB)	Approximate percentage of shareholding
Mr. Wang	**2,000,000**	40.00%
Mr. Dai	**3,000,000**	60.00%
Total	**5,000,000**	100.00%

Earnings and assets under the Contractual Arrangements

During the Reporting Period, the revenue of Netjoy Network was approximately RMB34.85 million, accounting for approximately 1.2% of the total revenue of the Group. As of December 31, 2025, the total assets of Netjoy Network was approximately RMB265.70 million, accounting for approximately 12.8% of the total assets of the Group.

During the Reporting Period, the revenue of Tradeplus was approximately RMB10.79 million, accounting for approximately 0.4% of the total revenue of the Group. As of December 31, 2025, the total assets of Tradeplus was approximately RMB36.31 million, accounting for approximately 1.7% of the total assets of the Group.

Implications under Listing Rules and Exemption from Stock Exchange

For the purpose of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", the Consolidated Affiliated Entities will be treated as the Company's wholly-owned subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and their respective associates will be treated as connected persons of the Company (excluding, for this purpose, the Consolidated Affiliated Entities), and transactions between these connected persons and the Group (including, for this purpose, the Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules.

Since certain parties to the Contractual Arrangements (namely Mr. Wang, Mr. Xu, Mr. Qin, Mr. Dai and Kijiji) are the Registered Shareholders and connected persons of the Company, according to the Listing Rules, the transactions contemplated under the Contractual Arrangements constitute the continuing connected transactions of the Company.

CONTRACTUAL ARRANGEMENTS (Continued)

Implications under Listing Rules and Exemption from Stock Exchange (Continued)

In respect of the Contractual Arrangements, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of (i) the announcement, circular and independent Shareholders' approval under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules; (ii) setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange, subject, however, to the following conditions:

(a) No change without independent non-executive Directors' approval;

(b) No change without independent Shareholders' approval;

(c) The Contractual Arrangements shall continue to enable the Group to receive the economic benefits derived by the Consolidated Affiliated Entities;

(d) On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between the Company and our subsidiaries in which the Company has direct shareholding, on one hand, and the Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of the Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements; and

(e) We will disclose details relating to the Contractual Arrangements on an on-going basis.

CONTRACTUAL ARRANGEMENTS (Continued)

Annual Review by Independent Non-executive Directors and Auditor

During the Reporting Period, the independent non-executive Directors have reviewed the above Contractual Arrangements and confirmed that the Contractual Arrangements have:

(i) been entered into in the usual and ordinary course of business of the Group;

(ii) been conducted based on normal commercial terms or better; or been entered into based on the terms no less favorable to the Group than those available from or provided by independent third parties; and

(iii) been carried out according to the agreements for related transactions with terms that are fair and reasonable and in line with the interests of the Shareholders as a whole.

During the Reporting Period, independent non-executive Directors have also reviewed the above Contractual Arrangements and confirmed that:

(1) the transactions carried out during the Reporting Period have been entered into in accordance with the relevant provisions of the Contractual Arrangements;

(2) no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group; and

(3) any new contracts entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities during the Reporting Period are fair and reasonable, or advantageous to the Shareholders, so far as the Group is concerned and in the interests of the Company and the Shareholders as a whole.

The auditor of the Company carried out review procedures annually on the transactions carried out pursuant to the Contractual Arrangements in compliance 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, and provided a letter to the Directors that the transactions have received the approval of the Directors, have been entered into in accordance with the relevant Contractual Arrangements, and that no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group.

CONTRACTUAL ARRANGEMENTS (Continued)

Risks relating to Contractual Arrangements and Measures Taken to Mitigate Such Risks

The following are some of the risks involved in Contractual Arrangements. For details, please refer to the section headed "Risk Factors" in the Prospectus.

- If the PRC government considers that the agreements that establish the structure for operating our businesses in the PRC do not comply with applicable PRC laws and regulations, or if these laws or regulations or their interpretations change in the future, we could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of our interest in the Consolidated Affiliated Entities.

- Our Contractual Arrangements may not be as effective in providing operational control as direct ownership. Netjoy Network and its shareholders and Tradeplus and its shareholders may fail to perform their obligations under our Contractual Arrangements.

- We may lose the ability to use, or otherwise benefit from, the licenses, approvals and assets held by the Consolidated Affiliated Entities that are material to our business operations if the Consolidated Affiliated Entities declare bankruptcy or become subject to a dissolution or liquidation proceeding.

- The shareholders of Netjoy Network/the shareholders of Tradeplus may have conflicts of interest with us, which may materially and adversely affect our business.

- If we exercise the option to acquire equity ownership of Netjoy Network/Tradeplus, the ownership transfer may subject us to certain limitations and substantial costs.

- Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could substantially reduce our consolidated net income and the value of the Shareholders' investment.

CONTRACTUAL ARRANGEMENTS (Continued)

Risks relating to Contractual Arrangements and Measures Taken to Mitigate Such Risks (Continued)

The Group has adopted the following measures to ensure the effective operation of the Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

- as part of the internal control measures, major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;

- our Board, particularly our independent non-executive Directors, will review the overall performance of and compliance with the Contractual Arrangements at least once a year, and the confirmation from our independent non-executive Directors will be disclosed in our annual report;

- the Company will disclose the overall performance and compliance with the Contractual Arrangements in our annual reports and interim reports to update the Shareholders and potential investors;

- the Company and the Directors undertake to provide periodic updates in our annual and interim reports regarding (a) our plan and progress in acquiring the relevant experience to meet the Qualification Requirement, (b) our status of compliance with the FIL 2019, and (c) the latest regulatory development in relation with the FIL 2019;

- the Company will engage external legal advisors or other professional advisors, if necessary, to assist our Board to review the implementation of the Contractual Arrangements, review the legal compliance of Yunxiang Information and the Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements;

- the company seals, financial seals, contract seals and crucial corporate certificates of Netjoy Network/Tradeplus are kept by the Group's finance and legal departments, respectively. Any employee of the Group who wishes to use the seals will have to obtain internal approval from the head of the business, legal and/or finance department(s) (as the case may be) of the Group, as well as approval from relevant superior departments of the Company;

- because the Contractual Arrangements will constitute continuing connected transactions of the Group under the Listing Rules, the Company has applied to the Stock Exchange, and the Stock Exchange has granted a waiver. The Company will consistently comply with the conditions to be prescribed by the Stock Exchange under the waiver given; and

CONTRACTUAL ARRANGEMENTS (Continued)

Risks relating to Contractual Arrangements and Measures Taken to Mitigate Such Risks (Continued)

- our Board (including the independent non-executive Directors) will consistently ensure that Netjoy Network/ Tradeplus shall retain and continue to hold all relevant intellectual properties, including trademarks, computer software, copyrights and domain names, required for the purpose of maintaining and renewing its operating licenses and permits as required by relevant PRC government authorities, and going forward and to the extent permissible under PRC laws and regulations, Yunxiang Information or any other legally held member of the Group shall be the registered owner of any other newly developed trademarks which will be material to the business of the Group.

The Group will adjust or unwind (as the case may be) the Contractual Arrangements as soon as practicable in respect of the operation of the Relevant Businesses to the extent permissible and we will directly hold the maximum percentage of ownership interests permissible under relevant PRC laws and regulations which allow the Relevant Businesses to be conducted and operated by owned subsidiaries of the Company without such arrangements in place.

CHARITABLE DONATIONS

During the Reporting Period, the Group made no charitable or other donations.

MATERIAL LEGAL PROCEEDINGS

During the Reporting Period, the Company was not involved in any material legal proceeding or arbitration. To the knowledge of the Directors, there is no material legal proceeding or claim which is pending or threatened against the Company.

PERMITTED INDEMNITY PROVISIONS

In accordance with Article 192, the Directors and other officers shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty in their offices, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

The Company has purchased appropriate director and officer liability insurance for its Directors and officers to provide appropriate protection for its Directors and officers. Save as disclosed above, during the year ended December 31, 2025 and up to the date of this report, there were no permitted indemnity provisions which were or are currently in force, and are beneficial to the Directors (whether made by the Company or otherwise) or any directors of the Company's associated companies (if made by the Company).

CORPORATE GOVERNANCE CODE

The Group has adopted the principles and all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules as its corporate governance practices. Information about the corporate governance practices adopted by the Company is set out in the corporate governance report on pages 83 to 104 of this annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% (being the minimum public float prescribed by the Stock Exchange and the Listing Rules) of the Company's entire issued share capital were held by the public at any time during the year ended December 31, 2025.

REVIEW OF ANNUAL RESULTS

The Audit Committee has, together with the senior management and the external auditor of the Company, reviewed the accounting principles and practices adopted by the Group, and the audited consolidated financial statements for the year ended December 31, 2025.

AUDITOR

Ernst & Young Certified Public Accountants ("**Ernst & Young**") is the auditor for the year ended December 31, 2025. Ernst & Young has audited the accompanying consolidated financial statements which were prepared in accordance with the IFRS. The Company has engaged Ernst & Young since the date it began to prepare for the Listing. The Company has not changed its auditor in the past six years.

Ernst & Young is subject to retirement as auditor of the Company at the conclusion of the forthcoming AGM of the Company, and, being eligible, offers itself for re-appointment. A resolution for re-appointment of Ernst & Young as auditor of the Company will be proposed at the AGM.

SUBSEQUENT EVENTS

Details of the significant events after the Reporting Period are set out in the section headed "Events During and Subsequent to the Reporting Period" under Management Discussion and Analysis on Pages 21 to 22 and Note 37 to the consolidated financial statements in this annual report.

By order of the Board
XU Jiaqing
Chairman of the Board
Shanghai • China, August 6, 2026

Corporate Governance Report

The Board is pleased to present this corporate governance report set out in this annual report of the Company for the year ended December 31, 2025.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the principles and all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules as its corporate governance practices.

Save for the deviations from the code provisions disclosed below, the Company has complied with all applicable code provisions of the Corporate Governance Code during the Reporting Period.

(i) Code Provision B.2.2 stipulates that every director (including those with a specified term of office) should be subject to retirement by rotation at least once every three years. The Company was unable to complete the retirement by rotation arrangement of the directors in accordance with the Company's articles of association and the applicable code provisions as a result of the failure to convene the AGM during the Reporting Period. The Company has convened the 2025 AGM on August 3, 2026 to arrange for the retirement by rotation of the Directors, so as to comply with the relevant code provisions.

(ii) Code Provision D.1 requires an issuer to publish financial results and reports in a timely manner. Due to the delay in the Company's audit and certain internal review procedures during the year, the following items have been delayed: the announcements of the annual results for 2024, the interim results for 2025, the annual results for 2025, and the annual report for 2024, the interim report for 2025 and the annual report for 2025. The Company has uploaded the announcements of the annual results for 2024, the annual report for 2024, the interim results for 2025, the interim report for 2025 and the annual results for 2025 on June 28, 2026, July 10, 2026, July 24, 2026, July 24, 2026 and August 6, 2026, respectively. The Company has taken measures to strengthen the financial reporting and information disclosure processes to ensure future compliance with the time requirements under the Listing Rules.

(iii) Code Provision D.2 stipulates that the board of directors should be responsible for maintaining a sound and effective internal control and risk management system. During the year, the Company noted uncertainties in the recovery of prepayments made to certain suppliers. In this regard, the Company has engaged an independent internal control consultant to conduct an Internal Control Review on the Company's internal control procedures and identified certain areas for improvement in internal controls. Relevant details have been disclosed in the Company's announcement dated June 22, 2026. The Company has taken and will continue to take rectification measures in response to the relevant findings and recommendations to strengthen the internal control system. Relevant details have been disclosed in the Company's announcement dated August 6, 2026.

CORPORATE GOVERNANCE PRACTICES (Continued)

(iv) Code Provision F.1 stipulates that the board of directors should be responsible for maintaining ongoing dialogue with shareholders, in particular, communicating with shareholders and encouraging their participation through formal meetings (including general meetings) and other appropriate channels under the issuer's shareholder communication policy. Although the Company did not convene the AGM during the Reporting Period, it has updated its shareholders via announcements on the findings of the Independent Investigation, Internal Control Review, the progress on complying with the Stock Exchange's resumption guidance, and other material matters relating to the Company. In addition, the Company has kept its investor relations communication channels open to facilitate ongoing engagement with shareholders. The Company convened the 2025 AGM on August 3, 2026 and will ensure strict compliance with the relevant time requirements in the future.

Save as disclosed above, during the year ended December 31, 2025, the Company has complied with the remaining applicable principles and code provisions of the Corporate Governance Code and has complied with the majority of the recommended best practice provisions set out in the Corporate Governance Code. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

CORPORATE CULTURE AND VALUES

The Board endeavors to promote a strong performance culture in the Group and continually reinforce the desire corporate culture which is aligned with the Group's purpose, values and strategy and promote the corporate culture throughout the Group.

BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees, including the Audit Committee, the Nomination Committee and the Remuneration Committee (collectively, the "**Board Committees**"). The Board Committees should seek independent professional advice to perform their responsibilities at the Company's expense, if necessary. The Company is provided the sufficient resources to the Board Committees to perform their duties. The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference, which are available for inspection on the websites of the Company and the Stock Exchange.

All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

The Company has arranged appropriate insurance coverage in respect of liability arising from legal action against its Directors, and will conduct annual review on such insurance coverage.

COMPOSITION OF THE BOARD

During the Reporting Period, the Board comprises three executive Directors, three non-executive Directors and three independent non-executive Directors. As of the date of this Report, the Board comprises one executive Director, two non-executive Directors and three independent non-executive Directors as detailed below:

Executive Directors:

Mr. Xu Jiaqing *(Chairman)*
Mr. Wang Chen *(Resigned as executive Director and Chief Executive Officer on July 30, 2025)*
Ms. Zha Lijun *(Resigned as executive Director on January 23, 2026)*

Non-executive Directors:

Mr. Dai Liqun
Mr. Wang Jianshuo
Mr. Lin Qian *(Resigned as Chief Financial Officer on October 15, 2024, re-designated as a non-executive Director on November 19, 2024, resigned as a non-executive Director on January 17, 2025)*

Independent Non-executive Directors:

Mr. Chen Changhua
Dr. Ru Liyun
Ms. Cui Wen

The biographies of the Directors are set out in section headed "Directors and Senior Management" in this annual report.

For the year ended December 31, 2025, the Board has met the requirements at all times, of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive Directors representing at least one-third of the Board. Each of the independent non-executive Directors has confirmed his/her independence during the year ended December 31, 2025 pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

The Company has adopted a board diversity policy which sets out the approach to achieve and maintain an appropriate balance of perspectives of our Board that are relevant to our business growth. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merits and contributions that the selected candidates will bring to the Board. Details of the board diversity policy are available on the website of the Company.

COMPOSITION OF THE BOARD (Continued)

The Directors have a balanced mix of knowledge and skills, including overall management and strategic development, product operation, accounting and financial management, information technology and human resources. They obtained degrees in various majors, including in science and engineering, printing technology, Chinese language and literature, computer science and technology, marketing, and economics. Three independent non-executive Directors have different industry backgrounds, representing at least one-third of the Board. In addition, our Board has a wide range of age, ranging from 38 years old to 63 years old. We have also taken and will continue to take steps to promote gender diversity at all levels of the Company, including but without limitation at the Board and senior management levels. During the Reporting Period, the male to female ratio (including senior management, excluding interns) of the Group is approximately 54:101. The Group targets to enhance the gender equality and continues review and monitor the gender ratio and make the relevant adjustment if necessary to reflect further business development. Taking into account our existing business mode and specific needs as well as the different background of the Directors, we are of the view that the composition of our Board satisfies the Company's board diversity policy. During the Reporting Period, the Board has reviewed the implementation of the Company's board diversity policy and its continued effectiveness.

The Company has established a mechanism to ensure that, after making a request to the Board, each Director can generally seek independent professional advice, opinions and viewpoints under appropriate circumstances, and the expenses shall be borne by the Company. The mechanism covers composition of the Board and its specialized committees; independence assessment; compensation; Board decision making; and review of the policy implementation. The Board has adopted the policy that Directors can seek independent professional advice, and will review the implementation and effectiveness of the mechanism every year. During the Reporting Period, the Board has reviewed the implementation of the mechanism and confirmed that it is still valid.

The Company has reviewed the members, structure and composition of the Board, and believes that the structure of the Board is reasonable, and the Directors possess experience and skills in various aspects and fields, which can enable the Company to maintain operation at a high standard.

Since each of the independent non-executive Directors has confirmed his/her independence during the year ended December 31, 2025 pursuant to Rule 3.13 of the Listing Rules, the Company considers each of them to be independent. The Chairman meets with independent non-executive Directors at least once a year.

Save as disclosed in the biographies of the Directors as set out in the section headed "Directors and Senior Management" of this annual report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors or any chief executive officer.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge, and expertise to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Board Committees including Audit Committee, Remuneration Committee and Nomination Committee.

As regards to the code provisions under the Corporate Governance Code requiring the Directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All newly appointed Directors would be provided with necessary induction and information to ensure that they have a proper understanding of the Company's operations and businesses as well as their responsibilities under relevant statutes, laws, rules, and regulations. The Company also arranges regular seminars to provide the Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position, and prospects to enable the Board as a whole and each Director to discharge their duties.

The Company encourages continuous professional development training for all the Directors to develop and refresh their knowledge and skills. The company secretary of the Company update and provide the Directors with written training materials in relation to their roles, functions, and duties from time to time.

Based on the information provided by the Directors, a summary of the trainings received by the Directors during the year ended December 31, 2025 is as follows:

Name of Director	Nature of continuous professional development courses
Executive Directors:	
Mr. Xu Jiaqing	A, B
Mr. Wang Chen	A, B
Ms. Zha Lijun	A, B
Non-executive Directors:	
Mr. Dai Liqun	A, B
Mr. Wang Jianshuo	A, B
Mr. Lin Qian	N/A
Independent Non-executive Directors:	
Mr. Chen Changhua	A, B
Dr. Ru Liyun	A, B
Ms. Cui Wen	A, B

Notes:

A: *Attended at trainings provided by lawyers and trainings related to the Company's business*

B: *Read materials regarding various topics, including corporate governance, duties as a director, Listing Rules and other relevant laws*

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision C.2.1 of the Corporate Governance Code, the roles of chairman of the Board and chief executive officer should be separate and should not be performed by the same individual. In 2025, Mr. Xu Jiaqing is the chairman of the Board, Mr. Wang Chen is the Chief Executive Officer, and the two different positions are clearly defined by their respective functions. The chairman is responsible for providing strategic recommendations and advice in respect of the Group's development, while the Chief Executive Officer is responsible for the day-to-day operations of the Group. Mr. Wang Chen resigned as the executive Director and the Chief Executive Officer of the Company with effect from July 30, 2025. The Company is looking for a suitable candidate for the role of Chief Executive Officer. For details, please refer to the announcement dated July 30, 2025.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of Mr. Xu and Mr. Wang, being the executive Directors, has entered into a service contract with the Company on November 17, 2020. Each service contract is for an initial term of three years commencing from the Listing Date and automatically renewed after the expiration, and can be terminated by either party with not less than one month's written notice or according to the terms of the service contracts. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations. Mr. Wang terminated his service contract on July 30, 2025.

Both of Ms. Zha Lijun, being the executive Director and Mr. Lin Qian, being the non-executive Director entered into service contracts with the Company on March 31, 2022. Each service contract is for an initial term of three years commencing from March 31, 2022 and automatically renewed after the expiration, and can be terminated by either party with not less than one month's written notice or according to the terms of the service contracts. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations. Mr. Lin Qian terminated his service contract on January 17, 2025. Ms. Zha Lijun terminated her service contract on January 23, 2026.

Each of Mr. Dai and Mr. Wang Jianshuo, being the non-executive Directors, and Mr. Chen Changhua, Dr. Ru Liyun and Ms. Cui Wen, being the independent non-executive Directors, has entered into a letter of appointment with the Company on November 17, 2020. Each letter of appointment is for an initial term of three years commencing from the Listing Date and automatically renewed after the expiration, and can be terminated by either party with not less than one month's written notice or according to the terms of the letter of appointment. The letters of appointment may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

APPOINTMENT AND RE-ELECTION OF DIRECTORS (Continued)

None of the Directors has entered into any service contract with the Company or any member of the Group which is not terminable by the Group within one year without compensation (except for statutory compensation).

According to the Articles 109(a), at each AGM, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

The procedures and process of appointment, re-election, and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, and for making recommendations and advices to the Directors on the appointment, re-election, and succession planning of Directors.

BOARD MEETINGS

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of no less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board meetings and Board Committee meetings, reasonable notice is generally given by the Company. The agenda and accompanying Board papers are dispatched at least three days before the Board meetings or Board Committee meetings to ensure that the Directors have sufficient time to review the papers and be adequately prepared for the meetings. When the Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings shall be kept by the company secretary with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail on the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by all Directors.

BOARD MEETINGS (Continued)

During the year ended December 31, 2025, the Chairman of the Board of Directors held two meetings with the independent non-executive Directors, and no other executive Directors attended these meetings.

During the Reporting Period, the Board held ten Board meetings. The attendance of each Director at Board meetings are as follows:

Directors	Board meetings attended/Board meetings eligible to attend
Executive Directors:	
Mr. Xu Jiaqing	10/10
Mr. Wang Chen	5/10
Ms. Zha Lijun	10/10
Non-executive Directors:	
Mr. Dai Liqun	10/10
Mr. Wang Jianshuo	10/10
Mr. Lin Qian	1/10
Independent Non-executive Directors:	
Mr. Chen Changhua	10/10
Dr. Ru Liyun	10/10
Ms. Cui Wen	10/10

During the Reporting Period, the Company did not hold any general meeting due to the relevant arrangements. The 2025 AGM of the Company was held on August 3, 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Group has adopted the Model Code as its code of conduct regarding the securities transactions by Directors and relevant employees (as defined in the Model Code). Specific enquiry has been made to all the Directors, and each of the Directors has confirmed that he/she has strictly complied with the required standards as set out in the Model Code during the Reporting Period.

DELEGATION BY THE BOARD

The Board reserves for its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors, and other significant financial and operational matters. The Directors have recourse to seek independent professional advice in performing their duties at the Company's expense. The Directors are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration, and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

CORPORATE GOVERNANCE FUNCTION

The Board confirmed that corporate governance is a collective responsibility of the Directors, whose corporate governance functions includes:

(a) review and monitor the Company's policies and practices in complying with legal and regulatory requirements;

(b) review and monitor the training and continuous professional development of the Directors and senior management;

(c) develop, review, and monitor the code of conduct and compliance manual applicable to employees and the Directors;

(d) develop and review the Company's corporate governance policies and practices, and make recommendations and report on related issues to the Board;

(e) review the Company's compliance with the corporate governance code and disclosures in the Corporate Governance Report; and

(f) review and monitor the Company's compliance with its anti-corruption and whistleblowing policies.

BOARD COMMITTEES

Audit Committee

The Audit Committee consists of three members, namely, two independent non-executive Directors, Mr. Chen Changhua, being the chairman of the Audit Committee and Dr. Ru Liyun, and one non-executive Director, Mr. Dai Liqun.

The main duties of the Audit Committee include, among others, the following:

1. conducting inspections on our compliance, accounting policies, financial reporting procedures as well as our financial wellbeing;

2. organizing and leading our annual audit work;

3. advising on the engagement or change of external auditors;

4. ensuring the truthfulness, accuracy and completeness of the financial reports during the audit process and submitting them to the Board of Directors for review;

5. conducting inspections on our internal control system;

6. performing other responsibilities in accordance with applicable laws and regulations; and

7. performing other responsibilities as authorized by the Board.

The responsibilities and rules of procedure of the Audit Committee are available on the websites of the Stock Exchange and the Company.

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

During the Reporting Period, the Audit Committee held two meetings to discuss and consider the following:

- Reviewed the audit report prepared by the external auditor in respect of the accounting matters and significant audit findings for the year ended December 31, 2024, and submitted the same to the Board for discussion;

- reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function), risk management systems and procedures as well as the re-appointment of the external auditor; the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor; and

- Reviewed the Company's responses to regulatory enquiries in relation to the suspension and resumption of trading and the relevant disclosure documents, and submitted the same to the Board for discussion, among other matters.

During the Reporting Period, the attendance of each Audit Committee member at meetings is as follows:

Directors	Meetings attended/ Meetings eligible to attend
Mr. Chen Changhua	2/2
Mr. Dai Liqun	2/2
Dr. Ru Liyun	2/2

BOARD COMMITTEES (Continued)

Nomination Committee

The Nomination Committee consists of four members, namely, one executive Director, Mr. Xu Jiaqing, being the chairman of the Nomination Committee, and three independent non-executive Directors, Mr. Chen Changhua, Dr. Ru Liyun and Ms. Cui Wen (her appointment with effect from June 23, 2025).

