

Defeng Solife Holdings Limited

德豐宿來控股有限公司

(Formerly known as Dowway Holdings Limited 天平道合控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8403

ANNUAL REPORT

2025



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This report, for which the directors (the "**Directors**") of Defeng Solife Holdings Limited (*formerly known as Dowway Holdings Limited*) (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report will remain on the "Latest Listed Company Information" page of the Stock Exchange at <https://www.hkexnews.hk> for at least 7 days from the date of its publication and published on the website of the Company at www.dowway-exh.com.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Sun Wei (*Chairman of the Board*)
(appointed on 16 January 2026)
Mr. Huang Xiaodi (Chief Executive Officer)
Mr. Yan Jinghui (resigned on 9 February 2026)
Mr. Dong Kejia (resigned on 9 February 2026)
Mr. Shum Ngok Wa
Mr. Chen Xicheng
Mr. Li Huaguo (resigned on 9 February 2026)
Ms. Wang Jinmei (appointed on 16 January 2026)

Non-executive Director:

Mr. Lian Mingcheng (resigned on 9 February 2026)

Independent Non-executive Directors:

Ms. Xu Shuang (resigned on 9 February 2026)
Mr. Tam Chak Chi
Ms. Yau Yin Tan
Mr. Ma Lin (resigned on 9 February 2026)
Ms. Zhou Yiyao (appointed on 16 January 2026)

AUDIT COMMITTEE

Mr. Tam Chak Chi (*Chairman*)
Ms. Xu Shuang (resigned on 9 February 2026)
Ms. Yau Yin Tan
Ms. Zhou Yiyao (appointed on 9 February 2026)

REMUNERATION COMMITTEE

Mr. Tam Chak Chi (*Chairman*)
Mr. Shum Ngok Wa
Ms. Yau Yin Tan

NOMINATION COMMITTEE

Mr. Sun Wei (*Chairman*) (appointed on 9 February 2026)
Ms. Xu Shuang (resigned on 9 February 2026)
Mr. Yan Jinghui (resigned on 9 February 2026)
Mr. Tam Chak Chi
Ms. Zhou Yiyao (appointed on 9 February 2026)

COMPANY SECRETARY

Mr. Leung Gavin, L. (*HKICPA*)

COMPLIANCE OFFICER

Mr. Huang Xiaodi

AUTHORISED REPRESENTATIVES

Mr. Huang Xiaodi
Mr. Leung Gavin, L. (*HKICPA*)

STOCK CODE

8403

AUDITOR

Forvis Mazars CPA Limited
*Certified Public Accountants and
Registered Public Interest Entity Auditor*
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Wanchai, Hong Kong

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Beijing 100020
PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
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Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

PRINCIPAL BANKER

Bank of Communications
Yong An Li Branch
1/F, Genertime International Centre
No. 3 Yong An Li East
Chaoyang District
Beijing, PRC

COMPANY'S WEBSITE

<http://www.dowway-exh.com>



FINANCIAL SUMMARY

FINANCIAL SUMMARY

	For the year ended 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Revenue	170,016	177,132	117,446	140,164	94,520
Cost of sales and services	(155,705)	(171,751)	(111,584)	(123,738)	(77,256)
Gross Profit	14,311	5,381	5,862	16,426	17,264
Selling expenses	(6,582)	(7,843)	(8,936)	(7,199)	(6,290)
Administrative expenses	(12,012)	(11,729)	(12,635)	(18,299)	(26,835)
Net impairment losses on financial and contract assets	(3,070)	(22,376)	(1,811)	(2,132)	(5,193)
Other gains and losses, net	539	311	192	5,805	5,066
Operating loss	(6,814)	(36,256)	(17,328)	(5,399)	(15,988)
Finance costs, net	(793)	(702)	(577)	(1,183)	(1,471)
Loss before income tax	(7,607)	(36,958)	(17,905)	(6,582)	(17,459)
Income tax (expense) credit	(44)	504	987	259	108
Loss for the year	(7,651)	(36,454)	(16,918)	(6,323)	(17,351)

SUMMARY OF SELECTED ITEMS IN THE CONSOLIDATED BALANCE SHEET

	At 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Total non-current assets	11,656	7,876	3,578	1,606	12,673
Total current assets	137,204	129,195	105,348	129,510	102,189
Total assets	148,860	137,071	108,926	131,116	114,862
Total liabilities	98,898	116,578	105,351	127,427	102,125
Net current assets	44,811	18,715	1,953	4,419	2,506

CHAIRMAN'S STATEMENT

TO ALL SHAREHOLDERS,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Defeng Solife Holdings Limited (*formerly known as Dowway Holdings Limited*) (the “**Company**”, together with its subsidiaries, the “**Group**”), I am pleased to present the Group’s annual report for the year ended 31 December 2025 (the “**Year**”).

A Transformative Chapter: Redefining Our Identity

The Year marked a historic pivot in our corporate journey. To better align our corporate image with our long-term vision of building a diversified digital industrial ecosystem, the Group underwent a comprehensive rebranding. As announced on 20 January 2026, the Board proposed to change the English name of the Company to “Defeng Solife Holdings Limited” and its dual foreign name in Chinese to “德豐宿來控股有限公司” and became effective on 9 March 2026.

This renaming is a strategic imperative. Following the entry of our new controlling shareholder, Mr. Sun Wei (孫維), who brings nearly 20 years of professional experience in retail, ecological agriculture, and cultural tourism, the Group is transitioning from a traditional exhibition service provider into a diversified industrial ecosystem. Our new name, “Defeng Solife”, embodies our ambition to integrate ecological agriculture, an intelligent trading platform, a warehouse management system, and digital supply chain solutions, positioning the Group to capture high-value opportunities beyond the increasingly saturated traditional event management sector.

Strategic Adaptation Amidst Market Evolution

At first glance, China’s macroeconomic landscape in 2025 presented a picture of robust recovery, the national gross domestic product (“**GDP**”) reached RMB140.19 trillion and grew by 5.0% year-on-year. The service sector continued to play a pivotal role, expanding by 5.4% and accounting for 57.7% of GDP. The exhibition industry also saw a 6.53% increase in economic and trade fairs. However, these headline figures mask a fundamental shift in market dynamics. While the “quantity” of events increased, the “quality” and “spending patterns” of major corporate clients became increasingly selective and value-driven.

The Group remains in a dominant position in China’s integrated exhibition market, spanning a 50-city footprint and drawing on extensive experience in the design, planning, coordination, and management of exhibitions and events. Over the years, our professional prestige is anchored by a sophisticated portfolio of world-renowned clients, including automotive icons such as Lamborghini and Volkswagen, alongside a blue-chip clientele across the automotive, gaming, TMT, and consumer electronics sectors.

During the Year, the Group recorded a revenue of approximately RMB94.52 million, representing a year-on-year decrease of 32.56%. This contraction was a deliberate consequence of our strategic recalibration. We also observed a pronounced rationalization of promotional outlays among certain legacy telecommunications and home appliance clients. Notably, two of our major accounts — Haier and China Unicom — strategically retrenched their marketing activities during the Year, leading to a temporary reduction in our project volume. This resulted in a significant decline in exhibition and event services. During the Year, the Group managed and coordinated a total of 125 exhibition and event projects and 37 exhibition showroom projects.



CHAIRMAN'S STATEMENT

Rather than engaging in a “price war” to maintain low-margin volumes, the Group chose to prioritize financial prudence and structural optimization. The widening of our net loss to RMB17.35 million reflects the necessary “incubation costs” of our new growth engines. We made the disciplined decision to terminate the metal trading platform project due to global oversupply and geopolitical volatility, reallocating those resources toward a more promising online trading platform and an intelligent warehouse management system. The original RMB4 million budget has been fully reallocated to the development of a digital agricultural products procurement and distribution platform, with approximately RMB4 million already utilized for preliminary system architecture. These initial investments in new business arms, coupled with the acquisition of Yi-commerce Holding Limited, have laid the technological foundation for our SaaS and blockchain-enabled services, which we expect to yield higher-quality, recurring revenue streams in the near future.

Outlook: Cultivating New Growth Poles

China's economy is expected to maintain steady growth in 2026, supported by policy tailwinds, technological innovation, and the continuous expansion of domestic demand. The government will continue to deepen structural reforms, strengthen domestic circulation, expand effective investment, and support advanced manufacturing and digital industries. Global uncertainties — including softening external demand, evolving trade dynamics, and geopolitical tensions in the Middle East — may pose challenges. Still, China's policy direction remains focused on stability and high quality development.

The exhibition industry is anticipated to remain resilient, supported by rising consumption, the recovery of offline events, and the integration of digital technologies. Major trade fairs in sectors such as new energy vehicles, advanced technology, consumer electronics, and lifestyle consumption are expected to attract strong participation. However, exhibitors are likely to adopt a more selective, value-driven approach, focusing on high-quality, technology-enabled events. Accordingly, we remain optimistic but prudent in our outlook.

While the exhibition sector remains a core pillar, we are actively diversifying our profit centers:

1. Digital Agriculture: Leveraging our intelligent warehouse management systems, we aim to solve traceability and standardization issues in the agricultural supply chain, transforming “traditional farming” into a digitally enabled ecosystem.
2. High-End Cultural Tourism: we are exploring project planning and brand promotion for tourism attractions, positioning this as a new driver of profitability.

Global Capital Visibility

The successful upgrade of our American Depositary Receipts to the OTCQX® Best Market in July 2025 has significantly enhanced our profile among international investors, providing us with a robust platform for future capital market exercises.

CHAIRMAN'S STATEMENT

Appreciation

A period of transition is rarely without challenges, but it is often the precursor to sustainable greatness. On behalf of the Board, I would like to express my sincere gratitude to our shareholders for their patience and belief in our new direction. To our customers and business partners, thank you for your continued trust and support. Finally, I would like to thank all our colleagues for their dedication, professionalism, and agility during this rebranding and restructuring process, who are the true engines of our resilience.

As we embrace our new identity as Defeng Solife Holdings Limited, we move forward with a fortified balance sheet, a revitalized management team, and a clear roadmap toward long-term value creation.

Sun Wei

Chairman and Executive Director

Nanjing, China, 27 March 2026



MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2025, Chinese Mainland's economy maintained steady growth despite a complex global environment. According to official statistics, the national gross domestic product (“**GDP**”) reached RMB140.19 trillion, representing an increase of 5.0% year-on-year. The service sector continued to play a pivotal role, expanding by 5.4% and accounting for 57.7% of GDP. Domestic consumption remained the primary driver of economic growth, supported by policy measures aimed at stabilizing expectations and promoting high quality development.

In 2025, the domestic exhibition industry experienced a robust resurgence, characterized by steady market expansion and a strategic pivot toward professionalism, digitalization, decarbonization, internationalization, and cross-sector integration. High-growth sectors — including automotive, consumer goods, technology, and smart manufacturing — demonstrated exceptional performance, with automotive and transportation exhibitions posting a 55% year-on-year increase, solidifying their position as primary growth drivers. Notably, while the absolute number of large-scale auto shows remained stable, their relative market share saw a slight contraction, reflecting a more diversified distribution of event formats across the industry.

As the industry matures from scale-driven expansion to quality-centric development, both organizers and exhibitors are prioritizing tangible outcomes. Consequently, exhibition services have evolved from basic venue assembly into integrated, end-to-end solutions encompassing planning, design, operations, marketing, and business matching. This shift reflects heightened client expectations regarding service quality, operational efficiency, and return on investment (ROI).

The automobile industry also demonstrated strong resilience. National automobile production and sales reached 34.53 million units and 34.40 million units respectively, representing year-on-year increases of 10.4% and 9.4%, both hitting record highs. Notably, new energy vehicles (“**NEVs**”) surpassed 16 million units in annual production and sales, accounting for more than half of new car sales and becoming the dominant force in the market.

In 2025, Chinese Mainland hosted 4,095 economic and trade exhibitions with a total exhibition area of 159 million square metres, representing year-on-year increases of 6.53% and 2.5% respectively. Outbound exhibitions also expanded, reflecting the sector's growing internationalization and market driven development.

*Research sources:

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BUSINESS REVIEW

The Year marked a definitive pivot in the Group's corporate trajectory. To reflect our long-term vision of constructing a diversified digital industrial ecosystem, the Group initiated a comprehensive rebranding. As announced in January 2026, the Board proposed changing the Company's name to “Defeng Solife Holdings Limited (德豐宿來控股有限公司)” and became effective on 9 March 2026. This rebranding is a strategic imperative following the entry of our new controlling shareholder, Mr. Sun Wei (孫維), whose brings two decades of expertise in retail, ecological agriculture, and cultural tourism are central to our transformation.

MANAGEMENT DISCUSSION AND ANALYSIS

The name “Defeng Solife” symbolizes our evolution from a traditional exhibition service provider into an integrated industrial player. By synergizing ecological agriculture, intelligent trading platforms, and digital supply chain solutions, the Group is strategically positioned to capture high-value opportunities beyond the saturated event management sector, fostering sustainable growth through a technology-driven ecosystem.

In 2025, the Group remains a premier provider in Chinese Mainland’s integrated exhibition sector, leveraging over a decade of expertise to deliver end-to-end event management solutions. Specializing in high-end automotive displays and promotions, we provide turnkey exhibition solutions, from strategic planning and theme development to meticulous on-site execution and advanced technical installation. Our institutionalized protocols ensure the seamless integration of design, procurement, and multi-party coordination, maintaining our status as a trusted partner for world-renowned brands.

While the exhibition sector remains our foundational revenue driver, in 2025, the Group successfully evolved its revenue base from an automotive-centric focus to a more balanced portfolio. By maintaining our core exhibition expertise and luxury brand partnerships while simultaneously scaling our digital and non-automotive segments, the Group has achieved a more resilient revenue mix comprising enhanced contributions from IT solutions and non-automotive exhibitions.

In 2025, the Group executed a deliberate diversification strategy to mitigate sector-specific risks. Rather than relying solely on traditional event management, we remain committed to the continuous development and refinement of our integrated value-chain and SaaS platform service model. This shift into non-automotive sectors and digitalized solutions has not only broadened our portfolio but also transitioned the Group toward a more resilient, service-driven architecture. To further expedite our digital evolution, the Group completed the acquisition of Yi-commerce Holding Limited (“**Yi-commerce**”) during the Year. This strategic move allows the Group to leverage Yi-commerce’s established technical expertise and robust client support infrastructure in digital technology services. By assimilating these specialized technological capabilities, the Group has significantly strengthened the operational foundation for our digital expansion, providing a vital springboard for our transition into SaaS platforms and intelligent industrial ecosystems.

During the Year, the Group managed and coordinated a total of 125 exhibition and event projects, 37 showroom mandates, and 65 orders of one-stop value-chain service engagements. The Group’s operating performance came under pressure due to both external market conditions and internal business adjustments. This was primarily driven by a pronounced rationalization of promotional activities by two major clients — Haier and China Unicom. This deliberate retrenchment in marketing activities by cornerstone accounts led to a temporary contraction in the Group’s traditional exhibition and event volume. As a result, revenue decreased by approximately 32.56% to RMB94.52 million (for the year ended 31 December 2024: RMB140.16 million).

Driven by a deep understanding of the industry’s digital transformation, the Group is strategically pivoting toward a comprehensive service model. A key milestone in our digital transformation was the initiation of R&D for a specialized SaaS-based centralized procurement platform for agri-food products during the Year. This platform is currently undergoing rigorous testing and is scheduled for commercial launch in the second quarter of 2026.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group primarily generates revenue by providing comprehensive services encompassing exhibition and event design, planning, coordination, and management, providing one-stop value chain service, and providing IT solution and digital platform services primarily within the People's Republic of China (the "PRC"). To provide a clear breakdown of revenue from business operations, the following table presents the comparative figures for the years ended on 31 December 2025 and 2024, respectively.

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Revenue from automobile related exhibitions and events	15,817	16.73%	49,672	35.44%
Revenue from non-automobile related exhibitions and events	62,602	66.23%	67,910	48.45%
Revenue from exhibitions showroom related services	8,921	9.44%	5,134	3.66%
Revenue from one-stop value chain service	615	0.65%	15,959	11.39%
Revenue from SaaS platform services	95	0.10%	1,489	1.06%
Revenue from IT solutions	6,470	6.85%	–	0%
Total	94,520	100%	140,164	100%

For the year ended 31 December 2025, the Group recorded a decrease in revenue from approximately RMB140.16 million to approximately RMB94.52 million, representing a year-on-year contraction of approximately 32.56%, or RMB45.64 million. This performance reflects a transitional period as we strategically pivot from traditional exhibition-related services toward a high-value, one-stop value chain service model. While our core exhibition and event services faced temporary headwinds, we saw promising initial contributions from our newly introduced one-stop value chain services and SaaS platform fees.

The Group is deliberately reallocating resources to enhance our service architecture, aiming to build a more resilient and profitable ecosystem. Although the strategic shift and associated initial investments have impacted short-term profitability, these initiatives are essential to aligning the Group with more lucrative, technology-driven business avenues and ensuring sustainable, long-term value creation.

During the Year, revenue from exhibitions and events-related services amounted to approximately RMB78.42 million, representing a year-on-year decrease of 33.30% or RMB39.16 million, compared with RMB117.58 million in 2024. This segment accounted for approximately 82.96% of the Group's total revenue for the Year.

Revenue from exhibition showroom related services amounted to approximately RMB8.9 million (for the year ended 31 December 2024: RMB5.1 million), contributing to 9.44% of the total revenue for the year.

Revenue from one-stop value chain service during the Year was approximately RMB0.62 million (for the year ended 31 December 2024: RMB15.96 million), contributing to 0.65% of the total revenue for the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from IT solutions during the Year was approximately RMB6.47 million (for the year ended 31 December 2024: Nil), contributing to 6.85% of the total revenue for the Year.

Revenue from providing SaaS platform services for the Year recorded approximately RMB95,000 (for the year ended 31 December 2024: RMB1.49 million) and accounted for 0.10% of the total revenue for the Year.

Cost of sales and services

Cost of sales and services decreased by approximately 37.56% to RMB77.26 million for the Year, compared to RMB123.74 million in 2024, representing a year-on-year reduction of approximately RMB46.48 million. This decrease was primarily driven by a strategic realignment of our digital service portfolio. Historically, our e-commerce services focused on the leasing of 3C digital products (computers, communications, and consumer electronics).

Gross Profit and Gross Profit Margin

During the Year, the Group recorded a gross profit of approximately RMB17.26 million, representing a year-on-year increase of approximately RMB0.83 million from RMB16.43 million in 2024. Moreover, the gross profit margin expanded to approximately 18.26%, a notable increase from 11.72% in 2024, reflecting the complex interplay between market recovery and strategic business transformation.

This margin improvement was primarily attributable to the Group's strategic focus on high-yield mandates and the successful implementation of cost-efficiency measures. By deliberately scaling back from lower-margin traditional projects and terminating non-performing initiatives, the Group has successfully optimized its service mix. This shift allows us to command better pricing power and achieve a more efficient cost structure even amidst market fluctuations.

Furthermore, the initial integration of our one-stop value chain services and SaaS-driven solutions has begun to yield higher marginal returns compared to traditional exhibition services. While we continue to navigate a transitional "investment phase" involving front-loaded costs in technology and talent, the expansion in gross profit margin validates our strategic direction. This upward trend reinforces the Board's confidence that our pivot toward technology-enabled business avenues will build a more scalable and lucrative revenue stream in the long term.

Selling expenses

The Group's selling expenses mainly consist of (i) staff costs; (ii) travelling expenses; (iii) entertainment expenses; and (iv) others.



MANAGEMENT DISCUSSION AND ANALYSIS

Selling expenses for the Year were approximately RMB6.29 million, representing a year-on-year decrease of approximately 12.64% or approximately RMB0.91 million as compared to selling expenses of approximately RMB7.20 million for the year ended 31 December 2024.

Administrative expenses

The Group's administrative expenses mainly comprise (i) staff costs; (ii) travelling expenses; (iii) entertainment expenses; (iv) office supplies; (v) subsidies paid to staff; (vi) operating lease rentals in respect of buildings and related expenses; (vii) management consulting and other services expenses; and (viii) others.

Administrative expenses for the Year were approximately RMB26.84 million, representing a year-on-year increase of approximately 46.67% or approximately RMB8.54 million as compared to administrative expenses of approximately RMB18.30 million for the year ended 31 December 2024.

Other gains and losses, net

Other gains and loss, net for the Year were approximately RMB5.07 million, mainly due to the settlement discount from suppliers. Other gains and loss, net decreased by approximately RMB0.74 million compared to approximately RMB5.81 million for the year ended 31 December 2024.

Finance income

Finance income included interest income on bank balances and deposits. The Group's finance income for the Year was approximately RMB12,000 (2024: approximately RMB25,000).

Finance costs

Finance costs mainly represented interest expenses on bank and other borrowings and interest expenses on lease liabilities. For the Year, the Group's finance costs were approximately RMB1.48 million (2024: approximately RMB1.21 million).

Loss before income tax

As a result of the foregoing, the Group recorded a loss before income tax of approximately RMB17.46 million for the Year, representing a year-on-year increase of approximately RMB10.88 million as compared with a loss of approximately RMB6.58 million for the year ended 31 December 2024. This increase in loss was primarily driven by higher administrative expenses for the Year, reflecting the Group's strategic expansion into digitalized service ecosystems.

Specifically, the Group incurred higher personnel costs and professional fees associated with the development of our e-commerce infrastructure and intelligent warehouse management systems. These investments are instrumental in our pivot toward the digital agricultural supply chain, where we plan to leverage our completed platform to procure and distribute agricultural products. While these front-loaded costs impacted short-term profitability, they are essential to building the operational capacity required for our next phase of growth.

Income tax credit

Income tax credit decreased from approximately RMB259,000 for the year ended 31 December 2024 to approximately RMB108,000 for the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss for the Year

As a cumulative effect of the factors cited above, the Group recorded a loss of approximately RMB17.35 million for the Year, while the loss was approximately RMB6.32 million for the year ended 31 December 2024. The year-on-year increase was approximately RMB11.03 million.