The main duties of the Nomination Committee of the Company include, among others, the following:

1. reviewing the structure, size and composition of the Board annually, and advising on any changes of the Board proposed in accordance with the strategies of the Company;

2. formulating the criteria and procedures for selecting Directors and senior management members, and making recommendations to the Board;

3. extensively identifying qualified candidates for Directors and senior management members, and making recommendations to the Board;

4. conducting the preliminary examination of qualifications of candidates for directorships and senior management positions, and making recommendations to the Board on the selection;

5. assessing the independence of independent non-executive Directors; and

6. reviewing the Board diversity policy and nomination policy.

The Nomination Committee evaluates candidates or incumbents based on the criteria such as integrity, experience, skills, and the time and effort devoted to performing their duties. The recommendations of the Nomination Committee will be subsequently submitted to the Board for decision.

The responsibilities and rules of procedure of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

During the Reporting Period, the Nomination Committee held one meeting to discuss and consider the following:

- reviewed the structure, size and composition of the Board and Nomination Committee;
- assessed the independence of independent non-executive Directors of the Company;
- Discussed and recommended to the Board the appointment of Ms. Cui Wen as a member of the Nomination Committee, and provided advice to the Board on matters relating to such appointment; and
- reviewed board diversity policy and director nomination policy, and the execution of such policies, and ensured that these policies are still effective.

During the Reporting Period, the attendance of each Nomination Committee member at meetings is as follows:

Directors	Meetings attended/ Meetings eligible to attend
Mr. Xu Jiaqing	1/1
Mr. Chen Changhua	1/1
Dr. Ru Liyun	1/1
Ms. Cui Wen *(her appointment with effect from June 23, 2025)*	N/A

BOARD COMMITTEES (Continued)

Remuneration Committee

The Remuneration Committee consists of three members, namely, two independent non-executive Directors, Dr. Ru Liyun, being the chairman of the Remuneration Committee and Mr. Chen Changhua, and one non-executive Director, Mr. Dai Liqun.

The main duties of the Remuneration Committee include, among others, the following:

1. contemplating the criteria for appraising Directors and senior management members, conducting the appraisal, and submitting the appraisement reports to the Board;

2. reviewing the system and policy of our remuneration management, contemplating and reviewing the policy and plan for Directors' and senior management's remuneration and contemplating the establishment of a formal and transparent procedure for developing remuneration policy, and making recommendations to the Board;

3. reviewing and approving compensations receivable by the executive Directors and senior management members for any loss or termination of office or appointment to ensure that such compensations are consistent with contractual terms and are otherwise fair and not excessive; and

4. reviewing and approving compensation arrangements relating to dismissal or removal of any Director for his misconduct to ensure that such arrangements are consistent with contractual terms and are otherwise reasonable and appropriate.

The responsibilities and rules of procedure of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Remuneration Committee held one meeting to discuss and consider the following:

- reviewed and assessed the performance and the remuneration of Directors and senior management of the Company for the year 2024;

- reviewed and recommended the adoption of the Post-IPO Share Option Scheme to the Board;

- reviewed and recommended the adoption of the Amended Post-IPO Share Option Scheme to the Board;

- reviewed and recommended the adoption of the Share Award Scheme to the Board;

- reviewed and recommended the grant of share options and the grant of RSUs by the Company to the Board; and

- reviewed the recommending the remuneration policy and structure of Directors and Senior Management members of the Company for the year 2025 to the Board.

BOARD COMMITTEES (Continued)

Remuneration Committee (Continued)

During the Reporting Period, the attendance of each Remuneration Committee member at meetings is as follows:

Directors	Meetings attended/ Meetings eligible to attend
Dr. Ru Liyun	1/1
Mr. Dai Liqun	1/1
Mr. Chen Changhua	1/1

Remunerations of Directors and Senior Management

The Company has formulated a sound management performance assessment method and salary management method. The Company's human resources department is responsible for the formulation of the Company's management salary policy and salary plan. During the Reporting Period, the remuneration of the Company's senior management was paid in accordance with the 2025 annual remuneration plan agreed by the Remuneration Committee and reviewed and approved by the Board, and the annual performance appraisal objectives (tasks) signed. In determining the remuneration of senior management, the following factors should be taken into consideration: (i) business needs and company goals; (ii) duties and personal contributions of senior managers; and (iii) related market changes, such as fluctuations in supply and demand and changes in competitive conditions.

The remuneration of Directors and senior management of the Company (whose biographies are set out on pages 23 to 27 of this annual report) during the Reporting Period falls under the following bands:

Band of Remuneration (RMB)	Number
1-200,000	4
200,001-500,000	1
500,001-1,200,000	2

DIRECTION NOMINATION POLICY

The Company has adopted a nomination policy. During the Reporting Period, the Nomination Committee recommended the Board for the appointment of Directors in accordance with the following procedures and process:

i. The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;

ii. The Nomination Committee may consult any source it considers appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from a third party agency firm and proposals from the Shareholders with due consideration given to the criteria which include but are not limited to:

   (a) Diversity in the aspects of gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;

   (b) Commitment for responsibilities of the Board in respect of available time and relevant interest;

   (c) Qualifications, including accomplishment and experience in the relevant industries in which the Group's business is involved;

   (d) Independence of the candidates for a position of independent non-executive Director;

   (e) Reputation for integrity;

   (f) Potential contributions that the individual can bring to the Board; and

   (g) Plan(s) in place for the orderly succession of the Board.

iii. The Nomination Committee may adopt any process it considers appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks;

iv. The Nomination Committee will consider a broad range of candidates who are in and outside of the Board's circle of contacts;

v. Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;

vi. The Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of the remuneration package of such selected candidate;

vii. The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and the Remuneration Committee will make the recommendation to the Board on the policy and structure for the remuneration;

DIRECTION NOMINATION POLICY (Continued)

viii. The Board may arrange for the selected candidate to be interviewed by the members of the Board, who are not members of the Nomination Committee and the Board will thereafter deliberate and decide the appointment as the case may be; and

ix. All appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the relevant regulatory authorities, if required.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the audited consolidated financial statements of the Company for the Reporting Period which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's audited consolidated financial statements, which are put to the Board for approval. The Company has provided all members of the Board with monthly updates on the Company's performance and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditors regarding their reporting responsibilities on the audited consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 149 to 154 of this annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness on an annual basis. Such systems are designed to manage, rather than eliminate, the risk of failing to achieve business objectives, and can only provide reasonable, rather than absolute, assurance against material misstatements or losses.

The Board is fully responsible for evaluating and determining the nature and degree of risks that the Company is willing to take to achieve its strategic objectives, and establishing and maintaining an appropriate and effective risk management and internal control system.

The Audit Committee assists the Board in leading the management, and supervises the design, implementation and supervision of the risk management and internal control system.

The Company has formulated and adopted certain risk management procedures and guidelines within the defined authority, including policies and procedures that it is considered appropriate for the Company's business operations. In particular, the Company has adopted and implemented risk management policies in business operations such as financial reporting, information systems, regulatory compliance and human resources.

The Company has an internal audit function which aims at helping the Company to accomplish its objectives by continually evaluate and improve the effectiveness of the Group's risk management and internal control systems. In addition, for the year ended December 31, 2025, the Company has engaged an external professional institution, which was independent from the daily operation of the Group, to assist the Audit Committee in internal audit of the Group by evaluating the risk management and internal control systems through interviews, walk-through tests and operational effectiveness tests.

Through the review conducted by the Audit Committee, the Board has reviewed the effectiveness of the Group's financial reporting system, risk management system and internal control system for the year ended December 31, 2025. The scope of the review covers all major aspects, including the adequacy of resources for accounting, internal audit and financial reporting functions, staff qualifications and experience, training plan and budget.

The Company has established and implemented relevant procedures and internal controls for the handling and dissemination of inside information in compliance with the Securities and Futures Ordinance and the Listing Rules. Access to inside information is restricted on a need-to-know basis, and those with access are required to keep such information strictly confidential and to refrain from dealing in the Company's securities until the information has been publicly disclosed. All inside information is disclosed to the public in a timely manner as and when required, and kept strictly confidential before such disclosure.

In 2026, the Company set up a dedicated internal control and internal audit department (previously, the internal audit function was undertaken jointly by the legal and financial departments), which are responsible for the implementation and continuous review of risk management and internal control system to ensure the effective operation of the internal control system.

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

In view of the internal control deficiencies identified in the Independent Investigation, the Board has instructed the management to take immediate and comprehensive remedial measures, including completely terminating relevant high-risk businesses, reorganizing the responsibilities and authorizations of relevant personnel, strengthening independent risk monitoring functions, revising and refining payment and credit approval procedures. Furthermore, the Company has engaged the Internal Control Consultant to conduct a thorough review of the Group's internal controls to identify any deficiencies and to make recommendations to improve the Group's internal controls. For details, please refer to the announcements of the Company dated April 2, 2026 and June 22, 2026. The Group has implemented the rectification recommendations made by the Internal Control Consultant. The Internal Control Consultant has completed the follow-up review, and the results show that the Group has implemented and operated all remedial measures recommended in the Internal Control Review Report (except those not applicable). For details, please refer to the announcement of the Company dated August 6, 2026. The Group will strengthen continuous supervision and compliance training to enhance the effectiveness of internal control design and implementation. The Board and the Audit Committee have reviewed the findings and results of the Internal Control Review Report and the Follow-up Review Report, and are of the view that the management of the Company has implemented the corresponding remedial measures and recommendations set out in the Internal Control Review Report, has adequately addressed the internal control deficiencies identified therein, and has formulated adequate and practicable improvement plans. The remedial measures taken are sufficient and adequate. The enhanced internal control system will enable the Company to maintain sufficient and reliable governance, internal control systems and procedures to fulfill its obligations under the Listing Rules.

For the principal risks faced by the Group, please refer to the section "Principal Risks and Uncertainties" under "Directors' Report".

DIVIDEND POLICY

The Company had adopted an overall dividend policy subject to the following conditions.

The declaration and payment of dividends shall be determined at the absolute discretion of the Board and subject to all applicable requirements (including but not limited to the restrictions on dividend declaration and payment) under the Companies Ordinance, the Articles of Association and the any applicable law of Cayman Islands.

In proposing any dividend payout, the Board shall also consider, among other things:

- the actual and expected financial results of the Group;
- shareholders' interests;
- general business conditions and strategies;
- retained earnings and distributable reserves of the Company and each of the other members of the Group;
- levels of the Group's debt to equity ratio and return on equity, and any financial restrictions imposed on the Group;
- any contractual restriction on the distribution and payment of dividends by the Company to the Shareholders or the distribution and payment of dividends by the Company's subsidiaries to the Company;

DIVIDEND POLICY (Continued)

- the Group's expected working capital requirements and future expansion plans;
- liquidity position and future commitments at the time of declaration of dividend;
- taxation considerations;
- possible effects on the Group's creditworthiness;
- legal and compliance restrictions;
- general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- other factors that the Board deems appropriate.

The Board will propose the payment of dividend per share of the Company, if any.

Except for interim dividends and special dividends (see below), any dividends declared by the Company must be approved by an ordinary resolutions of the Shareholders at the AGM, and shall not exceed the amount of dividends recommended by the Board.

When the Directors verify that the Company has profit available for distribution, the Board may pay interim dividends and special dividends to the Shareholders from time to time. In addition to cash, dividends may be distributed in the form of Shares if it does not contravene and follow the procedures of the Articles of Association.

The Company will continue to review this policy and reserve its sole and absolute discretion to update, revise, and (or) modify this policy at any time, and this policy shall, in no event, constitute a legally binding covenant of the Company on any specific amount of dividends to be declared by the Company, and the Company has no obligation to declare dividends at any time or from time to time.

ANTI-CORRUPTION POLICY AND WHISTLEBLOWING POLICY

The Group strictly implements anti-corruption work requirements, actively carries out anti-corruption, anti-money laundering, business information confidentiality, declaration of conflict of interest and prevention of unfair transactions, etc., regulates business operations and employee behaviors, advocates a clean corporate culture, and safeguards the legitimate rights and interests of the Company. The Group has also set up a reporting channel to encourage all employees and stakeholders to report any suspected or actual violation of professional ethics and corruption cases to the legal department. For further details about the Group's anti-corruption policy and whistleblowing policy, please refer to the "Environmental, Social and Governance Report" of the Company.

AUDITOR'S REMUNERATION

The auditor's approximate remuneration in respect of the audit and non-audit services provided to the Company during the Reporting Period is as follows:

Type of services	Amount (RMB)
Audit services	5,900,000
Non-audit services[1]	160,000
Total	**6,060,000**

Note:

(1) The non-audit services include tax compliance and advisory services, financial and tax due diligence services and other advisory services.

COMPANY SECRETARY

Ms. Peng Ting ("**Ms. Peng**") is company secretary of the Company, responsible for making recommendations to the Board on corporate governance matters, and ensuring compliance with the Board's policies and procedures, applicable laws, rules and regulations. The main contact person of the Company is Ms. Peng.

The company secretary supports the Chairman, the Board and the Board Committees, and ensures that the consultation within the Board is unimpeded and the policies and procedures of the Board are followed. The company secretary reports to the Board and assists the Board to operate effectively and efficiently. The company secretary also advises the Board on governance matters and provides assistance to the directors in their new positions and professional development.

During the Reporting Period, Ms. Peng has completed no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONSHIP

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance, and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information on the Company for the Shareholders and investors to make informed investment decisions. During the Reporting Period, the Board has reviewed the implementation and effectiveness of the shareholders' communication policy, and considers that it is still effective.

The AGMs provide opportunity for Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of the Board Committees of the Company will attend the AGMs to answer Shareholders' questions. The auditor will also attend the AGMs to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies, and auditor's independence.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONSHIP (Continued)

To promote effective communication and to build an inter-relationship and communication channel between the Company and the Shareholders, the Company adopts a Shareholders' communication policy and maintains a website (www.netjoy.com), where the up-to-date information on the Company's business operations and developments, financial information, corporate governance practices, and other information are available for public access. The Company provides the contact email address (ir@netjoy.com) and telephone number (021-54722297) in the investor relations website, and actively established contact with Shareholders and investors through the above methods, so that Shareholders and investors can know about the company.

SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

CONVENING AN EXTRAORDINARY GENERAL MEETING AND PUTTING FORWARD PROPOSALS BY SHAREHOLDERS

According to the Articles 64, the Board may, whenever it thinks fit, convene an extraordinary general meeting. One or more Shareholders (holding not less than one-tenth of the voting rights of the Company's share capital on the date of submission of the request) may also request the convening of an extraordinary general meeting and/or add a proposal to the agenda of the meeting. Such requisition shall be made in writing to the Board or the company secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

ENQUIRIES TO THE BOARD

Shareholders who intend to make enquiries to the Board on matters regarding the Company may send their enquiries to the Investor Relations Department of the Company through email at ir@netjoy.com.

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

The Memorandum and Articles of Association of the Company remained unchanged during the Reporting Period, and the existing Memorandum and Articles of Association of the Company will remain valid.

Environmental, Social and Governance Report

ABOUT THIS REPORT

REPORT OVERVIEW

This Environmental, Social and Governance Report (the "**Report**" or the "**ESG Report**") provides an overview of the initiatives, plans and performance of Netjoy Holdings Limited (the "**Company**, the "**Group**" or "**We**", together with its subsidiaries) in Environmental, Social and Governance ("**ESG**") and demonstrates its commitment to sustainable development.

REPORTING PERIOD

This Report describes the ESG activities, challenges and measures taken by the Group during the year ended December 31, 2025 (the "**Reporting Period**", "**Year**", "**FY 2025**").

REPORTING SCOPE

This Report discloses the Environmental, Social and Governance performance of the Group's major business activities in China Mainland, including intelligent marketing solutions, e-commerce service solutions and innovative business. This disclosure highlights the Group's ongoing efforts to foster sustainable development, mitigate risks, and create long-term value for all stakeholders.

REPORT FRAMEWORK

This Report has been prepared in accordance with all applicable requirements outlined in the Code on Environmental, Social and Governance Reporting (the "**Code on ESG Reporting**") set out in Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange.

CONTACT AND FEEDBACK

Your feedback is very valuable for our continuous improvement. We welcome your comments and suggestions on this ESG Report. Welcome to provide valuable feedback on this Report or our sustainable development performance by email: ir@netjoy.com.

FORWARD STATEMENTS

This Report contains forward statements based on the Group's current expectations, estimates, forecasts, beliefs and assumptions about the businesses and markets operated by it and its subsidiaries. Forward statements are not a guarantee of future performance, and are affected by market risks, uncertainties and factors beyond the control of the Group. Therefore, the actual results and returns may be different from the assumptions and statements in this Report.

REPORTING PRINCIPLE

During the preparation of this Report, the Group has complied with the reporting principles stipulated in the Code on ESG Reporting, as follows:

Importance: The Group has conducted a materiality assessment to identify the significant matters during the Reporting Period, thereby using the confirmed major events as the focus of this Report. The significance of these matters has been reviewed and approved by the Board of Directors (the "**Board**") and the ESG Working Group (the "**Working Group**"). For further details, please refer to the chapters "Stakeholder Participation" and "Materiality Assessment".

Quantification: The Group's departments coordinate the collection and recording of key environmental and social performance data. This data is presented as quantitative disclosures in the ESG Report, reflecting the Group's performance against key performance indicators ("**KPIs**"). The Report also outlines the sources of any standards, methodologies, and conversion factors used in calculating emissions and energy consumption.

Balance: The Group presents all matters accurately, fairly and impartially, disclosing both positive and negative information during the Reporting Period to ensure balance content,and to assist readers in making a reasonably assessment of the Group's overall performance.

Consistency: The preparation methodology of this ESG Report is broadly consistent with that of the previous year. Any changes in disclosure scope or calculation methods have been explained to ensure data comparability during the Reporting Period.

CHAIRMAN'S SPEECH

On behalf of the Board, I am pleased to present the environmental, social and governance ("**ESG**") report of Netjoy Holdings Limited ("**Netjoy**" or "**the Company**" and its subsidiaries collectively referred to as "**the Group**") for 2025.

Year 2025 is a new milestone in global sustainable development information disclosure. With the Hong Kong Stock Exchange closely following the new climate disclosure regulations of the International Sustainability Standards Board (ISSB), it has become an inevitable trend for enterprises to incorporate climate risks into their core decisions. In the past year, while fully promoting the business transformation driven by big data and AI, the Group firmly took the concept of sustainable development as the strategic fulcrum, actively responded to the new regulatory requirements, and joined hands with all parties to create long-term value with both economic and environmental benefits.

A sound governance system is the rock for enterprises to cope with the changing market and climate challenges. In 2025, the Group further optimized the Board and ESG governance structure. We formally incorporated climate-related risks and opportunities into the decision-making and supervision of the Board, and established and improved climate-related governance mechanisms and risk management processes that meet the requirements of the new guidelines. As a light asset technology company, while deepening the internal control review and strictly observing the bottom line of data security and privacy protection, we also actively assess the potential impact that climate change may bring to the company's technology infrastructure and supply chain, so as to build a solid foundation for the Group's steady development with comprehensive compliance and risk prevention and control.

Facing increasingly severe global climate issues, the Group has actively implemented its green and low-carbon commitment. The Group fully meets the new climate disclosure requirements of the Hong Kong Stock Exchange and enhances the transparency and scientificity of environmental data. We continue to implement digital office and high-efficiency energy management measures to reduce energy consumption in daily operations. Looking forward to the future, we will follow the guidelines of the new regulations, gradually explore climate scenario analysis and potential financial impact assessment, give full play to the innovative advantages of technology companies, and promote the green and low-carbon transformation of the digital marketing ecosystem.

At the social level, we adhere to the initial intention of "Tech for Social Good", deepen close cooperation with advertisers, media platforms and supply chain partners, and jointly build an honest and healthy digital marketing ecosystem. We also actively fulfill our corporate citizenship responsibilities and actively feed back the society to ensure that the development dividend of the digital economy will benefit the public more widely and safely.

Looking back, the past has been interwoven with challenges and transformation; looking ahead, the deep integration of digitalization, intelligence, and green development represents an unstoppable trend. Netjoy will continue to maintain its strategic focus, embedding ESG and climate governance deeply into the Group's long-term core values. With more forward-looking governance vision, more robust carbon management practices, and more heartfelt social responsibility, we will reward the trust of our shareholders, clients, employees, and society. Let us join hands and, together in this new era of low-carbon sustainability, forge a green, healthy, and efficient future.

Xu Jiaqing
Chairman of the Board

BOARD STATEMENT AND ESG GOVERNANCE STRUCTURE

Board of Directors

- Oversee all ESG issues of the Group
- Provide ESG management approach and strategies
- Review ESG-related objectives and targets

Environmental, Social, and Governance Working Group

- Collects and analyses ESG data and evaluates the effectiveness of policies and procedures
- Ensure the implementation of plans to achieve ESG goals
- Ensure compliance with relevant ESG related laws and regulations
- Prepare and reports the annual ESG report to the Board of Directors

Functional Departments

- Implements measures related to environmental, social, and governance and reports progress to the ESG Working Group

BOARD STATEMENT AND ESG GOVERNANCE STRUCTURE

While striving to create value for shareholders, the Group is also committed to fulfilling its corporate social responsibility. We regard ESG commitments as part of our corporate social responsibility and are dedicated to integrating ESG considerations into our decision-making process. To achieve this goal, we have established a core governance framework to ensure that ESG aligns our strategic development, while also promoting the integration of ESG into our business operations. This ESG framework is structured into the Board and the ESG working group.

The Board holds ultimate oversight responsibility for the Group's ESG matters, including its ESG approach, strategies and policies. To effectively manage the Group's ESG performance and identify potential risks, the Board, with the assistance of the ESG Working Group, conducts regular materiality assessments. These assessments incorporate the perspectives of different shareholders and help to evaluating prioritise key ESG-related issues.

The Board confirms that it has reviewed and approved this Report. To the best of its knowledge, this Report fairly presents the identified major issues and discloses the Group's ESG management approach and performance.

ESG WORKING GROUP

Under the leadership of the Board, ESG initiatives are carried out by a designated Working Groups composed of core personnel from different departments to promote the supervision of the Board on ESG affairs. During the Reporting Period, the Working Group undertook all aspects of ESG-related responsibilities, including providing the Board with a comprehensive briefing on ESG goals, strategies and initiatives. The Group also collects and analyses ESG data, monitors and evaluates the Group's ESG performance, and actively assists in the preparation of ESG Report.

The ESG Working Group also holds regular meetings to assess the effectiveness of existing policies and procedures and formulate appropriate solutions to improve the overall performance of ESG policies. During these meetings, the ESG Working Group discusses current plans, mitigates potential risks, and strives to minimise disruptions to business operations. The ESG Working Group reports regularly to the Board of Directors to evaluate the implementation and effectiveness of the internal control mechanism and review the progress of the established objectives and indicators. It will also participate in enterprise risk management to help assess and identify the Group's ESG risks and opportunities.

FUNCTIONAL DEPARTMENTS

Functional departments are responsible for implementing ESG-related measures to ensure the Company makes progress in sustainable development. Their responsibilities include formulating and executing relevant policies, monitoring and evaluating the effectiveness of ESG initiatives, and regularly reporting the progress to the ESG Working Group.

STAKEHOLDER PARTICIPATION

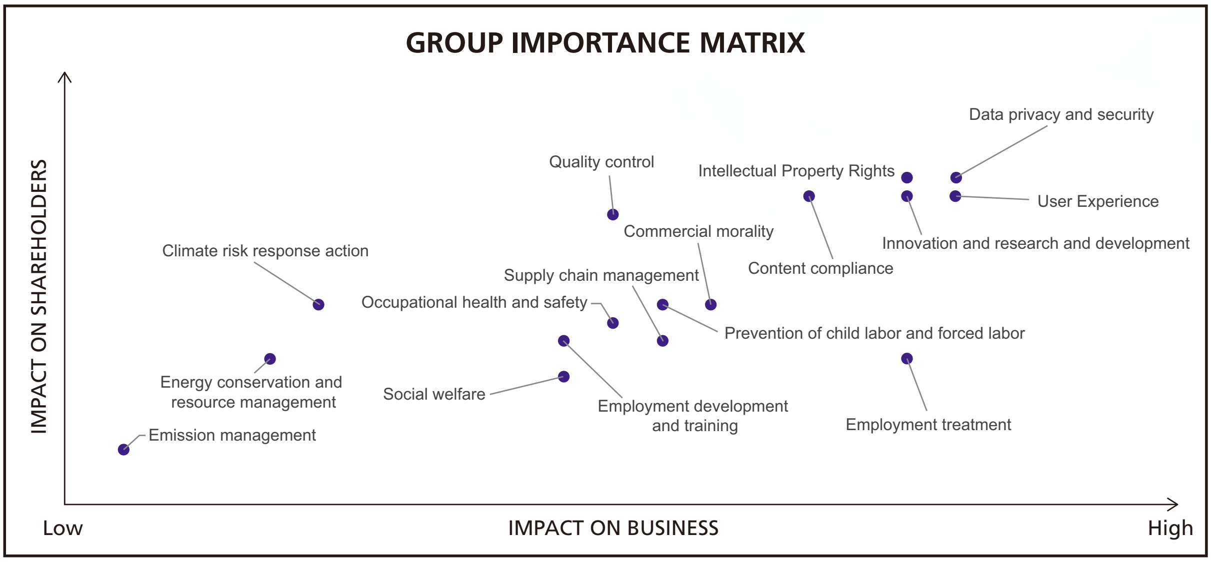
We place great importance on our stakeholders and actively seek their feedback on the Group's business and ESG aspects. To understand their concerns and opinions in these areas, we engage in regular communication with stakeholders. Our key stakeholders are crucial to our policy development, including but not limited to shareholders and investors, customers, employees, suppliers, community and non-governmental organisations, the media and the public, as well as the government and regulatory agencies.

We provide stakeholders with timely information about our operations and ESG performance through multiple communication channels. The following outlines stakeholders' expectations and how we respond to their needs.

Stakeholders	Communication Channels	Expectations
Shareholders and investors	• Annual general meeting and other shareholders' meetings • Financial statement • Announcements and circulars • Company website	• Compliance operation • Business performance • Risk management • Anti-corruption
Customers	• Customer service hotline • Customer complaint mechanism • Social media • Satisfaction survey	• Product quality • Responsible marketing • Privacy protection • Complaint mechanism
Employees	• Training, seminars and briefings • Performance evaluation • Employee complaint mechanism	• Occupational health and safety • Career path • Compensation and benefits • Equality and diversity
Suppliers	• Supplier evaluation meeting • Supplier audit • Tender selection	• Long-term cooperation • Supply chain management • Commercial morality
Community and non-governmental organizations	• Community activities • Employee volunteer activities • Sponsorship and donation	• Community service • Charitable activities • Environmental protection
Media and the public	• ESG Report • Company website • News report	• Open and transparent information • Commercial morality • Compliance operation
Government and regulatory agencies	• Information disclosure • On-the-spot investigation	• Open and transparent information • Commercial morality • Legal compliance • Economic and social impact

IMPORTANT CATEGORY EVALUATION

Through ongoing communication with stakeholders, the Group gains valuable insight into their expectations and concerns. The identification and evaluation of material topics for 2025 are guided by the global sustainability agenda, international best practices, the Group's operational risks and strategies, as well as stakeholder input. The Group actively engaged with key ESG issues, ensuring that all material aspects are thoroughly considered. Based on the ESG topics identified, a materiality assessment questionnaire was developed to capture stakeholder perspectives and feedback. The findings have been analyzed and are presented in a materiality matrix summarising the Group's key ESG issues for the Reporting Period:



CLIMATE-RELATED DISCLOSURES

GOVERNANCE

The Board considers a broad spectrum of climate-related risks and opportunities in setting the Group's strategic direction, and ensures these factors are fully integrated into its oversight of strategy, major transactions, and policies. ESG considerations and stakeholder expectations are fully embedded in decision making by regularly assessing whether proposed transactions, and controls and mitigation measures align with the Group's climate commitments. The Board balances short-term financial implications with long-term resilience to support informed, forward-looking decisions that enable sustainable performance.

The Board further oversees the development of climate-related targets, ensuring they are grounded in credible data, aligned with strategic priorities, and supported by clear execution plans. It reviews progress against these targets on a regular basis and raises queries where gaps or delays arise. Although climate-related performance indicators are not yet incorporated into remuneration policies, the Group's commitment to achieving its climate objectives remains fully intact.

Internal controls and review mechanisms are integrated into the operations of business units. These include periodic climate-related risks assessments, as well as cross-functional reviews of regulatory and market developments.

All the Directors and senior personnel in the ESG Working Group have received sustainability training. The Board is kept informed of emerging ESG developments, including energy policies, regulatory updates and evolving market best practices. ESG training is embedded in the ongoing development of Directors and senior management.

STRATEGY

Responsibility is at the center of everything we do. It guides how we manage our business, how we operate our facilities, and how we support our people and communities. This approach shapes our culture and defines our long-term goals.

We believe that sustainable growth is only possible by maintaining high ethical standards, protecting the environment, and investing in the well-being of our workforce. By making responsibility a core part of our business strategy, we aim to create lasting value and contribute positively to our stakeholders and the industry.

We have defined clear time horizons to guide the effective implementation of our strategy and to track our progress throughout the journey. Each period represents a deliberate phase of action, allowing us to build momentum in a structured and measurable way. By defining the purpose of each period, we ensure that our efforts remain focused, coordinated, and aligned with our overarching ambition.

Short Term (1–5 years): Our near-term priorities centre on strengthening operational efficiency, ensuring full compliance, and building the data and governance foundations needed to support our broader ESG strategy.

Medium Term (6–10 years): Over the medium term, we will make meaningful progress on our ESG targets that embed sustainable practices across our operations. These goals are designed to deliver measurable improvements on our material topics and align with our corporate strategic planning.

Long Term (10+ years): Our long-range ambitions focus on transformational outcomes that contribute to wider societal and environmental goals, including climate action and the transition to a circular economy. These aspirations position us to play a leading role in shaping a sustainable future.

STRATEGY (Continued)

Managing Climate-related Risks and Opportunities

Climate change presents both risks and opportunities. We take a balanced approach that considers potential positive and negative impacts, enabling us to maximise value while minimising adverse effects on our business.

Physical Risks, Transition Risks and Opportunities

We categorise climate-related impacts into physical risks, transition risks and opportunities that are reasonably expected to affect our cash flows, access to finance, or cost of capital.

Physical risks: These include acute events – such as extreme heat, rainfall, storms and other natural disasters – that may disrupt our supply chain and infrastructure, as well as chronic changes like rising sea levels and shifting climate patterns that could affect long term business viability.

Transition risks: They stem from the global shift toward a low carbon economy, including more stringent laws and regulations on environmental protection, carbon emission and waste generation. Technological developments and changing market preferences for green companies may require adjustments to our business model and operations. These changes may lead to increased risks of regulatory non-compliance resulting in legal, technological, market and reputational risks.

Opportunities: The transition to a low-carbon business model may bring us opportunities. Growing ESG awareness among consumers gradually shapes the market as preferences shift toward more responsible businesses. Efforts to improve energy efficiency and reduce waste not only lower operating costs in the short-term, but also help streamline and optimize operations over the medium term. Emerging low-carbon markets are expected to mature within the next three to ten years, creating new opportunities for growth and innovation. By actively disclosing ESG performance and taking concrete action, we can enhance our reputation, attracting new capital and customers.

Effects on Business Model and Value Chain

This section has adopted the implementation exemption of the Code on Environmental, Social and Governance Reporting:

	Reasonable information exemption	Commercial sensitivity exemption	Financial impact exemption
Current financial impact			✓
Expected financial impact	✓	✓	✓
Cross-industry category index	✓		
Scenario analysis	✓		

STRATEGY (Continued)

Effects on Business Model and Value Chain (Continued)

The Group has identified the following risks and opportunities on its business model and value chain:

Risk Type	Description	Effects on Business Model	Effects on Value Chain
Physical Risks			
Acute Risk	Increased severity of extreme weather • Extreme heat • Rainfall/flooding • Tropical cyclones	• Damages property and assets in areas affected by extreme weather • Increases need for air-conditioning and energy use • Affects employee health and safety • Disrupts utilities supply • Increases maintenance costs and insurance premiums • Reduces short-term revenue • Impact asset values	• Interrupts supply chains • Reduces availability of insurance on assets in risks exposed areas • Lowers sales/output due to business disruption • Disrupts cloud services • Affects costs and availability of utilities
Chronic Risk	Variability in climate and precipitation patterns • Changing climate patterns		
Transition Risks			
Regulatory Risks	• Increased carbon pricing • Mandatory reporting obligations • Regulation of existing products and services • Exposure to litigation	• Increases regulatory requirements on carbon pricing • Retires existing assets early due to policy changes • Changes in energy efficiency standards • Increases costs on adopting new processes for compliance	• Induces structural changes in compliance throughout the value chain • Increases risks from non-compliance of suppliers or partners • Reduces demand for high-emissions products and services • Lowers profit margin due to upstream compliance costs
Market Risks	• Changing consumer behaviour • Unpredictable market demand • Changes in competitive landscape	• Changes input prices (e.g legal and compliance expenses) • Increases output requirements (e.g. on waste treatment and emission control)	• Disrupts existing upstream and downstream partnerships as procurement shifts toward greener alternatives
Reputational Risks	• Criticism of industry sector • Negative stakeholder feedback	• Increases the difficulty of talent retention and workforce planning • Lowers ability to attract capital	• Reduces demand of goods and services throughout the value chain

STRATEGY (Continued)

Effects on Business Model and Value Chain (Continued)

Opportunity Type	Description	Effects on Business Model	Effects on Value Chain
Efficiency Gains	• More efficient and diverse service offerings • Savings from optimising resources • Energy and water efficiency • Use of new technologies	• Improves efficiency from flexible work arrangements during extreme weather • Improves profit margins • Benefits employee health, satisfaction, and productivity • Reduces exposure to fossil fuel price increases • Increases capital availability	• Increases capacity and resource utilisation throughout the value chain • Reduces operational costs due to upstream improvements
Market Opportunities	• Access to new markets • Opportunity to expand geographically	• Increases revenue source from new markets • Diversifies geographically	• Fosters maturity of the entire value chain via expanded product and service offerings
Consumer Preference	• Changes in consumer behaviour and expectations	• Opens up new revenue streams • Increases market share of green companies	• Incentivizes sustainable innovation throughout the value chain, driven by downstream demands

Our Adaptation and Mitigation Plans

The Group have formulated the below adaptation and mitigation measures to tackle physical risk, transition risks, and opportunities:

Risk Type	Adaptation and Mitigation Measures
Physical Acute Risks	To effectively tackle the acute risks, we have a robust emergency plan that includes staff training to enhance our resilience: • Implement localized mitigation measures and conduct regular drills to address increasingly severe weather risks; • Activate contingency plans with flexible work arrangements in event of extreme weather; • Advise employees to undertake precautionary measures when necessary; • Promote ventilation and cooling improvements in facilities to improve working conditions; • Position servers, air conditioners, and other critical equipment in locations that meet required flood and wind resistance standards; and • Explore energy-efficient equipment and alternative energy sources to reduce reliance on traditional energy supplies.

STRATEGY (Continued)

Our Adaptation and Mitigation Plans (Continued)

Risk Type	Adaptation and Mitigation Measures
Physical Chronic Risks	Consideration is given in our long-term planning to tackle chronic risks: • Consider flood hazards during office site selection; • Use water-saving equipment and retrofit existing equipment to improve water efficiency; and • Assess alternative water source availability in case of shortages.
Transition Risks	We are strengthening climate governance, and accelerating the shift toward low-carbon technologies and business models to tackle transition risks: • Monitor market trends and changes in legal requirement to ensure we satisfy the demands of customers and authorities at all times; • Maintain transparency by producing high-quality climate disclosure; • Collaborate with suppliers to promote adoption of low-carbon processes and technologies; and • Consider climate-related risk in products, services, and value chain to ensure market risks are effectively monitored.
Opportunities	We leverage industry insights to identify and secure emerging climate-related opportunities: • Develop lower-carbon service offerings; • Invest in energy-efficient and low-emission technologies to reduce costs; • Explore the possibility to invest in green bonds to support climate-positive investments.

Climate Resilience

The Group has adopted reasonable information exemption in the Code on Environmental, Social and Governance Reporting, so scenario analysis has not been conducted yet.

Current and Anticipated Financial Effect

The Group did not recognise any impairment loss on assets damaged by acute risks in FY2025. We have not yet allocated investments in energy-efficient equipment or preparation of emergency situations. We have not disclosed the quantified anticipated financial effects of climate related risks and opportunities (Financial effects relief applied). Internal carbon prices are currently not applied in our scenario analysis or decision-making.

RISK MANAGEMENT

Risk Management Framework

The Group has in place a comprehensive risk management framework. Climate-related risk and opportunity identification, assessment, prioritisation, and management are fully integrated into the Group's overall risk management processes. The relevant policy and processes are reviewed annually and updated when necessary.

Climate-related risks and opportunities are examined across the Group through a coordinated, multi-level process. Strategic direction is set at the top, with the Board providing oversight and regularly reviewing the most significant climate-related issues. At the same time, operational teams contribute detailed, ground-level insights by assessing their own exposures on an annual basis. When a potential risk is identified, the relevant department will design and carry out mitigation actions, followed by ongoing reviews to ensure that the controls remain robust and effective over time.

All identified climate-related risks and opportunities play a role in shaping our strategic direction, operational priorities, and internal policies. We evaluate each item based on its potential impact and the likelihood of occurrence, creating a clear profile that supports informed decision-making. These evaluations also underpin the scenario analysis outlined above. Risks that score highly on both impact and likelihood are elevated in priority and addressed ahead of lower-rated issues to ensure our resources are focused where they matter most.

METRICS AND TARGETS

Environmental Targets

A long-term transition plan will set out a clear direction to transform our operations into a low-carbon, climate-resilient business. We are setting long-term climate-related targets supported by short-, medium-, and long-term milestones, all measured against a 2025 base year to ensure consistent comparison over time. These targets have taken reference of China Mainland and Hong Kong's long-term decarbonisation pathway and its goal of achieving carbon neutrality, ensuring that our efforts contribute meaningfully to the city's broader climate ambitions.

To deliver on this plan, we will focus on decarbonising our operations through improved energy efficiency, responsible resource management, and the adoption of lower-carbon technologies. We will also strengthen climate resilience by enhancing risk management, and collaborating with partners across our value chain. Our transition plan relies on the collective efforts of our employees and broader community, as well as the pace at which the national grid decarbonises.

METRICS AND TARGETS (Continued)

Environmental Targets (Continued)

The Group develops its target internally based on its strategic planning and did not apply the Science Based Target initiative's Sectoral Decarbonisation Approach. The use of carbon credits to achieve any net targets is currently not considered. Below sets forth the phrased targets over our time horizon:

Targets	
Energy Consumption Intensity	Short term: 2% reduction when compared to 2025 Medium-term: 5% reduction when compared to 2025 Long-term: 10% reduction when compared to 2025
Non-hazardous Waste Intensity	Short term: 2% reduction when compared to 2025 Medium-term: 5% reduction when compared to 2025 Long-term: 10% reduction when compared to 2025
Greenhouse Gas Emission Intensity	Short term: 2% reduction when compared to 2025 Medium-term: 5% reduction when compared to 2025 Long-term: 10% reduction when compared to 2025

The Group is committed to progressively enhancing its climate reporting capabilities and intends to provide more granular disclosures as internal monitoring systems mature and more reliable data become accessible.

METRICS AND TARGETS (Continued)

Greenhouse gas[1] ("GHG") emissions

The consumption of electricity is the major source of GHG emissions of the Group.

Summary of GHG emissions is stated as below:

Scope of GHG Emissions	Units[4]	2025	2024
Scope 1 Direct GHG Emissions	tCO_2e	**0**	0
Scope 2 Indirect GHG Emissions[2, 5] (By region)	tCO_2e	**320.94**	371.88
Scope 3 Other Indirect GHG Emissions	tCO_2e	**187.59**	467.77
Total GHG Emissions (Scope 1+2+3)	tCO_2e	**508.53**	839.65
Intensity[3]	tCO_2e/employee	**1.45**	2.66

Scope 3 Other Indirect GHG Emissions	Units	2025	2024
Category 6: Business Travel[6, 7]	tCO_2e	**187.59**	467.77

Notes:

1. GHG emissions data is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the Global Warming Potential Values from the IPCC Sixth Assessment Report, 2014 (AR5), the 2024 Sustainability Report issued by Hong Kong Electric, and Scope 3 emissions data is calculated with reference, but not limited to, the International Civil Aviation Organization, the Hong Kong Low Carbon Living Calculator, and the Department for Environment, Food & Rural Affairs of UK. And EEIO database of USEPA.

2. GHG emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX, the latest released average carbon dioxide emission factor for national electricity in China, published by the Ministry of Ecology and Environment on December 2024.

3. As of December 31, 2025, the total number of full-time employees in the Reporting Scope was 350 (as of December 31, 2024: 316). This data is also used for other intensity calculations.

4. Our GHG emissions include CO_2, CH_4 and N_2O and are converted to reflect the tonnes of CO_2 equivalent.

5. Scope 2 emissions are calculated using a location-based approach, which considers the average emission intensity of the local electricity grid where the energy is consumed.

6. GHG Scope 3 Category 6 is calculated by ICAO calculator.

7. The Group has adopted the reasonable information exemption in the Code on ESG Reporting, and has not calculated and collected the emissions of other categories of GHG in Scope 3.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS

Netjoy upholds the concept of green development, actively responds to the national dual-carbon goals and the energy transition trends, and is fully committed to the comprehensive implementation of its Green Action Plan. We continuously strive to reduce the negative environmental impact of our production and operations, are dedicated to bringing environmental benefits to the value chain and fully fulfill our corporate environmental responsibilities. By collaborating with diverse stakeholders, we aim to foster a greener environment and inject fresh momentum into the preservation of clear waters and green mountains.

We recognise that our business operations may have different degrees of environmental impact. The Group endeavors to protect the environment by implementing control activities and monitoring measures in its business activities and workplaces. We are committed to promoting a green environment by adopting environmentally friendly business practices, educating employees to raise their environmental awareness, and complying with relevant environmental laws and regulations.

A.1 Emission

During this Reporting Period, the Group was not aware of any material non-compliance with environmental-related laws and regulations in relation to air and greenhouse gases ("**GHG**"), emissions, discharges into water and land discharges, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

The relevant laws and regulations include, but are not limited to the Hong Kong's Air Pollution Control Ordinance (《空氣污染管制條例》), the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and the Prevention and Control of Water Pollution of People's Republic of China (《中華人民共和國水污染防治法》).

Exhaust Emission

As the Group does not own any vehicles, it does not generate any exhaust emission. We encourage our employees to choose environmentally friendly commuting options and actively support the use of public transportation for daily travel to and from work.

Sewage Discharge

Due to the nature of our business, the Group does not consume a lot of water in our daily operations. Details on water consumption and related conservation measures are provided in the "Water Resource Management" section.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

A.1 Emission (Continued)

Waste Management

The Group continues to uphold the concept of green operations and strives to minimise resource consumption. In our daily operations, we consistently adheres to the 4R principles: Reduction, Reuse, Recycle and Recovery, aiming to reduce resource waste at the source and optimise the use of resources and materials.

Hazardous Wastes

The main hazardous waste generated by the Group's operations include ink cartridges, used batteries, fluorescent tubes and used electronic products. To ensure proper disposal of these hazardous materials, we entrust their collection and recycling to professional service providers and property management companies. Given the limited amount of hazardous wastes produced and the Group's assessment that their environmental impact is minimal, we have decided related data. We will continue to implement environmental protection measures to minimise the environment impact of our operations, and remain committed to building a more sustainable corporate environment.

Non-hazardous Wastes

We have established internal waste management guidelines to ensure that all wastes are properly collected and handled by licensed contractors in compliance with local laws and regulations. These guidelines clearly define the personnel responsible and their respective duties, and provide detailed procedures for the collection, storage and disposal of waste.

Our non-hazardous waste includes general waste, paper, glass bottles and plastics. We manage and dispose of these waste materials in accordance with the 4R principles. Our Group fully comply with all relevant environmental laws and regulations, ensuring responsible waste handling throughout our operations.

Summary of Non-Hazardous Waste generation:

Indicators	Unit	2025	2024
– Paper	Tonnes	**4.86**	2.44
Total	Tonnes	**4.86**	2.44
Intensity	Tonnes/employee	**0.014**	0.008

For non-recyclable waste, we transport it to the designated waste transfer station to ensure proper handling and prevent environmental pollution. This ensures that our waste management processes complies with established regulations and standards.

In line with our commitment to sustainable development, we prioritise the creation of a green office environment. Our office is equipped with appropriate waste sorting facilities to promote source separation.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

A.1 Emission (Continued)

Waste Management (Continued)

The Group has adopted the following waste reduction measures:

- Use double-sided printing
- Place a wastepaper recycling bin next to the printer
- Share information via communication devices to reduce paper printing
- Reduce disposable items (such as stationery, paper towels, paper cups, etc.)
- Collect recyclable waste and process it for recycling

A2. Resource Use

The Group is dedicated to implementing effective resource management strategies that enhance energy efficiency and reduce the use of unessential materials. Our policies are designed to strictly control the use of resources, ensuring their responsible and efficient use. We also focus on managing high energy consuming equipment by standardizing operating procedures to ensure optimal performance.

Energy Management

In our daily operations, the Group's main energy consumption comes from the electricity used in offices. To address this, we have established a comprehensive office management guidelines and implemented energy-saving measures (《云想科技控股有限公司職場管理制度V2.0》). We also committed to enhancing employees' environmental awareness and effectively managing energy consumption in daily operations, aiming to reduce greenhouse gas emission throughout the operation process. During the Reporting Period, we continued to advance green office initiatives and implemented several energy-saving measures to minimise energy consumption during the Company's operation.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

A2. Resource Use (Continued)

Energy Management (Continued)

These measures and initiatives include the following:

- Promote environmental awareness among employees by displaying posters around the office;
- Encourage employees to turn off unused equipment, such as computers and lights, when they are not in use or after work;
- Set the air conditioner to 26°C during summer and 20°C in winter to maintain a comfortable indoor temperature;
- Install energy-efficient lighting in office areas, such as LED tubes and energy-saving bulbs, to reduce electricity consumption;
- Replace all office appliances with energy-efficient models certified by the China Energy Label, including air conditioners, water dispensers, and other key equipment;
- Choose eco-friendly batteries and use FSC-certified paper to support sustainable practices;
- Encourage employees to commute via public transit; and
- Promote paperless office practices and encourage the use of video conferencing to reduce unnecessary business travel.

Energy consumption type	Unit	2025	2024
Indirect Energy consumption • Purchased electricity	kWh	**555,544**	693,034
Total Energy consumption	kWh	**555,544**	693,034
Intensity	kWh/employee	**1,587.27**	2,193.15

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

A2. Resource Use (Continued)

Water Resource Management

The Group's water is mainly used for domestic water in office operations. Recognising the world spread global issue of water scarcity, we actively implement strategies to address this critical concern. We advocate a culture of water conservation among our employees and have adopted a range of measures to reduce water consumption. The following are the water-saving measures we have developed:

- Strengthen the inspection and maintenance of faucets, and promote repair any leaks to prevent water waste.
- Place 'Conserve Water' posters in visible spots to promote greater awareness about water usage.
- "Adopt water-saving devices to reduce water consumption.

Water resource consumption	Unit	2025	2024
Total water consumption	m^3	**3,870.83**	5,158.12
Intensity	m^3/employee	**11.06**	16.32

Packaging Material

Due to the nature of our business, we do not consume any package materials.

A3. The Environment and Natural Resources

The Group is committed to minimising the adverse environment impact of our business operations. Although our business activities are not expected to have a significant effect on the environment and natural resources, the Group remains vigilant and carefully assesses any potential environmental risks arising from our operations.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B1. Employment

The Group is committed to being an employer of choice by prioritising the well-being of its employees. Following a people-oriented approach, we respect and protect the legal rights of all employees, standardise labour and employment management, and ensure occupational health and safety.

To attract and retain talent, we provide all candidates with equal opportunities. Our fair recruitment practices are performance-based and free from any form of unconscious bias. Capability, educational background, actual job requirements, functional knowledge, and language skills are considered key recruitment criteria. The hiring process is transparent, inclusive, and welcoming.

Working Hours and Holidays

Our Group clearly outlines working days and hours in the Employee Handbook and opposes any form of forced labor. Standard positions follow an eight-hour workday and five-day workweek; some management personnel adopt flexible working hours. We promote productivity and discourage unnecessary overtime. If extended work hours or work on rest days or public holidays are needed due to business demands or special circumstances, it must be mutually agreed upon and approved by management. Compensation or time off in lieu will be provided in accordance with relevant labor regulations.

In addition to annual leave, we offer a range of paid holidays such as statutory holidays, marriage leave, maternity leave, paternity leave, and compassionate leave. All attendance, leave, and benefit policies are clearly detailed in employment contracts.

Equal Opportunities, Diversity and Anti-discrimination

The Group is committed to strictly complying with national laws and regulations. We uphold a fair, just and transparent recruitment process and have established policies to prevent discrimination in hiring process. Our goal is to ensure that no individual is subjected to discrimination based on race, social status, religion, nationality, disability, age, marital status, gender, pregnancy, sexual orientation or political views. We strive to provide equal and fair treatment to all employees across all aspects of employment, including recruitment, compensation, training, promotion, termination, and retirement.

If any employee experiences intimidation, humiliation, bullying or harassment (including sexual harassment), we encourage them to report the issue to the designated employee representative or directly to the general manager. Our Group takes such complaints seriously and will promptly take appropriate action to address and solve the issue upon receipt.