LIQUIDITY AND FINANCIAL RESOURCES

Capital structure

The capital structure of the Group comprises only ordinary shares. As of 31 December 2025, the Company's total number of issued shares (the "Shares") of USD0.002 each was 154,000,000 (31 December 2024: 127,000,000 Shares).

Cash position

The following table sets forth the selected cash flow data from the Consolidated Statements of Cash Flows for the years ended 31 December 2024 and 2025.

	For the year ended	
	31 December	
	2025	2024
	RMB'000	RMB'000
	(Audited)	(Audited)
Net cash used in operating activities	(4,675)	(20,854)
Net cash (used in) from investing activities	(3,994)	1
Net cash from financing activities	19,544	14,625
Net increase (decrease) in cash and cash equivalents	10,875	(6,228)
Cash and cash equivalents at the end of the Year	17,086	6,211

As of 31 December 2025, cash and cash equivalents of the Group were approximately RMB17.09 million (31 December 2024: approximately RMB6.21 million), which was mainly denominated in RMB and Hong Kong dollars.

Borrowings

As of 31 December 2025, the Group had bank and other borrowings of approximately RMB31 million (as of 31 December 2024: approximately RMB28.56 million). As at 31 December 2025, bank borrowings bear fixed interests ranging from 2.30% to 3.10% (2024: 2.45% to 4.00%) per annum and the other borrowings bear fixed interests of 12.00% (2024: 8.00% to 12.00%) per annum. Save as disclosed in this report, there were no other outstanding bank overdrafts, unutilised banking facilities, debt securities, other similar indebtedness, acceptance credits, hire purchase commitments, mortgages, charges, material contingent liabilities nor guarantees outstanding (as of 31 December 2024: Nil). The Group did not have any unutilised banking facilities nor plans for any material external debt financing.

The Directors confirm that there has been no material adverse change in the Group's indebtedness and contingent liabilities for the Year.

Pledge of assets

As of 31 December 2025, there were no pledge bank balance of the Group was pledged for bills payables (31 December 2024: approximately RMB1 million).



MANAGEMENT DISCUSSION AND ANALYSIS

Gearing ratio

The Group's gearing ratio as of 31 December 2025 and 31 December 2024 were as follows:

	For the year ended	
	31 December	2024
	2025	2024
	RMB'000	RMB'000
	(Audited)	(Audited)
Total interest-bearing borrowings	31,000	28,563
Total equity	12,737	3,689
Gearing ratio	243.39%	774.27%

CAPITAL COMMITMENTS

As at 31 December 2025, the Group did not have any capital commitment in respect of the acquisition of a subsidiary and purchase of assets (2024: Nil).

DIVIDEND

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

EQUITY FUND RAISING ACTIVITIES AND USE OF NET PROCEEDS

Pursuant to three subscription agreements all dated 19 March 2025 entered into, the Company and three independent third parties, named CT Vision Strategic Company Limited, Mr. Hu Zhixi and Mr. Xu Linxin, the Company has conditionally agreed to allot and issue, and CT Vision Strategic Company Limited, Mr. Hu Zhixi and Mr. Xu Linxin have conditionally agreed to subscribe (the "**March Subscriptions**") for 6,000,000, 1,000,000 and 2,000,000 new ordinary shares (collectively the "**March Subscription Shares**"), having the aggregate nominal value of USD18,000, at HK\$1.0 per share. The closing price was HK\$1.10 per share as quoted on the Stock Exchange on the date of the subscription agreements. The March Subscription Shares represent approximately 6.62% of the then issued and enlarged share capital of the Company upon the completion of the March Subscriptions. The estimated aggregate gross and net proceeds of the March Subscriptions will be HK\$9,000,000 and approximately HK\$8,950,000 respectively, which are intended to be used for general working capital of the Group. For the reasons and details of the March Subscription, please refer to the Company's announcements dated 19 March 2025, 31 March 2025 and 9 April 2025.

Pursuant to the placing agreement dated 27 May 2025 entered into between the Company as issuer and Theia Securities Limited as the placing agent, an aggregate of 12,000,000 new ordinary shares (the "**Placing Shares**"), having the aggregate nominal value of USD24,000, have been successfully placed (the "**Placing**") by the placing agent to not less than six placees at the placing price of HK\$1.14 per share, the net placing price was approximately HK\$1.07 per share. The closing price was HK\$1.40 per share as quoted on the Stock Exchange on the date of the placing agreement. The Placing Shares represent approximately 8.11% of the then issued and enlarged share capital of the Company upon the completion of the Placing. The completion took place on 17 June 2025. The gross and net proceeds from the Placing amounted to approximately HK\$13.68 million and approximately HK\$12.88 million respectively. The Company has applied the net proceeds according to the use of proceeds stated in the announcement of the Company dated 13 June 2025. For the reasons and the details of the Placing, please refer to the Company's announcements dated 27 May 2025, 13 June 2025 and 17 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to the subscription agreement dated 27 May 2025 entered into between the Company as issuer and Mr. Li Huaguo (“**Mr. Li**”), as the subscriber and the then executive Director, Mr. Li agreed to subscribe for (the “**May Subscription**”) 6,000,000 new ordinary shares (the “**May Subscription Shares**”) having the aggregate nominal value of USD12,000, at the subscription price of HK\$1.14 per share and the net subscription price was approximately HK\$1.07 per share. The closing price was HK\$1.40 per share as quoted on the Stock Exchange on the date of the subscription agreement. The May Subscription Shares represent approximately 3.90% of the then issued and enlarged share capital of the Company upon the completion of the May Subscription. Completion took place on 8 August 2025. The gross and net proceeds from the May Subscription amounted to approximately HK\$6.84 million and approximately HK\$6.6 million respectively, which are intended to be used for general working capital of the Group. For the reasons and details of the May Subscription, please refer to the Company’s announcements dated 27 May 2025, 10 July 2025, 1 August 2025 and 8 August 2025 and the Company’s circular dated 15 July 2025.

Uses of net proceeds as of 31 December 2025 are listed as follows:

	Planned use of proceeds <i>HK\$'000</i>	Percentage of actual use of proceeds up to 31 December 2025	Actual use of proceeds up to 31 December 2025 <i>HK\$'000</i>	Unutilized net proceeds as at 31 December 2025 <i>HK\$'000</i>	Expected timeline for utilisation
Repayment of the promissory note	7,000	100%	7,000	–	–
Research & development costs of the new business	4,000	100%	4,000	–	–
General working capital	17,430	82.44%	14,370	3,060	31 March 2026
Total	28,430	89.24%	25,370	3,060	

HK\$25,370,000 of the proceeds from the abovementioned placing and subscription of new shares have been utilized by 31 December 2025.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group faces the following principal risks and uncertainties that may materially and adversely affect its business, financial status, and operating results:

1. The exhibition services industry in the PRC has relatively low entry barriers and competition is keen within the industry.
2. The Group’s business depends heavily on the provision of exhibition and event management services in the automobile industry.
3. The majority of the Group’s customers are automobile companies and there is no assurance that it can successfully diversify its customer base.



MANAGEMENT DISCUSSION AND ANALYSIS

4. There is no assurance that the demand for integrated exhibition and event management services the Group provides will continue or increase.
5. There may be fluctuations in the Group's cost of service which it may not be able to pass on to customers.
6. The Group may face cash flow problems if it is unable to receive payments from customers on time and in full under the current pricing policy.
7. The Group may be exposed to litigation risk as a result of the engagement of suppliers without obtaining written consent from customers.
8. The Group relies on suppliers for the provision of construction services, leasing of equipment, and logistics and transportation services, hence, may have to bear the consequences should these suppliers deliver substandard services on its own.
9. The Group relies on its senior management and other key personnel and may not be able to retain these staff to provide services.
10. The Group may not be able to implement its business strategies and its future growth could be limited.
11. The control and prevention of the pandemic around the world remain challenging and risky and may continue to influence the resumption of work and production of the exhibition industry in the PRC to normal, which may in turn have a material and adverse effect on the Group's business, financial position, and results of operations.

The cost of exhibition and event-related services provided by suppliers makes up a significant portion of the Group's cost of service. The following uncertainties may affect the Group's efforts to implement cost-control measures:

1. As human resources and costs of construction materials and equipment are the major components of the cost of exhibition and event-related services, any increase in the wages of suppliers' employees and average consumer prices may push up the lump sum cost of exhibition and event-related services provided by suppliers.

Major risks and uncertainties relating to the implementation of business strategies

1. The Group expects to tender proposals to potential new customers with lower profit margins in the short run in connection with its future expansion into new segments in the market, and such expansion could exert great pressure on the allocation of resources.
2. The Group cannot guarantee that it will have sufficient resources to support future development. Its future growth is also subject to the preferences of potential clients and the overall market situation. Failure to execute an expansion strategy effectively may lead to higher costs, inefficient operation flow, and a decline in profitability.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group did not have other future plans for material investments and capital assets during the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITIONS AND DISPOSALS RELATED TO THE SUBSIDIARIES AND ASSOCIATED COMPANIES AND SIGNIFICANT INVESTMENT

On 17 January 2025, the Company entered into a sale and purchase agreement with Yesteel Holding Limited in relation of the disposal of 49% equity interest in China Yesteel New Material Holdings Co., Limited (previously known as MaxV DFS Limited) (“China Yesteel”), at a cash consideration of approximately RMB4,000. Following the disposal, the Group’s equity interests in China Yesteel decreased from 100% to 51% and the Group retains majority ownership and continues to exercise control over China Yesteel. Yesteel Holding Limited was owned by Mr. Li Huaguo, who was appointed as an executive director of the Company on 22 January 2025 and resigned on 9 February 2026.

On 28 April 2025, the Company entered into a sale and purchase agreement with Innovation Era Technology Limited in relation to the acquisition of the entire equity interest of and all shareholder’s loan due by Yi-commerce Holding Limited at a cash consideration of HK\$8,000,000. Innovation Era Technology Limited was owned approximately (a) 89.1% by Mr. Ho Chun Kit Gregory, who was interested in approximately 4.4% of the shareholdings in the Company at the date of the acquisition, (b) 6.0% by Mr. Chen Xicheng, an executive director of the Company, and (c) 2.9% by Mr. Shum Ngok Wa, an executive director of the Company.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material capital commitment (2024: Nil) and contingent liabilities (2024: Nil).

EMPLOYEE AND SALARIES POLICY

As of 31 December 2025, the Group employed a total of 89 employees of whom 51 employees were stationed in Beijing, 22 employees stationed in other provinces and 16 employees stationed in Hong Kong, among which 11 of them were at the management level, 6 of them stationed in the PRC and 5 of them stationed in Hong Kong. For the Year, the staff costs (including Directors’ emoluments) were approximately RMB25.36 million (2024: approximately RMB16.16 million). The Group conducts periodic performance review with employees and determines their salaries, benefits, and discretionary bonuses based on factors including qualifications, contributions, years of experience, and performance.

In accordance with the applicable PRC and Hong Kong laws and regulations, the Group has made contributions to social security insurance and housing provident funds and mandatory provident fund all eligible staff. For the year ended 31 December 2025, the total amount contributed in these areas by the Group was approximately RMB3.38 million. The Group has complied with all the requirements about social security insurance and housing provident fund obligations applicable under the PRC laws and regulations.

In order to continually maintain the quality, knowledge and skills of employees, the Group has provided various training opportunities, which include on-the-job training, technical training and professional training.

The Group has maintained a good working relationship with its employees. During the year, the Group has not experienced any significant labour disputes which are likely to have an adverse material impact on business, financial conditions and results of operations.

The Company’s policy concerning emoluments of Directors is (i) the amount of emoluments is determined on the basis of the relevant Director’s experience, responsibility, workload and the time devoted to the Company; and (ii) non-cash benefits may be provided to the Directors under their remuneration package.



MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURE

The Group is not exposed to any significant foreign exchange risk in the normal course of business, as it operates in the PRC with the majority of the transactions being conducted and settled in RMB.

CREDIT RISK

Credit risk exposures arise principally in cash and cash equivalents, trade and other receivables, and contract assets shown on consolidated balance sheets.

The Group takes on exposure to credit risk, which is the risk that a customer or counterparty will cause a financial loss for the Group by failing to discharge an obligation. Credit risk is one of the most significant risks for the Group's business.

For cash at the bank, the Group manages the credit risk by placing its domestic deposits in reputable nationwide financial institutions with good credit ratings in the PRC and overseas deposits in reputable international financial institutions. The Group believes those banks and financial institutions are of high-credit-quality without significant credit risk and therefore it considers its cash at bank are not at high credit risk.

The Group's trade receivables arise from exhibition and event marketing services fees, over 43% of which are in turn derived from major customers that are renowned automobile companies. Should there be a change in the strategic relationships with these major customers that might cause a change in the cooperative arrangements; or if they experience financial difficulties themselves which in turn causes difficulties in their settling payables to the Group, the Group's revenue from those automobile companies might be adversely affected due to deterioration in the recoverability of trade receivables from them.

To manage this risk, the Group's management team maintains frequent communications with their contacts at those automobile companies to ensure the Group captures the most updated understanding of relevant customers' business status and assesses their credibility. In view of the smooth cooperation history with these automobile companies and the reliable collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding trade receivable balances due from those automobile companies is low. As for new customers, the management is responsible for managing and analysing the credit risk for each of their new customers before they offer such new customers standard payment and delivery terms and conditions. To do such an assessment, various factors including their financial position and other factors about these new customers would be considered.

The Group's other receivables comprise deposits and staff advance, which have a low risk of default, thus the Group considers its other receivables are not at high credit risk.

LIQUIDITY RISK

The Group regularly monitors current and expected liquidity demand to ensure that it maintains sufficient cash reserves to meet related demand in the short and long run. The Group monitors liquidity position through rolling forecasts of liquidity requirements in order to ensure that it has sufficient cash on hand to satisfy operational needs.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

Macroeconomic Landscape and Policy Direction

Looking ahead to 2026, the Group anticipates a strategic shift as the Central Economic Work Conference emphasizes high-quality growth. Macroeconomic policies are expected to remain supportive, with a projected fiscal deficit ratio of approximately 4%. Crucially, the government's focus on "anti-involution" strategies and the development of a "unified national market" will likely accelerate the elimination of inefficient capacity. The state's mandate to facilitate the digital and intelligent transformation of traditional industries — while scaling emerging sectors — provides a robust policy tailwind for the Group's ongoing business pivot.

External Uncertainties and Strategic Resilience

The global landscape in 2026 remains characterized by heightened external uncertainties. The potential for renewed trade tensions under the Trump administration's policies, coupled with persistent geopolitical volatility in the Middle East, continues to pose risks to global trade flows and supply chain stability. In response, the Chinese government is expected to prioritize scientific innovation and domestic demand resilience as core pillars of the 15th Five-Year Plan.

In January 2026, the IMF (International Monetary Fund) raised its 2026 economic growth forecast for the PRC to 4.5%, up by 0.3 percentage points from previous projections. This upgrade is driven by a year-long trade truce with the U.S. that reduced tariff rates, along with continued domestic stimulus measures. The World Economic Situation and Prospects 2026 report projects the PRC's economic growth to moderate to 4.6% in 2026, driven by targeted policy support despite fading export momentum. Other 2026 projections suggest a 4.5%–4.8% growth range, supported by a trade truce, continued fiscal easing, and high-tech exports, with the World Bank Group projecting 4.0%. With all the international authoritative organisations projecting 2026 growth between 4.0% and 4.8%, the Group acknowledges that while export momentum may face headwinds, the coordinated focus on "economic rebalancing" creates a fertile environment for technology-driven service providers.

The Group's Strategic Roadmap for 2026

In light of these macro-dynamics, the Group is at a pivotal intersection where internal business transformation meets global economic realignment. We recognize that 2026 will be a year of both rigorous challenge and structural opportunity. Our response is centered on four strategic imperatives:

- **Consolidating Leadership in Premium Exhibition Sectors:** The Group maintains its standing as a premier provider of integrated exhibition and event management services in Chinese Mainland. We remain committed to delivering exceptional professional services to our prestige client base, encompassing global automotive leaders, top-tier game developers, e-sports organizations, and leading telecommunications brands. The Group is committed to forging strategic alliances in key regional markets to catalyze innovation in our service delivery. Each exhibition and curatorial mandate in 2026 will serve as a laboratory for integrating Artificial Intelligence (AI) and advanced digital tools, ensuring that the Group remains at the forefront of the industry's "new quality productive forces" while building a stable revenue foundation and continuing to set industry benchmarks for excellence.



MANAGEMENT DISCUSSION AND ANALYSIS

- **Pivoting toward a Digital Agricultural Ecosystem:** A cornerstone of our 2026 strategy is the continued development of our online trading platform and intelligent warehouse management system. Upon completion, this infrastructure will be strategically applied to the procurement and distribution of agricultural products. Our goal is to build a digitized industrial ecology that directly addresses critical pain points in traditional agricultural supply chains, such as non-standardization, food quality concerns, and safety traceability. By creating this high-efficiency digital agricultural ecosystem, the Group is positioning itself at the forefront of Chinese Mainland “Digital Rural Development” mandate.
- **Cultivating Cultural Tourism as a New Growth Engine:** Recognizing the shifting patterns in domestic consumption, the Group is expanding into the cultural tourism sector. We plan to provide integrated project planning, management, and brand promotion services for tourism attractions and high-end destinations. By leveraging our expertise in exhibition management and experiential marketing, we aim to establish cultural tourism as a significant new profit driver alongside our established exhibition services, capturing the high-value potential of the domestic leisure market.
- **Heightened Global Capital Visibility:** A significant milestone in the Group’s capital market strategy was the successful upgrade of our American Depositary Receipts (ADRs) to the OTCQX® Best Market in July 2025. As the premier tier of OTC Markets, this transition reflects the Group’s commitment to high financial standards and rigorous corporate governance. This upgrade has substantially broadened our exposure to institutional and international investors, enhancing the liquidity of our securities and providing a transparent, robust platform for future capital market exercises. This global visibility is instrumental as we seek to diversify our funding channels to support our long-term strategic pivot toward digitalized industry ecosystems.

Conclusion

The Company stands ready to navigate the complexities of 2026 with an agile and proactive mindset. By synthesizing our decade-long expertise in brand storytelling with cutting-edge digital infrastructure, we are not merely adapting to the “new normal” — we are actively defining our role within it. Our commitment remains steadfast: to partner with our clients in achieving mutual commercial success while delivering sustainable, long-term returns for our shareholders as a comprehensive industry leader.

*Research sources:

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Sun Wei (“Mr. Sun”) (孫維), aged 45, is the chairman of the Board, an executive Director, chairman of Nomination Committee of the Company and a controlling shareholder. He is a seasoned entrepreneur with nearly two decades of experience spanning retail, internet operations, eco-agriculture, and cultural tourism. He served as general manager of Jiangsu Defeng Su Lai Cultural Tourism Development Co., Ltd.* (江蘇德豐宿來文旅發展有限公司) from September 2024 to January 2026, a company focused on tourism services. In this role, he oversaw strategic planning, directs daily operations, and led the integration of regional tourism resources. Mr. Sun also served as director of Changzhou Detong Eco-Agriculture Co., Ltd.* (常州市德通生態農業有限公司) from March 2024 to Jan 2026, which is mainly engaged in chicken farming and the production and distribution of poultry products.

Mr. Sun has entered into a letter of appointment as executive Director with the Company for an initial term of three years commencing from 16 January 2026, which is terminable by either party by giving to the other three month’s prior notice in writing. Mr. Sun will be entitled to a director’s remuneration of HK\$600,000 per annum, which had been approved by the Board on the recommendation of the remuneration committee of the Company (the “**Remuneration Committee**”) and determined with reference to his general duties and responsibilities and the prevailing market conditions.

Mr. Sun, who was appointed as an executive Director effective from 16 January 2026, attended a training on 19 December 2025 pursuant to Rule 5.02D of the GEM Listing Rules covering the requirements under the GEM Listing Rules as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Mr. Sun has confirmed his understanding of the information provided by the legal adviser and his obligations as a director of a listed issuer.

Mr. Huang Xiaodi (“Mr. Huang”) (黃曉迪), aged 40, is the chief executive officer of the Company, an executive Director, the compliance officer of the Company. He was appointed as a Director on 28 April 2017 and re-designated as an executive Director on 28 October 2017. Mr. Huang is responsible for the Group’s overall management, strategic development, major decision-making of the Group and overseeing compliance matters of the Group.

He obtained his certificate in arts and design via the Self-Taught Higher Education Examinations (高等教育自學考試) from Wuchang University of Technology (武昌理工學院) in June 2013. Mr. Huang has more than 12 years of professional experience in the area of exhibition and event management industry. He has worked as a senior manager at Beijing Dowway International Exhibition Company Limited (“**Beijing Dowway**”) since January 2008 and as the chairman of the board of directors since March 2010, responsible for the overall management and business development and expansion. Mr. Huang is an engineer (construction engineering) recognised by Kunming Construction Engineering (Intermediate Rank) Qualification Committee (昆明市建築工程中級工程師評審委員會) since November 2015.

Mr. Huang was previously a general partner of Tianjin Tianping Chuangxin Corporate Management Consultancy Centre (Limited Partnership), which was deregistered on 2 April 2018. He confirmed that such entity was solvent immediately before the time of deregistration and he did not incur any debt and / or liabilities because of such deregistration.

Mr. Huang is currently holding 15% of the equity interest in Lanse Shenyu Internet Technology (Tianjin) Company Limited, which does not conduct any business which competes, or is likely to compete, either directly or indirectly, with the business of the Group. He is also an executive director and general manager of Tianjin Dowway International Exhibition Company Limited.



DIRECTORS AND SENIOR MANAGEMENT

Mr. Shum Ngok Wa (“Mr. Shum”) (沈岳華), aged 36, is an executive Director and a member of the Remuneration Committee. He has over 15 years of experience in the finance industry and profound experience in corporate management. Mr. Shum obtained the degree of Bachelor of Business Administration (Honours) in Quantitative Finance and Risk Management from City University of Hong Kong in July 2011. He is also a Certified Financial Risk Manager (FRM) of the Global Association of Risk Professionals since 2013.

Mr. Shum has served as an independent non-executive director, a member of the audit committee and a member of the remuneration committee of Chi Kan Holdings Limited (Stock Code: 9913), the shares of which are listed on the Main Board of the Stock Exchange since February 2024. Mr. Shum served as a non-executive director of Leadway Technology Investment Group Limited (formerly known as HNA Technology Investments Holdings Limited) (Stock Code: 2086), the shares of which are listed on the Main Board of the Stock Exchange, from August 2021 to July 2022.

From September 2012 to February 2018, Mr. Shum worked in the credit and risk control function of a licensed securities firm in Hong Kong and he was responsible for credit assessment and risk control matters.

Mr. Chen Xicheng (“Mr. Chen”) (陳希成), aged 41, is an executive Director. He has more than 19 years of experience in technology and product development, project management and strategic planning in the information technology field, as well as in-depth understanding of corporate digital transformation and a wealth of project cases. He earned a bachelor’s degree from the Department of Computer Science and Technology of Southeast University (東南大學) in June 2006 and a master’s degree from the School of Software Engineering of Nanjing University (南京大學) in December 2010. He is currently a permanent member of the Enterprise Strategy Research Institute of Jiangsu Province* (江蘇企業戰略研究會) and a member of the General Alumni Association of Southeast University (東南大學南京校友會).

Mr. Chen served as the general manager of Nanjing Suning Software Technology Co., Ltd.* (南京蘇寧軟件技術有限公司), a subsidiary of Suning.com Co., Ltd. (SZ.002024) (蘇寧易購集團), from April 2016 to February 2024. He was the chief technology officer of Beijing Ronghai Data Technology Co., Ltd.* (北京融海數據科技股份有限公司) from May 2007 to April 2016.

In the past, Mr. Chen led the establishment of virtualization and big data platforms for large enterprises such as China Mobile (中國移動), China Tobacco (中國煙草) and Ping An Insurance (平安保險). He was also responsible for the product and technology management of PP Sports (PP體育), Carrefour (家樂福), and Suning Youhuo* (蘇寧有貨), helping PP Sports become the No. 1 sports media platform in China, and Carrefour China create an O2O business technology platform to become the first large supermarket offering omnichannel retail service.

Ms. Wang Jinmei (“Ms. Wang”) (汪金梅), aged 45, is an executive Director. She has more than 15 years of experience in financial management and strategic development. Ms. Wang is currently the finance general manager of Nanjing Sulai Information Technology Co., Ltd. (南京宿來信息技術有限公司), a company principally engaged in software and information technology services. Ms. Wang received a bachelor’s degree in accounting from Jilin University, the PRC through long distance learning in 2016.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Wang has entered into a letter of appointment as executive Director with the Company for an initial term of three years commencing from 16 January 2026, which is terminable by either party by giving to the other three month's prior notice in writing. Ms. Wang will be entitled to a director's remuneration of HK\$240,000 per annum, which had been approved by the Board on the recommendation of the Remuneration Committee and determined with reference to her general duties and responsibilities and the prevailing market conditions.

Ms. Wang, who was appointed as an executive Director effective from 16 January 2026, attended a training on 19 December 2025 pursuant to Rule 5.02D of the GEM Listing Rules covering the requirements under the GEM Listing Rules as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Ms. Wang has confirmed her understanding of the information provided by the legal adviser and her obligations as a director of a listed issuer.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tam Chak Chi ("Mr. Tam") (譚澤之), aged 49, is an independent non-executive Director, the chairman of the audit committee the ("**Audit Committee**"), the chairman of the Remuneration Committee and a member of the Nomination Committee of the Company. He holds a bachelor's degree of commerce from the University of Toronto. He is a fellow member of the Taxation Institute of Hong Kong, a member of the American Institute of Certified Public Accountants and a member of The Chartered Global Management Accountant.

Mr. Tam has more than 21 years of experience in accounting, auditing and financial services and has served various positions at various private and listed companies. He is currently an independent non-executive director of Basic House New Life Group Limited (formerly known as AL Group Limited), a company listed on the GEM of the Stock Exchange (stock code: 8360); and an independent non-executive director of Wealth Glory Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8269). From August 2019 to July 2024, Mr. Tam was an independent non-executive director of Wisdom Wealth Resources Investment Holding Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 0007), and from December 2018 to September 2023, Mr. Tam was executive director of Ocean Star Technology Group Limited, a company listed on the GEM of the Stock Exchange (stock code: 8297). Currently, Mr. Tam is the Chief Financial Officer & Executive Director of EcoSmart Energy Management Limited, a private company incorporated in Hong Kong and he is also a financial consultant of various private companies.

Ms. Yau Yin Tan ("Ms. Yau") (丘燕丹), aged 38, is an independent non-executive Director, a member of the audit committee and a member of the Remuneration Committee of the Company. She holds a bachelor's degree of Business Administration (Honours) in Accountancy from City University of Hong Kong. She is a member of the Hong Kong Institute of Certified Public Accountants.

Ms. Yau has more than 10 years of experience in accounting, auditing and financial services. From July 2015 to January 2026, Ms. Yau was the Director of Alliance Capital Partners Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and she was responsible for providing corporate finance advisory services for the listed issuers and execution of initial public offering transactions. From 2011 to 2015, Ms. Yau worked with BDO Limited, and she was responsible for the audit works for various listed and unlisted clients.



DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhou Yiyan (“Ms. Zhou”) (周逸燕), aged 53, is an independent non-executive Director, a member of Audit Committee and a member of Nomination Committee of the Company. She has been a practicing lawyer and partner of Jiangsu Liuyou Law Firm (江蘇六友律師事務所) since 2009 and 2015, respectively. Ms. Zhou was accredited as a PRC lawyer by the Ministry of Justice of the PRC in February 2008. She was a legal assistant of Jiangsu Liuyou Law Firm from 2007 to 2009. Ms. Zhou received a bachelor’s degree in law from Soochow University, the PRC in 2005.

Ms. Zhou has entered into a letter of appointment as independent non-executive Director with the Company for an initial term of three years commencing from 16 January 2026, which is terminable by either party by giving to the other three month’s prior notice in writing. Ms. Zhou shall hold office only until the first annual general meeting of the Company after her appointment and shall be subject to re-election at such meeting in accordance with the Articles. Ms. Zhou will be entitled to a director’s remuneration of HK\$60,000 per annum, which had been approved by the Board on the recommendation of the Remuneration Committee and determined with reference to her general duties and responsibilities and the prevailing market conditions.

Ms. Zhou, who was appointed as an independent non-executive Director effective from 16 January 2026, attended a training on 19 December 2025 pursuant to Rule 5.02D of the GEM Listing Rules covering the requirements under the GEM Listing Rules as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Ms. Zhou has confirmed her understanding of the information provided by the legal adviser and her obligations as a director of a listed issuer.

COMPANY SECRETARY

Mr. Leung Gavin L. (“Mr. Leung”) (梁家榮), aged 51, joined the Group as the Company Secretary and the Authorised Representative under the Listing Rules and the Authorised Representative under the Companies Ordinance from 28 June 2024. He is currently a Company Secretary and Authorised Representative of CT Vision (International) Holdings Limited (formerly known as CT Vision S.L. (International) Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 0994). Mr. Leung is a member of Hong Kong Institute of Certified Public Accountants and a fellowship member of Certified Practising Accountant Australia. He has over 25 years of experience in auditing, financial management, accounting and company secretarial. He obtained his bachelor’s degree of commerce, accounting and finance from Curtin University of Technology in 2006 and his master of laws from University of Greenwich in 2022.

** For identification purpose only*

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Zhang Xin (“Mr. Zhang”) (張鑫), aged 42, is a sales director of Beijing Dowway and he is responsible for the sales and business development. With more than 10 years of experience in exhibition and event management, Mr. Zhang is professional at exhibition execution, planning and video and audio designing and execution. Mr. Zhang is also proficient at large exhibition and launch event control and has deep and unique insight of this industry. He is capable to precisely grasp the direction and control the quality of large event and brand exhibition.

Ms. Yao Zhihong (“Ms. Yao”) (姚志宏), aged 45, is a sales director of Beijing Dowway and she is responsible for planning the customer relationship strategies and overseeing customer relationship matters. With over 10 years of professional experience in exhibition and event management, Ms. Yao is a senior expert at planning, organizing and operation of auto branding events and specialized at luxury car exhibition and launch event. She is capable to precisely grasp the exhibition process, quality requirements and tonality of branding exhibition for luxury car, and possesses abundant experience at large auto exhibition and launch event.

DISCLOSURE REQUIRED UNDER RULE 17.50(2) OF THE GEM LISTING RULES

Save as disclosed in this report, each of our Directors confirms with respect to him / her that: (a) he / she has not held directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (b) he / she did not hold other positions in our Company or other members of our Group; (c) he / she did not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of our Company; (d) he / she does not have any interests in our Shares within the meaning of Part XV of the SFO, save as disclosed in this Report; (e) he / she does not have any interest in any business which competes or is likely to compete, directly or indirectly, with the Group, which is discloseable under the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”); and (f) to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no additional information relating to our Directors or senior management that was required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules and no other matter with respect to their appointments that needed to be brought to the attention of our shareholder.



DIRECTORS' REPORT

The Directors are pleased to present their report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 28 April 2017. The Company is an investment holding company. The Group is one of the leading integrated exhibition and event management service provider in the PRC. It mainly serves as a project manager for exhibitions and events and provides a comprehensive range of related services. These services include design, planning, coordination and management of exhibitions and events covering theme, stage and venue design and overall planning, feasibility studies, procurement of construction materials and equipment. As part of its project management, the Group also conducts liaison with suppliers and / or personnel for construction of backdrops, stages and exhibition booths as well as installation of audio, visual and lighting equipment and facilities, and on-site supervision. Depending on customers' requirements and the themes of exhibitions and events, the Group provides integrated management services which include design, planning, coordination and management of construction and installation works. It may also, upon request, design specific themes for relevant exhibitions and events and coordinate with different suppliers for executing design and layout plans, in accordance with the types and objectives of the exhibition or event.

The Group has been conducting its e-commerce service business through its PRC subsidiaries to supply consumer products, where the Group collaborates with established suppliers to facilitate efficient product distribution integrated supply chain management services. In alignment with the Group's continual strategy to expand into other industries with high growth potential, the Group is actively accelerating its digital transformation. In April 2025, the Group completed the acquisition of a technology-driven company, which became a wholly-owned subsidiary of the Company following the acquisition. This acquisition serves as the critical foundation for accelerating the development of the Group's digital technology services. Following this successful acquisition and the resulting integration of resources and technical capabilities, the Group aims to offer its e-commerce services solutions to a broad range of merchants and customers, covering a wide variety of consumer goods products, including agricultural food products within its evolving digital industrial ecosystem.

Analysis of the principal activities of the Group during the Year are set out in Note 14 to the consolidated financial statements.

RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 90 of this annual report.

DIVIDEND POLICY

This policy is made by the Group pursuant to the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Rule 17.10 of the GEM Listing Rules.

The Board has approved and adopted a dividend policy of the Company on 22 March 2021 (the "Dividend Policy").

DIRECTORS' REPORT

It is the policy of the Board, in considering the payment of dividends, to allow shareholders of the Company to participate in the Company's profits whilst preserving the Company's reserves to finance future development. The Board shall consider the following factors before declaring or recommending dividends:

- the Group's results of operations;
- the Group's cash flow position;
- the Group's business position and future development plan;
- the Group's future operations and profitability;
- legal and regulatory restrictions; and
- any other factors that the Board deems appropriate.

The payment of such dividend is also subject to any restrictions under the Companies Law of the Cayman Islands, any applicable laws, rules and regulations. The Board will continually review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

DIVIDEND

The Board did not recommend the payment of any dividend for the Year (2024: Nil).

BUSINESS REVIEW AND FINANCIAL KEY PERFORMANCE INDICATORS

The business review of the Group and analysis by financial key performance indicators are set out in the sections headed "Chairman's Statement" on pages 5 to 7 and "Management Discussion and Analysis — Business Review and Financial Review" on pages 8 to 13 of this annual report.

OUTLOOK

The outlook of the Group is set out in the section headed "Management Discussion and Analysis — Outlook" on pages 19 to 20 of this annual report.

IMPORTANT EVENT SINCE THE END OF THE REPORTING YEAR

Save as disclosed, the Group had no material events for disclosure subsequent to 31 December 2025 and up to the date of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

A description of the principal risks and uncertainties the Group faces can be found in the section headed "Management Discussion and Analysis — Principal Risks and Uncertainties" on pages 15 to 16 of this annual report.

ENVIRONMENTAL POLICY

The Group actively keep promoting sustainable development and environmental protection, and also has strictly complied with relevant environmental protection, health and related laws and regulations. Please refer to the 2025 environmental, social and governance report of the Company for details.



DIRECTORS' REPORT

COMPLIANCE WITH LAWS AND REGULATIONS

The Group has complied with all applicable laws and regulations without any non-compliance. Please refer to the 2025 environmental, social and governance report of the Company for details.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Employees

We maintained a good working relationship with our employees and we did not experience any labour disputes for our operations during the Year.

Major customers

For the Year, the Group's sales to its five largest customers accounted for approximately 71.28% (2024: 68.38%) of the Group's total revenue and our single largest customer accounted for approximately 31.64% (2024: 25.25%) of the Group's total revenue.

Major suppliers

For the Year, the Group's five largest suppliers accounted for approximately 20.98% (2024: 32.32%) of the Group's total purchases and our single largest supplier accounted for approximately 5.83% (2024: 11.81%) of the Group's total purchases.

During the Year, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares of the Company) had any interest in the Group's five largest customers and suppliers.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last 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.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in Note 28 to the consolidated financial statements.

CAPITAL AND RESERVES

Details of movements in the share capital, share premium, retained earnings, capital reserves and other reserves of the Group during the Year are set out on page 93 of this annual report in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company had no reserves available for distribution to equity holders (31 December 2024: Nil).

DIRECTORS' REPORT

BANK BORROWINGS AND OTHER BORROWINGS

As at 31 December 2025, the Group had total bank loans of approximately RMB29 million (31 December 2024: approximately RMB17.31 million) and other borrowings of approximately RMB2 million (31 December 2024: approximately RMB11.25 million).

DIRECTORS

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

Executive Directors:

Mr. Sun Wei (*Chairman*) (appointed on 16 January 2026)
 Mr. Huang Xiaodi (*Chief Executive Officer and Compliance Officer*)
 Mr. Yan Jinghui (resigned on 9 February 2026)
 Mr. Dong Kejia (resigned on 9 February 2026)
 Mr. Shum Ngok Wa
 Mr. Chen Xicheng
 Mr. Li Huaguo (resigned on 9 February 2026)
 Ms. Wang Jinmei (appointed on 16 January 2026)

Non-executive Director:

Mr. Lian Mingcheng (resigned on 9 February 2026)

Independent Non-executive Directors:

Ms. Xu Shuang (resigned on 9 February 2026)
 Mr. Tam Chak Chi
 Ms. Yau Yin Tan
 Mr. Ma Lin (resigned on 9 February 2026)
 Ms. Zhou Yiyan (appointed on 16 January 2026)

In accordance with article 112 of the Articles, any Director appointed by the Board to fill a casual vacancy or as an additional Director shall hold office only until the first general meeting after his appointment and any Director appointed as an addition to the Board shall hold office until the next following annual general meeting of the Company after his appointment, and each of them shall be eligible for re-election.

Mr. Sun Wei, Ms. Wang Jinmei and Ms. Zhou Yiyan were appointed by the Board on 16 January 2026 respectively to fill a casual vacancy or as an additional Director. In accordance with Article 112, each of Mr. Sun Wei, Ms. Wang Jinmei and Ms. Zhou Yiyan shall hold the office until the AGM and he / she will offer himself / herself for re-election at the forthcoming annual general meeting.

Pursuant to Article 108 of the Articles, at every annual general meeting, one-third of the Directors for the time (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and will be eligible for re-election and re-appointment at every annual general meeting, provided that every Director shall be subject to retirement at an AGM at least once every three years. In accordance with Article 108, Mr. Chen Xicheng, Mr. Tam Chak Chi and Ms. Yau Yin Tan shall retire from office by rotation at the AGM.



DIRECTORS' REPORT

Being eligible, Mr. Chen Xicheng will offer himself for re-election as executive Director and Mr. Tam Chak Chi and Ms. Yau Yin Tan will offer themselves for re-election as independent non-executive Directors. At the forthcoming annual general meeting, ordinary resolutions will be proposed to re-elect each of Mr. Chen Xicheng as executive Director and Mr. Tam Chak Chi and Ms. Yau Yin Tan as independent non-executive Directors.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 21 to 25 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent during the Year and remain so as of the date of this annual report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Mr. Huang Xiaodi has entered into a service agreement with the Company for an initial term of 3 years commencing from 23 May 2025, which could be terminated by either party by giving not less than 3 months' notice in writing to the other, and subject to retirement by rotation and re-election pursuant to the Articles of Association.

Mr. Shum Ngok Wa has entered into a service agreement with the Company for an initial term of 3 years commencing from 23 May 2025, unless terminated in accordance with the said service agreement by either party by giving not less than 3 months' notice in writing to the other, and subject to retirement by rotation and re-election pursuant to the Articles of Association.

Mr. Chen Xicheng has entered into a service agreement with the Company for an initial term of 3 years commencing from 24 April 2024, unless terminated in accordance with the said service agreement by either party by giving not less than 3 months' notice in writing to the other, and subject to retirement by rotation and re-election pursuant to the Articles of Association.

Each of Mr. Sun Wei and Ms. Wang Jinmei has entered into a service agreement with the Company for an initial term of 3 years commencing from 16 January 2026, unless terminated in accordance with the said service agreement by either party by giving not less than 3 months' notice in writing to the other, and subject to retirement by rotation and re-election pursuant to the Articles of Association.

Ms. Zhou Yiyan has entered into a letter of appointment with the Company for an initial term of 3 years commencing from 16 January 2026, which could be terminated by either party by giving not less than 3 months' notice in writing to the other, and subject to retirement by rotation and re-election pursuant to the Articles of Association.

Mr. Tam Chak Chi and Ms. Yau Yin Tan have entered into a letter of appointment with the Company for an initial term of 3 years commencing from 5 September 2024, which could be terminated by either party by giving not less than 3 months' notice in writing to the other, and subject to retirement by rotation and re-election pursuant to the Articles of Association.

None of the Directors has a service agreement or a letter of appointment which is not determinable by the Group within 1 year without payment of compensation (other than statutory compensation).

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

None of Directors or his / her connected entity had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party at the end of the Year or at any time during the Year and up to the date of this annual report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year and up to the date of this annual report.

EMOLUMENT POLICY

The remuneration committee of the Company was set up for reviewing the emoluments of the Directors and five highest paid individuals during the Year. Details are set out in Notes 10 and 33 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

The Company did not have any other equity-linked agreement that would or might result in the Company issuing Shares, or that requiring the Company to enter into an agreement that would or might result in the Company issuing Shares, entered into by the Company during the Year or subsisted as at 31 December 2025.

PRE-EMPTIVE RIGHTS

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

NON-COMPETITION UNDERTAKING

Pursuant to the deed of non-competition dated 16 May 2018 (the “**Deed of Non-competition**”) entered into by Mr. Huang Xiaodi and A&B Development Holding Limited (collectively, the “Covenantor”), each of the Covenantors has irrevocably and unconditionally undertaken to the Company (for itself and for the benefit of our subsidiaries) that, save and except the interest in the Group, during the period that the Deed of Non-competition remains effective, he / it shall not, and shall procure that his / its close associates (other than any member of the Group) not to develop, acquire, invest in, participate in, carry on or be engaged, concerned or interested, or otherwise be involved, in any business in competition with or likely to be in competition with the existing business activity of any member of the Group within Hong Kong, the PRC and such other parts of the world where any member of the Group may operate from time to time, or any business activity to be conducted by any member of the Group from time to time after the Listing, save for the holding of not more than 5% shareholding interests (individually or with his / its close associates) in any company listed on a recognized stock exchange and at any time the relevant listed company shall have at least one shareholder (individually or with his / its close associates, if applicable) whose shareholding interests in the relevant listed company is higher than that of the relevant Covenantor (individually or with his / its close associates).

For details of the non-competition undertaking, please refer to the section headed “Relationship with Controlling Shareholders” in the Prospectus.

The Company has received confirmations from the Covenantors confirming their compliance with the Deed of Non-competition during the Year for disclosure in this annual report.



DIRECTORS' REPORT

The independent non-executive Directors have reviewed the Deed of Non-competition and based on the information and confirmations provided by or obtained from the Covenantors, they were satisfied that the Covenantors have duly complied with the Deed of Non-competition during the Year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Save as disclosed in this annual report, as at 31 December 2025, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

On 10 January 2024, the Company entered into a loan agreement with Mr. Shum Ngok Wa ("**Mr. Shum**"), who is also an executive director and a connected person of the Company, of which Mr. Shum agreed to lend RMB421,000 to the Company on an interest-free payment basis. The amount will be fully repaid by the Company to Mr. Shum within two years.

On 8 December 2025, the Company entered into a loan agreement with Mr. Chen Xicheng ("**Mr. Chen**"), who is an executive director and a connected person of the Company, of which Mr. Chen agreed to lend RMB1,237,000 to the Company on an interest-free payment basis. The amount will be fully repaid by the Company to Mr. Chen within one year.

As the loans received by the Company from the above Directors and the transactions were (1) conducted on normal commercial terms or better; and (2) not secured by the assets of the Group, the connected transactions contemplated thereunder are fully exempt from shareholders' approval, annual review and all disclosure requirements.

The above two transactions, being financial assistance received by the Company from connected persons of the Company, having been conducted on normal commercial terms or better, and not being secured by the assets of the Group. As such, the above two transactions are fully exempt under Rule 20.88 of the GEM Listing Rules.