Salary and Benefits

Fair compensation and benefits play a crucial role in enhancing employee satisfaction, team morale, and overall operational efficiency. The Group is committed to providing diverse and competitive remuneration packages, regularly reviewing and updating its policies in line with market trends. In China Mainland, the Group fully complies with legal requirements by contributing to the "Five Insurances and One Housing Fund," which includes pension, medical, unemployment, work-related injury, and maternity insurance, as well as the housing provident fund. In Hong Kong, the Group makes contributions to the Mandatory Provident Fund ("**MPF**") for all employees. Netjoy also conducts annual compensation reviews to ensure market competitiveness, supporting its efforts to attract and retain top talent.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B1. Employment (Continued)

Employee Communication

The Group fosters open communication with employees through various management mechanisms and communication channels, such as internal mail system, employee satisfaction questionnaire, and meetings.

To ensure fairness and transparency in the process, clear protocols are outlines in the employee handbook, encouraging employees to report any misconduct or concerns to their supervisors or the Human Resources Departments. All reported cases will be thoroughly investigated, and appropriate actions will be taken to ensure timely and effective resolution. The Group is committed to maintaining strictly confidentiality through the process to protect the privacy and well-being of all parties involved.

As of December 31, 2025, the breakdown of employment is as follows:

Employee distribution	2025	2024
Total	**381**	342
By Gender		
Male	**115**	121
Female	**266**	221
By Age Group		
Below 30	**250**	210
30–50	**130**	131
Over 50	**1**	1
By Employee Category		
Senior Management	**29**	35
Middle Management	**16**	16
General Staff	**305**	265
Intern	**31**	26
By Employment type		
Full-time	**350**	316
Part-time	**0**	0
Interns/contract personnel	**31**	26
By Location		
China Mainland	**381**	342

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B1. Employment (Continued)

Employee Communication (Continued)

During the Reporting Period, the breakdown of employee turnover rate is as follows:

Employee turnover rate[8]	2025	2024
By Gender		
Male	**79%**	50%
Female	**68%**	54%
By Age		
Under 30	**88%**	72%
30–50	**38%**	32%
Over 50	**0%**	0%
By Location		
China Mainland	**71%**	52%

Notes:

8. Employee turnover rate = Total number of resigned employees (excluding part-time, interns and contract personnel)/average number of employees this year (excluding part-time, interns and contract personnel) x 100%.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B2. Health and Safety

The Group place great importance on the health and safety of our employees, integrating it into the overall business management system as an essential component. We uphold a people-oriented approach and are committed to creating a healthy, safe and comfortable working environment for all employees. Our goal is to identify and eliminate potential health and safety hazards in the workplace, and to implement comprehensive safety management practices across all aspects of our operations.

Occupational Health and Safety

To strengthen employee awareness of safety, all new hires are required to complete pre-employment safety and health training. Current employees must participate in occupational safety education to prepare for emergencies such as traffic accidents and epidemic prevention. In accordance with the Fire Protection Law of China, the Group has established fire safety procedures. Employees have been trained in the use of fire extinguishers and other firefighting equipment, and regular fire drills are conducted. The Group also regularly evaluates our fire evacuation plan to ensure fire safety.

Our Group has achieved zero work-related fatalities for three consecutive years:

Index	Unit	2025	2024	2023
Work-related Fatalities	Case	**0**	0	0
Work injury	Number of people	**0**	0	0
Lost Days Due to Work Injury	Days	**0**	0	0
Work-related Injury Rate[9]	%	**0**	0	0

Notes:

9. The work-related injury rate is calculated by the number of working days lost due to work-related injuries/(number of employees × 22 × 12 (working days) ×100%. The Group provides work-related injury insurance for all employees and guarantees the compensation required for work-related injuries.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B3. Development and Training

Investing in future leaders is essential to the Group's long-term success and resilience. We are committed to build a strong talent channels by retaining high-performing individuals and preparing them for leadership roles. To support their growth, the Group offers the right tools and a nurturing environment for professional development. We actively encourage employees to continuously improve, share their knowledge, and contribute their experience to shape the future.

Across the Group, we have implemented a structured skills development program for all employees, recognising their vital role in our operations. Our targeted learning initiatives are designed to address the evolving skill needs of our core business functions and align with employees' career aspirations. These programs are regularly refreshed to stay ahead of market trends and digital transformation demands.

General Staff training: During the Reporting Period, a total of 743 employees participated in the training. The training covers many topics, including the general situation of the group, corporate culture, business introduction, job responsibilities, professional behavior norms and company operation management, etc., which comprehensively enhances employees' corporate culture and operation of the Company, makes a deeper understanding and cultivates a sense of belonging to the Company.

Management training camp: This training camp aims to enhance the managerial capabilities of mid-level managers. Through a structured curriculum and in-depth exchanges, it helps participants clearly understand the role and responsibilities of a manager. The program covers core competencies such as talent identification, goal setting, effective communication, feedback skills, team coaching, self-management, business management, and collaborative management. It comprehensively strengthens team leadership and supports the management team in becoming a vital force within the company. During the Reporting Period, a total of 61 individuals participated in this program.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B3. Development and Training (Continued)

During the Reporting Period, the Group provided approximately 1,025 hours of training, with each trained employee receiving an average of about 2.69 hours of instruction. The employee training participation rate was 243.83%. The breakdown of trainees employees by gender and employment category is as follows:

Percentage of employees trained[10, 12]	2025	2024
Total	**243.83%**	95.61%
By Gender		
Male	**224.35%**	106.61%
Female	**241.35%**	89.59%
By Employment Type		
Senior management	**100.00%**	105.71%
Middle management	**381.25%**	100%
Base level	**243.61%**	69.43%
Interns/contract personnel	**216.13%**	346.15%

The breakdown of the average training hours completed by each employee by gender and employment type is as follows:

Average training hours (hours)[11, 12]	2025	2024
By gender		
Male	**2.57**	5.07
Female	**2.74**	4.04
By employment type		
Senior management	**2.24**	8.49
Middle management	**9.38**	5.66
Base level	**2.44**	2.83
Interns/contract personnel	**2.16**	14.19

Notes:

10. Employee training rate = number of employees trained/number of employees in specific categories on December 31, 2025 x 100%.

11. Average training hours = training duration in this category/number of employees in specific categories on December 31, 2025 x 100%.

12. Training data includes employees who have left their jobs.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B4. Labor Standards

Prevention of Child Labor and Forced Labor

The Group has zero tolerance and strictly prohibits the use of child labour and forced labour in our operations. The measures mentioned below have been taken to avoid these illegal employment practices.

Prevention of child labor	During the recruitment process, the Human Resources Department will verify the applicant's identity documents to ensure that they have reached the minimum employment age.
Prohibition of forced labor	The Group specifies overtime compensation provisions in the Employee Handbook. The Group carefully monitors the employees' working time and working schedule to ensure they work voluntarily and freely.

Once illegal employment practices are discovered, the Group will stop their employments immediately. An investigation will be carried out subsequently and the case will be reported to the relevant authorities.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, that would have a significant impact on the Group, include but not limited to the Employment Ordinance of Hong Kong, the Labor Law of the People's Republic of China, and the Labour Contract Law of the People's Republic of China.

B5. Supply Chain Management

The Group recognises that fostering long-term, cooperative relationships with diverse suppliers is essential for success. Suppliers are expected to uphold high standards of to business ethics and fulfill their corporate social responsibilities.

In 2025, the Group has formally formulated and fully implemented the brand-new Supplier Management Rules, aiming at establishing a closed-loop management mechanism of "transparency, rationality, classification and dynamic adjustment", so as to ensure the orderly development of various business lines (except administrative procurement and joint venture) such as advertising, local life, digital entertainment, e-commerce and middle and back office. In the management process, the principles of reasonable cost, true business, payment compliance and the irreversible four-step process of "access assessment, policy filing, contract approval and financial payment" are strictly implemented, thus comprehensively ensuring the quality and stability of supplier's product and service delivery.

Meanwhile, the rules add a dynamic risk early warning mechanism to monitor suppliers with major legal disputes, financial anomalies, malicious breach of contract or public opinion risks. Once triggered, they will immediately adjust their ratings, notify and terminate cooperation. Any department must immediately report to the Legal Risk Control Department, the Finance Department and the Media Department if it finds any abnormal behavior of suppliers, such as unresponsive service, illegal subcontracting, improper interest exchange, repeated reopening of invoices, false materials or malicious price increase; Major abnormal behaviors involving more than 200,000 yuan shall be reported directly to the head of the first-level department and general manager office of the Group at the first time.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B5. Supply Chain Management (Continued)

In short, the full implementation of the new system marks that the Group has moved towards a higher standard of compliance and refinement in supplier life cycle management. By optimizing processes and strictly controlling risks, the Group hopes to build a healthier, more transparent and efficient supply chain ecosystem with its partners, and work hand in hand to meet the steady growth and long-term development of future business.

Supplier Management

The Group selects suppliers based on actual business needs, carefully considering factors such as product quality, cost, reliability, and overall value. Beyond these criteria, we also recognise the importance of addressing environmental and social risks within the supply chain as part of our commitment to sustainable development and responsible business practices.

To manage these risks effectively, the Group conducts thorough evaluations that include risk identification, regular communication with suppliers, on-site inspections, and audits. These assessments allow us to monitor supplier performance continuously and gain deeper insight into potential environmental and social impacts.

By actively managing supply chain risks, we aim to minimise negative effects and support long-term sustainability. In addition, our procurement decisions increasingly favor suppliers and products that contribute positively to the environment and society, reinforcing our support for sustainable consumption and production.

In 2025, the Group's distribution details of suppliers are as follows:

Location	2025	2024
China Mainland	**1,246**	672

Open and Fair Procurement

Our Group has established a comprehensive supplier selection system that covers all operational departments. In selecting suppliers, we go beyond reviewing basic information and conduct thorough evaluations based on multiple criteria. These include delivery timelines, pricing, product quality, required licenses and certifications, and compliance with relevant industry laws, regulations, and standards.

We recognise that identifying environmental and social risks within the supply chain is essential for the sustainable development and the responsible business practices. To manage these risks effectively, we maintain regular communication with suppliers and conduct on-site visits and audits as part of our risk management approach.

Our procurement process is guided by the principles of openness, fairness, and impartiality. We ensure that no supplier is discriminated against or given preferential treatment. Only suppliers with a strong track record and no serious violations of business ethics are considered eligible to partner with us.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B5. Supply Chain Management (Continued)

Open and Fair Procurement (Continued)

We strictly enforce anti-corruption policies throughout the procurement process. All suppliers are required to sign integrity agreements that clearly define codes of conduct and prohibit any form of improper benefit.

We place high importance on business integrity and work only with suppliers who demonstrate ethical conduct and a solid reputation. Our Group maintains a zero-tolerance policy toward bribery and corruption. Suppliers are explicitly prohibited from offering bribes, gifts, or any other improper means to secure contracts or partnership opportunities.

Green Procurement

The Group is committed to fostering innovation and transformation within the supply chain, with the goal of building a healthy and collaborative ecosystem that includes customers, businesses, and suppliers. We place strong emphasis on sustainability by promoting local procurement, reducing turnaround times, and fully integrating sustainable practices into our business operations.

Throughout the procurement process, we prioritise working with local suppliers and sourcing environmentally friendly products and services. By supporting local sourcing, we aim to reduce the carbon footprint of our procurement activities, while also contributing to local economic development and creating employment opportunities within the community.

B6. Product Responsibility

We always prioritise customer satisfaction and product quality, ensuring that our services and products meet the highest standards while strictly complying with relevant laws and regulations in our operating regions, including the Law of the People's Republic of China on Product Quality Law of China, the Laws of the People's Republic of China on the Protection of Consumer Rights and Interests, and the Company Law of the People's Republic of China.

During the Reporting Period, we continuously strengthened the company's competitive advantages by focusing on three key areas: enhancing our platform technology, expanding the media resource library, and maintaining a high-quality, well-balanced corporate client base. We actively explored new business opportunities, while further developing our online marketing solutions, e-commerce operations, and distribution networks. At the same time, we remained focused on enhancing service quality to ensure that every service we provide not only meets but exceeds customer expectations.

Our intelligent marketing solutions are not only the central to our core business but also represent a critical competitive edge as we expand our market footprint. To address the increasingly diverse needs of our clients, we prioritise continuous technological innovation. As a comprehensive intelligent marketing platform, our group offers end-to-end services including strategy development, large-scale content creation, precision cross-platform distribution, and real-time data analytics. In the fast-paced digital economy, we empower brand clients to connect with their target audiences effectively, especially across China's dynamic short video platforms.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B6. Product Responsibility (Continued)

During the Reporting Period, we maintain close collaboration with high-quality customers while actively expanding our media partnership. Building on strong relationships with major platforms such as Douyin, Kuaishou, Tencent, we also accelerated cooperation with emerging platforms including Rednote and Bilibili. Notably, we achieved significant progress in our partnerships with with Alipay and Youku.

With the continuous maturity of Artificial Intelligence Generated Content ("**AIGC**") and Artificial Intelligence Agent ("**AI Agent**") technologies, the Group comprehensively deepened the application of AI technology in all aspects of marketing business during the year, and promoted the intelligent development of content creation, material production, marketing operation and data management. During the Reporting Period, the AI Agent system independently developed by the Group has been officially put into operation, and the number of times to complete intelligent processes such as AIGC by automatic charging/discharging has been increasing, reflecting the continuous increase in the internal application of the Group and the market demand for AI marketing services.

In practical application, the overall material productivity of AIGC images is increased by about 15 times, and the overall AI material and creative output efficiency is increased by about 50% compared with the traditional mode, which effectively reduces the production cost of a single material, improves the creative quality of content and the speed of material update, further enriches marketing content and enhances market competitiveness.

E-Commerce Service

As e-commerce service are a key focus of our company's business development, we continue to extend along the marketing industry chain and further expand our e-commerce service system. We have built a framework covering three core sectors: e-commerce operations on behalf of clients, distribution, and local lifestyle services. By establishing a full-chain solution across 'people, products, and platforms', the Group's e-commerce service solutions can be divided into two categories: distribution business and full-case e-commerce services, covering diversified services such as short video marketing, platform DP generation operation, live broadcast operation, brand marketing and inventory management, and continuously providing brand customers with one-stop new media e-commerce solutions.

During the Reporting Period, the Group continued to optimize the development mode of e-commerce business, focused on improving profitability and operating quality, actively promoted business restructuring and team capacity building, and further improved overall operational efficiency and risk management capabilities while maintaining steady business growth. The Group also continued to focus on high-potential and high-margin categories, focusing on serving well-known personal care brands, and simultaneously improved the layout of media channels such as Kuaishou, WeChat Channel and Douyin, and continuously improved the brand channel operation capability. Thanks to the deepening cooperation between brand customers and the continuous improvement of operational capability, the Group made breakthrough progress in several key projects during the year, among which the Gross Merchandise Volume ("**GMV**") of a key cooperative brand exceeded RMB100 million for the first time.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B6. Product Responsibility (Continued)

Innovation Development

Building on our large-scale creative production capabilities and an extensive short video marketing and distribution ecosystem, we are actively expanding into innovative micro-drama ventures. With our strong creative reserves and high-quality video production, combined with a robust distribution network across platforms such as WeChat Mini Programs, Douyin, and Kuaishou, by the end of the Reporting Period, the Group had participated in the production and distribution of more than 90 short plays, many of which showed outstanding explosion themes, and the overall explosion rate continued to increase. The Group also continuously optimized the business model of innovative business and realized short play resources through multiple channels. At the same time, the Group continued to improve the application and production efficiency of AI technology in the content production process, successfully launched AIGC micro-short plays during the year, and continued to explore the application of AI in live-action dramas, animation dramas and brand content creation.

In addition to commercial short plays, the Group also actively expanded its content application scenarios. During the year, it successfully established cooperative relations with a number of government departments and large enterprises, and assisted partners to enhance their brand image and publicity effects through various content forms such as short plays, romances and promotional videos, fully demonstrating the Group's comprehensive strength in content creativity, IP planning and brand communication.

Responsible Marketing

Responsible marketing is the core concept upheld by Netjoy. We emphasise scientific accuracy and content reliability, conducting rigorous reviews of all promotional materials and strictly eliminating exaggerated or false information.

As part of our commitment to social responsibility, we fully implement the Personal Information Protection Law of the People's Republic of China, and actively support the enforcement of the Self-Discipline Convention for Online Live Streaming and Short Video Marketing Platforms.

We also strengthen employees' awareness of responsible marketing through internal training, continuously enhancing the company's professional marketing standards and reflecting our industry leadership.

On the technology and product front, we are focused on developing a comprehensive, end-to-end solution for short video marketing. We have independently launched a suite of cloud-based products, including the cross-platform "Lianshan Zhituo" advertising and data management system, the high-efficiency "Tianji" management tool, and "Yunshi Youke," a TikTok marketing SaaS platform tailored for small and medium-sized enterprises.

These innovative tools provide customers with a one-stop solution, helping them enhance content creation efficiency, improve targeting accuracy, and increase operational automation levels, ensuring that marketing results continue to reach new heights.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B6. Product Responsibility (Continued)

Intellectual Property Protection

Netjoy views innovation and research and development as the cornerstone of corporate growth and sees intellectual property protection as an important pillar for long-term development. We actively implement various intellectual property protection measures to ensure that our innovative results and technological assets are fully protected. The company strictly complies with relevant laws and regulations, including the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and the Copyright Law of the People's Republic of China, and has established a comprehensive intellectual property management system.

We encourage all employees to participate in intellectual property protection efforts and enhance awareness through internal training and promotional activities. To protect the company's data assets and proprietary technologies, we have implemented a series of effective protection measures to ensure that the enterprise maintains a leading position in technological innovation and market competition.

- When entering into an annual framework agreement with clients, it is crucial to clearly define the ownership and usage rights of any advertising content created. Comprehensive communication and formal confirmation should be conducted to ensure that all intellectual property rights of the advertising materials produced by Netjoy are retained by us. Clients may only use the content within advertising campaigns that are launched or managed by Netjoy, thereby minimising the risk of intellectual property infringement.

- The employee handbook should clearly set out the terms regarding intellectual property ownership and confidentiality. The clause should state that, both during and after employment, employees are prohibited from disclosing, transferring, publicly releasing, or using any trade secrets or confidential information outside the Group without the Group's prior written consent. This is to safeguard the Group's proprietary rights to its intellectual property and to prevent any unauthorised use or disclosure of such rights.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with related laws and regulations concerning health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress that would have a significant impact on the Group.

Privacy Protection

Our group places the highest priority on protecting personal data and fully recognizes its responsibilities in collecting, storing, processing, and using customer information. To ensure the confidentiality of sensitive data, we have implemented a comprehensive business confidentiality agreement policy. Detailed guidance is provided in the Employee Handbook, outlining proper procedures for handling and safeguarding confidential information. All employees are required to adhere to this policy to prevent unauthorized disclosure or misuse of data.

Netjoy strictly adheres to relevant laws and regulations, including the Cybersecurity Law of the People's Republic of China, the Personal Data (Privacy) Ordinance, and the Data Security Management Measures. To uphold the security of data assets and customer information, we have established and implemented a range of internal systems and initiatives, including the Database Protection Mechanism and the Information Confidential Management Regulations. These measures are designed to standardize the management and protection of confidential information.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B6. Product Responsibility (Continued)

Privacy Protection (Continued)

Data Asset Encryption and Backup

- The Company encrypts internal data before storing it on a cloud server protected by a firewall, and performs daily backups to ensure data security and recoverability;

- The Company employs multiple data backup methods, including MySQL, incremental backups, local backups, and cloud storage, to ensure the security of its data.

Regular Inspection/Review and Monitoring

- Regularly conduct data recovery tests to monitor the status of the backup system;

- The Group strictly limits the scope of data access authorised to each employee based on their qualifications and job responsibilities, maintains detailed access logs, and conducts regular audits;

- The Company has an automated monitoring system in place to track key indicators of business operations and IT infrastructure. Alerts are triggered when monitored metrics exceed defined security thresholds.

Multiple Network Security Initiatives

- The Company assigns experienced personnel to be responsible for data protection and to monitor the operation of its IT infrastructure, ensuring its security, reliability, and stability;

- The Company isolates the database from unauthorized access, and uses complex security procedures for internal and external communication and transmission of encrypted data. The Company isolates its databases from unauthorized access and uses sophisticated security protocols to encrypt internal and external communications and data transmissions.

Internal Publicity

- The Group provides employees with data protection training on an irregular basis and signs confidentiality agreements with them to prevent the misuse or unauthorised disclosure of data.

To strengthen risk management of the information system, the company has implemented a series of security measures. Employees are required to update their computer login passwords every two months to prevent unauthorised access. Staff handling confidential data must encrypt sensitive information and documents used in daily operations, with password management centralised under each department head. For highly sensitive information, a dual encryption mechanism is applied to enhance overall data security. To reduce the risk of malware infection, regular software health checks are conducted, and antivirus software is integrated into the operating system to provide comprehensive, real-time protection against computer viruses, malicious programs, and spyware.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with related laws and regulations concerning health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress that would have a significant impact on the Group.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B7. Anti-corruption

The Board adopts a zero-tolerance approach to fraud and corruption. The Group's employee handbook outlines guidelines requiring employees to comply with all applicable rules related to conflicts of interest, insider trading, anti-competition, and anti-corruption. Every employee is expected to strictly adhere to the applicable laws, rules, and regulations of the jurisdictions in which the Group operates.

Anti-corruption policy

This policy aims to implement honest management, prevent business risks and actively create a clean corporate culture. The policy explicitly prohibits any form of bribery, extortion, fraud, money laundering and illegal solicitation or acceptance of benefits. All employees should take this as the code of conduct, carefully identify and completely eliminate unethical behaviors in business areas such as commodity and service procurement, gift giving, business entertainment, political or charitable donations, and jointly safeguard the legitimate rights and interests of the Company.

Whistleblowing Policy

The Group encourages its employees and other stakeholders (including customers and suppliers) to raise concerns about suspected misconduct, improper behavior, or malpractice. We have established confidential channels for employees and stakeholders to report any suspicious incidents. We handle all reports in strict confidence, in line with our whistleblowing policy, and ensure that individuals who speak up are protected from any form of retaliation. Allegations involving fraud or corruption are subject to thorough investigation.

Anti-corruption Training

The Group provides governance policy training to its employees, with new joiners receiving instruction as part of the onboarding program. During the Reporting Period, directors and employees have received anti-corruption training.

During the year, the Group's wholly-owned subsidiaries initiated an investigation into the abnormal payments and unusual refunds arising in connection with the 3C Project, and the relevant matters have been filed with the Public Security Bureau. The relevant cases have entered the judicial process and remain unresolved.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B8. Community Investment

Promote innovation

While pursuing steady business growth, we always regard "industry co-prosperity and social value" as the core of enterprise development. We give full play to our professional advantages in the field of digital marketing, devote resources to support the innovation and progress of the short video industry, and strive to empower small and medium-sized enterprises to transform and upgrade. Through in-depth participation in various community investment and digital collaborative plans, we join hands with multi-party ecological partners to promote the efficient collaborative and integrated development of the whole industry chain. Meanwhile, by providing free professional training and technical support, we help small and medium-sized enterprises to quickly master the cutting-edge digital marketing technology and effectively enhance their market core competitiveness. In addition, we have established close ties with local community organizations to jointly explore new paths of digital transformation and contribute to regional economic growth and social prosperity. During the Reporting Period, the Group has successfully completed the strategic layout of more than 100 city service providers nationwide, and implemented the corporate commitment of sustainable development with practical actions.

Honorary awards

In the past year, our company has received many awards in recognition of our outstanding performance and innovative capabilities in areas, such as in intelligent marketing solutions, e-commerce service solutions, innovative business and other fields. The following are the awards our company has received.

Honorary Award-Best Digital Investor Relations Award

"Roadshow China" 2025 Investor Relations Innovation Summit of Listed Companies and the 8th China Excellence IR Awards Ceremony were launched in Shenzhen. Netjoy was invited to attend and won the "Best Digital Investor Relations Award". Since the launch of "China Excellent IR Selection", Netjoy has been recognized by its awards for the fourth consecutive year.

Honorary Award-Shanghai Digital Advertising Leading Enterprise

On March 28, 2025, the advertising industry in Shanghai held the 2023–2024 commendation meeting, focusing on the advertising enterprises and related representatives who have made outstanding contributions to the development and digital transformation of the advertising industry in Shanghai. At the conference, Letui Media, a subsidiary of Netjoy, won the title of "Shanghai Digital Advertising Leading Enterprise" for its outstanding performance in the field of digital advertising. Other companies such as Bilibili and Rednote also won this award. Xu Jiaqing, chairman of Netjoy, was awarded the honor of "Shanghai Advertising Industry Innovation Leading Person" for his leading role in industry innovation.