Saved as disclosed above, none of the connected party transactions constituted a connected transaction or continuing connected transaction (as defined in the GEM Listing Rules) that was required to be disclosed and the Company had not entered into any connected transaction or continuing connected transaction which is subject to the disclosure requirements under the GEM Listing Rules.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director and officer of the Company for the time being shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses incurred or sustained by him / her as a Director about the execution of the duties or supposed duties of his / her office or otherwise in relation thereto provided that such indemnity shall not extend to any matter in respect of fraud or dishonesty which may attach to the said Director.

DIRECTORS' REPORT

The Company has taken out and maintained insurance in respect of legal action brought against the Directors.

RELIEF OF TAXATION

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares of the Company.

SHARE INFORMATION

As at 31 December 2025, the number of issued Shares of the Company is 154,000,000 Shares. The Company has only one class of Shares, where all the Shares (100%) rank equally in all respects, including in relation to dividends, distributions and voting.

SUFFICIENCY OF PUBLIC FLOAT

Throughout the year ended 31 December 2025 and as at the latest practicable date prior to the issue of this annual report, the Company was in compliance with the minimum public float requirement under GEM Listing Rules by maintaining its public float at the level of at least 25% of its total issued Shares. As at 31 December 2025, the Company's public float was 62.57% of its total issued Shares.

Shareholding Ownership as at 31 December 2025 ^(Note 1)

(a) Shareholders who are not members of "the public" under the GEM Listing Rules

Name of Shareholders	Number of ordinary shares held / interested	Approximate percentage of the Company's total issued shares
Mr. Sun Wei (" Mr. Sun ") ^(Note 2)	28,645,000	18.60%
CN BASE (BVI) Limited ^(Note 3)	25,987,500	16.88%
A&B Development Holding Limited ^(Note 4)	5,000,000	3.25%
Mr. Li Huaguo (" Mr. LI ") ^(Note 5)	3,000,000	1.95%

Note 1: This table is compiled based on the information disclosed in the Disclosure of Interests notices ("**DI notices**") filed under Part XV of the SFO and other relevant information received by the Company up to the date of this annual report and on the assumption that all such information disclosed in the DI notices or received by the Company is accurate and complete.

Note 2: Mr. Sun is a Director of the Company.

Note 3: CN BASE (BVI) Limited is a company incorporated in the British Virgin Islands and is owned as to 40% by Mr. Sun, the Chairman and executive Director of the Company. CN BASE (BVI) Limited is an associate of Mr. Sun, an associate of connected person of the Company.

Note 4: A&B Development Holding Limited is a company incorporated in the British Virgin Islands and wholly owned by Mr. Huang, the Chief Executive Officer and executive Director of the Company. A&B Development Holding Limited is an associate of Mr. Huang, an associate of connected person of the Company.

Note 5: Mr. Li is a Director of the Company.



DIRECTORS' REPORT

(b) Shareholders who are members of "the public" under the GEM Listing Rules

So far as is known to the Directors, as at 31 December 2025, no such Shareholder was required to be notified to the Company and the Stock Exchange pursuant to Rule 17.37D(2)(c)(iii)(1) of the GEM Listing Rules.

COMPLIANCE OFFICER

The compliance officer of the Company is Mr. Huang Xiaodi, whose biographical details are set out on page 21 of this annual report.

CORPORATE GOVERNANCE PRACTICE

During the Year, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the "Code") set out in Part 2 of Appendix C1 of the GEM Listing Rules save for the deviation from code provision C.2.1. Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report from pages 41 to 58 of this annual report.

CODE PROVISION C.2.1

Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Year, Mr. Huang Xiaodi ("**Mr. Huang**") is the chairman and the chief executive officer of the Company. The Board considered that Mr. Huang has more than 13 years of professional experience in the exhibition and event management industry, the Board believed that it is in the best interest of the Group to have Mr. Huang taking up both roles for efficient overall strategy and business development.

COMPETING BUSINESS

During the Year, none of the Directors, controlling shareholders or substantial shareholders of the Company, nor any of their respective close associates (as defined under the GEM Listing Rules) have been engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or had any other conflicts of interest with the Group nor have they been aware of any other conflicts of interest which any such person has or may have with the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

DIRECTORS' REPORT

THE INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of the Directors and Chief Executive of the Company in the shares of the Company (the “**Shares**”), underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they are taken or deemed to have under those provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position / Short position in the Shares or Underlying shares of the Company:

Name of Director	Capacity / Nature	Number of ordinary shares held / interested	Approximate percentage of the Company's total issued shares
Mr. Sun	Interest of controlled corporation	25,987,500 (L)	(Note 1) 16.88%
	Beneficial Owner	28,645,000 (L)	18.60%
Mr. Huang	Interest of controlled corporation	5,000,000 (L)	(Note 2) 3.25%
Mr. Li	Beneficial Owner	3,000,000 (L)	1.94%

Note 1: These 25,987,500 Shares are held by CN BASE (BVI) Limited, a company incorporated in the British Virgin Islands and is owned as to 40% by Mr. Sun, the Chairman and executive Director of the Company. Therefore, Mr. Sun is deemed to be interested in all the Shares held by CN BASE (BVI) Limited for the purpose of the SFO.

Note 2: These 5,000,000 Shares are held by A&B Development Holding Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Huang, the Chief Executive Officer and executive Director of the Company. Therefore, Mr. Huang is deemed to be interested in all the Shares held by A&B Development Holding Limited for the purpose of the SFO.

Long Positions in the Ordinary Shares of Associated Corporation

Name of Director	Name of Associated Corporation	Capacity / Nature	Number of ordinary shares held	Percentage of shareholding
Mr. Sun	CN BASE (BVI) Limited	Beneficial Owner	20,000	(Note 1) 40%
Mr. Huang	A&B Development Holding Limited	Beneficial Owner	1	(Note 2) 100%

Note 1: Mr. Sun holds 40% of issued share capital of CN BASE (BVI) Limited (“**CN BASE**”) and is deemed to be interested in all the Shares held by CN BASE for the purpose of the SFO.

Note 2: Mr. Huang holds the entire issued share capital of A&B Development Holding Limited (“**A&B**”) and is deemed to be interested in all the Shares held by A&B for the purpose of the SFO.



DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS' INTERESTS / SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors, as at 31 December 2025, none of the Directors nor the Chief Executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the Year and up to the date of this annual report, were rights to subscribe for equity or debt securities the Company granted to any Director or chief executive of the Company or to their spouse or children under the age of 18 years of age as record in the register required to be kept under Part XV of the SFO, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

The Company adopted a share option scheme and passed by the Shareholders on 16 May 2018 (the "**Share Option Scheme**"), the Share Option Scheme will remain in force for a period of ten years from the date of the adoption and shall expire at the close of business on the Business Day immediately preceding the tenth anniversary thereof, i.e. 15 May 2028, unless terminated earlier by our Shareholders in general meeting. The principal terms of the Share Option Scheme are set out as follows:

(1) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

(2) Qualifications and conditions of participants

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe at a price calculated in accordance with the requirements set out in the prospectus of the Company for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any individual participant to the grant of option shall be determined by the Board (or as the case may be, our independent non-executive directors) from time to time on the basis of his / her contribution or potential contribution to the development and growth of the Group.

DIRECTORS' REPORT

(3) Maximum number of shares

- (i) Subject to sub-paragraphs (ii) and (iii) below, the maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from 16 May 2018 (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all our Shares in issue as at the date of grant. Therefore, it is expected that the Company may grant options in respect of up to 12,700,000 Shares to the participants under the Share Option Scheme.
- (ii) The 10% limit as mentioned above may be refreshed at any time by obtaining approval of the Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of our Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed limit. A circular must be sent to the Shareholders containing the information as required under the GEM Listing Rules in this regard.
- (iii) The Company may seek separate approval from the Shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the 10% limit are granted only to grantees specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a generic description of such grantees, the number and terms of such options to be granted and the purpose of granting options to them with an explanation as to how the terms of the options will serve such purpose and all other information required under the GEM Listing Rules.
- (iv) The aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of our Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result such 30% limit being exceeded.
- (v) The total issuable shares under the Share Option Scheme are 12,700,000 Shares, accounted for approximately 10% of issued shares of the Company as at the date of this annual report.

(4) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to the date of grant must not exceed 1% of our Shares in issue. Any further grant of options in excess of such limit must be separately approved by the Shareholders in general meeting with such grantee and his close associates (or his associates if such grantee is a connected persons) abstaining from voting. In such event, the Company must send a circular to the Shareholders



DIRECTORS' REPORT

containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such participant), and all other information required under the GEM Listing Rules. The number and terms (including the subscription price) of the options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(5) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed the date of grant.

(6) Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made.

(7) Price of shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of our Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a Business Day; (ii) the average of the closing prices of our Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option. For the purpose of calculating the subscription price, where the Company has been listed on the Stock Exchange for less than five Business Days, the issue price of our Shares on the Stock Exchange shall be used as the closing price for any Business Day fall within the period before Listing.

(8) Restrictions on the time of grant of options

- (i) An offer for the grant of options may not be made after any inside information (as defined in the SFO) has come to the knowledge of the Company until such inside information has been announced pursuant to the requirements of the GEM Listing Rules and the SFO. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:
 - (aa) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the Company's results for any year, half-year or other interim period (whether or not required under the GEM Listing Rules); and
 - (bb) the deadline for the issuer to announce its results for any year, half-year or any other interim period (whether or not required under the GEM the Listing Rules), and ending on the date of the results announcement.

During the Year, no share option was granted, exercised or cancelled and there was no outstanding share option.

(9) Duration of the Share Option Scheme

As at the date of this annual report, the remaining life of the Share Option Scheme is approximately 2 years and 1 month.

DIRECTORS' REPORT

LIMITING CONDITIONS

The Company has assumed the accuracy of, and have relied on the information and management representations provided in arriving at the opinion of value.

The Company assumes that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the market value.

It is assumed that the assets valued are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”) as its code of conduct regarding securities transactions by the Directors in respect of the Shares (the “**Code of Conduct**”). All the Directors have confirmed, following specific enquiry made by the Company, that they have complied with the Required Standard of Dealings as set out in the Code of Conduct and there was no event of non-compliance during the Year up to the date of this annual report.

AUDIT COMMITTEE

The Group has established an audit committee of the Company (the “**Audit Committee**”) on 16 May 2018 in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. Written terms of reference in compliance with code provision D.3.3 of the Code has been adopted. Among other things, the primary duties of the Audit Committee are to make recommendations to the Board on appointment, reappointment and removal of external auditor, to review financial statements of the Company and make judgments in respect of financial reporting; and to oversee the effectiveness of the internal control procedures of the Group.

The Audit Committee consists of three independent non-executive Directors, namely Mr. Tam Chak Chi as the chairman of the Audit Committee, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules, Ms. Yau Yin Tan and Ms. Zhou Yiyan. The Audit Committee together with the management of the Company have reviewed the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial report matters, including review of the audited consolidated financial statements of the Group for the Year.



DIRECTORS' REPORT

AUDITORS

Moore CPA Limited (“**Moore**”) has resigned as auditor of the Company on 6 December 2024 and Forvis Mazars CPA Limited (“**Forvis Mazars**”) has been appointed as the auditor of the Company to fill in the casual vacancy arising from the resignation of Moore.

The consolidated financial statements for the year ended 31 December 2025 have been audited by Forvis Mazars. Forvis Mazars will retire, and being eligible, offer themselves for re-appointed at the forthcoming annual general meeting. A resolution for its reappointment as auditor of the Company will be proposed.

Saved as disclosed above, there have been no other changes in the Company’s auditors in the past three years.

Please refer to the announcement of the Company dated 6 December 2024 for details of the Company’s change of auditor.

By Order of the Board
Defeng Solife Holdings Limited
Chairman and Executive Director
Sun Wei

Nanjing, China, 27 March 2026

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE PURPOSE, VALUE, CULTURE AND STRATEGY

The Board leads and promotes to establish and continually reinforce the desired corporate culture of the Company which is underpinned by our corporate values of committing high standard of business ethics and integrity. Our sound corporate culture reaches all levels of the Group, and aligns with the Company's missions, corporate values and strategies.

Throughout the year of 2025, we continued to strengthen and focus on the following areas to achieve our corporate purpose and value: business expansion, customer satisfaction, operational safety and efficiency, environmental protection through various initiatives set out in the Chairman's Statement, Management Discussion and Analysis and Environmental, Social and Governance Report in this annual report.

CORPORATE GOVERNANCE PRACTICE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has complied with all the applicable code provisions of the Corporate Governance Code (the "Code") set out in Part 2 of Appendix C1 of the GEM Listing Rules save for the deviation from code provision C.2.1. Save as disclosed in this annual report, the Company has, to the best knowledge of the Board, complied with all applicable code provisions of the Code for the Year. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Code.

CODE PROVISION C.2.1

Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Year, Mr. Huang Xiaodi ("Mr. Huang") is the chairman and the chief executive officer of the Company. The Board considered that Mr. Huang has more than 13 years of professional experience in the exhibition and event management industry, the Board believed that it is in the best interest of the Group to have Mr. Huang taking up both roles for efficient overall strategy and business development.

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitoring the Group's 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 "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee") (together, the "Board Committees"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

For the year ended 31 December 2025, all the Directors had carried out duties in good faith and, to their best knowledge and belief, in compliance with applicable laws and regulations, and had acted in the interest of the Company and the Shareholders as a whole at all times.



CORPORATE GOVERNANCE REPORT

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

Board composition

As at the date of this annual report, the Board comprises five executive Directors and three independent non-executive Directors are as follows:

Executive directors:

Mr. Sun Wei (*Chairman*) (appointed on 16 January 2026)
Mr. Huang Xiaodi (*Chief Executive Officer, Compliance Officer*)
Mr. Yan Jinghui (resigned on 9 February 2026)
Mr. Dong Kejia (resigned on 9 February 2026)
Mr. Shum Ngok Wa
Mr. Chen Xicheng
Mr. Li Huaguo (resigned on 9 February 2026)
Ms. Wang Jinmei (appointed on 16 January 2026)

Non-executive director:

Mr. Lian Mingcheng (resigned on 9 February 2026)

Independent non-executive directors:

Ms. Xu Shuang (resigned on 9 February 2026)
Mr. Tam Chak Chi
Ms. Yau Yin Tan
Mr. Ma Lin (resigned on 9 February 2026)
Ms. Zhou Yiyan (appointed on 16 January 2026)

The biographies of the Directors are set out under the section headed “Directors and Senior Management” of this annual report.

During the Year, the Board has met at all times the requirements under Rules 5.05(1) and 5.05(2) of the GEM 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 5.05A of the GEM Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company’s performance. Therefore, the Company has adopted a board diversity policy to ensure that the Company will, when determining the composition of the Board, consider board diversity from various perspectives. The board diversity policy is summarized below:

CORPORATE GOVERNANCE REPORT

Summary of Board Diversity Policy of the Company (the “Policy”)

1. **Purpose:**

1.1 The Policy aims achieve diversity on the Board of the Group.

2. **Vision:**

2.1 The Group recognises and embraces the benefits of having a diverse Board to enhance the quality of the Company’s performance.

3. **Policy statement:**

3.1 With a view to achieving a balanced and stable development, the Group sees diversity at the Board level as an essential element in achieving balanced development of the Group. In designing the Board’s composition of the Group, Board diversity has been comprehensively considered from a number of aspects, including but not limited to gender, age, cultural and educational background or professional experience on the principle of “promotion of the worthy”.

4. **Measurable objectives:**

4.1 Selection of candidates will be based on a range of diversity perspectives, which will include but not limited to gender, age, cultural and educational background or professional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Group.

5. **Review and monitoring**

5.1 The Nomination Committee will review the Policy, as and when appropriate, to ensure the effectiveness of the Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

5.2 Details of the Policy and any measurable objectives designed for it will be disclosed in the annual report of the Group.

The Group has adopted a policy to diversify the membership of the Board. The Group recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Board composition of the Group is based on a range of diverse perspectives, and candidates will be selected from a number of aspects, including but not limited to gender, age, cultural and educational background or professional experience on the principle of “promotion of the worthy”.



CORPORATE GOVERNANCE REPORT

During the Year and at the date of this report, the Board has eight Directors, three of which are female. The table below further describes the degree of diversity of the Board:

Name of directors	Age Distribution			Gender	
	31–40	41–60	61–70	Male	Female
Mr. Sun Wei (appointed on 16 January 2026)		✓		✓	
Mr. Huang Xiaodi	✓			✓	
Mr. Yan Jinghui (resigned on 9 February 2026)	✓			✓	
Mr. Dong Kejia (resigned on 9 February 2026)		✓		✓	
Mr. Shum Ngok Wa	✓			✓	
Mr. Chen Xicheng		✓		✓	
Mr. Li Huaguo (resigned on 9 February 2026)		✓		✓	
Ms. Wang Jinmei (appointed on 16 January 2026)		✓			✓
Mr. Lian Mingcheng (resigned on 9 February 2026)		✓		✓	
Ms. Xu Shuang (resigned on 9 February 2026)		✓			✓
Mr. Tam Chak Chi		✓		✓	
Ms. Yau Yin Tan	✓				✓
Mr. Ma Lin (resigned on 9 February 2026)		✓		✓	
Ms. Zhou Yiyan (appointed on 16 January 2026)		✓			✓

CORPORATE GOVERNANCE REPORT

Name of directors	Education background			Professional experience			
	Arts and design	E-commerce	Chinese Mainland exposure	Computer science and / or others	Exhibition and design	Finance / and / or risk management	Accounting Legal / Investment
Mr. Sun Wei (appointed on 16 January 2026)		✓	✓			✓	✓
Mr. Huang Xiaodi	✓		✓		✓		
Mr. Yan Jinghui (resigned on 9 February 2026)	✓		✓		✓		
Mr. Dong Kejia (resigned on 9 February 2026)			✓	✓			✓
Mr. Shum Ngok Wa		✓	✓	✓		✓	
Mr. Chen Xicheng		✓	✓	✓		✓	
Mr. Li Huaguo (resigned on 9 February 2026)			✓	✓		✓	
Ms. Wang Jinmei (appointed on 16 January 2026)			✓				✓
Mr. Lian Mingcheng (resigned on 9 February 2026)			✓	✓			✓
Ms. Xu Shuang (resigned on 9 February 2026)			✓	✓	✓		
Mr. Tam Chak Chi				✓		✓	✓
Ms. Yau Yin Tan				✓		✓	✓
Mr. Ma Lin (resigned on 9 February 2026)			✓	✓		✓	
Ms. Zhou Yiyan (appointed on 16 January 2026)			✓			✓	✓

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

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

As regards the Code requiring Directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time involved to the Company, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.



CORPORATE GOVERNANCE REPORT

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with necessary induction and information to ensure that he / she has a proper understanding of the Group's operations and businesses as well as his / her responsibilities under relevant statues, laws, rules and regulations. The Company also provides regular updates on latest development and changes in the GEM 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 his / her duties.

Directors are encouraged to participate in continuous professional development seminars and programmes to develop and refresh their knowledge and skills. The Company secretary of the Company has from time to time updated and provided the Directors with written training materials relating to the roles, functions and duties of a director of a listed issuer on GEM of the Stock Exchange. The Company has also engaged external legal advisers to provide training to Directors on updates of GEM Listing Rules as well as latest changes in relevant rules and regulations.

According to the information provided by the Directors, a summary of trainings received by the Directors throughout the Year is as follows:

Name of Directors	Nature of Continuous Professional Development Programmes
<i>Executive Directors</i>	
Mr. Sun Wei (appointed on 16 January 2026)	C,D
Mr. Huang Xiaodi	D
Mr. Yan Jinghui (resigned on 9 February 2026)	D
Mr. Dong Kejia (resigned on 9 February 2026)	D
Mr. Shum Ngok Wa	D
Mr. Chen Xicheng	D
Mr. Li Huaguo (resigned on 9 February 2026)	D
Ms. Wang Jinmei (appointed on 16 January 2026)	C,D
<i>Non-Executive Director</i>	
Mr. Lian Mingcheng (resigned on 9 February 2026)	D
<i>Independent Non-Executive Directors</i>	
Ms. Xu Shuang (resigned on 9 February 2026)	A, D
Mr. Tam Chak Chi	A, D
Ms. Yau Yin Tan	A, D
Mr. Ma Lin (resigned on 9 February 2026)	D
Ms. Zhou Yiyan (appointed on 16 January 2026)	A, C, D

CORPORATE GOVERNANCE REPORT

Notes:

- A: Attending seminars and / or meetings and / or forums and / or briefings
- B: Giving talks in the seminars and / or meetings and / or forums
- C: Attending training relevant to the Company's governance business conducted by lawyers
- D: Reading materials relevant to corporate governance, director's duties and responsibilities, listing rules and other relevant ordinances

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has signed a service agreement with the Company for an initial term of 3 years commencing on the date of appointment until terminated by either party by giving not less than 3 months' notice in writing to the other.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for an initial term of three years commencing on the appointment date, provided that either party may terminate such appointment at any time by giving not less than 3 months' notice in writing to the other.

None of the Directors has a service agreement which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The procedures and process of appointment or re-election of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for 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 not 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 and Board Committees meetings, reasonable notice is generally given. The agenda and accompanying board papers are despatched to the Directors or Board Committees members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committees 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 of the Board or the relevant Board Committees prior to the meeting.

Minutes of the meetings are kept by the company secretary, with copies circulated to all Directors or the relevant Board Committees members for information and records.

Minutes of the Board meetings and Board Committees meetings are recorded in sufficient details about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors or the Board Committees members. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors or the Board Committees members for comments within a reasonable period after the meeting is held. Minutes of the Board meetings and the Board Committees meetings are open for inspection by Directors.