Honorary Award-Expansion Breakthrough Partner

Bilibili held the 2025 AD TALK Marketing Partner Conference in Shanghai, and released a series of upgrade plans covering ecological strategies, advertising products, business technologies and measurement tools. At this grand event, Letui Media, a subsidiary of Netjoy, won the honor of "Expansion Breakthrough Partner" with its excellent marketing ability and innovative exploration spirit.

GREEN AND LOW-CARBON, CREATING THE BEAUTY OF GREEN WATER AND GREEN MOUNTAINS (Continued)

B8. Community Investment (Continued)

The following is the list of awards in 2025:

Issuing Authority	Honorary Awards	Awarding Activity
RoadshowChina & Excellence IR	Best Digital Investor Relations Award	"Roadshow China" 2025 Investor Relations Innovation Summit of Listed Companies and the 8th China Excellent IR Awards Ceremony
Bilibili	Expansion Breakthrough Partner	2025 AD TALK Marketing Partner Conference
Ocean Engine	2024 Cross-Border Outstanding Partner Award	Ocean Engine 2024 Cross-Border Marketing Award
Alibaba Entertainment	Outstanding Contribution Award	2025 Ruishi Effect Annual Marketing Technology Summit
Alibaba Entertainment	RuiTuo Pioneer Award	2025 Ruishi Effect Annual Marketing Technology Summit
Shanghai Advertising Association	Shanghai Digital Advertising Leading Enterprise	Shanghai Advertising Industry 2023-2024 Commendation Conference
Shanghai Advertising Association	Shanghai Advertising Industry Innovation Leading Figure	Shanghai Advertising Industry 2023-2024 Commendation Conference
Alipay Advertising	Elite Partner Agency	Alipay Advertising "Elite Partner Agent" Annual Certification Activity
Alipay Advertising	Effective Life Achievement Award	Alipay Advertising "Elite Partner Agent" Annual Certification Activity
Magnetic Engine	2025 Benchmark Partner Award	2025 Magnetic Engine Partner Conference
Rednote	Long-term Mindset Brand Bronze Award	Zeiss B2B2C Sales Path Iteration Digitalization to establish a new sales model
Bilibili	Expansion Pioneer Partner	Bilibili Marketing Partner Conference
Bilibili	Super-Charged Partner Award	Bilibili Marketing Partner Conference

KEY PERFORMANCE TABLE-ENVIRONMENTAL DATA

GHG emission types	Unit	2025	2024	2023
Direct GHG Emissions (Scope 1)	tCO_2e	**0**	0	0
Energy Indirect GHG Emissions (Scope 2)	tCO_2e	**320.94**	371.88	338.23
Other Indirect GHG Emissions (Scope 3)	tCO_2e	**187.59**	467.77	87.05
Total GHG Emissions (Scope 1, 2 and 3)	tCO_2e	**508.53**	839.65	425.28
GHG Emissions Intensity	tCO_2e/Employee	**1.45**	2.66	1.21

Energy consumption type	Unit	2025	2024	2023
Total Energy consumption	kWh	**555,544**	693,034	593,070
Intensity of Energy Consumption	kWh/employee	**1,587.27**	2,193.15	1,689.66
Total water consumption	m^3	**3,870.83**	5,158.12	5,097.77
Intensity of water consumption	m^3/employee	**11.06**	16.32	14.52
Paper	Tonnes	**4.86**	2.44	1.71
Intensity of paper	Tonnes/employee	**0.014**	0.008	0.005

INDEX TABLE OF THE HKEX'S CODE OF ESG REPORTING – PART C

Mandatory Disclosure Requirements	Content	Chapter/Statement
Governance Structure	Statements from the Board containing the following content: (i) Disclosure of the Board's oversight of ESG issues; (ii) Board's ESG management approach and strategy, including process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) How the board reviews progress made against ESG related targets, with explanation of how they relate to the issuer's businesses.	Board statement and Environmental, social and governance governance framework
Reporting Principles	**Materiality:** The ESG report should disclose: (i) the process for identifying material ESG factors and the criteria for selecting these Factors (ii) if the issuer has conducted stakeholder engagement, a description of the key stakeholders identified and the process and results of the issuer's stakeholder engagement. **Quantitative:** Information on the standards, methods, assumptions and/or calculation tools used to report emissions/energy consumption (if applicable) and the sources of conversion factors used should be disclosed. **Consistency:** Issuers should disclose in the ESG report changes in statistical methodology or key performance indicators (if any) or any other relevant factors that affect meaningful comparisons.	About This Report
Reporting Scope	Explain the scope of ESG reporting and describe the process of selecting which entities or businesses to include in ESG reporting. If the scope of reporting changes, issuers should explain the differences and the reasons for the changes.	About This Report

INDEX TABLE OF THE HKEX'S CODE OF ESG REPORTING – PART C (Continued)

Aspects, General Disclosures and KPIs	Description	Chapter/statement
Aspect A1: Emissions		
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 air emissions, greenhouse gases emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note:* Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride. Hazardous wastes are those defined by national regulations.	Emissions – air emissions and greenhouse gas emissions, sewage discharge, hazardous and non-hazardous waste management
KPI A1.1	The types of emissions and respective emissions data.	Emissions – air emissions and greenhouse gas emissions, sewage discharge, hazardous and non-hazardous waste management
KPI A1.2	Repealed 1 January 2025	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – hazardous and non-hazardous waste management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – hazardous and non-hazardous waste management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions – air emissions and greenhouse gas emission, sewage management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions – hazardous and non-hazardous waste management

INDEX TABLE OF THE HKEX'S CODE OF ESG REPORTING – PART C (Continued)

Aspects, General Disclosures and KPIs	Description	Chapter/statement
A2. Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. *Note:* Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Use of Resources – energy management, water resource management and packaging material
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).	Use of Resources – energy management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – water resource management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – energy management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – water resource management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – packaging material
A3. The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	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.	The Environment and Natural Resources
A4. Climate Change		
General Disclosure	Repealed 1 January 2025	Please refer to Part D

INDEX TABLE OF THE HKEX'S CODE OF ESG REPORTING – PART C (Continued)

Aspects, General Disclosures and KPIs	Description	Chapter/statement
B. Social		
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.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
B2. Health and Safety		
General Disclosure	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.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

INDEX TABLE OF THE HKEX'S CODE OF ESG REPORTING – PART C (Continued)

Aspects, General Disclosures and KPIs	Description	Chapter/statement
B3. Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note:* Training refers to vocational training. It may include internal and external courses paid by the employer.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
B4. Labour Standards		
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 preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
B5. Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
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.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

INDEX TABLE OF THE HKEX'S CODE OF ESG REPORTING – PART C (Continued)

Aspects, General Disclosures and KPIs	Description	Chapter/statement
B6. Product Responsibility		
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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
B7. Anti-corruption		
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 bribery, extortion, fraud and money laundering.	Anti-corruption
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.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8. Community Investment		
General Disclosure	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.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

PART D: CLIMATE-RELATED DISCLOSURE

Subject category, level, general disclosure and KPIs	Content	Chapter/Statement
Governance	Governance	Climate-related disclosure-governance Board presentation and environmental, social and governance structure
Strategy	Strategy	Climate-related disclosure-strategy
Risk management	Risk management	Climate-related disclosure-risk management
Indicators and targets	Direct (scope 1) and energy indirect (scope 2) greenhouse gas emissions (in tons) and (if applicable) density (if calculated per production unit and per facility).	Indicators and targets-greenhouse gas emissions
	Cross-industry indicators-climate-related physical risks, transition risks and opportunities.	Strategy-Managing climate-related risks and opportunities
	Cross-industry indicators-capital utilization	The Group has adopted the waiver and made relevant disclosure/ explanation
	Internal carbon pricing	The Group has adopted the waiver and made relevant disclosure/ explanation
	Salary	The Group has adopted the waiver and made relevant disclosure/ explanation
	Industry indicator	The Group has not applied the industry indicators under IFRS 2 Industry Guidelines
	Climate-related goals	Climate-related disclosure-indicators and targets

Independent Auditor's Report

To the shareholders of Netjoy Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Netjoy Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 155 to 235, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") 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 Hong Kong Institute of Certified Public Accountants ("**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. We have also 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Recognition of revenue from intelligent marketing solutions services	
For the year ended 31 December 2025, the Group recognised revenue of RMB2,609,950,000 from the provision of intelligent marketing solutions. The determination of whether revenue should be reported on a gross or net basis is based on the assessment of whether the Group acts as a principal or an agent in the transactions, taking into account the nature of specified services and whether the Group obtains controls of the specified services before transferring to advertisers. We focused on this area due to the judgements involved in determining the Group's role as a principal or an agent in recognising revenue from intelligent marketing solutions services which will impact the presentation of revenue and related costs in the consolidated financial statements. The accounting policies, significant accounting judgements and estimates and disclosures about the recognition of revenue from intelligent marketing solutions services are included in notes 2.4, 3 and 5 to the consolidated financial statements.	We performed the following procedures to address this key audit matter: 1. Obtaining an understanding of, evaluating and testing the key controls in place over management's assessment of revenue recognition, including management's approval and review of sales contracts and other supporting documents; 2. Discussing with management and obtaining an understanding of the indicators and judgements management considered when assessing the revenue recognition on a gross or net basis under each circumstance; 3. On a sampling basis, reviewing contract terms of sales contracts and checking them against management's judgment and other supporting documents regarding the judgements applied; 4. Conducting interviews with advertisers, on a sampling basis, to assess management's judgements on principal versus agent considerations; and 5. Assessing the adequacy of the Group's disclosures related to the recognition of revenue from intelligent marketing solutions services in the consolidated financial statements.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables The Group had net trade receivables amounting to approximately RMB1,153,397,000 as at 31 December 2025. Impairment losses of RMB362,629,000 were recognised as at 31 December 2025. Management recognises a loss allowance for lifetime expected credit losses ("**ECLs**") on the trade receivables. Lifetime ECLs are estimated based on a number of factors which include the ageing of trade receivables, customers' repayment history, customers' financial position, current market conditions and forecast of future economic conditions. Such assessment involves a significant degree of management's judgement and estimation. We focused on this area because the assessment of the loss allowance for trade receivables is inherently subjective and requires significant management judgement, which increases the risk of error or potential management bias. The accounting policies, significant accounting judgements and estimates and disclosures about the impairment of trade receivables are included in notes 2.4, 3 and 20 to the consolidated financial statements.	We performed the following procedures to address this key audit matter: 1. Testing the design and operation of internal control over the Group's processes of credit assessment; 2. Assessing the impairment allowance determined by management by reviewing the forward-looking information, and evaluating whether the respective debtors experienced significant financial difficulty, default or delinquency in interest or principal payments for impairment allowance determined on an individual assessment basis; 3. Examining management's calculation of expected credit losses in respect of trade receivables by involving our internal valuation specialists to assist us to evaluate the methodology of ECL calculation and the key parameters used with reference to external available data and testing the ageing of trade receivables on a sampling basis; 4. Assessing the management's measurement of expected credit losses by examining subsequent settlements on a sampling basis, taking into account the customers' credit history, business performance and financial capability, and the industry trend and market development; and 5. Assessing the adequacy of the Group's disclosures related to the impairment of trade receivables in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 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.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Shun Lung Wai (practising certificate number: P06860).

Ernst & Young
Certified Public Accountants
Hong Kong
6 August 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Notes	**2025 RMB'000**	2024 RMB'000
REVENUE	5	**2,937,787**	3,149,625
Cost of sales		**(2,669,309)**	(3,027,350)
Gross profit		**268,478**	122,275
Other income and gains	5	**23,028**	20,789
Selling and distribution expenses		**(175,668)**	(104,348)
Administrative expenses		**(98,745)**	(92,598)
Impairment losses on financial assets, net		**(3,429)**	(308,878)
Provisions of impairment of investments in associates		**–**	(2,531)
Research and development expenses		**(19,031)**	(15,514)
Other expenses	5	**(20,967)**	(60,425)
Finance costs	6	**(21,378)**	(22,003)
Share of profits and losses of associates	17	**(2)**	(1,903)
LOSS BEFORE TAX	7	**(47,714)**	(465,136)
Income tax (expense)/credit	10	**(5,390)**	3,042
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(53,104)**	(462,094)
Attributable to:			
Owners of the parent		**(48,028)**	(459,701)
Non-controlling interests		**(5,076)**	(2,393)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic			
– For loss for the year		**RMB(6.3) cents**	RMB(60.2) cents
Diluted			
– For loss for the year		**RMB(6.3) cents**	RMB(60.2) cents

Consolidated Statement of Financial Position

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	*13*	**5,790**	2,905
Right-of-use assets	*14*	**13,556**	2,824
Intangible assets	*15*	**6,201**	15,630
Prepayments and other assets	*21*	**2,295**	3,458
Deferred tax assets	*16*	**68,572**	71,018
Investments in associates	*17*	**29,986**	29,988
Financial assets at fair value through profit or loss	*18*	**4,284**	21,782
Debt investments at amortised cost	*18*	**7,782**	3,265
Total non-current assets		**138,466**	150,870
CURRENT ASSETS			
Inventories	*19*	**5,601**	3,380
Trade and notes receivables	*20*	**1,207,004**	1,278,139
Prepayments, other receivables and other assets	*21*	**302,219**	337,903
Financial assets at fair value through profit or loss	*18*	**13,160**	7,508
Debt investments at amortised cost	*18*	**11,764**	21,342
Restricted cash	*22*	**153,505**	166,705
Cash and cash equivalents	*22*	**243,218**	428,470
Total current assets		**1,936,471**	2,243,447
CURRENT LIABILITIES			
Trade payables	*23*	**420,040**	528,799
Other payables and accruals	*24*	**330,083**	196,497
Interest-bearing bank borrowings	*25*	**329,032**	603,148
Lease liabilities	*14*	**5,995**	1,740
Contract liabilities	*26*	**72,184**	99,528
Tax payable		**8,107**	11,362
Other liabilities		**–**	5,677
Total current liabilities		**1,165,441**	1,446,751
NET CURRENT ASSETS		**771,030**	796,696
TOTAL ASSETS LESS CURRENT LIABILITIES		**909,496**	947,566

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities	14	**7,767**	983
Deferred tax liabilities	16	**–**	33
Deferred income		**1,480**	1,115
Total non-current liabilities		**9,247**	2,131
Net assets		**900,249**	945,435
EQUITY			
Equity attributable to owners of the parent			
Share capital	27	**148**	148
Treasury shares	27	**(48,572)**	(47,798)
Reserves	29	**955,868**	996,665
Total equity attributable to owners of the parent		**907,444**	949,015
Non-controlling interests		**(7,195)**	(3,580)
Total equity		**900,249**	945,435

Xu Jiaqing
Director

Dai Liqun
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the parent									
	Share capital RMB'000	Treasury shares RMB'000	Share option reserve* RMB'000	Capital reserve* RMB'000	Statutory surplus reserve* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025	148	(47,798)	52,435	1,229,628	46,459	(400)	(331,457)	949,015	(3,580)	945,435
Loss for the year	–	–	–	–	–	–	(48,028)	(48,028)	(5,076)	(53,104)
Shares repurchased *(note 27)*	–	(774)	–	–	–	–	–	(774)	–	(774)
Disposal of a subsidiary	–	–	–	–	–	–	–	–	1,361	1,361
Exercise of Restricted Stock Units	–	–	(235)	235	–	–	–	–	–	–
Equity-settled share-based arrangements *(note 28)*	–	–	7,231	–	–	–	–	7,231	–	7,231
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	100	100
At 31 December 2025	148	(48,572)	59,431	1,229,863	46,459	(400)	(379,485)	907,444	(7,195)	900,249
At 1 January 2024	148	(46,638)	29,299	1,229,392	46,459	(400)	128,244	1,386,504	(1,328)	1,385,176
Loss for the year	–	–	–	–	–	–	(459,701)	(459,701)	(2,393)	(462,094)
Shares repurchased *(note 27)*	–	(1,399)	–	–	–	–	–	(1,399)	–	(1,399)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	(70)	(70)
Exercise of Restricted Stock Units	–	239	(475)	236	–	–	–	–	–	–
Equity-settled share-based arrangements *(note 28)*	–	–	23,611	–	–	–	–	23,611	–	23,611
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	211	211
At 31 December 2024	148	(47,798)	52,435	1,229,628	46,459	(400)	(331,457)	949,015	(3,580)	945,435

* These reserve accounts comprise the consolidated reserves of RMB955,868,000 (2024: RMB996,665,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(47,714)**	(465,136)
Adjustments for:			
Finance costs	*6*	**21,378**	22,003
Share of losses of associates	*17*	**2**	1,903
Interest income	*5*	**(2,537)**	(1,167)
Net investment income from debt instruments	*5*	**(5,555)**	(9,908)
Impairment losses on financial assets, net		**3,429**	308,878
Provisions of impairment of investments in associates		**–**	2,531
Depreciation of property, plant and equipment	*13*	**2,903**	2,306
Depreciation of right-of-use assets	*14*	**4,886**	4,307
Amortisation of intangible assets	*15*	**9,429**	9,429
Loss on disposal of items of property, plant and equipment		**211**	93
Loss/(gain) on disposal of items of non-current assets		**85**	(5)
Changes in fair value of financial assets at fair value through profit or loss	*5*	**11,745**	30,950
Changes in fair value of financial liabilities	*5*	**–**	4,455
Gain on disposal of financial liabilities at profit or loss		**(5,677)**	–
Loss on disposal of financial assets at profit or loss		**1,982**	4,767
Gains on disposal of subsidiaries	*30*	**(1,007)**	–
Foreign exchange (gain)/loss		**(111)**	266
Share-based payment expenses	*28*	**7,231**	23,611
		680	(60,717)
(Increase)/decrease in inventories		**(2,221)**	5,789
Decrease in trade and notes receivables		**112,627**	172,382
Decrease/(increase) in prepayments, other receivables and other assets		**46,175**	(35,561)
Decrease/(increase) in restricted cash		**23,200**	(34,006)
Decrease in trade payables		**(108,508)**	(97,287)
Increase in other payables and accruals		**136,067**	42,927
(Decrease)/increase in contract liabilities		**(27,344)**	38,014
Cash generated from operations		**180,676**	31,541
Interest received	*5*	**2,537**	1,167
Income tax paid		**(6,232)**	(13,159)
Net cash flows from operating activities		**176,981**	19,549

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(6,001)**	(214)
Proceeds from disposal of items of property, plant and equipment		**2**	–
Acquisition of a subsidiary		**–**	1,280
Purchase of debt instruments at amortised cost		**(16,650)**	(23,366)
Purchases of financial assets at fair value through profit or loss		**(251,000)**	(21,716)
Proceeds from disposal of debt instruments		**23,388**	31,799
Proceeds from disposal of financial assets at fair value through profit or loss	*18*	**249,119**	30,940
Net cash flows (used in)/from investing activities		**(1,142)**	18,723
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		**599,872**	865,103
Repayment of bank loans		**(919,976)**	(675,404)
Increase in restricted cash		**(10,000)**	(130,000)
Principal portion of lease payments		**(4,664)**	(4,041)
Capital injection from non-controlling shareholders		**100**	211
Interest paid		**(22,183)**	(23,491)
Shares repurchased		**(4,351)**	(2,820)
Net cash flows (used in)/from financing activities		**(361,202)**	29,558
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(185,363)**	67,830
Cash and cash equivalents at the beginning of year		**428,470**	360,906
Effect of foreign exchange rate changes, net		**111**	(266)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**243,218**	428,470
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position	*22*	**243,218**	428,470

1. CORPORATE AND GROUP INFORMATION

Netjoy Holdings Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands on 29 March 2019. The registered office address of the Company is 4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1–1002, Cayman Islands.

The Company and its subsidiaries (collectively referred to as the "**Group**") were principally involved in the provision of intelligent marketing solutions services in the People's Republic of China (the "**PRC**").

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Netjoy International Limited	British Virgin Islands	US$50,000	100	–	Investment holding
Netjoy International (Hong Kong) Limited	Hong Kong, China	HK$1	–	100	Technical and consultation services
Netjoy E-Commerce Limited	Hong Kong, China	HK$10,000	–	100	Trading and E-commerce
NETJOY ASIA PTE. LTD.	Singapore	SG$1,000,000	–	100	Marketing services
Netjoy Digital (Shanghai) Information Technology Co., Ltd. ("**Yunxiang Information**") (云想數科(上海)信息技術有限公司) *(note (a))*	PRC/Chinese Mainland	RMB50,000,000	–	100	Technical and consultation services
Letui (Shanghai) Cultural Communication Co., Ltd. ("**Letui Culture**") (樂推(上海)文化傳播有限公司) *(note (b))*	PRC/Chinese Mainland	RMB10,000,000	–	100	Marketing services
Horgos Quantum Dynamic Culture Media Co., Ltd. ("**Quantum Culture Media**") (霍爾果斯量子動態文化傳媒有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Marketing services
Horgos Quantum Data Service Co., Ltd. ("**Quantum Data**") (霍爾果斯量子數據服務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Marketing services

Year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct %	Indirect %	Principal activities
Creative Yuedong (Shanghai) Network Technology Co., Ltd. ("**Yunxiang Entertainment**") (創意悅動(上海)網絡科技有限公司) *(notes (b) and (c))*	PRC/Chinese Mainland	RMB5,000,000	–	100	Technical and consultation services
Guangzhou Guomeng Network Technology Co., Ltd. ("**Guomeng Internet**") (廣州果盟網絡科技有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Technical and consultation services
Qizheng (Shanghai) Culture Communication Co., Ltd. ("**Qizheng Culture**") (啟征(上海)文化傳播有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Technical and consultation services
Netjoy (Shanghai) Information Technology Co., Ltd. ("**Letui Information**") (樂推傳視(上海)信息技術有限公司) *(note (b))*	PRC/Chinese Mainland	RMB5,000,000	–	100	Technical and consultation services
Shanghai Yunxiang E-commerce Co., Ltd. ("**Yuxiang E-commerce**") (上海云想電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB5,000,000	–	100	Marketing services
MIX Technology Co., Ltd. ("**Heguang Technology**") (合光(寧波)科技有限公司) *(note (a))*	PRC/Chinese Mainland	US$10,000,000	–	100	Marketing services
Letui Chuanpin (Jing County) E-commerce Co., Ltd. ("**Letui Chuanpin**") (樂推傳品(涇縣)電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	E-commerce
Letui Zhixiao (Lishui) Culture Communication Co., Ltd. ("**Zhixiao Lishui**") (樂推智效(麗水)文化傳播有限公司) *(note (b))*	PRC/Chinese Mainland	RMB2,000,000	–	100	Marketing services
Shanghai Leman Yunxiang E-commerce Co., Ltd. ("**Leman Yunxiang**") (上海樂曼雲享電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	E-commerce

Year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct %	Indirect %	Principal activities
Shangxiang Leyun (Shanghai) E-commerce Co., Ltd. ("**Shangxiang Leyun**") (尚想樂云(上海)電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	E-commerce
Shangxiang Lehai (Shanghai) E-commerce Co., Ltd. ("**Shangxiang Lehai**") (尚想樂海(上海)電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	E-commerce
Hepinsheng (Shanghai) Enterprise Management Co., Ltd. ("**Hepinsheng**") (合品盛(上海)企業管理有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Consulting
Shanghai Lebao Yunxiang Business Consulting Co., Ltd. ("**Lebao Yunxiang**") (上海樂保云享商務諮詢有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Consulting
Yunxiang Shuke (Xi'an) Information Technology Co., Ltd. (云想數科(西安)信息技術有限公司) *(note (b))*	PRC/Chinese Mainland	US$10,000,000	–	100	Consulting
Shanghai Tetui Cultural Media Co., Ltd. ("**Tetui Cultural**") (上海特推文化傳媒有限公司) *(note (b))*	PRC/Chinese Mainland	RMB2,040,816	–	51	Advertisement related activity
Shanghai Chuangjie Network Technology Co., Ltd. ("**Chuangjie Network**") (上海創節網絡科技有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,176,471	–	76.5	Marketing services
Huzhou Letui Shuzhi Cultural Communication Co., Ltd. (Huzhou Letui) (湖州樂推數智文化傳播有限公司) *(note (b))*	PRC/Chinese Mainland	RMB2,000,000	–	100	Marketing services
Jiangshan Letui Zhitou Cultural Communication Co., Ltd. (Jiangshan Letui) (江山樂推智投文化傳播有限公司) *(note (b))*	PRC/Chinese Mainland	RMB2,000,000	–	100	Marketing services

Year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Indirectly controlled by the Company pursuant to the contractual arrangements –					
Netjoy (Shanghai) Network Technology Co., Ltd. ("**Netjoy Network**") (嗨皮(上海)網絡科技有限公司) *(note (b))*	PRC/Chinese Mainland	RMB53,528,203	–	100	Entertainment – oriented content platform operation
Wuhan Drama Watching Network Technology Co., Ltd. ("**Wuhan Juhaokan**") (武漢劇好看網絡科技有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Planning and production of short plays
Shanghai Opera Good-looking Network Technology Co., Ltd. ("**Shanghai Juhaokan**") (上海劇好看網絡科技有限公司) *(note (b))*	PRC/Chinese Mainland	RMB4,000,000	–	100	Planning and production of short plays

Notes:

(a) These entities are registered as wholly-foreign-owned enterprises under PRC law.

(b) These entities are registered as limited liability companies under PRC law.

(c) On 2 April 2025, the name of the entity changed from Yunxiang Entertainment (Shanghai) Co., Ltd. to Creative Yuedong (Shanghai) Network Technology Co., Ltd.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Netjoy Network and Tradeplus provide value-added telecommunications services and radio and TV program production and operation services to customers. Due to regulatory restrictions on foreign ownership in providing value-added telecommunications services and prohibition on foreign ownership in providing radio and TV program production and operation services in the PRC, a wholly-owned subsidiary of the Company, Yunxiang Information, has entered into contractual arrangements ("**Contractual Arrangements**") with Netjoy Network and Tradeplus and their respective registered shareholders. The Contractual Arrangements enable Yunxiang Information to effectively control, recognise and receive substantially all the economic benefits of the business and operations of Netjoy Network and Tradeplus.

In summary, the Contractual Arrangements enable the Group to exercise certain rights, including but not limited to:

- receive substantially all of the economic benefits from Netjoy Network and Tradeplus in consideration for the services provided by Yunxiang Information to Netjoy Network and Tradeplus;
- exercise effective control over Netjoy Network and Tradeplus; and
- hold an exclusive option to acquire all or part of the equity interests in and/or the assets of Netjoy Network and Tradeplus when and to the extent permitted by the PRC laws and regulations.

Accordingly, Netjoy Network and Tradeplus and their respective subsidiaries are controlled by the Company based on the Contractual Arrangements though the Company does not have any direct or indirect equity interest in Netjoy Network and Tradeplus.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, wealth management products and equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Year ended 31 December 2025

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. 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.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

Year ended 31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IFRS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (Continued)

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (Continued)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated profit or loss and consolidated other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Fair value measurement

The Group measures its equity investments at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of the reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group, or of a parent of the Group;

or

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss and other comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Furniture and fixtures	33⅓%
Office equipment	20% to 33⅓%
Leasehold improvements	33⅓% to 66⅔%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software and use right of a website

Software and use right of a website are stated at cost less any impairment losses and are amortised on the straight-line basis over the shorter of the lease terms and their estimated useful lives of 3–10 years. The Group determines the useful life of software and use right of a website with reference to the estimated periods that the Group intends to derive future economic benefits from the use of the assets.

Research and development costs

All research costs are charged to the statement of profit or loss and other comprehensive income as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding three to five years, commencing from the date when the products are put into commercial production.

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2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold properties	1.5 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. 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, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessee (Continued)

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets less than USD5,000.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to of profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent it, has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

Generally, the Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Except for certain trade receivables that do not share similar characteristics and are individually assessed based on customers' credit and estimated future cash flow, the Group makes collective assessments for trade receivables that share similar characteristics. The collective assessments are based on ageing analysis of customers' accounts receivable. The Group has established a provision matrix and individual assessment that is based on its historical credit loss experience, ageing period of customers' accounts receivable, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, interest-bearing bank loans.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss and other comprehensive income.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (Continued)

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group's main revenue generating activity is the provision of intelligent marketing solutions. Revenues are recognised when relevant services are provided to the advertising customers.

The following is a description of the principal activities from which the Group generates its revenue:

(1) Intelligent marketing solutions

All-in-one service

The Group provides one-stop intelligent marketing solutions, including traffic acquisition from top online publishers, content production, raw data analysis and advertisement campaign optimisation, to advertisers. The Group charges the advertisers mainly based on optimised Cost Per Mille ("**oCPM**") or optimised Cost Per Click ("**oCPC**"). In some circumstances, the Group offers rebates to the advertisers as part of its promotion activities. Online publishers grant to the Group rebates in the form of payments for the media publishers' services or cash mainly based on the gross spend of the advertisers.

While none of the factors individually are considered presumptive or determinative, in this arrangement the Group is the primary obligor and is responsible for (i) identifying and contracting with third-party advertisers which the Group views as customers, the Group is primarily responsible for delivering the specified service to the advertisers; (ii) identifying online publishers to provide online spaces where the Group views the online publishers as suppliers; and (iii) bearing the sole responsibility for advertising content integrated and fulfilment of the advertising, the Group acts as the principal of these arrangements and therefore recognises revenue earned and costs incurred related to these transactions on a gross basis. Under this arrangement, the rebates earned from the media publishers are recorded as a reduction of cost of sales.

The performance obligation is satisfied upon the user clicking one of the customer-sponsored links (oCPC) or upon optimising the number of times that the advertisement has been displayed for cost per thousand impression advertising arrangement (oCPM) for users.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

The following is a description of the principal activities from which the Group generates its revenue: (Continued)

(1) Intelligent marketing solutions (Continued)

Advertisement distribution service

The advertisers provide their own produced distribution contents and formulate their own advertisement campaign. The Group only provides distribution services to advertisers by publishing the contents on the targeted social media platforms which are determined by advertisers. The Group charges the advertisers mainly based on an oCPM or oCPC.

The Group is not the principal in this arrangement as it does not control the specified service before that service is transferred to the advertiser, because (i) the Group does not provide integrated service. Online publisher, rather than the Group, is primarily responsible for providing the media publishing service; and (ii) the online publisher is identified and determined by the advertisers, not the Group. Therefore, the Group is not the principal in executing these transactions. The Group reports the amount received from the advertisers and the amounts paid to the media publishers related to these transactions on a net basis.

Rebates offered to the advertisers under both business models above are recognised as a deduction of revenue at the time the incentives are granted.

The performance obligation is satisfied upon the user clicking one of the customer-sponsored links (oCPC) or upon optimising the number of times that the advertisement has been displayed for cost per thousand impression advertising arrangement (oCPM) for users.

(2) E-commerce service solutions

E-commerce service solutions revenues are mainly from the live streaming business and sales of products through the ecommerce platforms as well as distribution channels.

For the live streaming business, the Group utilises live streamers to promote and sell goods on platforms and charges commissions to customers based on the live broadcast duration and sales of goods completed through platforms with agreed commission rates, respectively. Live streaming business performance obligation is satisfied at the point in time when the live broadcast duration and sale transaction of goods is completed.

Revenues from sales of products through the e-commerce platforms and distribution channels are recognised when control of promised goods is transferred to the customers, which generally occurs upon the acceptance of the goods by the customers.

(3) Innovative business

Innovative business revenues primarily include revenues from the short play productions and SaaS services.

For the short play business, the Group operates and maintains mini programs whereby users can enjoy short plays provided by the Group. The Group sells membership services and virtual currencies to users. For membership services, the Group offers membership services which provide users access to all short plays in the mini programs. When the receipt of membership fees is for services to be delivered over a period of time, generally from one month to twelve months, the receipt is initially recorded as "contract liabilities" and revenue is recognised rateably over the membership period as services are rendered. For virtual currencies, once the users purchase virtual currencies, the proceeds are recorded in contract liabilities and recognised in revenue after the virtual currencies are used to watch short plays.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates share option and Restricted share units ("**RSUs**") scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the share option is determined by an external valuer using a binomial model and the fair value of the RSUs is based on ordinary stock price on grant date, further details of which are given in note 28 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss and other comprehensive income for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group's subsidiary which operates in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

No forfeited contribution (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) was available to be utilised by the Group to reduce the contributions payable in the future years or to reduce the Group's existing level of contributions to the pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make significant judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Contractual arrangements

Netjoy Network and Tradeplus provide value-added telecommunications services and radio and TV program production and operation services to customers. Due to regulatory restrictions on foreign ownership in providing value-added telecommunications services and prohibition on foreign ownership in providing radio and TV program production and operation services in the PRC, the Group exercises control over Netjoy Network and Tradeplus and enjoys all economic benefits of Netjoy Network and Tradeplus through the Contractual Arrangements.

The Group considers that it controls Netjoy Network and Tradeplus, notwithstanding the fact that it does not hold a direct equity interest in Netjoy Network and Tradeplus, as it has power over the financial and operating policies of Netjoy Network and Tradeplus and receives substantially all of the economic benefits from the business activities of Netjoy Network and Tradeplus through the Contractual Arrangements. Accordingly, Netjoy Network and Tradeplus have been accounted for as subsidiaries for the years ended 31 December 2025 and 2024.

Principal versus agent considerations – revenue from the provision of intelligent marketing solutions services

In determining whether the Group is acting as a principal or as an agent in the provision of intelligent marketing solutions services, judgements and considerations of all relevant facts and circumstances are required. The determination of whether revenue should be reported on a gross or net basis is based on the assessment of whether the Group acts as a principal or an agent in the transactions, taking into account the nature of specified services and whether the Group obtains controls of the specified services before transferring to advertisers. Management considers in combination whether (a) the Group is primarily responsible for fulfilling the promise to provide the target marketing service; (b) the Group bears certain inventory risk, and (c) the Group has discretion in establishing the price. The Group is primarily obligated in a transaction, and has latitude in establishing prices and selecting publishers, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from the services provided.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements (Continued)

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB262,436,000 (2024: RMB214,651,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. Further details are disclosed in note 16 to the financial statements.

Estimation uncertainty

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

Provision for expected credit losses on trade receivables and other receivables

Except for certain trade receivables and other receivables that do not share similar characteristics where their ECLs are individually assessed based on customers' credit and estimated future cash flows, the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates of trade receivables are based on ageing analysis of customers' accounts receivable that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and other receivables is disclosed in note 20 and note 21 to the financial statements.

Year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Estimation of the rebates earned from media publishers

In the Group's revenue from intelligent marketing solutions services, certain rebates granted by the media publishers are variable and outside the entity's influence. In some circumstances, such as launch of a new rebate program, whereby the management cannot reasonably estimate the amount of rebates that the Group is expected to earn, the Group only recognises the minimum amount of rebates as agreed by the media publishers, which is highly probable that a significant reversal in the amount of cumulative costs recognised will not occur. Management updates its estimate at each reporting date when additional information becomes available.

Estimation of the fair value of certain financial assets at fair value through profit or loss

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Further details are contained in note 34 to the financial statements.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in providing intelligent marketing solutions services, e-commerce and distribution service and other business to customers in Chinese Mainland.

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

As the Group generates 95% (2024:98%) of its revenues in Chinese Mainland and the principal assets employed by the Group are located in Chinese Mainland. Therefore, no geographical information is presented.

Information about one major customer

Under the circumstance that a group of entities known to a reporting entity to be under common control is considered a single customer, no single customer accounts for more than 10% of revenue.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	**2,937,787**	3,149,625

Revenue from contracts with customers

(i) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Types of services		
Intelligent marketing solutions		
– All-in-one services	**2,484,788**	2,920,153
– Advertisement distribution services	**125,162**	86,907
E-commerce service solutions	**123,651**	70,805
Innovative business	**204,186**	71,760
Total revenue from contracts with customers	**2,937,787**	3,149,625
Timing of revenue recognition		
Services transferred at a point in time	**2,932,859**	3,131,534
Services transferred over time	**4,928**	18,091
Total revenue from contracts with customers	**2,937,787**	3,149,625

Year ended 31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Intelligent marketing solutions

The performance obligation is satisfied upon the user clicking one of the customer-sponsored links (oCPC) or upon optimising the number of times that the advertisement has been displayed for cost per thousand impression advertising arrangement (oCPM) for users. The payment is generally due within 180 days from the date of billing.

E-commerce service solutions

Live streaming business performance obligation is satisfied at the point in time when the live broadcast duration and sale transaction of goods is completed. The payment is generally due within 75 days from the date of billing.

Revenues from sales of products through the e-commerce platforms and distribution channels are recognised when control of the promised goods is transferred to the customers, which generally occurs upon the acceptance of the goods by the customers. Short-term advances are normally required before the delivery of goods.

Innovative business

Short-term advances are normally required before rendering the short play productions.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 **RMB'000**	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	**99,528**	50,360

There was no revenue recognised in the current reporting period from performance obligations satisfied in previous periods for the years ended 31 December 2025 and 2024, respectively.

The transaction prices allocated to the remaining performance obligations unsatisfied as at 31 December 2025 are RMB72,184,000 (31 December 2024: RMB99,528,000).

All the remaining performance obligations unsatisfied as at 31 December 2025 are expected to be recognised within one year as the performance obligations are part of the contracts that have an original expected duration of one year or less.

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

Information about the Group's performance obligations is summarised below: (Continued)

An analysis of other income and gains and other expenses are as follows:

	2025 **RMB'000**	2024 RMB'000
Other income and gains		
Bank interest income	**2,537**	1,167
Net investment income from debt instruments	**5,555**	9,908
Government grants*	**7,771**	4,990
Foreign exchange gain, net	**–**	3,060
Gain on disposal of a subsidiary	**1,007**	–
Gain on disposal of other liabilities	**5,677**	–
Others	**481**	1,664
Total other income and gains	**23,028**	20,789
Other expenses		
Foreign exchange loss, net	**3,565**	–
Fair value loss on financial assets at fair value through profit or loss	**11,745**	30,950
Fair value losses on other liabilities, net	**–**	4,455
Loss on disposal of financial instruments	**1,982**	4,767
Others	**3,675**	20,253
Total other expenses	**20,967**	60,425

* There are no unfulfilled conditions or contingencies relating to these grants.

6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2025 **RMB'000**	2024 RMB'000
Interest on:		
Interest-bearing bank borrowings	**14,508**	14,330
Factoring service	**6,475**	7,569
Lease liabilities	**395**	104
Total	**21,378**	22,003

Year ended 31 December 2025

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of services provided		**2,669,309**	3,027,350
Depreciation of property, plant and equipment	*13*	**2,903**	2,306
Depreciation of right-of-use assets	*14*	**4,886**	4,307
Amortisation of intangible assets	*15*	**9,429**	9,429
Research and development costs (excluding amortisation of intangible assets, depreciation of property, plant and equipment and employee benefit expense)		**9,853**	2,609
Lease payments not included in the measurement of lease liabilities	*14*	**1,989**	1,051
Auditors' remuneration		**5,900**	4,850
Government grants	*5*	**(7,771)**	(4,990)
Employee benefit expense (including directors' and chief executive's remuneration *(note 8)*):			
Wages, salaries and other benefits		**71,036**	99,515
Equity-settled share-based payment expense	*28*	**7,231**	23,611
Pension scheme contributions*		**16,128**	20,333
Total		**94,395**	143,459
Impairment of trade receivables	*20*	**5,301**	110,167
(Reversal)/impairment of other receivables	*21*	**(5,750)**	182,759
Impairment losses on debt instruments		**3,878**	15,952
Bank interest income	*5*	**(2,537)**	(1,167)
Net investment income from debt instruments	*5*	**(5,555)**	(9,908)
Fair value loss on financial assets at fair value through profit or loss	*5*	**11,745**	30,950
Gains on disposal of subsidiaries		**1,007**	–
Fair value (gain)/loss on financial liabilities		**(5,677)**	4,455
Foreign exchange differences, net		**(3,565)**	3,060

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 **RMB'000**	2024 RMB'000
Fees	**500**	500
Other emoluments:		
Salaries, allowances and benefits in kind	**1,654**	2,397
Equity-settled share-based payment expense	**3,205**	7,715
Pension scheme contributions	**183**	260
Subtotal	**5,042**	10,372
Total fees and other emoluments	**5,542**	10,872

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 **RMB'000**	2024 RMB'000
Mr. Chen Changhua	**200**	200
Dr. Ru Liyun	**150**	150
Ms. Cui Wen	**150**	150
Total	**500**	500

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors and the chief executive

	Salaries, allowances and benefits in kind RMB'000	Equity-settled share-based payment expense RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Year ended 31 December 2025				
Executive directors:				
Mr. Xu Jiaqing	**694**	**1,036**	**71**	**1,801**
Ms. Zha Lijun	**556**	**1,120**	**71**	**1,747**
Subtotal	**1,250**	**2,156**	**142**	**3,548**
Non-executive directors:				
Mr. Dai Liqun	**–**	**–**	**–**	**–**
Mr. Wang Jianshuo	**–**	**–**	**–**	**–**
Subtotal	**–**	**–**	**–**	**–**
Chief executive:				
Mr. Wang Chen *(note)*	**404**	**1,049**	**41**	**1,494**
Total	**1,654**	**3,205**	**183**	**5,042**
Year ended 31 December 2024				
Executive directors:				
Mr. Xu Jiaqing	687	2,237	71	2,995
Mr. Lin Qian	441	–	47	488
Ms. Zha Lijun	564	3,200	71	3,835
Subtotal	1,692	5,437	189	7,318
Non-executive directors:				
Mr. Dai Liqun	–	–	–	–
Mr. Wang Jianshuo	–	–	–	–
Subtotal	–	–	–	–
Chief executive:				
Mr. Wang Chen	705	2,278	71	3,054
Total	2,397	7,715	260	10,372

No bonuses and directors' fees have been paid to the Company's executive directors and non-executive directors for the years ended 31 December 2025 and 2024.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

Mr. Wang Chen resigned from his positions as executive directors and CEO on 30 July 2025.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2024: three), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of 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, allowances and benefits in kind	**1,409**	989
Equity-settled share-based payment expense	**1,961**	5,676
Pension scheme contributions	**130**	133
Total	**3,500**	6,798

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees	
	2025	2024
Over HK$2,000,000	**2**	2

No bonuses have been paid to the Company's five highest paid employees for the years ended 31 December 2025 and 2024.

In prior years, share options and RSUs were granted to certain non-director highest paid employees, further details of which are included in the disclosures in note 28 to the financial statements. The fair value of such options and RSUs, which has been recognised in the consolidated statement of profit or loss and other comprehensive income over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

Year ended 31 December 2025

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of the Group are domiciled and operate:

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

British Virgin Islands

Under the current laws of the British Virgin Islands ("**BVI**"), Netjoy Holdings Limited is not subject to tax on income or capital gains. In addition, upon payments of dividends by Netjoy Holdings Limited to its shareholder, no BVI withholding tax is imposed.

Hong Kong

Hong Kong profits tax was provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits of the Group's companies operating in Hong Kong during the year.

Chinese Mainland

Pursuant to the Enterprise Income Tax Law of the PRC and the respective regulations, the subsidiaries which operate in Chinese Mainland are subject to Enterprise Income Tax ("**EIT**") at a rate of 25% on the taxable income. Preferential tax treatment is available to Netjoy Network, since it is certified as a High and New Technology Enterprise, and Netjoy Network is subject to a preferential income tax rate of 15% from 2024 to 2026.

According to Several Opinions of the State Council on Supporting the Construction of Kashgar and Horgors Economic Development Zones (國務院關於支持喀什霍爾果斯經濟開發區建設的若干意見) promulgated on 30 September 2011, and Notice of the Preferential Policies of Enterprise Income Tax in the Two Special Economic Development Zones of Kashgar and Horgors in Xinjiang (財政部、國家稅務總局關於新疆喀什霍爾果斯兩個特殊經濟開發區企業所得稅優惠政策的通知) promulgated by the Ministry of Finance of the PRC (中國財政部) and the State Administration of Taxation of the PRC (中國國家稅務總局) on 29 November 2011, from 2010 to 2020, the newly established enterprises in Kashgar and Horgors within the Catalog of Encouraged Industries in Poverty Areas of Xinjiang for Preferential Tax Treatment (新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄) granted the preferential tax treatment of five-year EIT exemption beginning from the first taxable year after the becoming profitable. Upon the expires of the tax exemption period, the local share of EIT would be exempted for another five years, and a subsidy would be granted by the Finance Bureau of the Development Zone in the form of rewards. Quantum Culture Media was entitled to the PRC tax bureau for EIT exemption from 1 January 2017 to 31 December 2021 and the exemption of EIT charged by local tax bureau according to Preferential Filing Record of EIT (企業所得稅優惠事項備案表) from 1 January 2022 to 31 December 2026 and obtained the related approval from the PRC tax bureau, which takes account for 40% of the total EIT.

Year ended 31 December 2025

10. INCOME TAX (Continued)

Chinese Mainland (Continued)

According to the Implementation Opinions on Accelerating the Construction of Kashgar and Horgos Economic Development Zones (關於加快喀什、霍爾果斯經濟開發區建設的實施意見), from January 1, 2010 to December 31, 2020, enterprises newly established in the development zone that fall within the scope of the Catalogue of Enterprise Income Tax Preferences for Industries Encouraged to Develop in Difficult Areas of Xinjiang (新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄) will be exempted from enterprise income tax for five years from the tax year in which the first production and operation income is obtained. After the tax exemption period expires, the local share of EIT will be exempted for another five years, and the subsidy will be granted by the Finance Bureau of the Development Zone in the form of rewards. Quantum Data was in an accumulated tax loss position as at 31 December 2025 and the tax holiday has not yet begun.

Pursuant to the Notice on Enterprise Income Tax Policies for the Integrated Circuit Design and Software Industries (關於集成電路設計和軟件產業企業所得稅政策的公告) issued by the Ministry of Finance of the PRC and the State Administration of Taxation of the PRC and with approval from the tax authorities in charge, one of the Group's subsidiaries, Tradeplus, is entitled to an exemption from CIT for two years, commencing from the first year that Tradeplus generates taxable profit, and a deduction of 50% on the CIT rate for the following three years. Tradeplus was in accumulated tax loss positions as at 31 December 2025 and the tax holiday has not yet begun.

	2025 **RMB'000**	2024 RMB'000
Current income tax:		
Chinese Mainland	**2,977**	4,638
Deferred tax *(note 16)*	**2,413**	(7,680)
Total	**5,390**	(3,042)

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rate of 25% for Chinese Mainland in which the majority of its subsidiaries are domiciled to the tax expense/(credit) at the effective tax rate, is as follows:

	2025 **RMB'000**	2024 RMB'000
Loss before tax	**(47,714)**	(465,136)
Tax at the statutory tax rate	**(11,929)**	(116,284)
Effect of different tax rates for specific provinces and countries or enacted by local authority	**4,887**	10,992
Profit attributable to associates	**–**	(698)
Additional deduction on research and development expenses	**(4,758)**	(4,602)
Tax losses and temporary differences not recognised	**14,148**	91,850
Expenses not deductible for tax	**3,042**	15,700
Tax expense/(credit) at the effective rate	**5,390**	(3,042)

Year ended 31 December 2025

11. DIVIDENDS

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

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares, excluding treasury shares, of 761,093,067 (2024: 764,181,379) outstanding during the year.

The calculation of basic loss per share is based on:

	2025 **RMB'000**	2024 RMB'000
Loss		
Loss attributable to ordinary equity holders of the parent	**(48,028)**	(459,701)

	Number of shares	
	2025	2024
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**761,093,067**	764,181,379

Because the diluted loss per share amount is decreased when taking share options and restricted share units into account, and the RSUs and share options had anti-dilutive effect on 2025 diluted loss per share amount. Therefore, the diluted losses per share amount is based on the loss for the year of RMB48,028,000 and the weighted average number of ordinary shares of 761,093,067 outstanding during the year.

13. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures RMB'000	Office equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2025				
At 1 January 2025:				
Cost	**411**	**7,640**	**6,191**	**14,242**
Accumulated depreciation	**(143)**	**(6,447)**	**(4,747)**	**(11,337)**
Net carrying amount	**268**	**1,193**	**1,444**	**2,905**
At 1 January 2025, net of accumulated depreciation	**268**	**1,193**	**1,444**	**2,905**
Additions	**340**	**411**	**5,250**	**6,001**
Disposals	**(53)**	**(160)**	**–**	**(213)**
Depreciation provided during the year	**(69)**	**(480)**	**(2,354)**	**(2,903)**
At 31 December 2025, net of accumulated depreciation	**486**	**964**	**4,340**	**5,790**
At 31 December 2025:				
Cost	**637**	**6,749**	**11,441**	**18,827**
Accumulated depreciation	**(151)**	**(5,785)**	**(7,101)**	**(13,037)**
Net carrying amount	**486**	**964**	**4,340**	**5,790**
31 December 2024				
At 1 January 2024:				
Cost	449	8,482	6,149	15,080
Accumulated depreciation	(119)	(6,274)	(3,619)	(10,012)
Net carrying amount	330	2,208	2,530	5,068
At 1 January 2024, net of accumulated depreciation	330	2,208	2,530	5,068
Additions	4	168	42	214
Acquisition of a subsidiary	–	22	–	22
Disposals	(16)	(77)	–	(93)
Depreciation provided during the year	(50)	(1,128)	(1,128)	(2,306)
At 31 December 2024, net of accumulated depreciation	268	1,193	1,444	2,905
At 31 December 2024:				
Cost	411	7,640	6,191	14,242
Accumulated depreciation	(143)	(6,447)	(4,747)	(11,337)
Net carrying amount	268	1,193	1,444	2,905

Year ended 31 December 2025

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of leasehold properties and office equipment used in its operations. Leases of leasehold properties generally have lease terms between 1.5 and 3 years. Office equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension and termination options, which are further discussed below.