CORPORATE GOVERNANCE REPORT

During the Year, the board of directors held 10 board meetings and 2 general meeting. The attendance of each director at board meeting(s) and general meeting(s) is set out in the table below:

Directors	Attended / Eligible to attend the Board meeting(s)	Attended / Eligible to attend the general meeting(s)
Mr. Sun Wei (appointed on 16 January 2026)	0 / 10	0 / 2
Mr. Huang Xiaodi	10 / 10	2 / 2
Mr. Yan Jinghui (resigned on 9 February 2026)	10 / 10	2 / 2
Mr. Dong Kejia (resigned on 9 February 2026)	8 / 10	2 / 2
Mr. Shum Ngok Wa	10 / 10	2 / 2
Mr. Chen Xicheng	10 / 10	2 / 2
Mr. Li Huaguo (resigned on 9 February 2026)	10 / 10	2 / 2
Ms. Wang Jinmei (appointed on 16 January 2026)	0 / 10	0 / 2
Mr. Lian Mingcheng (resigned on 9 February 2026)	10 / 10	2 / 2
Ms. Xu Shuang (resigned on 9 February 2026)	10 / 10	2 / 2
Mr. Tam Chak Chi	10 / 10	2 / 2
Ms. Yau Yin Tan	10 / 10	2 / 2
Mr. Ma Lin (resigned on 9 February 2026)	10 / 10	2 / 2
Ms. Zhou Yiyan (appointed on 16 January 2026)	0 / 10	0 / 2

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, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors are provided with sufficient resources to seek independent professional advice in performing their duties at the Company's expense and 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 transaction entered into by the management.

CORPORATE GOVERNANCE FUNCTION

The Board recognises that corporate governance should be the individual and collective responsibility of the Directors which includes:

- (a) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;

CORPORATE GOVERNANCE REPORT

- (c) to develop, review and monitor the codes of conduct and compliance manuals applicable to employees and the Directors;
- (d) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on such matters;
- (e) to review the Company's compliance with corporate governance and disclosure in the corporate governance report; and
- (f) to review and monitor the Company's compliance with the Company's whistleblowing policy.

AUDIT COMMITTEE

The Audit Committee currently comprises three members, namely Mr. Tam Chak Chi (Chairman), Ms. Yau Yin Tan and Ms. Zhou Yiyan. All of them are independent non-executive Directors.

The principal duties of the Audit Committee are as follows:

1. to review the relationship with the External Auditor by reference to the work performed by the External Auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of the External Auditor;
2. to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, Compliance Officer or the External Auditor before submission to the Board; and
3. to review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control systems and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

2 meetings were held by the Audit Committee for the Year and the attendance of each Audit Committee member at the Audit Committee meetings is set out in the table below:

Audit Committee members	Attendance / Number of meetings
Mr. Tam Chak Chi (<i>Chairman</i>)	2 / 2
Ms. Xu Shuang (resigned on 9 February 2026)	2 / 2
Ms. Yau Yin Tan	2 / 2
Ms. Zhou Yiyan (appointed on 9 February 2026)	0 / 2



CORPORATE GOVERNANCE REPORT

During the meetings, the Audit Committee:

- reviewed the financial results of the Group for the year ended 31 December 2024 and for the six months ended 30 June 2025 as well as the relevant financial reports;
- reviewed the audit report prepared by the External Auditor relating to accounting issues and major findings in course of audit;
- reviewed the financial reporting system, compliance procedures, risk management and internal control systems (including the adequacy of resources, staff qualifications, training programmes and budget of the Company's accounting and financial reporting function), risk management systems and processes and the reappointment 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.

NOMINATION COMMITTEE

The Nomination Committee currently comprises three members, namely Mr. Sun Wei (Chairman), executive Director, Mr. Tam Chak Chi and Ms. Zhou Yiyan, independent non-executive Directors.

The principal duties of the Nomination Committee include the following:

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. to assess the independence of independent non-executive Directors; and
4. to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman of the Board and the Chief Executive Officer.

Nomination Policy of the Company

1 Purpose

- 1.1 The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to the shareholders for election as Directors at general meetings or appoint as Directors of the Company to fill casual vacancies.
- 1.2 The number of candidates nominated by the Nomination Committee may (as it deems appropriate) exceed the number of directors to be appointed or reappointed at the general meeting or the number of temporary vacancies to be filled.

CORPORATE GOVERNANCE REPORT

2 *Criteria of selection*

2.1 In assessing the suitability of a proposed candidate, the Nomination Committee would consider factors including:

- reputation for integrity;
- commitment in respect of available time and interest on behalf of relevant stakeholders;
- diversity in all aspects of the Board, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;

These factors are bases for the Nomination Committee to nominate new members. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

2.2 All the retiring directors (excluding those who have been independent non-executive directors for 9 consecutive years) are qualified to be nominated by the Board for re-election at the general meeting. For the avoidance of doubt, (a) the nine-year period for deciding whether an independent non-executive director is qualified to be nominated by the Board for election at the general meeting shall be from the date when the director is appointed for the first time up to the date of the forthcoming annual general meeting (the current term of office of such director will expire at the end of the annual general meeting); (b) such independent non-executive director who has been a member of the Board can hold office until the expiry of its current term of office.

2.3 Proposed candidate is required to submit the required personal information, in established form, and a consent letter, and agrees to be appointed as a director and disclose its personal information in respect of its election for director and matters related thereto in any document or relevant website.

2.4 The Nomination Committee can request, if necessary, the candidate to provide additional information and document.

3 *Nomination Procedure*

3.1 The secretary of the Nomination Committee is required to convene a Nomination Committee meeting where Board members are invited to nominate candidates (if any) for the Nomination Committee to consider before the meeting. The Nomination Committee may also nominate candidates who are not nominated by the Board members.

3.2 The Nomination Committee has the responsibility of nominating candidates to the Board for consideration and approval to fill casual vacancies. In order to propose candidate(s) for election as Director(s) at a general meeting, the Nomination Committee shall nominate to the Board for its consideration and recommendation for election.

3.3 The nominees shall not be assumed with recommendation of the Board for election until the issue of circulars to shareholders.



CORPORATE GOVERNANCE REPORT

- 3.4 Name, resume (containing qualification and relevant experiences), independence, proposed remuneration and other information of candidates is set forth in circulars to shareholders in accordance with applicable laws, rules and regulations.
- 3.5 The Board has the right of making final decision on all matters relating to election of recommendation of candidates in general meeting.

4. Confidentiality

Unless required by law or any regulatory authority, under no circumstances shall a member of the Nomination Committee or a staff member of the Company disclose any information to entertain any enquiries from the public with regard to any nomination or candidate before the circular to shareholders, as the case may be, is issued. Following the issue of the circular, the Nomination Committee or company secretary or other staff member of the Company, approved by the Nomination Committee may answer enquiries from the regulatory authorities or the public but confidential information regarding nominations and candidates should not be disclosed.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

Pursuant to the terms of reference of the Nomination Committee adopted on 26 March 2026, the Nomination Committee shall support the Board's performance review to be conducted at least once every year. The Board's performance review and evaluation will be conducted by December 2026. The Nomination Committee will decide how the Board's performance is to be evaluated and will propose objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced the Shareholders' value in the long term.

Each member of the Nomination Committee will not take part in determining his own re-nomination or independence and shall abstain from voting on any resolutions in respect of the assessment of his or her performance, independence, or re-nomination as Director. No Director will be involved in determining his or her performance. The Nomination Committee has full authority to engage any external facilitator for the assessments of the Board as and when the need arises. The expense of such services shall be borne by the Company. For the year ended 31 December 2025, the Board has not performed any internal review or engaged any external facilitator for the assessments of the Board.

2 meeting was held by the Nomination Committee for the Year and the attendance of each Nomination Committee member at the Nomination Committee meetings is set out in the table below:

Nomination Committee members	Attendance / Number of meetings
Mr. Sun Wei (<i>Chairman</i>) (appointed on 9 February 2026)	0 / 2
Ms. Xu Shuang (resigned on 9 February 2026)	2 / 2
Mr. Yan Jinghui (resigned on 9 February 2026)	2 / 2
Mr. Tam Chak Chi	2 / 2
Ms. Zhou Yiyang (appointed on 9 February 2026)	0 / 2

CORPORATE GOVERNANCE REPORT

During the meetings, the Nomination Committee:

- reviewed the structure, size, composition and diversity of the Board;
- assessed the independence of the independent non-executive directors; and
- proposed and approved the change of independent non-executive director and submitted to the board of directors for approval.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises three members, namely Mr. Tam Chak Chi (Chairman) and Ms. Yau Yin Tan, independent non-executive Directors and Mr. Shum Ngok Wa, executive Director.

The principal duties of the Remuneration Committee include the following:

1. to consult the chairman of the Board and / or chief executive of the Company about the remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary;
2. to make recommendations to the Board on the Company's policy and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
3. to review and approve the management's remuneration proposals with reference to the corporate goals and objectives determined by the Board, and assess performance of executive Directors and the terms of their service agreements;
4. to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. These include benefits in kind, pension rights and compensation payments, including compensation payable for loss or termination of their office or appointment;
5. to make recommendations to the Board on the remuneration of non-executive Director(s);
6. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
7. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
8. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
9. to ensure that no Director or any of his / her associates (in accordance with the GEM Listing Rules) is involved in deciding his / her own remuneration;



CORPORATE GOVERNANCE REPORT

10. to review and / or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules;
11. to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and
12. to conform any requirement, direction and regulation that may from time to time be prescribed by the Board, or contained in the articles of association of the Company or imposed by the GEM Listing Rules or any applicable laws.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

4 meetings were held by the Remuneration Committee for the Year and the attendance of each Remuneration Committee member at the Remuneration Committee meetings is set out in the table below:

Remuneration Committee members	Attendance / Number of meetings
Mr. Tam Chak Chi (<i>Chairman</i>)	1 / 4
Ms. Yau Yin Tan	1 / 4
Mr. Shum Ngok Wa	4 / 4

During the meetings, the Remuneration Committee:

- reviewed and approved the remuneration of directors and senior management of the Company in 2025;
- proposed Remuneration Policy and Structure for Directors and Senior Management of the Company for the Year; and
- reviewed and approved the remuneration of directors appointed during the Year.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

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

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

CORPORATE GOVERNANCE REPORT

The statement by the External Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the independent auditor's report on pages 83 to 89 of this annual report.

AUDITOR'S REMUNERATION

The remuneration for the audit services and non-audit services provided by the External Auditor to the Group for the Year was approximately as follows:

Type of Services	Amount HKD'000
Audit services	1,280
Non-audit services	50
Total	1,330

COMPANY SECRETARY

Mr. Leung Gavin L. ("**Mr. Leung**") as the Company Secretary of the Company. Mr. Leung is a member of Hong Kong Institute of Certified Public Accountants and a fellow member of Certified Practising Accountant Australia. He has over 25 years of experience in auditing, financial management, accounting and company secretarial. Mr. Sun Wei, as the Chairman and executive Director, is his primary contact person in the Company.

For the year ended 31 December 2025, Mr. Leung has undertaken no less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

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 recognises the importance of timely and non-selective disclosure of information, which enables Shareholders and investors to make informed investment decisions.

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

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at <http://www.dowway-exh.com>, where 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 has reviewed the implementation and effectiveness of the Shareholder's communication policy and considered it to be conducted effectively during the year ended 31 December 2025.



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SHAREHOLDERS' RIGHTS

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

All resolutions put forward at general meetings will be voted by poll pursuant to the GEM Listing Rules except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a precedent or administrative matter to be voted by a show of hands. Poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Any one or more members holding as at date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 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 to convene such meeting 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 put forward their enquiries about the Company to the Board could send their enquiries to the Headquarters of the Company at Hong Kong or at Beijing.

CHANGE IN CONSTITUTIONAL DOCUMENTS

There was no change in the constitutional documents of the Company during the year ended 31 December 2025.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is the Group's highest internal decision-making body on risk management and internal control, and is responsible for the effectiveness of related works. That responsibility includes setting up reasonable and effective risk management and internal control processes to ensure safety of the Group's assets and realization of its strategic objectives. The Board has assigned management and execution procedures to implement the risk management and internal control system within specific areas, and to review all functions related to finance, operation and supervision of legal compliance and risk management once a year.

The Group's risk management procedures and internal control system includes definition of management structure and restrictions on its authority. It also regularly identifies and evaluates material risks that might appear in operations, discovers possible risks in a timely manner, provides effective preventive and risk control measures, all aimed at mitigating potential losses resulting from these risks. This is all aimed at protecting the safety of the Group's assets, realizing its strategic objectives, ensuring the accuracy of financial data and compliance with relevant laws and regulations. The aforesaid monitoring system is designed to manage and minimize the risks from failure of the Group's operational systems or to achieve business goals, and it can only offer a reasonable assurance but not an absolute guarantee of no material misrepresentation or loss.

CORPORATE GOVERNANCE REPORT

The Group has set up an internal audit professional position with the aim to assist the Board and Audit Committee with a regular review on the effectiveness of its risk management process and internal control system. The Group's business and functional departments continue to assess potential risks that might prevent it from realizing business and operational objectives. The review procedures include evaluating whether the current internal control system is suitable, whether potential risks are properly handled and / or whether any added measures are required.

SIGNIFICANT RISKS OF THE GROUP

In 2025, the Group identified three significant risks through the risk management procedures above. The Audit Committee has assisted the Board to monitor the Group's overall risk status, and reviewed the nature and gravity of the significant risks that it may face. The Audit Committee is of view that the management has adopted appropriate measures against significant risks and is able to control them at a level acceptable to the Board.

Current significant risks that the Group faces and countermeasures already adopted are summarized as below. The Group's risk exposure may change and the table below does not include all possible risks.

1. Risks from market competition — risks to income

The Group's revenue is mainly from key customers. If the Group cannot retain existing customers, or the business or financial performance of existing customers deteriorates, or the Group cannot secure new customers, the Company may experience slow growth, no growth or negative growth, and the Company's financial performance and results of operations would be adversely affected.

The Group has established a stable relationship with internationally-renowned automobile companies, and strives to continually satisfy their needs and requirements for exhibition and event management services. Besides, the Group's management team has significant experience in this industry, strong client relationships and capabilities of securing business opportunities from new customers. The Group's sales department has assigned specific staff to regularly review market trends and customer demand, who can effectively evaluate and manage the exhibitions and events undertaken by the Group. In addition, the Group has ventured into new exhibition themes, which can deliver high satisfaction of exhibitors, attract visitors, and foster its business development.

2. Risks from market competition — risk of costs

When bidding for projects, the Group estimates overall costs based on prevailing market standards, including the costs of construction materials, labor, equipment and logistics. If the estimation is incorrect or encounters unexpected price fluctuations, higher prices charged by suppliers may reduce the profit or even lead to a net loss on the project, and the Company's financial performance and results of operations would be adversely affected.

The Group has established an extensive network of different suppliers. In our operations, the Group's sales department has accumulated experience working with different types of suppliers through coordination and management of various exhibitions and events, enabling the flexible selection of suitable suppliers based on the needs of the exhibition or event, customer quotation, service quality and overdue service and / or products, thereby achieving effective control of service quality and cost.



CORPORATE GOVERNANCE REPORT

3. Risks from operations — risk of capital collection

If the Group's customers do not settle invoices on time and in full, this may materially and adversely affect the Group's cashflow and financial position. Insufficient cashflow may cause the Group to be unable to make payment to suppliers who may, in turn, terminate product or service supplies, hence affecting the Group's business operations. Besides, the Group may supplement cashflow through other financing activities, which may incur additional financing costs. In this regard, the Group cannot guarantee that it will be able to promptly obtain financing, thus it may not be able to mitigate the risk from insufficient cashflow in an effective and timely manner.

The Group's customers are mainly internationally-branded automobile companies that are well-established both overseas and in the PRC. In relation to new customers, the Group's financial department conducts customer analysis, including reviewing customers' payment method and credit terms as well as analyzing new customers' financial condition and past payment records. Then its senior management team decides whether to proceed with cooperation after ensuring the customers' good reputation or requesting the customers to make payment in advance. In addition, the Group continues to monitor long outstanding receivables and maintains close communication with the contact person of current customers in order to understand the latest development in their business and perform regular collection activities.

The Board conducted an annual review on the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2025 through the Audit Committee. The management has confirmed the effectiveness of the Group's risk management and internal control systems of their respective responsible area during the Year. The Board confirmed that, in absence of any evidence to the contrary, in respect of the year ended 31 December 2025, it considered the Group's risk management and internal control systems to be effective. They also considered the current allocation of resources to be adequate, the qualification and experience of staff and their training to be proper, and their budget for accounting, internal audit and financial reporting functions to be sufficient. Hence, the Group has been able to prevent any material financial misstatements or loss, as well as safeguarding of assets, maintenance of proper accounting records, provision of reliable financial information, compliance with appropriate legislation, and identification and containment / control of business risks.

INSIDE INFORMATION

The Group has formulated policies on the proper management of inside information. It regularly reminds the Directors and employees to properly comply with all policies regarding inside information. To ensure all relevant reports to receive adequate attention, the Group has established a notification mechanism to handle and discuss internal reports and inside information concerning the areas of financial, operational and internal control procedures as well as fraud. Significant deficiencies of internal control procedures are reported to the Audit Committee.

WHISTLEBLOWING POLICY

The Group endeavors to maintain a high standard of business ethics, and encourage its employees and partners to participate in the system of monitoring the ethical operation of the Company, and to report any non-compliance incidents such as corruption and duty-related crimes. Corresponding whistleblowing channels are established, so that employees and partners can report any suspected cases in an anonymous way.

ANTI-CORRUPTION TRAININGS

Anti-corruption training is part of the induction plan of employees. During the Reporting Period, the Group does not have any non-compliance incident regarding corruption, extortion, fraud and money-laundering, and there is no concluded legal cases regarding corrupt practices brought against the Group or its employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Scope and Reporting Period

This Environmental, Social, and Governance (“ESG”) report of Defeng Solife Holdings Limited (*formerly known as Dowway Holdings Limited*) (“**Defeng Solife**”) and its subsidiaries (collectively “**the Group**”) presents the Group’s ESG performance, with disclosures prepared with reference to the ESG Reporting Code set out in Appendix C2 to the GEM Listing Rules and the guidance issued by the Stock Exchange of Hong Kong Limited.

The Group is an integrated exhibition and event management service provider in China, offering one-stop services to clients across the entire exhibition and event lifecycle. Each client’s exhibition or event is thoughtfully designed with distinctive themes and meticulously executed through comprehensive planning, coordination, and management in collaboration with various suppliers. This ESG report covers the overall Environmental and Social performance of Beijing Dowway International Exhibition Company Limited, Tianxing Digital Wuhan Company Limited, Beijing Dowway Culture Technology Company Limited, Connect-To-Create PR Consultant Company Limited, and Sense and Creative Technology Company Limited. The scope includes their business operations in Beijing, with a total office area of 737.20 m², for the period from 1 January 2025 to 31 December 2025 (“**the Reporting Period**” or “**2025**”), unless otherwise stated.

The ESG team should also take an active role in promoting initiatives that enhance Company’s ESG standards. The methodologies, calculations, assumptions, limitations, and conversion factors adopted in this report are based on the “Appendix 2: Reporting Guidance on Environmental KPIs” issued by HKEX.

During the Reporting Period, the Group complied with all the “comply or explain” provisions set out in the “Environmental, Social and Governance Reporting Code”. The Group has adhered to the relevant laws and regulations that have a significant impact on the Group.

Reporting Principles

The preparation of the ESG Report has applied the following principles:

- **Materiality** — materiality assessments have been conducted to identify material key environmental and social issues that have significant impacts on investors and other stakeholders, the significant stakeholders, procedures, and results of the engagement of which are presented in the section “Stakeholder Engagement and Materiality” in the Report.
- **Quantitative** — key performance indicators (“**KPI**”)s have been established and are measurable and applicable to enable valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and / or calculation tools used, and sources of conversion factors used, have been disclosed where applicable.
- **Balance** — impartial disclosures have been provided, covering both positive and negative ESG information and performance to avoid inappropriately influencing a decision or judgment by the report reader.
- **Consistency** — consistent statistical methodologies and presentation of KPIs have been applied to facilitate meaningful comparisons of relevant data over time.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's Sustainability Mission and Vision

The Group is committed to sustainable development and integrates Environmental, Social, and Governance (ESG) principles into its operations. The Group upholds high standards of business ethics and invests in sustainable business development to enhance its brand value.

Through a robust ESG management system, the Group fulfils its corporate social responsibilities. Aspiring to become a leading exhibition and event management service provider in China, the Group continuously enhances its environmental and social performance by implementing relevant policies and measures. The Group prioritizes the protection of employee rights and health and actively supports the development of the younger generation.

The Group has established a three-tier ESG governance structure, it comprises the Board of Directors, the Strategy and Sustainable Development ESG Committee, and the ESG Working Group to oversee and manage ESG issues, including climate change.

Sustainability Governance

The Board of Directors ("**Board**") holds the ultimate responsibility for overseeing, evaluating and enhancing the Group's ESG performance. The Board regularly identifies ESG-related risks (including climate-related risks), sets corresponding objectives for management and ensures that all departments across the Group possess adequate knowledge and capabilities to address the identified risks. The Group's ESG-related performance, goals and targets are reviewed by the Board on an annual basis to ensure ongoing improvements in ESG-related matters. Due to the nature of its business, the Group's daily operations have minimal environment impact. Nevertheless, the Group set directional environment goals last year with the aim of contributing to the environmental protection and promoting the concept of sustainable development across all levels of the Group and among other stakeholders. Throughout the Year, the Group reviewed the implementation progress of the environmental directional targets established in the previous year.

The Group places strong emphasis on its social performance, focusing on key social topics identified through the stakeholder materiality assessment. With certifications such as SA8000, ISO 9001, ISO 14001, ISO 27001, ISO 45001 and AAA Enterprise Credit Grade, the Group ensures effective system for managing social practices and quality control. In addition, the Group remains committed to continuously reviewing the progress of its ESG goals with a view to more effectively monitoring and enhancing its sustainable development performance.

Board Statement

The Board oversees the Group's environmental, social and governance matters with the support of the ESG management team. Information on ESG issues is reported to the ESG management team by an ESG working group comprising principal leaders from various functional departments.

The ESG management team is delegated by the Board to execute the Group's ESG policies and identify, evaluate, prioritize, manage and mitigate material ESG-related issues that might adversely affect our business. The team formulates effective strategies to balance the environmental and social objectives with business goals and evaluates the Group's performance against these targets.