(a) Right-of-use assets

The carrying amount of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold properties RMB'000
As at 31 December 2023 and 1 January 2024:	3,883
Additions	3,493
Depreciation charge	(4,307)
Termination	(245)
At 31 December 2024	2,824
As at 31 December 2024 and 1 January 2025:	**2,824**
Additions	**17,053**
Depreciation charge	**(4,886)**
Termination	**(1,435)**
At 31 December 2025	**13,556**

14. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	**2,723**	3,521
New leases	**17,053**	3,493
Accretion of interest recognised during the year	**395**	104
Payments	**(5,059)**	(4,145)
Termination	**(1,350)**	(250)
Carrying amount at 31 December	**13,762**	2,723
Analysed into:		
Lease liabilities repayable		
Current portion	**5,995**	1,740
Non-current portion	**7,767**	983

The maturity analysis of lease liabilities is disclosed in note 36 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	**395**	104
Depreciation charge of right-of-use assets	**4,886**	4,307
Expense relating to short-term leases (included in administrative expenses)	**1,989**	1,051
Gain/(loss) on lease termination	**85**	(5)
Total amount recognised in gain	**7,355**	5,457

(d) The total cash outflow for leases is disclosed in note 31(c) to the financial statements.

Year ended 31 December 2025

15. INTANGIBLE ASSETS

	Use right of a website RMB'000	Software RMB'000	Total RMB'000
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	**909**	**14,721**	**15,630**
Amortisation provided during the year	**(476)**	**(8,953)**	**(9,429)**
At 31 December 2025	**433**	**5,768**	**6,201**
At 31 December 2025:			
Cost	**3,480**	**48,227**	**51,707**
Accumulated amortisation and impairment	**(3,047)**	**(42,459)**	**(45,506)**
Net carrying amount	**433**	**5,768**	**6,201**
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	1,386	23,673	25,059
Amortisation provided during the year	(477)	(8,952)	(9,429)
At 31 December 2024	909	14,721	15,630
At 31 December 2024:			
Cost	3,480	48,227	51,707
Accumulated amortisation and impairment	(2,571)	(33,506)	(36,077)
Net carrying amount	909	14,721	15,630

As at 31 December 2025, no impairment loss was recognised for intangible assets in the consolidated statement of profit or loss and other comprehensive income for the year (2024: Nil).

16. DEFERRED TAX

The movements in deferred tax liabilities and assets during the years ended 31 December 2025 and 2024 are as follows:

Deferred tax liabilities

	Fair value gains on financial investments RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 31 December 2024	**–**	**134**	**134**
Deferred tax charged to profit or loss during the year	**–**	**3,105**	**3,105**
Gross deferred tax liabilities at 31 December 2025	**–**	**3,239**	**3,239**
At 31 December 2023	609	844	1,453
Deferred tax credited to profit or loss during the year	(609)	(710)	(1,319)
Gross deferred tax liabilities at 31 December 2024	–	134	134

Deferred tax assets

	Deferred income RMB'000	Provision for trade and other receivables RMB'000	Lease liabilities RMB'000	Fair value losses on financial liabilities RMB'000	Others RMB'000	Total RMB'000
At 31 December 2024	**–**	**69,599**	**101**	**1,419**	**–**	**71,119**
Deferred tax credited to profit or loss during the year	**–**	**(1,082)**	**3,193**	**(1,419)**	**–**	**692**
Gross deferred tax assets at 31 December 2025	**–**	**68,517**	**3,294**	**–**	**–**	**71,811**
At 31 December 2023	81	63,755	749	–	173	64,758
Deferred tax credited to profit or loss during the year	(81)	5,844	(648)	1,419	(173)	6,361
Gross deferred tax assets at 31 December 2024	–	69,599	101	1,419	–	71,119

Year ended 31 December 2025

16. DEFERRED TAX (Continued)

Deferred tax assets (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 **RMB'000**	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	**68,572**	71,018
Net deferred tax liabilities recognised in the consolidated statement of financial position	**–**	33

The Group is liable for withholding taxes on dividends distributed by the subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008. The applicable rate is 5% or 10% for the Group.

Deferred tax assets have not been recognised in respect of the following items:

	2025 **RMB'000**	2024 RMB'000
Unused tax losses	**262,436**	211,000
Deductible temporary differences	**292,318**	322,600
Total	**554,754**	533,600

The tax loss of the Group is arising in Chinese Mainland that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

As of 31 December 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese Mainland. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Chinese Mainland for which deferred tax liabilities have not been recognised totalled approximately RMB21,639,000 at 31 December 2025 (2024: RMB22,147,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

Year ended 31 December 2025

17. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets	**29,986**	29,988

Particulars of the Group's associates are as follows:

Name	Particulars of issued shares held	Place of registration	Percentage of equity attributable to the Group	Principal activities
Shenzhen Jiusong Kunxin Investment Center (Limited Partnership) ("**Jiusong**") (深圳九頌坤信投資中心(有限合夥))	Limited partnership interest	PRC	34.05%	Investment management
Yunwei Chuangshi (Shanghai) Information Technology Co., Ltd. ("**Yunwei Chuangshi**") (云未創視(上海)信息技術有限公司)	Ordinary shares	PRC	42.00%	Software-as-a-service ("**SaaS**")

On 24 December 2025, the Group disposed of an 18% equity stake in one subsidiary, Yunwei Chuangshi (Shanghai) Information Technology Co., Ltd. ("**Yunwei Chuangshi**"), to minority shareholder of the subsidiary, Shanghai Linxiu Information Technology Co., Ltd. Following this transaction, the Group's ownership in Yunwei Chuangshi decreased from 60% to 42%. For specific details on the disposal, please refer to Note 30.

Year ended 31 December 2025

17. INVESTMENTS IN ASSOCIATES (Continued)

The following table illustrates the summarised financial information of Jiusong:

	Jiusong	
	31 December 2025 RMB'000	31 December 2024 RMB'000
Current assets	**65**	72
Non-current assets	**88,000**	88,000
Net assets	**88,065**	88,072
Net assets, excluding goodwill	**88,065**	88,072
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's interest in the associate	**34.05%**	34.05%
Carrying amount of the investment	**29,986**	29,988

	Jiusong	
	2025 RMB'000	2024 RMB'000
Loss and total comprehensive income	**(2)**	(12)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the associates' profits and total comprehensive income for the year	**–**	(1,891)

18. FINANCIAL ASSET

	2025 RMB'000	2024 RMB'000
Financial assets at fair value through profit or loss		
Investments in stores with floating repayments *(a)*	**2,314**	9,572
Convertible loans *(b)*	**11,163**	13,208
Unlisted equity investments *(c)*	**3,967**	6,510
	17,444	29,290
Current portion	**(13,160)**	(7,508)
Non-current portion	**4,284**	21,782
Debt investments at amortised cost		
Investments in stores with fixed repayments *(a)*	**19,546**	24,607
Current portion	**(11,764)**	(21,342)
Non-current portion	**7,782**	3,265

(a) Investments in stores mainly represent the Group's investments in micro and small businesses, enriching them with business intelligence, talent, and customer resources.

The investment with floating repayments represents investments exchange for a contractual entitlement to an agreed percentage of daily revenue share for an agreed time period from the invested store. The contractual cash flows are not solely payments of principal and interest.

The investment with fixed repayments represents investments exchange for a contractual entitlement to a fixed repayment for an agreed time period from the invested store.

(b) The convertible loans were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(c) The unlisted equity investments represent the Group's equity interests in unlisted PRC companies. The Group did not have significant influence on these invested entities. The above equity investments were classified as financial assets at fair value through profit or loss.

19. INVENTORIES

	2025 RMB'000	2024 RMB'000
Finished goods	**5,601**	3,380

As at 31 December 2025 and 2024, none of the Group's inventories were pledged to secure bank and other borrowings granted to the Group (note 25).

Year ended 31 December 2025

20. TRADE AND NOTES RECEIVABLES

	2025 RMB'000	2024 RMB'000
Included in current assets:		
Trade receivables	**1,516,026**	1,629,215
Notes receivable	**53,607**	6,769
Impairment	**(362,629)**	(357,845)
Total	**1,207,004**	1,278,139

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk except RMB215,239,000 (2024: RMB399,201,000) is derived from one (2024: one) major customer. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Less than 1 year	**1,147,900**	1,244,364
1 to 2 years	**5,497**	17,335
Over 2 years	**–**	9,671
Total	**1,153,397**	1,271,370

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	**357,845**	247,678
Impairment losses, net *(note 7)*	**5,301**	110,167
Disposal of a subsidiary	**(517)**	–
At end of year	**362,629**	357,845

20. TRADE AND NOTES RECEIVABLES (Continued)

An impairment analysis is performed at each reporting date. For those trade receivables which do not share similar characteristic, the provision is assessed individually based on customers' credit and estimated future cash flow. For trade receivables that have similar characteristic, the provision rates are based on ageing analysis. The ageing of trade receivables is calculated based on the date of revenue recognition. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

As at 31 December 2025, the accumulated individual impairment was RMB288,444,000 (2024: RMB291,107,000), with carrying amounts before impairment of RMB288,444,000 (2024: RMB315,148,000), respectively.

The decrease is primarily due to collections from certain enterprises by 31 December 2025, resulting in a reduction of trade receivables and a corresponding decrease in ECL.

Set out below is the information about the ageing of the trade receivables as at the end of the reporting period, based on the past due date and credit risk exposure on the Group's trade receivables, using a provision matrix:

As at 31 December 2025

	Expected credit loss rates	**Gross carrying amounts RMB'000**	**Impairment RMB'000**
Collective impairment:			
Less than 1 year	**1.30%**	**1,163,006**	**15,106**
1 to 2 years	**69.47%**	**18,008**	**12,511**
Over 2 years	**100.00%**	**46,568**	**46,568**
Total	**6.04%**	**1,227,582**	**74,185**

As at 31 December 2024

	Expected credit loss rates	Gross carrying amounts RMB'000	Impairment RMB'000
Collective impairment:			
Less than 1 year	1.30%	1,256,836	16,315
1 to 2 years	68.03%	21,293	14,485
Over 2 years	100.00%	35,938	35,938
Total	5.08%	1,314,067	66,738

As at 31 December 2025, trade receivables from certain customers were pledged to secure trade payables amounting to RMB150,000,000 (2024: RMB150,000,000) granted to the Group (note 23).

Year ended 31 December 2025

20. TRADE AND NOTES RECEIVABLES (Continued)

Transferred financial assets that are not derecognised in their entirety

At 31 December 2025, the Group endorsed certain notes receivable accepted by banks in Chinese mainland (the "**Endorsed Bills**") with a carrying amount of RMB53,607,000 (2024: RMB6,769,000) to certain banks. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

Transferred financial assets that are derecognised in their entirety

At 31 December 2025, the Group endorsed certain notes receivable accepted by banks in Chinese Mainland (the "**Derecognised Bills**") with a carrying amount in aggregate of RMB43,623,000 (2024: RMB15,803,000). The Derecognised Bills had a maturity of five to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 **RMB'000**	2024 RMB'000
Included in non-current assets:		
Prepayments and other assets	**2,295**	3,458
Included in current assets:		
Prepayments	**154,137**	161,574
Value-added tax recoverable	**127,295**	121,353
Deposits	**17,005**	34,959
Other receivables	**198,254**	220,253
	496,691	538,139
Impairment losses	**(194,472)**	(200,236)
Total	**302,219**	337,903

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (Continued)

The movements in the loss allowance for impairment of other receivables and deposits are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	**200,236**	17,477
Impairment losses, net *(note 7)*	**(5,750)**	182,759
Disposal of a subsidiary	**(14)**	–
At end of year	**194,472**	200,236

The Group applies a general approach in calculating ECL for other receivables and deposits. Other receivables and deposits related to debtors that are in default are classified as Stage 3. The remaining other receivables and deposits are classified as Stage 1 without any significant increase in credit risk since initial recognition. Their recoverability was assessed with reference to the credit status of the debtors, and the expected credit loss as at 31 December 2025 was considered to be insignificant.

22. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	2025 RMB'000	2024 RMB'000
Cash and bank balances	**396,723**	595,175
Denominated in RMB	**392,173**	579,163
Denominated in HK$	**3,026**	4,545
Denominated in US$	**1,524**	11,467
Total	**396,723**	595,175
Cash and bank balances	**396,723**	595,175
Less: Restricted cash for:		
Litigation	**(1,303)**	(4,117)
Pledged time deposit for a short term loan *(note 25)*	**(140,000)**	(130,000)
Others	**(12,202)**	(32,588)
Cash and cash equivalents	**243,218**	428,470

Year ended 31 December 2025

22. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (Continued)

At the end of the reporting period, the cash and bank balances of the Group denominated in HK$ and US$ amounted to RMB4,550,000 (2024: RMB16,012,000). The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

Among of restricted cash, amounting to RMB1,303,000 as at 31 December 2025 (2024: RMB4,117,000) were frozen by the local regulators subject to resolutions of certain disputes.

23. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 **RMB'000**	2024 RMB'000
Within 90 days	**404,318**	475,000
91 to 365 days	**4,999**	39,702
Over 1 year	**10,723**	14,097
Total	**420,040**	528,799

The trade payables are non-interest-bearing and are normally settled within 30 to 90 days.

24. OTHER PAYABLES AND ACCRUALS

	Notes	**2025** **RMB'000**	2024 RMB'000
Payroll and bonus payables		**10,969**	10,662
Other tax payables		**33,085**	25,162
Collections from customers	*(a)*	**241,938**	102,301
Other payables	*(b)*	**44,091**	58,372
Total		**330,083**	196,497

Notes:

(a) Collections from customers are collections from customers seeking for advertisement distribution services.

(b) Other payables are non-interest-bearing and repayable on demand.

Year ended 31 December 2025

25. INTEREST-BEARING BANK BORROWINGS

	2025 RMB'000	2024 RMB'000
Current:		
Bank loans – secured	–	230,000
Bank loans – unsecured	329,032	373,148
Total – current	329,032	603,148
Analysed into:		
Bank loans repayable:		
Within one year	329,032	603,148

The bank borrowings carry interest at rates ranging from 2.3% to 10.00% (2024: 1.2% to 4.00%) per annum.

As at 31 December 2025, certain loans were secured by the pledge of the Group's restricted cash amounting to RMB140,000,000 (2024: RMB130,000,000).

26. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000	2023 RMB'000
Included in current liabilities			
Online marketing solutions services	72,184	99,528	50,360

Contract liabilities include short-term advances received to provide intelligent marketing solutions services. The increase in contract liabilities in 2024 was mainly due to the increase in short-term advances received from customers in relation to the provision of intelligent marketing solutions services at the end of the year, the decrease in contract liabilities in 2025 was mainly due to the decrease in short-term advances received from customers in relation to the provision of intelligent marketing solutions services at the end of the year.

Contract liabilities primarily consist of the unrecognised revenue on the amount prepaid by customers for online marketing services to which the Group still has an implied obligation.

Year ended 31 December 2025

27. SHARE CAPITAL AND TREASURY SHARES

Shares

	2025 RMB'000	2024 RMB'000
Issued and fully paid: 795,658,000 (2024: 795,658,000) ordinary shares of US$0.00005 each	**148**	148

A summary of movements in the Company's ordinary shares in issue is as follows:

	Number of shares in issue	Share capital RMB'000	Treasury shares RMB'000
At 1 January 2025	**795,658**	**148**	**(47,798)**
Shares repurchased *(note a)*	**–**	**–**	**(774)**
At 31 December 2025	**795,658**	**148**	**(48,572)**
At 1 January 2024	795,658	148	(46,638)
Shares repurchased *(note a)*	–	–	(1,399)
Exercise of RSUs	–	–	239
At 31 December 2024	795,658	148	(47,798)

Note:

(a) During the year ended 31 December 2025, the Company repurchased 1,329,000 (2024: 2,720,000) of its shares through the trustee of the RSU Scheme on the Hong Kong Stock Exchange at a total consideration of RMB774,000 (2024: RMB1,399,000).

28. SHARE-BASED PAYMENTS

The below stock incentive plans allow the Company to offer the below incentive awards to employees of the Group.

The expense arising from equity-settled share-based payments for the year ended 31 December 2025 was RMB7,231,000 (2024: RMB23,611,000)

(a) Share options

The Company operates a share option scheme (the "**Share Option Scheme**") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, the Company's shareholders, and any non-controlling shareholder in the Company's subsidiaries. The Share Option Scheme became effective on 17 November 2020 and, unless otherwise cancelled or amended, will remain in force for 10 years from the effective date.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 20 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of one to three years and ends on a date which is not later than five years from the date of offer of the share options or the expiry date of the Share Option Scheme, if earlier.

The exercise price of share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of grant of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share on the date of grant.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Share Option Scheme as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

28. SHARE-BASED PAYMENTS (Continued)

(a) Share options (Continued)

The following share options were outstanding under the Share Option Scheme during the year:

	2025 Weighted average exercise price HK$ per share	**2025** Number of options '000	2024 Weighted average exercise price HK$ per share	2024 Number of options '000
At 1 January	**0.98**	**63,720**	0.97	69,089
Forfeited during the year	**0.82**	**(3,585)**	0.82	(5,369)
At 31 December	**0.99**	**60,135**	0.98	63,720

On 17 July 2023, 45,897,538 options were granted to executives, and 17,617,274 options were granted to other employees.

No share options were exercised during 2025 (2024: Nil).

The exercise price and exercise period of the share options outstanding as at the end of the reporting period are as follows:

2025 Number of options '000	2024 Number of options '000	**Exercise price* HK$ per share**	**Exercise period**
1,761	1,761	2.46	27 January 2022 to 14 January 2031
1,514	1,514	2.46	14 January 2023 to 14 January 2031
1,327	1,327	2.46	14 January 2024 to 14 January 2031
661	661	2.46	5 September 2023 to 5 September 2032
660	660	2.46	5 September 2024 to 5 September 2032
660	660	2.46	5 September 2025 to 5 September 2032
19,144	19,143	0.82	31 July 2024 to 17 July 2033
17,204	18,997	0.82	31 July 2025 to 17 July 2033
17,204	18,997	0.82	31 July 2026 to 17 July 2033
60,135	63,720		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

Year ended 31 December 2025

28. SHARE-BASED PAYMENTS (Continued)

(a) Share options (Continued)

The expected life of the options is based on the Share Option Scheme and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 60,135,000 share options outstanding under the Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 60,135,000 additional ordinary shares of the Company and additional share capital of RMB23,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 59,924,000 share options outstanding under the Share Option Scheme, which represented approximately 8% of the Company's shares in issue as at that date.

(b) RSUs

The Company adopted the plan whereby the Company provided additional incentives to the Group's employees and directors through the issuance of RSUs. The units vest over a requisite service period of 3 years.

The following RSUs were outstanding during the year:

	2025 Number of RSUs '000	2024 Number of RSUs '000
At 1 January	**39,573**	40,820
Vested during the year	**(223)**	(223)
Forfeited during the year	**(5,000)**	(1,024)
At 31 December	**34,350**	39,573

RSUs were granted on 28 December 2023 with the fair value of HK$0.55 (5 September 2022: HK$1.27). The valuation of the RSUs was based on the ordinary stock price on the grant date.

The Group recognised RSU expenses of RMB3,906,000 (31 December 2024: RMB11,571,000) during the year ended 31 December 2025.

Year ended 31 December 2025

29. RESERVES

The amounts of the Group's reserves and the movements therein for the reporting periods are presented in the consolidated statement of changes in equity of the Group.

Share option reserve

The share-based payment reserve represents the compensation reserve recognised due to equity-settled share-based payment transactions.

Capital reserve

The capital reserve of the Group represents the share premium of the Company and the sum of capital reserves of the entities now comprising the Group, after elimination of intra-group balances, attributable to the controlling shareholder.

Statutory surplus reserve

In accordance with the Company Law of the PRC, the subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC GAAP, to their statutory surplus reserve until the reserve reaches 50% of their registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

Fair value reserve of financial assets at fair value through other comprehensive income

Other comprehensive income represents changes in fair value from financial assets at fair value through other comprehensive income.

30. DISPOSAL OF A SUBSIDIARY

On 24 December 2025, the Group disposed of an 18% equity stake in one subsidiary, Yunwei Chuangshi (Shanghai) Information Technology Co., Ltd. ("**Yunwei Chuangshi**"), to minority shareholder of the subsidiary, Shanghai Linxiu Information Technology Co., Ltd. Following this transaction, the Group's ownership in Yunwei Chuangshi decreased from 60% to 42%. The Group's decision to dispose of its equity stake in the subsidiary was driven by the contraction of the subsidiary's business lines and its underperformance relative to expectations. The consideration received by the Group was zero as Yunwei Chuangshi had modest scale of operations and carried net liabilities.

Year ended 31 December 2025

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB17,053,000 (2024: RMB3,493,000) and RMB17,053,000 (2024: RMB3,493,000), respectively, in respect of lease arrangements for leasehold properties.

(b) Changes in liabilities arising from financing activities

	Bank borrowings RMB'000	Lease liabilities RMB'000
At 1 January 2025	**603,148**	**2,723**
Changes from financing cash flows	**(288,624)**	**(5,059)**
New leases	**–**	**17,053**
Terminated	**–**	**(1,350)**
Interest expense	**14,508**	**395**
At 31 December 2025	**329,032**	**13,762**
At 1 January 2024	414,937	3,521
Changes from financing cash flows	173,881	(4,145)
New leases	–	3,493
Terminated	–	(250)
Interest expense	14,330	104
At 31 December 2024	603,148	2,723

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	**1,989**	1,051
Within financing activities	**5,059**	4,145
Total	**7,048**	5,196

32. COMMITMENTS

At the end of the reporting period, the Group did not have any significant contractual commitments.

Year ended 31 December 2025

33. RELATED PARTY TRANSACTIONS

The related parties of the Group include:

Related party	Relationship
Baixing Net Co., Ltd.	Company controlled by the shareholder
Shanghai Linxiu Information Technology Co., Ltd.	Company controlled by the shareholder
Tianjin Shangzequn Business Information Consulting Co., Ltd.	Company controlled by the shareholder
Shanghai Kijiji Information Technology Co., Ltd.	Company controlled by the shareholder
Youshi Integration (Beijing) Public Relations Consulting Co., Ltd. ("**Youshi**")	Associate of the Group
Shanju (Shanghai) Culture Media Co., Ltd.	Associate of the Group
Shanghai Buwei Information Technology Co., Ltd.	Associate of the Group
Opview Oworld (Shanghai) Intelligent Technology Co., Ltd.	Subsidiary of Youshi

(a) Outstanding balances with related parties:

	2025 **RMB'000**	2024 RMB'000
Amount due from related parties:		
Youshi Integration (Beijing) Public Relations Consulting Co., Ltd.	**67,927**	81,868
Opview Oworld (Shanghai) Intelligent Technology Co., Ltd.	**–**	2,326
Shanghai Linxiu Information Technology Co., Ltd.	**8**	8
Shanju (Shanghai) Culture Media Co., Ltd.	**2,000**	2,150
	69,935	86,352
Impairment losses	**(69,935)**	(71,977)
Total	**–**	14,375
Amounts due to related parties:		
Shanju (Shanghai) Culture Media Co., Ltd.	**–**	20
Shanghai Linxiu Information Technology Co., Ltd.	**9**	9
Total	**9**	29

Amounts due to related parties were interest-free and unsecured and had no fixed repayment terms.

(b) Compensation of key management personnel of the Group:

	2025 **RMB'000**	2024 RMB'000
Short-term employee benefits	**1,654**	3,377
Pension scheme contributions	**183**	388
Equity-settled share option expense	**3,205**	13,391
Total compensation paid to key management personnel	**5,042**	17,156

Further details of directors' emoluments are included in note 8 to the financial statements.