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In addition, the ESG management team is responsible for assisting and advising the Board on the development and implementation of the sustainability policies, procedures and practices. It also reviews sustainability-related initiatives, assesses sustainability risks and provides recommendations to the Board on matters concerning the Group's sustainability development.

The Board reviews and monitors the team's reporting on a semi-annual basis to ensure that the Board's requirements are met. The review covers (i) the measurement system adopted for assessing progress; (ii) the process for data collection and verification; (iii) comparisons with historical data and the methodology for selecting baseline; (iv) the achievement of the established target. The Board also provides recommendations and suggestions to the ESG team as appropriate.

The Board and all directors confirm that this report contains no false records, misleading statements or major omissions, and assume responsibility for its authenticity, accuracy and completeness. This report provides a detailed disclosure of the Group's ESG progress and results for 2025. It was reviewed and approved at the Board meeting held on March 31, 2026.

Stakeholder Engagement and Materiality

The Group places great importance on stakeholder feedback and opinions, recognizing their essential role in the business. The Group engages with various stakeholders through multiple communication channels, including regular shareholder meetings, management meetings, task force analysis and discussions, regular face-to-face interviews or online meetings with employees, as well as opinion surveys. These channels enable active engagement with key internal and external stakeholders such as board members, managers, frontline employees, business partners and customers, etc. The matrix below summarises the results of the stakeholder materiality assessment across various topics.

Stakeholders	Topics	Communication Method	Countermeasures
Shareholder and Investors	<ul style="list-style-type: none"> Corporate Governance room; Risk Management; Regulation Compliance; Anti-Corruption 	<ul style="list-style-type: none"> Information Disclosure; Shareholders' meeting; Roadshow activity; On-site and online research 	<ul style="list-style-type: none"> Ensure effective information disclosure and compliance management; Implement the closed — loop process from risk identification to resolution; Organize and participate in various investor engagement activities.
Employees	<ul style="list-style-type: none"> Employee training and development; Talent attraction and retention; Employee health and safety management 	<ul style="list-style-type: none"> Employee satisfaction survey; Training activities; Employee communication symposium 	<ul style="list-style-type: none"> Safeguard employees' rights in accordance with applicable laws; Enhance talent development, promotion and remuneration mechanism; Implement employee training program.



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		Importance to the Group		
		Low	Medium	High
Importance to Stakeholders	High		<ul style="list-style-type: none"> ➤ Product / Service Quality ➤ Supply Chain Management 	<ul style="list-style-type: none"> ➤ Employment Development training ➤ Occupational Health and Safety
	Medium	<ul style="list-style-type: none"> ➤ Water ➤ Air Emission ➤ Waste and Effluent 	<ul style="list-style-type: none"> ➤ Energy ➤ Other Raw Materials Consumption ➤ Environmental Protection Measures ➤ Climate Change 	<ul style="list-style-type: none"> ➤ Customer Service ➤ Intellectual Property ➤ Data Protection ➤ Labour Standards ➤ Anti-corruption
	Low		<ul style="list-style-type: none"> ➤ Community Investment 	

All topics identified as important to both stakeholders and the Group's business development were social topics, reflecting the Group's strategic focus on social aspects. Detailed management approaches for these material topics are presented in the relevant sections of the report. The Group will continue to strengthen its ESG management and performance by maintaining proactive communication with stakeholders and continuously enhancing its internal policies.

Stakeholders' Feedback

The Group invites stakeholders to share their feedback on its environmental, social and governance approach and performance. We welcome your suggestions and views via email at dowway@dowway-exh.com.

A. Environmental

The Group recognizes its important role in environmental protection as a responsible corporate entity. While the nature of its business results in minimal environmental impact, the Group has established targets on emission, energy consumption, water consumption and waste generation, aiming to maintain or gradually reduce waste generation on the basis of 2025.

The Group's Social Responsibility Management Handbook requires all employees to comply with applicable environmental laws and regulations. To enhance environmental awareness, the Group promotes green office practices and works closely with suppliers and clients to share upstream and downstream ESG-related information.

During the Reporting Period, the Group complied with relevant laws and regulations including but not limited to the Environmental Protection Law of the PRC and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A1. Emissions

A1.1. Air Emissions

The Group did not record any emissions data from consumption of town fuel and town gas during the Reporting Period (2024: nil);

The Group owned two vehicles for its business operation, both using unleaded petrol. The air emissions from mobile combustion were continuous decrease was due to reduced vehicle usage in 2025, as public transportation was adopted instead.

Air Emission	Unit	2025	2024
Nitrogen Oxides ("NO _x ")	g	80,240	653,720
Sulphur Oxides ("SO _x ")	g	41	65
Particulate Matter ("PM")	g	22	306
Total	g	80,303	654,091
Intensity	g / m²	109	887

During the reporting year, vehicle usage declined significantly, resulting in a substantial reduction in total mileage compared with the previous year. Consequently, emissions associated with vehicle operations decreased sharply, reflecting the direct impact of reduced activity levels on the Group's overall carbon footprint.

A1.2. Greenhouse Gas Emission

Greenhouse gas emissions are major contributors to global warming, driving climate change and posing significant threats to the global ecosystem. To continuously fulfil its responsibilities as a socially responsible enterprise, the Group is committed to integrating green practices into its daily operations, with the aim of reducing greenhouse gas emissions across its business activities.

Sources of GHG emissions included:

- Direct (Scope 1) emissions: mobile combustion sources;
- Indirect (Scope 2) emissions: purchased electricity;
- Other indirect (Scope 3) emissions: processing of freshwater and sewage, landfilling of wastepaper, and business air travel.



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The table below summarises the GHG emission sources of the Group.

Scope of GHG Emissions	Emission Sources	Unit	2025	2024
Scope 1		tCO2eq.	10,834	11,741
Direct Emission	Mobile combustion source — petrol consumed by vehicles	tCO2eq.	10,834	11,741
Scope 2		tCO2eq.	21,519	24,182
Indirect Emission	Purchased electricity	tCO2eq.	21,519	24,182
Scope 3		tCO2eq.	2,112	2,415
Other indirect Emission	Paper consumption	tCO2eq.	2,012	2,326
	Freshwater processing	tCO2eq.	47	47
	Sewage processing	tCO2eq.	23	23
	Business Air Travel	tCO2eq.	30	19
Total		tCO2eq.	34,465	38,338
Intensity		tCO2eq. / m²	47	52

During the Reporting Period, there were 34,465 (2024: 38,338) Kg of carbon dioxide (“CO₂”) equivalent greenhouse gases (primarily attributable to electricity and paper) emitted from the Group’s operation.

The Group established a target of greenhouse gas emissions to 70,000 tCO₂eq. for the Reporting Period. This target successfully achieved, and the Group will continue to implement measures related to paper reuse and energy conservation.

The Group sets greenhouse gas emissions goals with the aim of maintaining emissions at a stable level or achieving progressive reductions based on 2025 baseline.

A1.3. Hazardous Waste and Non-hazardous Waste

Hazardous wastes generated from the Group’s business operations primarily comprised used toner cartridges and ink cartridges. Non-hazardous waste mainly consisted of paper waste. During the Reporting Period, the amount of hazardous waste and Non-hazardous Waste generated details are outlined below:

	Emission Sources	Unit	2025	2024
Hazardous Waste	Print Cartridges and Ink Cartridges	kg	0	0
		kg / m²	0	0
Non-hazardous Waste	Paper Waste	kg	419	0
		kg / m²	0.57	0

The Group sets targets for both hazardous and non-hazardous waste, with the aim of sustaining current performance levels while achieving gradual improvements in waste reduction based on the 2025 baseline.

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A1.4 Measures to Mitigate Emissions

To minimize its carbon footprint, the Group promote the use of public transportation for employee commuting and encourages the adoption of virtual meetings to reduce emissions associated with business travel. For occasions where in-person meetings are necessary, the Group prioritizes the most energy-efficient modes of transport. In addition, the Group monitors employees' business air travel to identify opportunities for further emission reductions. During the Reporting Period, all business air travel was undertaken in economy class contributing to a lower emission.

A1.5 Waste Reduction and Initiatives

Recycling bins for both recyclable and hazardous waste were placed across office area to encourage employees to sort waste according to the designed categories. Hazardous waste such as used fluorescent tubes, was collected through specialized containers provided by property management companies for proper recycling. In addition, used ink cartridges were regularly retrieved by printer leasing service provider for appropriate handling and recycling.

The primary type of non-hazardous waste generated from the Group's business operations is paper. Such non-hazardous waste is collected and handled by the office building's property management team.

The Group is committed to reducing paper waste by advancing the development of a paperless office. To support this objective, the Group has implemented several waste-reduction measures, including:

- Encouraging employees to adopt double-sided printing;
- Collecting and reusing single-sided printed paper; and
- Promoting recycling practices among employees whenever feasible.

Although the Group has not established formal waste-reduction policies for its subcontractors, it actively encourages them to minimise waste generation and to reuse resources wherever feasible.

A2. Use of Resource

To enhance resources efficiency, the Group has implemented a variety of resource-saving measures and actively promotes environmentally responsible practices among employees. For further details on these initiatives and the implementation progress, please refer to the sections Energy Use Efficiency Initiatives and Water Use Efficiency Initiatives sections below.



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The Group's business operations consumed electricity and petrol, with a total energy consumption of 73,177.12 and an intensity of 99.26 kWh / m².

Energy Source	Unit	2025		2025	2024
		Consumption	Consumption	Consumption	Consumption
				in kWh	in kWh
Electricity	kWh	33,830.17	35,687.36	33,830.17	35,687.36
Petrol	L	4,060.00	4,400.00	39,346.95	42,642.01
Total	/	/	/	73,177.12	78,329.37
Intensity	kWh / m²	/	/	99.26	106.25

The Board aims to maintain or progressively reduce energy consumption compared with the previous year's target, and the Group successfully achieved this objective during the Year. Looking ahead, the Group has set targets for both electricity and petrol consumption, with the goal of maintaining current performance levels or achieving gradual reductions based on the 2025 baseline.

A2.1. Water Consumption

The total water consumption of the Group as below:

Use of Resource		Unit	2025	2024
Water Consumption	Total	m³	108	108
	Intensity	m³ / m²	0.15	0.15

No issues related to water sourcing were identified during the Reporting Period. All sewage generated by the Group is discharged through the municipal wastewater system.

A2.2. Energy Use Efficiency Initiatives

The Group recognizes that reducing energy consumption not only contributes to environmental protection but also results in cost savings and overall operational benefits. To manage and control energy use, the Group has implemented a number of initiatives, including:

- Installing energy-efficient LED lighting;
- Ensuring doors and windows remain closed when air conditioners are in operation; and
- Switching off all lights, air conditioners, computers, photocopiers and other electrical appliances before leaving the office.

A2.3. Water Use Efficiency Initiatives

The Group's water consumption remained minimal during the Reporting Period; therefore, no dedicated water-saving policies or initiatives have been established. Nevertheless, employees are consistently reminded to conserve water and avoid unnecessary wastage. Any identified water leaks are repaired immediately to prevent further loss.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Although the Group has not formalised policies governing the efficient use of water or energy by its subcontractors, they are reminded to avoid unnecessary consumption and to adopt responsible usage practices wherever possible.

A2.4 Packaging Material

The Group's business operations do not involve significant use of packaging materials. For example, materials used in the exhibition services provided by the Group are managed directly by suppliers or contractors. The Group also encourages its suppliers and contractors to minimise the use of packaging materials wherever possible.

A3. Environmental and Natural Resources

The nature of the Group's business does not have any significant impact on the environment or natural resources; therefore, no formal policy has been established in this regard. Nevertheless, the Group continues to monitor and manage the work practices of its business partners to ensure responsible and environmentally conscious operations.

A3.1 Impacts on the Environment

The Group is an integrated exhibition and event management service provider, primarily engaged in the design, planning, coordination and management of exhibitions and events. Given the nature of its business, the direct environmental impact of the Group's operations is minimal. However, the Group recognises that emissions and waste are generated from construction works undertaken by suppliers for various projects. Construction waste, including plastic, cardboard, and wooden frames, is produced during project execution, with the volume of waste varying according to the scale of each exhibition.

Although the Group does not have direct control over outsourced construction activities, it monitors and manages the environmental practices of its contractors to help minimise the indirect environmental impacts arising from such works. The Group will continue to promote environmental protection principles among both employees and contractors and will maintain effective oversight of air emissions and solid waste generation associated with its operations.

Response to Climate Change

Climate change affects businesses to varying degrees, and extreme weather events in particular may pose risks to the Group's operations through potential damage and service disruptions. The overall risk level is considered high and is expected to increase over the long term. Although climate change has not been identified as a critical topic by stakeholders or for the Group's business development, the Group has not yet established a formal climate-related policy.

Governance

The Group has established a three-tier governance structure for oversight of climate-related risks and opportunities, integrated within its broader ESG framework as disclosed in the section headed "The Group's Sustainability Mission and Vision" of this report.

The Group ensures that its ESG governance structure possesses the necessary experience and capabilities by inviting external experts to provide training on climate-related topics. This supports the ESG governance framework in acquiring the professional knowledge required to effectively fulfil its climate-related governance responsibilities.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Strategy

In advancing its low-carbon transformation, the Group continuously monitors the potential impacts of climate change, systematically identifying related risks and opportunities to provide a basis for formulating response measures.

Climate related Risks	Potential Impact on Business Model	Time Horizon ¹	Impact on Financial Level	Response Measures
Transition Risks				
Policy and Legal Risks	<ul style="list-style-type: none"> Increasing requirements for the accuracy of carbon emission data declared by enterprises and stricter climate-related regulations, which may generate compliance risks. 	Medium to Long	Mid	<ul style="list-style-type: none"> Conduct ongoing research on policies to manage risks, strengthen communication with stakeholders and actively respond to the requirements of various stakeholders.
Market Risks	<ul style="list-style-type: none"> Risk of losing market share if competitors offer more advanced decarbonisation tools. Failure to convey environmental value in products and marketing in a timely manner may result in loss of a portion of customer base. 	Long	Low	<ul style="list-style-type: none"> Promote existing and upcoming solutions that enable client carbon reduction through digitisation. Proactively monitor climate-related market trends and integrate sustainability factors into strategic planning processes.
Technology Risks	<ul style="list-style-type: none"> Additional investment required to upgrade technology and meet market demand for climate-friendly solutions 	Medium to Long	Mid	<ul style="list-style-type: none"> Examine the viability of new technology investments and their compatibility with our business. Encourage the adoption of low-carbon and energy saving new technologies in providing services.

¹ Taking into account the core business plan, the time frame of social low-carbon development goals, climate-related disclosure standards, management recommendations and other factors, we set the time horizon as follows: the first two years after the end of the Reporting Period (including the 2nd year) as short-term; the 3rd year to the 5th year (including the 5th year) after the end of the Reporting Period as mid-term; and the 6th year after the end of the Reporting Period and onwards as long-term.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate related Risks	Potential Impact on Business Model	Time Horizon ¹	Impact on Financial Level	Response Measures
Reputation Risk	<ul style="list-style-type: none"> Failure to fulfil environmental commitments or insufficient disclosure on relevant information may lead to a decline in consumer trust, affecting brand reputation and business partnerships 	Long	Low	<ul style="list-style-type: none"> Strictly comply with sustainability-related policies and requirements, continuously strengthen social responsibility awareness, and consistently enhance the quality of products and services. Provide transparent and effective stakeholder communication channels, actively demonstrating the Company commitment and progress in environmental protection.
Physical Risks				
Acute Risk	Exposure to asset damage, personnel injury, and disruption of business operations resulting from extreme weather events such as floods, heavy rainfall, and typhoons.	Short	Low	<ul style="list-style-type: none"> Review the impacts of extreme weather on the business and develop emergency plans for it; Conduct disaster escape drills for employees; Improve adaptability of employees during disaster via training.
Chronic Risk	<ul style="list-style-type: none"> Increased energy and water consumption for heat dissipation and cooling of data centres. Disruptions in raw material supply and price volatility may increase procurement costs. 	Long	Low	<ul style="list-style-type: none"> Pay attention to the temperature of the office and the equipment room; Conduct fire safety inspections and have fire drills to improve employees' fire awareness.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate related Risks	Potential Impact on Business Model	Time Horizon ¹	Impact on Financial Level	Response Measures
Opportunities				
Growing Demand for Low carbon Technologies	Accelerates shift to fully digital service model; expands value chain reach by meeting downstream client preferences for sustainable trade processes.	Medium to Long	High	Unearth the market demand for paperless solutions, maintain positive communication with the government and understand customer demands.
Enhancing Brand Reputation	Reinforces competitive differentiation and strengthens relationships across stakeholders.	Medium to Long	Mid	Strengthen ESG strategies and highlight the value of climate-friendly services in the market.
Product and Service	Promoting green, eco-friendly and circular product R&D helps adapt to shifting consumer preferences and open new markets.	Medium to Long	High	Integrate life-cycle thinking, recyclable materials and low-carbon design into product development.
Adaptive Capacity	Enhance climate resilience jointly through strengthened supply chain management and collaboration.	Medium to Long	Mid	Prioritise sourcing materials that comply with green standards, fostering stronger cooperation and communication with suppliers to advance the development of a more environmentally sustainable supply chain.

Risk Management

In order to mitigate the repercussions of climate-related physical risks and transition risks on the Group's financial, marketing, operational and reputational aspects, and to capture climate-related opportunities that support steady development, the Group has proactively integrated a systematic approach to managing and monitoring climate-related risks and opportunities into its overall risk management framework.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Identification and Assessment**
 Our methodology employs a systematic, recurring process to identify climate-related risks and opportunities. Each department conducts regular reviews to capture potential risks and opportunities and updates its own risk logs, such as relevant laws and regulations, external information, consumer feedback and risk incidents. Upon receiving the updated risk logs, the Risk Manager assess the effects of those risks and opportunities, generally based on qualitative factors, on a regular basis.
- Monitoring and Control**
 Based on identification and assessment, we formulate management measures to prevent, avoid or mitigate risks and to pursue opportunities. All staff have the responsibility for the continuous monitoring of risks, depending on the subsequent risk rating and the strength of controls to treat the risks and realise the opportunities, and operation of controls within their area of responsibility.
- Reporting and Decision-making**
 Reporting follows a bottom-up approach with a defined cadence: departmental inputs are consolidated and escalated upward for review and decision-making on both risks and opportunities.

Metrics and Targets

In the context of escalating global climate change challenges, setting clear climate targets and performance indicators has become an essential measure for companies to effectively address climate risks. Scientifically sound climate goals not only demonstrate a company's commitment to future low-carbon development but also provide clear guidance for achieving green transformation. By establishing measurable and traceable climate indicators, companies can define emission-reduction pathways and allocate responsibilities, ensuring that the effectiveness of related measures is properly assessed and continuously improved.

Key Environmental Indicators	Target Setting
Energy Consumption	The Group aimed to maintain or gradually reduce energy used on the 2025 baseline.
Greenhouse Gas Emissions	The Group establishes goals for greenhouse gas emissions, with the objective of stabilizing or progressively lowering these emissions on the 2025 baseline.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. Social

The Group recognises employees as a key foundation of its business and is committed to ensuring fair and equitable treatment for all staff. To uphold high employment standards, the Group has established an Employee Handbook that sets out policies on recruitment, labour practices, performance management, compensation and benefits, training and development, as well as data and intellectual property protection.

B1. Employment and Labour Practices

During the Reporting Period, the Group strictly complied with all applicable national and local laws and regulations relating to employment and labour practices, including but not limited to the following:

- Labour Law of the PRC;
- Labour Contract Law of the People's Republic of China;
- Social Insurance Law of the People's Republic of China;

The SA8000 certification reflects the Group adhere to the internationally recognised standards of social responsibility. This includes robust practices in areas such as the prevention of forced and child labour, occupational health and safety, freedom of association, non-discrimination, working hours, fair compensation, and workplace management systems. The Group's Social Responsibility Management Handbook further sets out clear provisions on freedom of association and collective bargaining. The Group respects and protects employees' rights to form trade unions, engage in collective bargaining, and elect their own representatives, and ensures that trade union members are free from discrimination. The Handbook also reinforces equal employment opportunities and sets stringent labour standards across the organisation.

During the Reporting Period, the Group identified no material non-compliance with applicable laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, or other employee benefits and welfare (2024: nil).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Staff Composition

As at 31 December 2025, the Group employed a total of 89 (2024: 70) staff members, all of whom were based in Chinese Mainland. The Group remains committed to building a diverse and inclusive workforce, recognizing that such diversity is vital to sustaining a resilient, competitive, and future-oriented organisation. The table below presents the distribution of employees across various categories.

	2025	2024
By Gender		
Male	56%	58%
Female	44%	42%
By Age Group		
≤30	21%	27%
31-45	70%	69%
46-60	9%	4%
By Employment Category		
Senior management	12%	10%
Middle Management	29%	12%
Frontline and Other Employees	59%	79%
By employee type		
Part-time employment	2%	4%
Full-time employment	98%	96%

The overall turnover rate during the Reporting Period was 9% (2024: 31%). During the reporting year, the Company's turnover rate decreased significantly compared with the previous year. This notable improvement reflects the Company's continued efforts in strengthening employee engagement, enhancing workplace stability, and fostering a supportive organisational culture. The lower turnover rate also indicates increased employee satisfaction and alignment with the Company's long-term development goals, demonstrating the effectiveness of our human capital management practices and our commitment to building a resilient, inclusive, and sustainable workforce.



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Turnover rates by different categories are shown below.

Employee Turnover Rate — By Gender	2025	2024
Male	8%	30%
Female	10%	32%

Employee Turnover Rate — By Age Group	2025	2024
≤30	16%	29%
31-45	8%	31%
46-60	0%	50%

Employee Turnover Rate — By Region	2025	2024
Chinese Mainland	100%	100%
Overseas	0%	0%

The Group has not identified any significant non-compliance with the Employment Ordinance of Hong Kong, the Employees' Compensation Ordinance of Hong Kong or other applicable laws and regulations that have a material impact on the Group in relate to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare during the Reporting Period (2024: nil).