Year ended 31 December 2025

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at amortised cost RMB'000	Debt instruments at fair value through other comprehensive income RMB'000	Financial assets at fair value through profit or loss RMB'000	Total RMB'000
Trade and notes receivables	1,153,397	53,607	–	1,207,004
Financial assets included in prepayments, other receivables and other assets	20,787	–	–	20,787
Financial assets at fair value through profit or loss	–	–	17,444	17,444
Debt investments at amortised cost	19,546	–	–	19,546
Restricted cash	153,505	–	–	153,505
Cash and cash equivalents	243,218	–	–	243,218
Total	1,590,453	53,607	17,444	1,661,504

Financial liabilities

	Financial liabilities at amortised cost RMB'000	Financial liabilities at fair value through profit or loss RMB'000	Total RMB'000
Trade payables	420,040	–	420,040
Financial liabilities included in other payables and accruals	286,029	–	286,029
Interest-bearing bank borrowings	329,032	–	329,032
Total	1,035,101	–	1,035,101

Year ended 31 December 2025

34. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

2024

Financial assets

	Financial assets at amortised cost RMB'000	Debt instruments at fair value through other comprehensive income RMB'000	Financial assets at fair value through profit or loss RMB'000	Total RMB'000
Trade and notes receivables	1,271,370	6,769	–	1,278,139
Financial assets included in prepayments, other receivables and other assets	54,976	–	–	54,976
Financial assets at fair value through profit or loss	–	–	29,290	29,290
Debt investments at amortised cost	24,607	–	–	24,607
Restricted cash	166,705	–	–	166,705
Cash and cash equivalents	428,470	–	–	428,470
Total	1,946,128	6,769	29,290	1,982,187

Financial liabilities

	Financial liabilities at amortised cost RMB'000	Financial liabilities at fair value through profit or loss RMB'000	Total RMB'000
Trade payables	528,799	–	528,799
Financial liabilities included in other payables and accruals	160,673	–	160,673
Interest-bearing bank borrowings	603,148	–	603,148
Other liabilities	–	5,677	5,677
Total	1,292,620	5,677	1,298,297

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, current portion of financial assets included in prepayments, other receivables and other assets, current portion of debt instruments at amortised cost, interest-bearing bank borrowings and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The non-current portion of trade receivables, debt instruments at amortised cost and other liabilities of the Group approximate their fair values because their carrying amounts are present value and the internal rates of return are close to the rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the finance manager. At each reporting date, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation was reviewed and approved by the finance manager. The valuation process and results are discussed with the directors once a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of unlisted equity investments have been estimated based on the comparable companies analysis in terms of a series of key ratios. Management believes that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values as at 31 December 2025.

The Group has estimated the fair value of its investment in stores with floating repayments, notes receivable and other liabilities using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair value of convertible loans included in financial assets at fair value through profit or loss has been determined by reference to the valuation carried out by an external independent valuer by using binomial model. The model involves estimates on time to expiration, risk free rate, share price, expected volatility, discount rates and others. The significant unobservable input used in the fair value measurement is the expected volatility. The fair value measurement is positively correlated to the expected volatility. Any changes in the major inputs used in the model will result in changes in the fair value of financial assets at fair value through profit or loss. The variables and assumptions used in calculating the fair value are based on the directors' best estimate.

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Financial assets and liabilities measured at fair value

31 December 2025

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
Notes receivables	**–**	**53,607**	**–**	**53,607**
Financial assets at fair value through profit or loss	**–**	**–**	**17,444**	**17,444**

31 December 2024

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
Notes receivables	–	6,769	–	6,769
Financial assets at fair value through profit or loss	–	–	29,290	29,290
Other liabilities	–	–	5,677	5,677

The Group's policy is to recognise transfers between levels of the fair value hierarchy at the end of the reporting period.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

The recurring fair value measurement for the Group's financial assets at fair value through profit or loss was performed using significant unobservable inputs (Level 3) as at 31 December 2025 and 2024. Below is a summary of the valuation technique used and the key inputs to the valuation:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Binomial model	Average EV multiple of peers	1.13x (2024: 0.20x~5.20x)	5.00% (2024: 5%) increase/decrease would result in increase/decrease in fair value by RMB3,011,000/RMB3,010,000 (2024: RMB282,000/RMB145,000)
		Discount for illiquidity	29.00% (2024: 29.00%)	5.00% (2024: 5%) increase/decrease would result in decrease/increase in fair value by RMB540,000/RMB541,000 (2024: RMB40,000/RMB40,000)
Convertible loans	Binomial model	Discount rate	12.31%-20.63% (2024: 13.50%-49.03%)	5.00% (2024: 5%) increase/decrease would result in decrease/increase in fair value by RMB108,000/RMB109,000 (2024: RMB105,000/RMB104,000)
		Volatility	46.88%-70.63% (2024: 44.80%-59.66%)	5.00% (2024: 5%) increase/decrease would result in increase/decrease in fair value by RMB25,000/RMB23,000 (2024: RMB56,000/RMB56,000)
Investments in stores with floating repayments	Discounted cash flow model	Discount rate	11.00%-21.50% (2024: 11.00%-21.00%)	5.00% (2024: 5%) increase/decrease would result in decrease/increase in fair value by RMB3,000/RMB3,000 (2024: RMB47,000/RMB46,000)

Year ended 31 December 2025

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

The movements in financial assets recognised into Level 3 during the year are as follows:

	2025 **RMB'000**	2024 RMB'000
At 1 January	**29,290**	74,230
Total losses recognised in the statement of profit or loss and other comprehensive income	**(13,727)**	(35,716)
Purchases	**251,000**	21,716
Disposals	**(249,119)**	(30,940)
As at 31 December	**17,444**	29,290

The movements in financial liabilities recognised in Level 3 during the year are as follows:

	2025 **RMB'000**	2024 RMB'000
At 1 January	**5,677**	4,770
Addition	**–**	5,677
Disposals	**(5,677)**	(4,770)
As at 31 December	**–**	5,677

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various financial assets and liabilities such as cash and cash equivalents, trade receivables, trade payables and other payables, which arise directly from its operations.

The main risks faced by the Group are credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments either for hedging or trading purposes. The board of directors reviews and agrees policies for managing each of the risks which are summarised below:

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

The Group trades only with recognised and creditworthy third parties and related parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12-month ECLs	**Lifetime ECLs**			
	Stage 1 RMB'000	**Stage 2 RMB'000**	**Stage 3 RMB'000**	**Simplified approach RMB'000**	**Total RMB'000**
Trade receivables*	**–**	**–**	**–**	**1,516,026**	**1,516,026**
Financial assets included in prepayments, other receivables and other assets					
– Normal**	**20,787**	**–**	**–**	**–**	**20,787**
– Doubtful**	**–**	**–**	**194,472**	**–**	**194,472**
Restricted cash	**153,505**	**–**	**–**	**–**	**153,505**
Cash and cash equivalents	**243,218**	**–**	**–**	**–**	**243,218**
Total	**417,510**	**–**	**194,472**	**1,516,026**	**2,128,008**

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	1,629,215	1,629,215
Financial assets included in prepayments, other receivables and other assets					
– Normal**	37,747	–	–	–	37,747
– Doubtful**	–	–	177,512	–	177,512
Restricted cash	166,705	–	–	–	166,705
Cash and cash equivalents	428,470	–	–	–	428,470
Total	632,922	–	177,512	1,629,215	2,439,649

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix and individually assessment is disclosed in note 20 to the Historical Financial Information, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Year ended 31 December 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of each reporting period, based on the contractual undiscounted payments, is as follows:

31 December 2025

	On demand RMB'000	Less 1 year RMB'000	Over 1 year RMB'000	Total RMB'000
Trade payables	**15,722**	**404,318**	**–**	**420,040**
Lease liabilities	**–**	**6,361**	**9,362**	**15,723**
Financial liabilities included in other payables and accruals	**16,500**	**269,529**	**–**	**286,029**
Interest-bearing bank borrowings	**–**	**330,324**	**–**	**330,324**
Total	**32,222**	**1,010,532**	**9,362**	**1,052,116**

31 December 2024

	On demand RMB'000	Less 1 year RMB'000	Over 1 year RMB'000	Total RMB'000
Trade payables	48,119	480,680	–	528,799
Lease liabilities	–	1,805	990	2,795
Financial liabilities included in other payables and accruals	15,600	145,073	–	160,673
Interest-bearing bank borrowings	–	608,628	–	608,628
Other liabilities	–	5,677	–	5,677
Total	63,719	1,241,863	990	1,306,572

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a debt-to-asset ratio which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of the reporting periods were as follows:

	2025 **RMB'000**	2024 RMB'000
Total liabilities	**1,174,688**	1,448,882
Total assets	**2,074,937**	2,394,317
Debt-to-asset ratios	**57%**	61%

37. EVENT AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 31 December 2025.

Year ended 31 December 2025

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSET		
Investment in subsidiaries and total non-current assets	**60,611**	53,380
CURRENT ASSETS		
Prepayments, other receivables and other assets	**1,012,024**	994,666
Cash and cash equivalents	**4,146**	11,961
Total current assets	**1,016,170**	1,006,627
CURRENT LIABILITIES		
Trade payables	**28**	242
Other payables and accruals and total current liabilities	**20,306**	6,969
Total current liabilities	**20,334**	7,211
NET CURRENT ASSETS	**995,836**	999,416
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,056,447**	1,052,796
NET ASSETS	**1,056,447**	1,052,796
EQUITY		
Share capital	**148**	148
Treasury shares	**(48,572)**	(47,798)
Reserves *(note)*	**1,104,871**	1,100,446
Total equity	**1,056,447**	1,052,796

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve RMB'000	Accumulated losses RMB'000	Share option reserve RMB'000	Total RMB'000
At 1 January 2024	1,104,830	(53,848)	29,299	1,080,281
Equity-settled share option arrangements	–	–	23,611	23,611
Loss and total comprehensive income for the year	–	(3,207)	–	(3,207)
Exercise of RSUs	236	–	(475)	(239)
At 31 December 2024	1,105,066	(57,055)	52,435	1,100,446
At 1 January 2025	**1,105,066**	**(57,055)**	**52,435**	**1,100,446**
Equity-settled share option arrangements	**–**	**–**	**7,231**	**7,231**
Loss and total comprehensive income for the year	**–**	**(2,806)**	**–**	**(2,806)**
Exercise of RSUs	**235**	**–**	**(235)**	**–**
At 31 December 2025	**1,105,301**	**(59,861)**	**59,431**	**1,104,871**

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 6 August 2026.

Definitions

"AGM"	annual general meeting of the Company
"Amended Post-IPO Share Option Scheme"	the amended Post-IPO Share Option Scheme conditionally adopted by Shareholders on December 22, 2023
"Aofa Management"	Shanghai Aofa Enterprise Management Co., Ltd. (上海奧發企業管理有限公司), a limited liability company established in the PRC on March 26, 2019 and a Shareholder of the Company
"Articles" or "Articles of Association"	the second amended and restated articles of association of the Company adopted on June 20, 2022 by way of a special resolution, as amended from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Award"	an award of RSUs/share award granted to a Participant pursuant to the RSU Scheme/Share Award Scheme, an award may include, if so specified by the Administrator in its absolute discretion, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of the Shares underlying such RSUs from the date that the Award is granted to the date that it vests
"Baixing Net"	Baixing Co., Ltd. (百姓網股份有限公司), a joint stock limited liability company established in the PRC on September 30, 2005, the shares of which are listed on NEEQ (stock code: 836012), and the holding company of Kijiji
"Baxter Investment"	Baxter Investment Holding Limited, a company incorporated under the laws of BVI on October 22, 2019, the intermediary holding vehicle set up by CityLinkers Trust Hong Kong Limited for the administration of The RGRGU Trust and the immediate shareholder of Dai SPV
"Board" or "Board of Directors"	the board of Directors
"Business Day(s)"	any day (excluding Saturday and Sunday) on which banks in Hong Kong are generally open for business and the Stock Exchange is open for business of dealing securities
"BVI"	the British Virgin Islands
"Cayman Companies Law" or "Companies Law"	the Companies Act (2018 Revision) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time

"China" or "PRC"	the People's Republic of China, but for the purpose of this annual report and for geographical reference only, except where the context requires, references in this annual report to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"Chuangjie Network"	Shanghai Chuangjie Network Technology Co., Ltd. (上海創節網絡科技有限公司), a limited liability company established in the PRC on September 23, 2021 and an indirectly non-wholly owned subsidiary of the Company
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Company"	Netjoy Holdings Limited (云想科技控股有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on March 29, 2019
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Consolidated Affiliated Entities"	the entities we control through the Contractual Arrangements, namely Netjoy Network and Tradeplus
"Contractual Arrangements"	the series of contractual arrangements, as the case may be, entered into by, among others, Yunxiang Information, Netjoy Network and its Registered Shareholders on March 30, 2020 and Tradeplus and its Registered Shareholders on June 16, 2021, respectively
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Dai SPV"	Blackburn Capitals Holding Limited, a company incorporated under the laws of BVI on November 22, 2019 wholly owned by Baxter Investment, and directly holding the relevant Shares on behalf of The RGRGU Trust
"Derun International"	Derun International Limited, a company incorporated under the laws of BVI on October 22, 2019, the intermediary holding vehicle set up by CityLinkers Trust Hong Kong Limited for the administration of The Longhills Trust and the immediate shareholder of Wang SPV

"Derun Investments"	Derun Investments Limited, a company incorporated under the laws of BVI on March 13, 2019 and wholly owned by Mr. Wang, the settlor of The Longhills Trust
"Director(s)"	director(s) of the Company
"Disability"	a disability, whether temporary or permanent, partial or total as determined by the Administrator based on medical proof
"Family Trust(s)"	the relevant discretionary family trust set up by each of Mr. Wang, Mr. Xu, Mr. Qin, Mr. Dai and Mr. Ru, namely The Longhills Trust, The FS Trust, The MH's Family Trust, The RGRGU Trust and The Ru Liang's Trust
"FSS Investment"	FSS Investment Holding Limited, a company incorporated under the laws of BVI on October 22, 2019, the intermediary holding vehicle set up by CityLinkers Trust Hong Kong Limited for the administration of The FS Trust and the immediate shareholder of Xu SPV
"Global Awesomeness"	Global Awesomeness Limited, a company incorporated under the laws of BVI on March 13, 2019 and wholly owned by Mr. Dai, the settlor of The RGRGU Trust
"Global Offering"	the offering by the Company of the Shares for subscription to the public in Hong Kong and the offering of Shares outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act in December 2020
"Group", "we", "us", or "Netjoy"	the Company, its subsidiaries and its Consolidated Affiliated Entities from time to time or, where the context so requires, in respect of the period before the Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
"Guomeng Internet"	Guangzhou Guomeng Network Technology Co., Ltd. (廣州果盟網絡科技有限公司), a limited liability company established in the PRC on May 20, 2019 and an indirectly wholly-owned subsidiary of the Company
"Guzon Asset"	Shanghai Guzon Asset Management Co., Ltd. (上海巨漳資產管理有限公司), a limited liability company established in the PRC on September 9, 2015 and a Shareholder of the Company
"HK$" or "HKD" or "Hong Kong Dollars"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"holding company(ies)"	has the meaning ascribed thereto under the Listing Rules
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

"Huabian Platform", "Huabian"	Huabian Website (www.huabian.com) and its mobile terminal, our self-operated pan-entertainment oriented content platform
"IFRSs"	International Financial Reporting Standards
"Kijiji"	Shanghai Kijiji Information Technology Co., Ltd. (上海客齊集信息技術股份有限公司), a joint stock limited liability company established in the PRC on June 16, 2005 and a Shareholder of the Company
"Letui Culture"	Letui (Shanghai) Culture Broadcast Co., Ltd. (樂推(上海)文化傳播有限公司), a limited liability company established in the PRC on December 19, 2013 and an indirectly wholly-owned subsidiary of the Company
"Letui Information"	Letui Chuanshi (Shanghai) Information Technology Co., Ltd. (樂推傳視(上海)信息技術有限公司), a limited liability company established in the PRC on August 2, 2019 and an indirectly wholly-owned subsidiary of the Company
"Listing"	the listing of the Shares on the Main Board
"Listing Date"	December 17, 2020, i.e. the date on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of the Company, adopted on November 17, 2020 with immediate effect, and as amended from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Mr. Dai"	Mr. Dai Liqun (戴立群), a non-executive Director
"Mr. Qin"	Mr. Qin Miaomiao (覃渺渺), the ultimate controller of The MH's Family Trust
"Mr. Ru"	Mr. Ru Liang (茹良), the ultimate controller of The Ru Liang's Trust and a Registered Shareholder of Netjoy Network

"Mr. Wang"	Mr. Wang Chen (王晨), a former executive Director and former Chief Executive Officer of the Company, who resigned as an executive Director and Chief Executive Officer on July 30, 2025
"Mr. Xu"	Mr. Xu Jiaqing (徐佳慶), an executive Director, the Chairman of the Board
"NEEQ"	The National Equities Exchange and Quotations (全國中小企業股份轉讓系統) of the PRC
"Netjoy Network"	Netjoy (Shanghai) Network Technology Co., Ltd. (嗨皮(上海)網絡科技有限公司) (formerly known as Netjoy (Shanghai) Network Technology Holdings Co., Ltd. (嗨皮(上海)網絡科技股份有限公司)), a limited liability company established in the PRC on November 15, 2012 and a Consolidated Affiliated Entity indirectly controlled by the Company through the Contractual Arrangements
"Nomination Committee"	the nomination committee of the Board
"Post-IPO Share Option Scheme"	the post-IPO share option scheme approved by a written resolution passed by the then Shareholders on November 17, 2020 and has taken effect from the Listing Date
"Prospectus"	the prospectus of the Company dated December 7, 2020
"Qipu Xinzhe"	Hangzhou Qipu Xinzhe Investment Management Partnership (Limited Partnership) (杭州啟浦信喆投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on March 10, 2017 and a Shareholder of the Company
"Qizheng Culture"	Qizheng (Shanghai) Culture Communication Co., Ltd. (啟征(上海)文化傳播有限公司), a limited liability company established in the PRC on May 28, 2019 and an indirectly wholly-owned subsidiary of the Company
"Quantum Computing"	Quantum Computing Power Limited, a company incorporated under the laws of BVI on March 13, 2019 and wholly owned by Mr. Xu, the settlor of The FS Trust
"Quantum Culture Media"	Horgos Quantum Dynamic Culture Media Co., Ltd. (霍爾果斯量子動態文化傳媒有限公司), a limited liability company established on June 8, 2017 and an indirectly wholly-owned subsidiary of the Company
"Registered Shareholders"	the registered shareholders of Netjoy Network and Tradeplus
"Registered Shareholders of Netjoy Network"	the registered shareholders of Netjoy Network, being Mr. Wang, Mr. Xu, Mr. Qin, Mr. Dai, Mr. Ru, Kijiji, Wutong Holding, Guzon Asset, Jingheng Jianyong, Aofa Management, Qipu Xinzhe and Wideview Asset
"Registered Shareholders of Tradeplus"	the registered shareholders of Tradeplus, being Mr. Wang and Mr. Dai

"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the year ended December 31, 2025
"Restricted Share Unit Scheme"	The restricted share unit scheme of the Company approved and adopted by the Board on October 18, 2021 is in its current form or amended from time to time according to the restricted share unit scheme
"RMB" or "Renminbi"	the lawful currency of the PRC
"Ru SPV"	Jingke Global Limited, a company incorporated under the laws of BVI on November 22, 2019 wholly owned by Jingke International, and directly holding the relevant Shares on behalf of The Ru Liang's Trust
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Shanghai Buwei"	Shanghai Buwei Information Technology Co., Ltd. (上海不維信息技術有限公司), a limited liability company established in the PRC on February 6, 2017, the equity interest of which is held as to 20% by Netjoy Network
"Shanghai Fangxi"	Shanghai Fangxi Investment Management Partnership (Limited Partnership) (上海訪溪投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on May 19, 2015, the sole general partner of which is Mr. Wang Jianshuo
"Shanghai Paisen"	Shanghai Paisen Investment Management Partnership (Limited Partnership) (上海派森投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on May 19, 2015, the sole general partner of which is Mr. Wang Jianshuo
"Shanghai Xiangnong"	Shanghai Xiangnong Investment Management Partnership (Limited Partnership) (上海香儂投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on May 19, 2015, the sole general partner of which is Mr. Wang Jianshuo
"Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of US$0.00005 each
"Share Award Scheme"	The share award scheme of the Company approved and adopted by the shareholders on December 22, 2023 in its current form or amended from time to time according to the share award scheme
"Share Option(s)"	the right to subscribe for a specified number of shares pursuant to the Post-IPO Share Option Scheme/the Amended Post-IPO Share Option Scheme

"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder"	has the meaning ascribed thereto under the Listing Rules
"Supplier A"	Beijing Ocean Engine Internet Technology Co., Ltd. (北京巨量引擎網絡技術有限公司) ("**Ocean Engine**", a limited liability company established in the PRC on November 11, 2016), its subsidiaries, its holding company(ies) (including Bytedance), and the fellow subsidiaries of its holding company(ies). Ocean Engine is a marketing brand and platform of Bytedance, which integrates marketing capabilities of Toutiao, Douyin, Xigua Video (西瓜視頻), Dongchedi (懂車帝), Chuanshanjia (穿山甲), and other products of Bytedance, gathering traffic, content and other partners to provide integrated digital marketing solutions for global advertisers
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended,supplemented or otherwise modified from time to time
"Tetui Cultural"	Shanghai Tetui Cultural Media Co., Ltd. (上海特推文化傳媒有限公司) , a limited liability company established in the PRC on March 25, 2021 and an indirectly non-wholly owned subsidiary of the Company
"The FS Trust"	a discretionary family trust set up by Mr. Xu (as the economic settlor and the protector), Quantum Computing (as the settlor) and CityLinkers Trust Hong Kong Limited (as the trustee) for the benefit of Quantum Computing (as the initial beneficiary) and other beneficiaries as nominated by Mr. Xu from time to time
"The Longhills Trust"	a discretionary family trust set up by Mr. Wang (as the economic settlor and the protector), Derun Investments (as the settlor) and CityLinkers Trust Hong Kong Limited (as the trustee) for the benefit of Derun Investments (as the initial beneficiary) and other beneficiaries as nominated by Mr. Wang from time to time
"The MH's Family Trust"	a discretionary family trust set up by Mr. Qin (as the economic settlor and the protector), CareFree Planning (as the settlor) and CityLinkers Trust Hong Kong Limited (as the trustee) for the benefit of CareFree Planning (as the initial beneficiary) and other beneficiaries as nominated by Mr. Qin from time to time
"The RGRGU Trust"	a discretionary family trust set up by Mr. Dai (as the economic settlor and the protector), Global Awesomeness (as the settlor) and CityLinkers Trust Hong Kong Limited (as the trustee) for the benefit of Global Awesomeness (as the initial beneficiary) and other beneficiaries as nominated by Mr. Dai from time to time

"The Ru Liang's Trust"	a discretionary family trust set up by Mr. Ru (as the economic settlor and the protector), Luminous Stars (as the settlor) and CityLinkers Trust Hong Kong Limited (as the trustee) for the benefit of Luminous Stars (as the initial beneficiary) and other beneficiaries as nominated by Mr. Ru from time to time
"Tradeplus"	Tradeplus (Shanghai) Information Technology Co., Ltd. (達山加(上海)信息技術有限公司, formerly known as Yuntu (Shanghai) Video Technology Co., Ltd. (雲圖(上海)視頻技術有限公司), a limited liability company established in the PRC on May 6, 2021, and a Consolidated Affiliated Entity controlled by the Company through Contractual Arrangements
"U.S." or "United States"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"Wang SPV"	Derun System Limited, a company incorporated under the laws of BVI on November 22, 2019 wholly owned by Derun International, and directly holding the relevant Shares on behalf of The Longhills Trust
"Wideview Asset"	Shanghai Wideview Asset Management Co., Ltd. (上海寬遠資產管理有限公司), a limited liability company established in the PRC on May 26, 2014 and a Shareholder of the Company
"Shanghai Juhaokan"	Shanghai Opera Good-looking Network Technology Co., Ltd. (上海劇好看網絡科技有限公司), a limited liability company established in the PRC on July 24, 2025, is 100% owned by Tradeplus
"Wuhan Juhaokan"	Wuhan Juhaokan Network Technology Co., Ltd. (武漢劇好看網絡科技有限公司), a limited company established in PRC on September 7, 2022, is 100% equity interests held by Tradeplus through Shanghai Juhaokan
"Wutong Holding"	Wutong Holding Group Co., Ltd. (吳通控股集團股份有限公司), a limited liability company established in the PRC on June 22, 1999, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300292), and a Shareholder of the Company
"Xu SPV"	Magne Core Limited, a company incorporated under the laws of BVI on November 22, 2019 wholly owned by FSS Investment, and directly holding the relevant Shares on behalf of The FS Trust
"Yunxiang E-commerce"	Shanghai Yunxiang E-commerce Co., Ltd. (上海云想電子商務有限公司) (formerly known as Letui Zhixiao (Shanghai) Cultural Communication Co., Ltd. (樂推智效(上海)文化傳播有限公司)), a limited liability company established in the PRC on January 6, 2020 and an indirectly wholly-owned subsidiary of the Company

"Yunxiang Entertainment"	Yunxiang Entertainment (Shanghai) Co., Ltd. (云想娛樂（上海）有限公司), formerly known as Netjoy (Shanghai) Information Technology Co., Ltd. (嗨皮（上海）信息技術有限公司), a limited liability company established in the PRC on August 6, 2018 and an indirectly wholly-owned subsidiary of the Company
"Yunxiang Information"	Yunxiang Shuke (Shanghai) Information Technology Co., Ltd. (云想數科（上海）信息技術有限公司), a limited liability company established in the PRC on August 29, 2019 and an indirectly wholly-owned subsidiary of the Company
"Yunxiang Information Xi'an"	Yunxiang Shuke (Xi'an) Information Technology Co., Ltd. (云想數科（西安）信息技術有限公司), a limited company established in PRC on November 18, 2022 and an indirect wholly-owned subsidiary of the Company
"%"	per cent