Competitive Compensation and Benefits Package

Employees are provided with a basic salary that corresponds to their educational background, professional qualifications, work experience, and job responsibilities. The Group offers a comprehensive range of leave entitlements, including annual leave, sick leave, work-related injury leave, marriage leave, maternity leave, and compassionate leave. The Group makes monthly contributions to the mandatory social insurance schemes and the housing provident fund in accordance with regulatory requirements. Employee performance is reviewed regularly, and salary adjustments are made with reference to market conditions and overall performance. Employee promotion is based on business needs and the availability of suitable positions.

Equal Opportunity

The Group is committed to ensuring equal opportunities for all employees in recruitment, career advancement, compensation and benefits, and training and development. No employee is discriminated against or denied such opportunities on the basis of gender, ethnicity, religion, colour, age, marital or family status, retirement status, disability, pregnancy, or any other characteristics protected under applicable laws. The Group supports workforce diversity by hiring unemployed senior citizens and persons with disabilities. During the Reporting Period, the Group employed 1 person with disabilities demonstrating its commitment to promoting inclusiveness and providing meaningful employment opportunities for disadvantaged groups. These efforts aim to help individuals with disabilities gain work experience and enhance workplace integration. In addition, the Group offers ample opportunities to fresh graduates and ensures that disadvantaged groups receive fair and reasonable remuneration.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employee Communication

The Group places great importance on effective workplace communication, recognising its value in enhancing collaboration among employees across different functions and in improving overall productivity. To promote open dialogue, the Group has established multiple communication channels to facilitate interaction among employees at all levels. Line managers conduct annual appraisal meetings with their team members to review performance, understand employees' concerns and challenges, and set development goals for the coming year.

During the Reporting Period, the Group also reinforced employee engagement and recognition by distributing shopping coupons to staff during traditional festivals, including Chinese New Year, the Dragon Boat Festival, and the Mid-Autumn Festival.

B2. Employee Health and Safety

The Group is committed to providing a safe and healthy working environment for all employees. It strictly complies with all applicable laws and regulations relating to occupational health and safety and has established a safety management system accredited under ISO 45001. The Group also adheres to labour law requirements concerning working hours, workplace conditions, and protective measures.

To safeguard employees' physical well-being, the Group arranges free medical examinations for new employees and annual health check-ups for existing staff. Additional medical and accident insurance coverage is also provided. In collaboration with the property management company, the Group conducts regular fire safety training sessions and emergency drills to enhance employees' awareness of safety and emergency response procedures. Firefighting equipment and manual alarm systems are inspected regularly, and emergency contact signages — such as the local fire station number and other emergency hotlines — are prominently displayed in office areas.

The Group has printed and distributed a Safety Handbook to all employees, outlining the general rules and guidelines for workplace safety. The Handbook covers the following areas:

- proper safety practices for employees;
- precautionary measures against work-related injuries caused by machinery, lifting operations, electric shock, pressure vessels, poisoning and suffocation, working at heights, and vehicles;
- safe use of workplace equipment; and
- common violations observed during project implementation and corresponding preventive measures.

Occupational Health and Safety Data

The information on work accident is set out below:

Health and Safety	2025	2024	2023
Number of work-related fatalities	0	0	0
Lost days due to work injury	0	0	0



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The Group was not aware of any significant non-compliance with the Occupational Safety and Health Ordinance of Hong Kong, the Prevention and Control of Disease Ordinance of Hong Kong, the Law on Occupational Safety, or other applicable laws and regulations that have a material impact on the Group in relation to providing a safe working environment and protecting employees from occupational hazards during the Reporting Period (2024: nil).

B3. Development and Training

The Group provides ongoing training and development programmes to support employees' professional growth. In accordance with the Group's Employee Handbook, the training needs of employees are regularly identified and assessed to ensure appropriate training opportunities are arranged. The Group also values employee feedback, and comments collected from training participants are continuously reviewed and analysed for further enhancement of future programmes.

During the Reporting Period, 51 employees received training, with a total of 1,224 training hours delivered. On average, each employee completed 24 hours of training. The table below illustrates the proportion of employees trained by category and the average training hours per employee.

The total training hours, the percentage of employees trained, and the average training hours per employee for the Reporting Period are summarised below:

Total Training Hours		2025	2024
Total Training Hours		1,224	1,584
	By Gender		
	Male	24.00	24.00
	Female	24.00	24.00
Average Training Hours	By Employee Category		
	Senior management	24.00	24.00
	Middle Management	24.00	24.00
	Frontline and Other Employees	24.00	24.00
	By Gender		
	Male	54%	133%
	Female	62%	118%
Percentage of Employees Trained²	By Employee Category		
	Senior management	18%	120%
	Middle Management	38%	117%
	Frontline and Other Employees	75%	129%

² Percentage of Employees Trained are calculated by dividing the headcount of male employees trained by the total headcount of male employees, the same as other categories.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group promotes a healthy work-life balance for its employees. All staff are encouraged to participate in recreational activities to strengthen team spirit, enhance their sense of belonging, and boost overall morale.

Categories	Topics
Introduction	Corporate Culture, Anti-Corruption, Employee Handbook Introduction
Basic Knowledge	Financial Policies and Reimbursement, Anti-Corruption, Effective communication skills
Professional Knowledge	Exhibition Events
Certificate Courses	Intermediate Economist Certificate, Safety Officer Certificate, Associate Constructor Certificate
Software Application Training	Adobe Illustrator, Photoshop, 3Dmax, Sketchup pro

B4. Labour Standard

The Group enforces a strict zero-tolerance policy toward child labour and forced labour. In accordance with the Labour Law of the People's Republic of China, no cases of child labour or forced labour were identified in the Group's operations during the Reporting Period (2024: nil). To prevent such practices, the Human Resources Department verifies all applicants' identification documents — including identity cards, academic certificates, and proof of resignation from previous employers or reference letters from schools — to ensure they are legally eligible for employment before onboarding.

If any instance of child labour or forced labour is discovered after employment, the Group will immediately terminate the employment of the individual concerned and report the matter to the relevant authorities. Any violation of the Labour Law of the PRC results in immediate dismissal without financial compensation.

B5. Supply Chain Management

The Group recognises that sound, transparent and responsible supply chain management is essential for enhancing project quality, reducing environmental and social risks, and supporting sustainable development. To this end, the Group has established and strictly implemented the Procurement Management System, ensuring that supplier development, selection, evaluation and exit are conducted in a standardised, systematic and traceable manner.

The Group's principal suppliers provide event construction and event operation services. All suppliers are required to undergo rigorous qualification screening and competitive selection. Upholding the principles of fairness, impartiality and transparency, the Group generally invites no fewer than three suppliers to participate in competitive bidding and evaluates suppliers based on their qualifications, industry experience, factory scale, financial stability, compliance records and past project performance. Only those meeting the requirements are included in the Group's Supplier Information Database. Prior to commencing cooperation, suppliers must sign the Confirmation of Compliance with the Code of Integrity and Professional Ethics to ensure adherence to integrity, professionalism and compliance standards.



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The Group maintains oversight of suppliers throughout the cooperation lifecycle through performance scorecards, customer satisfaction surveys, pre-event material inspections, on-site checks and post-event inventory reviews. Outstanding suppliers may receive annual ratings and priority bidding opportunities, forming a positive competitive environment. Suppliers exhibiting quality issues or integrity concerns are subject to strict elimination mechanisms, with serious violators placed on a permanent blacklist to safeguard the health of the supply chain.

Regarding environmental and social risk management, the Group conducts annual on-site inspections and risk assessments of factories within the supply chain and requires suppliers to sign the Safety, Health and Environmental Notification Letter and the Supplier Social Responsibility Commitment Letter, ensuring continuous compliance with environmental protection, occupational safety and social responsibility requirements. To strengthen green procurement, the Group requires suppliers to provide material testing reports — covering fire resistance, insulation performance and structural strength — before project installation and conducts on-site sampling inspections to ensure materials meet safety, environmental and statutory standards.

Through these policies and measures, the Group continuously advances the standardisation, transparency and sustainability of its supply chain management, and is committed to fostering a responsible, green and resilient supply chain ecosystem in collaboration with its suppliers, thereby supporting the Group's long-term development.

During the Reporting Period, the Group had a total of 30 suppliers (2024: 263) in China, providing construction, lighting and operational services. All engaged suppliers must comply with the above-mentioned policies to minimise the environmental and social risks of the supply chain.

Region	Numbers
Northeast China	0
North China	21
East China	3
Central China	2
South China	2
Southwest China	0
Northwest China	2
Total	30

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B6. Product Responsibility

Quality Assurance and Customer Satisfaction

The Group is committed to maintaining the highest standards of quality in its exhibition services. Its exhibition design, construction, and after-sales services are all accredited under the ISO 9001 Quality Management System, demonstrating the Group's dedication to systematic, consistent, and internationally recognised quality management practices.

To ensure effective project execution, the Group allocates adequate on-site resources to supervise each stage of the project. Quality inspections are carried out throughout the entire project cycle, including checks on workmanship and materials used, in accordance with contractual requirements. If any defects or non-conformities with operating procedures are identified, project managers follow up immediately and ensure that corrective actions are completed before the project proceeds to the next stage. All materials used in the Group's projects are required to obtain the necessary certifications to ensure compliance with relevant quality standards.

To enhance customer satisfaction, the Group requests customers to complete a project evaluation form upon completion of each project. Customers evaluate various aspects such as product quality, quality control, communication effectiveness, and service performance. The Group places great importance on customer feedback and continuously strives to improve its services to remain competitive.

During the Reporting Period, the Group did not identify any violations of laws or regulations relating to product and service health and safety (2024: nil). No product recalls due to safety or health reasons occurred during the Reporting Period (2024: nil). Additionally, no major complaints or negative feedback were received from customers (2024: nil). Should any negative feedback arise, the Group addresses and resolves the issue promptly to prevent recurrence and to uphold customer trust.

Information Protection

The protection of stakeholders' privacy and the confidentiality of information is of utmost importance to the Group. To safeguard sensitive data and prevent potential data breaches, misuse or unauthorised access, the Group has established a comprehensive Data Privacy System. All employees and business partners are required to sign a Confidentiality Agreement to ensure that confidential information is properly protected and not disclosed without prior authorisation.

To strengthen operational resilience, the Group has also established a Disaster Recovery Plan to minimise disruptions arising from natural or non-natural disasters. Natural disasters — such as fires, earthquakes and tsunamis — may result in power outages, network failures and business interruptions, while non-natural disasters may include power failures, software malfunctions, malicious code attacks and security breaches. In the event of a disaster, the Group prioritises employee safety and activates its response procedures to safeguard critical business data. Designated personnel coordinate the retrieval of important data stored on hard drives and servers, while the system recovery team restores business operations using functioning hardware. Recovered data is re-imported into business systems, followed by feasibility testing and prompt notification to relevant personnel.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To support data integrity, the Group maintains a structured data-backup mechanism. Dedicated backup equipment is used to perform monthly backups of financial data, with each backup documented in the “U8 System Backup Inspection Record” and signed by the responsible inspector. These measures ensure data availability and continuity of operations in the event of unexpected disruptions.

The Group’s Employee Handbook further reinforces confidentiality obligations by clearly defining trade secrets and setting out specific requirements for protecting sensitive information. Visitors must be accompanied by authorised personnel and are prohibited from accessing confidential documents. Meetings may not be recorded without approval, and circulation of meeting minutes is restricted to relevant personnel only. In addition, private storage devices — including CDs, floppy disks and USB drives — are prohibited on the Group’s computer systems to minimise the risk of data leakage.

Through these policies and control mechanisms, the Group ensures that confidential and sensitive information is protected in accordance with internal requirements and industry best practices, supporting both operational resilience and responsible data governance.

Intellectual Property

The Group places great importance on safeguarding intellectual property rights, particularly given its extensive creation and introduction of innovative designs and services for a diverse range of customers. Employees are required to keep strictly confidential — unless expressly authorised by the Group — any trade secrets, proprietary information, technical knowledge, data, software systems, design models, or any other intellectual property belonging to the Group.

To ensure comprehensive protection of its intellectual property, the Group incorporates detailed intellectual property clauses into all employment contracts. These clauses cover the protection of copyrights, patents, trademarks, trade secrets, domain names and other proprietary rights, thereby ensuring that all intellectual property generated or used in the course of employment is properly safeguarded.

During the Reporting Period, the Group did not identify any non-compliance with relevant laws and regulations relating to intellectual property protection or privacy matters that had a significant impact on the Group (2024: nil).

Product Labelling and Advertising

The Group strictly complies with all applicable laws and regulations, including the Advertising Law of the People’s Republic of China and the Trademark Law of the People’s Republic of China. During the Reporting Period, the Group did not identify any violations of laws or regulations relating to product labelling or advertising that had a significant impact on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B7. Anti-corruption

The Group is dedicated to conducting all business activities in an honest, fair and responsible manner, and to preventing any undue influence in its operations. Upholding integrity as a core value, the Group strictly complies with all applicable laws and regulations, including the Anti-Unfair Competition Law of the People's Republic of China, the Company Law of the People's Republic of China, the Criminal Law of the People's Republic of China, and other regulations governing the prevention of commercial bribery. All directors and employees are required to adhere to the Group's policies to prevent bribery, extortion, fraud and money laundering, thereby ensuring that business ethics and compliance standards are consistently maintained.

The Group has established a Code of Business Conduct to provide all employees with clear and formal guidance on appropriate business practices. The Code stipulates that employees must avoid any conflicts of interest with the Group and its customers. Employees and their immediate family members are prohibited from accepting or offering gifts or any form of benefit to or from individuals who are engaged in business dealings or negotiations with the Group. These measures aim to ensure fairness, integrity and professionalism in all business interactions.

Employees who offer or accept gifts or hospitality must strictly adhere to Defeng's Policy on Gifts and Hospitality. Any behaviour that could be perceived as bribery, illicit advantage, or covert payment is strictly prohibited. Suppliers, contractors and all other parties considered by the Group to be suppliers or service providers are required to comply with the Group's procurement policies. Employees' procurement decisions must be based solely on legitimate factors such as price, quality and the integrity of suppliers. During contract negotiations or the procurement of goods or services, employees must not accept gifts, benefits, personal favours or other concessions under any circumstances.

The Group has developed comprehensive whistleblowing policies and established multiple reporting channels, including complaint mailboxes, suggestion boxes and employee committees. Employees may report any suspected fraud, misconduct or violations directly to the management without fear of retaliation. To strengthen integrity oversight, the Group has set up an Integrity Risk Control and Management Team responsible for monitoring employees' ethical conduct. Upon receiving a suspicious case, the team will conduct an impartial investigation in accordance with established procedures. The identity of the whistle-blower is kept strictly confidential to safeguard employees who come forward in good faith.

There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period (2024: nil).

Anti-corruption Training

Employees of the Group play a vital role in preventing and combating corruption. The Group has taken proactive measures to strengthen employees' awareness of integrity and ethical conduct. Regular anti-corruption training sessions are organised to introduce relevant national laws and regulations, as well as the Group's internal anti-corruption policies. Employees are also frequently reminded of these policies through internal memorandums to reinforce compliance expectations. In addition, all employees are required to sign the Rules on Integrity in Business and the Integrity Pledge, affirming their commitment to uphold ethical behaviour and reject any form of corrupt practice.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B8. Community Involvement

The Group is committed to fostering a sustainable and caring community, recognising that our social responsibility extends beyond our business operations. The Group actively encourages and supports employees to participate in volunteer activities, promoting a culture of service, collaboration and shared contribution. These efforts not only strengthen community ties but also help advance sustainability and enhance overall social well-being.

Although the Group has not yet engaged in formal community investment activities, we are committed to increasing our participation in the coming years. The Group plans to focus its future community investment initiatives on areas such as environmental protection, education and cultural exchange. Through these efforts, the Group aims to contribute meaningfully to society and further fulfil its responsibilities as a corporate citizen.

INDEPENDENT AUDITOR'S REPORT



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To the members of

Defeng Solife Holdings Limited

(formerly known as Dowway Holdings Limited)

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Defeng Solife Holdings Limited *(formerly known as Dowway Holdings Limited)* (the "Company") and its subsidiaries (together the "Group") set out on pages 90 to 166, 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 financial position of the Group as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

BASIS FOR OPINION

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



INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition of exhibition and event related services and exhibition showroom related services</p> <p>Refer to Notes 2, 4 and 7 to the consolidated financial statements.</p> <p>The Group's revenue derived from provision of exhibition and event related services and exhibition showroom related services amounted to approximately RMB87,340,000 for the year ended 31 December 2025.</p> <p>The revenue earned from these services is recognised over time using input method based on the progress of the exhibition projects by reference to the Group's inputs to the satisfaction of a performance obligation relative to the total estimated inputs for the satisfaction of that performance obligation at the end of the reporting period.</p> <p>We have identified the recognition of revenue as a key audit matter as it involves significant estimations and judgements made by the management.</p>	<p>Our procedures in relation to revenue recognition included:</p> <ul style="list-style-type: none"> — Understanding and evaluating the management's key internal controls that are present for the Group's budgeting process, cost accumulation process and revenue recognition; — Checking, on a sampling basis, the signed contracts, customers' confirmations and other correspondences with the customers to verify total contract sum of selected exhibition projects; — Evaluating, on a sampling basis, the accuracy of direct costs recognised to date by checking the supplier invoices and delivery notes of material consumed, invoices or payment application from sub-contractors, payroll records on staff costs or other supporting documents to evaluate the progress of respective exhibitions or events; — Assessing the reliability of the management's estimation by comparing the actual outcome against the approved budgets of completed exhibition projects, on a sample basis; and — Checking the mathematical accuracy of the calculation of contract revenue, recognised in current reporting period based on the estimate of the progress of exhibitions or events.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment of goodwill and non-current assets of Yi-commerce Holding Limited and its subsidiaries (collectively referred to as the "Yi-commerce Group")</p> <p>Refer to Notes 2, 4 and 18 to the consolidated financial statements.</p> <p>At 31 December 2025, the Group had goodwill of approximately RMB7,647,000 and other non-current assets of totaling approximately RMB2,204,000 relating to the Yi-commerce Group which were identified as a cash-generating unit (the "Yi-commerce CGU").</p> <p>The Group performed impairment test for goodwill and non-current assets relating to the Yi-commerce CGU at the end of the reporting period. In performing the impairment test, the Group's management engaged an independent professional valuer to assess the recoverable amount of the Yi-commerce CGU using the value in use (the "VIU") calculation based on cash flow projections.</p> <p>We have identified the impairment of goodwill and non-current assets of Yi-commerce Group as a key audit matter because those items are material to the Group and the estimation of recoverable amount of the CGU involves a significant degree of management judgement and therefore is subject to an inherent risk of error.</p>	<p>Our procedures in relation to impairment of non-current assets of the Yi-commerce Group included:</p> <ul style="list-style-type: none"> — Understanding and evaluating management's key internal controls over the impairment assessment process; — Evaluating the competence, capabilities and objectivity of the independent professional valuer; — Understanding the processes and methodology, significant assumptions adopted and key inputs used in the impairment test of goodwill and non-current assets, and comparing with our understanding of the latest operational information and conditions; — Assessing the appropriateness of the methodology and the reasonableness of key assumptions based on our knowledge and understanding of the businesses and industry; and — Evaluating the sensitivity of the impairment tests to changes in key assumptions.



INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Expected credit loss assessment of trade receivables and contract assets</p> <p>Refer to Notes 2, 3(c), 4, 19 and 20 to the consolidated financial statements.</p> <p>At 31 December 2025, the gross trade receivables and contract assets of the Group amounted to approximately RMB51,454,000 and RMB53,754,000 respectively. The Group's aggregate lifetime expected credit loss (the "ECL") on trade receivables and contract assets at 31 December 2025 amounted to approximately RMB16,291,000 and RMB21,276,000 respectively.</p> <p>The management of the Group performed assessment on the recoverability of the trade receivables and contract assets and the sufficiency of the allowance for ECL at the end of the reporting period.</p> <p>The management of the Group estimated the amount of ECL based on a provision matrix through grouping of various customers that have similar loss patterns, after considering the credit profile of respective customers, ageing analysis, historical settlement records, subsequent settlement status and on-going business relationships with the relevant customers. The provision matrix is based on the Group's historical default rates taking into consideration the forward-looking information that may impact the customers' ability to repay the outstanding balances.</p> <p>At the end of the reporting period, the historical observed default rates were reassessed and changes in the forward-looking information were considered.</p>	<p>Our procedures in relation to ECL assessment of trade receivables and contract assets included:</p> <ul style="list-style-type: none"> — Understanding and evaluating management's key internal control and procedures for credit risk management and assessing the recoverability of trade receivables and contract assets; — Checking, on a sampling basis, the ageing analysis of trade receivables and contract assets of the Group to supporting documents; — Enquiring with management to identify any disputes with customers and any unforeseen delay of the exhibitions or events which may have impact on the assessment of the recoverability of the balances; — Testing the accuracy of information used by management to develop the provision matrix, including ageing analysis of trade receivables and contract assets, on a sample basis, by comparing individual items in the analysis with the relevant financial records and other supporting documents; — Checking the status of each of the material past due trade receivables as at the year-end date and the billing status of material contract assets based on the trade records, and historical and subsequent settlement status of and other correspondence with the customers;

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
Expected credit loss assessment of trade receivables and contract assets <i>(Continued)</i>	
<p>We have identified the determination of ECL as a key audit matter as the amounts involved are significant and the determination requires estimations and judgements to be made by the management and involves estimation uncertainty.</p>	<ul style="list-style-type: none"> — Assessing the appropriateness of the ECL provisioning methodology and evaluating the management's basis and judgement used, including their identification of trade receivables and contract assets as at the reporting date, the reasonableness of management's grouping in the provision matrix, the accuracy of estimated loss rates (with reference to historical default rates and forward-looking information) applied in each category; and — Examining the key data inputs to assess the accuracy and completeness and challenging the assumptions including both historical and forward-looking information especially the market data used in determination of the ECL.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2025 Annual Report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

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

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



INDEPENDENT AUDITOR'S REPORT

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This 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.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Forvis Mazars CPA Limited

Certified Public Accountants

Hong Kong, 27 March 2026

The engagement director on the audit resulting in this independent auditor's report is:

Fong Chin Lung

Practising Certificate number: P07321



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	7	94,520	140,164
Cost of sales and services	9	(77,256)	(123,738)
Gross profit		17,264	16,426
Other gains and losses, net	8	5,066	5,805
Selling expenses		(6,290)	(7,199)
Administrative expenses		(26,835)	(18,299)
Net allowance for expected credit loss on trade receivables and contract assets	3(c)	(5,193)	(2,132)
Operating loss		(15,988)	(5,399)
Finance costs, net	11	(1,471)	(1,183)
Loss before income tax	9	(17,459)	(6,582)
Income tax credit	12	108	259
Loss for the year and total comprehensive loss for the year		(17,351)	(6,323)
Loss for the year and total comprehensive loss attributable to:			
Equity holders of the Company		(16,992)	(5,746)
Non-controlling interests		(359)	(577)
		(17,351)	(6,323)
Loss per share			
Basic and diluted (<i>in RMB cents</i>)	13	(11.93)	(4.69)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Plant and equipment	15	2,165	263
Right-of-use assets	16	774	1,343
Intangible assets	17	2,087	–
Goodwill	18	7,647	–
		12,673	1,606
Current assets			
Trade receivables	19	35,163	49,868
Contract assets	20	32,478	53,365
Deposits, prepayments and other receivables	21	17,462	19,066
Restricted bank balances	22	–	1,000
Cash and bank balances	22	17,086	6,211
		102,189	129,510
Current liabilities			
Trade and bills payables	23	49,166	73,689
Contract liabilities	24	1,038	2,097
Accruals and other payables	23	16,513	17,583
Interest-bearing borrowings	25	29,000	26,563
Lease liabilities	16	165	1,332
Tax payables		3,801	3,827
		99,683	125,091
Net current assets		2,506	4,419
Total assets less current liabilities		15,179	6,025
Non-current liabilities			
Interest-bearing borrowings	25	2,000	2,000
Lease liabilities	16	230	–
Deferred tax liabilities	26	212	336
		2,442	2,336
Net assets		12,737	3,689



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Capital and reserves			
Share capital	28	2,022	1,632
Share premium	28	117,154	91,149
Reserves	29	(105,507)	(88,515)
		13,669	4,266
Non-controlling interests		(932)	(577)
Total equity		12,737	3,689

These consolidated financial statements on pages 90 to 166 were approved and authorised for issue by the Board of Directors on 27 March 2026 and signed on its behalf by

Chen Xicheng
Executive Director

Shum Ngok Wa
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to equity holders of the Company						Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000 (Note 28)	Share premium RMB'000 (Note 28)	Statutory reserves RMB'000 (Note 29(a))	Other reserves RMB'000 (Note 29(b))	Accumulated losses RMB'000	Total RMB'000		
At 1 January 2024	1,531	84,813	3,211	(9,600)	(76,380)	3,575	–	3,575
Loss for the year and total comprehensive loss for the year	–	–	–	–	(5,746)	(5,746)	(577)	(6,323)
Transactions with owners:								
<i>Contributions and distributions</i>								
Issue of shares (Note 28)	101	6,336	–	–	–	6,437	–	6,437
Transfer to statutory reserve	–	–	254	–	(254)	–	–	–
Total transactions with owners	101	6,336	254	–	(254)	6,437	–	6,437
At 31 December 2024	1,632	91,149	3,465	(9,600)	(82,380)	4,266	(577)	3,689
At 1 January 2025	1,632	91,149	3,465	(9,600)	(82,380)	4,266	(577)	3,689
Loss for the year and total comprehensive loss for the year	–	–	–	–	(16,992)	(16,992)	(359)	(17,351)
Transactions with owners:								
<i>Contributions and distributions</i>								
Issue of shares (Note 28)	390	26,005	–	–	–	26,395	–	26,395
Partial disposal of interest in a subsidiary without loss of control (Note (i))	–	–	–	–	–	–	4	4
Transfer to statutory reserve	–	–	36	–	(36)	–	–	–
Total transactions with owners	390	26,005	36	–	(36)	26,395	4	26,399
At 31 December 2025	2,022	117,154	3,501	(9,600)	(99,408)	13,669	(932)	12,737

Note:

- (i) On 17 January 2025, the Group disposed 49% of the equity interests in China Yesteel New Material Holdings Co., Limited (previously known as MaxV DFS Limited) ("China Yesteel") to Yesteel Holding Limited, which was wholly owned by Mr. Li Huaguo, who was appointed as an executive director of the Company on 22 January 2025 and resigned on 9 February 2026, at a cash consideration of approximately RMB4,000. Following the disposal, the Group's equity interests in China Yesteel has decreased from 100% to 51% and the Group retains majority ownership and continues to exercise control over China Yesteel. Accordingly, the transaction did not result in a loss of control.



CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Operating Activities			
Cash used in operations	31	(4,528)	(20,854)
Income tax paid		(147)	–
Net cash used in operating activities		(4,675)	(20,854)
Investing Activities			
Net cash outflow on acquisition of subsidiaries	27	(756)	–
Additions to intangible assets	17	(1,106)	–
Additions to right-of-use assets	16(a)	(198)	–
Net proceed from disposal of interest in a subsidiary without loss of control		4	–
Purchases of plant and equipment	15	(1,950)	(24)
Interest received		12	25
Net cash (used in) from investing activities		(3,994)	1
Financing Activities			
Net proceeds from issue of shares	28	26,395	6,437
New bank borrowings raised	31	33,052	17,313
New other borrowings raised	31	2,000	14,000
Repayment of bank borrowings	31	(21,365)	(17,976)
Repayment of other borrowings	31	(11,250)	(2,750)
Redemption of promissory notes	31	(6,574)	–
Interest paid on bank and other borrowings	31	(1,416)	(1,120)
Interest paid on promissory notes	31	(26)	–
Interest elements of lease payments	31	(41)	(88)
Principal elements of lease payments	31	(1,231)	(1,191)
Net cash from financing activities		19,544	14,625
Net increase (decrease) in cash and cash equivalents		10,875	(6,228)
Cash and cash equivalents at the beginning of reporting period		6,211	12,439
Cash and cash equivalents at the end of reporting period	22	17,086	6,211

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Defeng Solife Holdings Limited (*formerly known as Dowway Holdings Limited*) (the “Company”) was incorporated in the Cayman Islands on 28 April 2017 as an exempted company with limited liability under the Companies Law (Cap 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its issued shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the Company’s registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to this annual report.

The Company is an investment holding company and its subsidiaries (together with the Company collectively referred to as the “Group”) are principally engaged in design, planning, coordination and management of exhibitions, events and showrooms, and electronic commerce (“E-Commerce”) and other services in the People’s Republic of China (the “PRC”).

In the opinion of the directors of the Company, with effect from 25 November 2025, its immediate holding company has been changed from A&B Development Holding Limited, a company incorporated in the British Virgin Islands (the “BVI”) and wholly owned by Mr. Huang Xiaodi, an executive director of the Company, to Mr. Sun Wei (“Mr. Sun”), an executive director of the Company, together with CN BASE (BVI) Limited (“CN BASE”), collectively acting as the ultimate controlling shareholder of the Company (the “Controlling Shareholder”). The Controlling Shareholder holds a collective interest of approximately 35.48% in the Company, comprising approximately 18.60% held directly by Mr. Sun and approximately 16.88% held by CN BASE. CN BASE is a company incorporated in the BVI that is 40% owned by Mr. Sun and 60% owned by Ms. Xiao Fenfen, a party acting in concert with Mr. Sun.

Subsequent to the reporting period, the name of the Company was changed from Dowway Holdings Limited to Defeng Solife Holdings Limited. Details of which referred to Note 36 to the consolidated financial statements.

2. MATERIAL ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong. In addition, these financial statements also comply with applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”).

These consolidated financial statements have been prepared on the historical cost basis. The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company and the Group. All amounts are rounded to the nearest thousand (“RMB’000”) except when otherwise indicated.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Basis of preparation *(Continued)*

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the consolidated financial statements for the year ended 31 December 2024 except for the adoption of the amendments to HKFRS Accounting Standards that are relevant to the Group and effective from the current period as set out below.

It should be noted that accounting estimates and assumptions have been used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are set out in Note 4.

Adoption of revised HKFRS Accounting Standards

In the current year, the Group has adopted for the first time the following amendments to HKFRS Accounting Standards issued by the HKICPA, which is mandatorily effective for the Company's consolidated financial statements for the accounting period beginning on 1 January 2025.

Amendments to HKAS 21	Lack of Exchangeability
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Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Going concern

The Group recorded a net loss of approximately RMB17,351,000 and net cash outflow from operating activities of approximately RMB4,675,000 for the year ended 31 December 2025. At that date, the Group had total interest-bearing borrowings of approximately RMB31,000,000, out of which approximately RMB29,000,000 are repayable within 12 months, while the Group's cash and bank balances amounted to approximately RMB17,086,000. Also, the Group's current assets included contract assets of approximately RMB32,478,000 which have yet to be reclassified as trade receivables upon the certification or confirmation by the customers. There is a material uncertainty related to these matters that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Going concern *(Continued)*

The directors of the Company are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of the consolidated financial statements, after taking into consideration of the followings:

- (i) The Group continues to monitor the progress of the exhibition and event projects and ensure that they will be completed and the service fees will be received in the expected time frame;
- (ii) The Group is currently negotiating the repayment schedules with certain of its debtors and endeavoring to request them to repay the trade receivables in accordance with the repayment schedules agreed with them;
- (iii) The Group is continuously identifying new source of income to enhance profitability and strengthen operating cash flows;
- (iv) The Group is seeking for extension and renewal of its bank and other borrowings upon maturity; and
- (v) The ultimate controlling shareholder of the Company, Mr. Sun, has stated that he is willing to provide financial support to the Group to enable the Group to continue as a going concern and to settle its liabilities as and when they fall due.

Having regard to the cash flow projection of the Group, which are prepared assuming that the above measures are successful, the directors of the Company are of the opinion that, in light of the measures taken to-date, together with the expected results of the other measures in progress, the Group will have sufficient funding resources to satisfy its future working capital and other financing requirements.

The directors of the Company believe that the aforementioned measures will be successful, based on the continuous efforts by the management of the Group. However, should the above measures be unable to implement successfully, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively, and to provide for any further liabilities which might arise. The effects of these potential adjustments have not been reflected in the consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost.

Basis for consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. 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.

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by HKFRS Accounting Standards.

Allocation of total comprehensive income

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

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented within these notes, investment in subsidiaries is stated at cost less impairment loss, if any. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Plant and equipment

The following plant and equipment held for use in the production or supply of goods or services, or for administrative purpose are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

Motor vehicles	5 years
Equipment and furniture	3–5 years

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives of 7 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Impairment of non-financial assets, other than goodwill

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its plant and equipment, right-of-use assets, intangible assets and the Company's investment in subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. 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.

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group accounts for each lease component within a lease contract as a lease separately. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option — in which case depreciation is provided over the estimated useful life of the underlying asset) as follows:

Office premises	Over the term of lease
Motor vehicles	5 years
Warehouse	Over the term of lease



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

As lessee (Continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate;
- (c) amounts expected to be payable under residual value guarantees;
- (d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

As lessee (Continued)

A lease modification is accounted for as a separate lease if

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

- (a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.
- (b) the Group determines the lease term of the modified contract.
- (c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.
- (d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.
- (e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Recognition and derecognition (Continued)

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income; (iii) equity instrument measured at fair value through other comprehensive income; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVPL:

- (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include trade and other receivables, restricted bank balances and cash and bank balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are direct attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, and interest-bearing borrowings. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets and other items

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment of financial assets and other items *(Continued)*

Measurement of ECL *(Continued)*

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

- (i) past due information
- (ii) nature of instrument
- (iii) nature of collateral
- (iv) industry of debtors
- (v) geographical location of debtors

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment of financial assets and other items (Continued)

Assessment of significant increase in credit risk

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

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due, except for the receivables for which the Group has reasonable and supportable information to demonstrate that previous non-payments were an administrative oversight, instead of resulting from financial difficulty of the borrower, or that there is no correlation between significant increases in the risk of a default occurring and financial assets on which payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items (Continued)

Simplified approach of ECL

For trade receivables and contract assets without significant financing components or otherwise for which the Group applies the practical expedient not to account for the significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

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

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

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and demand deposits, and short-term, highly liquid investments which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired. Bank deposits which are restricted to use are included in "Restricted bank balances", which are excluded from cash and cash equivalents in the consolidated statement of cash flows. Cash and bank balances are assessed for ECL.

Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

Employee benefits

Pension obligations

The Group contributes on a monthly basis at certain percentage of the employee's salaries to various defined contribution retirement benefit plans organised by relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans. The contributions are recognised as employee benefit expense when they are due.

Housing funds

The PRC employees of the Group are also entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to those funds based on a certain percentage of the employee's salaries. The Group's liabilities in respect of these funds are limited to the contributions payable in each period. The Group has no legal or construction obligations to pay further contributions after payment of the fixed contributions.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue from contracts with customers within HKFRS 15

Revenue is recognised to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customers.

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

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

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

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

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

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group’s performance in satisfying the performance obligation:

- (i) direct measurements of the value transferred by the Group to the customer; or
- (ii) the Group’s efforts or inputs to the satisfaction of the performance obligation.

If a contract involves multiple services, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers within HKFRS 15 (Continued)

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

Costs to fulfil a contract

The Group incurs costs to fulfill a contract in its exhibition and trade show contracts. The Group first assesses whether these costs are qualified for recognition as an asset in terms of other relevant standards, failing which it recognises an asset for these costs only if they meet all of the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- (b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to ECL review.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. The customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Principal versus agent

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transactions which follows the accounting guidance for principal-agent considerations in HKFRS 15.

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

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue from the following major sources: 1) provision of exhibition and event related services and exhibition showroom related services; 2) E-commerce services. The Group's revenue recognition policies on each of these revenue sources are as follows:



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Provision of exhibition and event related services and exhibition showroom related services

The Group undertakes exhibition and event projects primarily as a project manager, and provides a comprehensive range of services which include design, planning, coordination and management of the exhibitions and events. The Group also provides the design, decoration and maintenance of exhibition showroom. Revenue from providing these services is recognised in the accounting period in which the services are rendered.

In the contract with the customer, a series of distinct exhibition and event related services has the same pattern of transferring the control of the services to the customer. Therefore, the series guidance is applied and the Group accounts for a series of distinct exhibition and event related services as one performance obligation. As the Group's performance does not create an asset with an alternative use to the Group and in accordance with the terms explicated in the service agreements, the Group has legal enforceable right to payment for performance completed to date and so revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation with the input method, under which, revenue is recognised on the basis of the Group's inputs to the satisfaction of a performance obligation relative to the total estimated inputs to the satisfaction of that performance obligation.

When applying the input method, the management makes estimates of the total costs based on the budget of each project which includes the expected timetable of the exhibition and the estimation of resources to be consumed, including labour hours and costs.

The estimation of the total costs and the extent of progress toward completion will be revised if circumstances change, for example, when the total costs incurred are different from the amounts that were initially budgeted. Budget cost of each project will be reviewed periodically and revised accordingly where significant variances are noted during the revision.

The Group usually receives payment from customers based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

E-commerce

Revenue from provision of IT solutions is recognised at a point in time upon satisfaction of each performance obligation, at which the customer obtains the control of the promised assets and / or services.

Revenue from one-stop value chain services represents selling consumer products on self-operated digital platform, which is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Revenue from SaaS platform services represents the provision of related handling services of selling consumer products, which is recognised at a point in time when the services are rendered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Taxation

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 for the current and prior periods 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.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of use assets.

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, 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, the carried forward 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, the carried forward unused tax credits and unused tax losses can be utilised, except in respect of deductible temporary differences associated with investments in subsidiaries, 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are 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. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match with the costs that the grants are intended to compensate.

Government grants relating to income is presented in gross under “Other gains and losses, net” in the profit or loss.

Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person’s family is related to the Group if 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 the parent of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Related parties *(Continued)*

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities 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. If the Group is itself such a plan, the sponsoring employers are also 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).
 - (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.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the consolidated financial statements provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
At amortised cost		
— Trade receivables	35,163	49,868
— Deposits and other receivables	600	927
— Restricted bank balances	—	1,000
— Cash and bank balances	17,086	6,211
	52,849	58,006
Financial liabilities		
At amortised cost		
— Trade and bills payables	49,166	73,689
— Accruals and other payables	7,596	5,161
— Interest-bearing borrowings	31,000	28,563
	87,762	107,413

Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the board of directors. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long term financial investments are managed to generate lasting returns with acceptable risk levels.

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Currency risk

Currency risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to currency exchange rate is minimal as substantially all of the Group's monetary assets and liabilities are denominated in RMB, which is same as the functional currency of the respective group entities.

Currently, the Group has not used derivative financial instruments to hedge against its foreign currency risk. The Group manages foreign currency risk by closely monitoring the proportion of its non-HK\$ and RMB assets and liabilities.

(b) Interest rate risk

The Group was exposed to fair value interest rate risk in relation to fixed rate interest-bearing borrowings, while the Group was exposed to cash flow interest rate risk in relation to its bank balances, which the directors considered the exposure and interest rate risk is insignificant.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

(c) Credit risk

The Group was exposed to credit risk in relation to its (i) trade receivables; (ii) deposits and other receivables; (iii) contract assets; and (iv) bank balances.

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of each reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

(c) Credit risk *(Continued)*

The Group implemented standardised management procedures over the processes of target customers' selection, monitoring and management of non-performing receivables and other aspects. Through implementation of relevant credit risk management policies and procedures, the optimisation of the portfolio of receivables, the Group is able to timely and effectively identify, monitor and manage its potential credit risks.

Changes in the economic environment will have an impact on the Group's receivables, and the adverse effects will increase the possibility of losses incurred by the Group. The management of the Group are responsible for the management of credit risks, and periodically report on the quality of assets to the directors of the Company.

Trade receivables and contract assets

For trade receivables and contract assets, in order to minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition is performed on each and every major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group does not require collateral in respect of its trade receivables.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry in which customers operate also has an influence on credit risk but to a lesser extent. At the end of reporting period, the Group has concentration of credit risk as 40% (2024: 24%) and 32% (2024: 32%) of the total trade receivables and contract assets of the Group, respectively, were due from the largest debtor and 82% (2024: 76%) and 89% (2024: 81%) of the total trade receivables and contract assets of the Group, respectively, were due from the largest five debtors, one of which is an information transmission and software company which is engaged in providing information transmission technology in the PRC and others were automobile companies which manufacture and sell cars in the PRC (2024: one of which was an information transmission and software company which was engaged in providing information transmission technology in the PRC and others were automobile companies which manufacture and sell cars in the PRC).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

(c) Credit risk *(Continued)*

Trade receivables and contract assets *(Continued)*

Should there be change in the strategic relationships with these major customers that might cause change in the cooperative arrangements; or if they experience financial difficulties themselves which in turn causes difficulties in their settling payables to the Group, the Group's revenue from these customers which are mainly communication technology and automobile companies might be adversely affected due to deterioration in recoverability of trade receivables and contract assets from them. To manage this risk, the Group's management team maintains frequent communications with their contacts at the customers to ensure the Group captures the most updated understanding about the customers' business status and assesses their credibility. In view of the smooth cooperation history with these customers and the sound collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding trade receivable and contract assets balances due from these companies is low.

For the rest of the customers, the management performs ongoing credit evaluation which focuses on the customers' history of making payments and current ability to pay. As for new customers, the management is responsible for managing and analysing the credit risk for each of their new customers before they offer such new customers standard payment and delivery terms and conditions. To do such assessment, various factors including their financial position and other factors about these new customers would be considered.

The Group applies HKFRS 9 simplified approach to measure the ECL which uses a lifetime expected loss allowance for all trade receivables and contract assets from initial recognition.

The impairment assessment under ECL model is performed on trade receivables and contract assets individually or based on provision matrix.

Except for customers with significant balances or credit-impaired, which are assessed for impairment individually, the remaining trade receivables and contract assets are grouped under a provision matrix based on shared credit risk characteristics by reference to the repayment history over a period of 12 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has considered that the gross domestic growth is the most relevant factor, and it is applied in the ECL model given some significant changes in the market indexes, and accordingly, adjusted the historical loss rates based on expected changes of the factor.

The directors of the Company are of the opinion that there has been no default occurred in respect of certain customers past due 90 days or more and the balances are still considered fully recoverable due to long term and on-going business relationship and good repayment record from these customers. As such, the directors of the Company consider that the presumption of default could be rebutted for certain customers.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY (Continued)

(c) Credit risk (Continued)

Trade receivables and contract assets (Continued)

The following table provides information about the exposure to credit risk and ECL for trade receivables at the reporting date.

At 31 December 2025	Automobile companies			Non-automobile companies			Advertising companies			E-commerce		
	Expected loss rate	Gross carrying amount		Expected loss rate	Gross carrying amount		Expected loss rate	Gross carrying amount		Expected loss rate	Gross carrying amount	
		RMB'000	RMB'000		RMB'000	RMB'000		RMB'000	RMB'000		RMB'000	RMB'000
0-90 days past due	3.0%	15,554	469	0.4%	10,809	48	0.0%	-	-	0.0%	3,766	-
91-180 days past due	3.1%	287	9	3.4%	233	8	0.0%	-	-	0.0%	-	-
Over 180 days past due	100.0%	1,641	1,641	85.5%	14,154	12,106	40.1%	5,010	2,010	0.0%	-	-
		17,482	2,119		25,196	12,162		5,010	2,010		3,766	-

At 31 December 2024	Automobile companies			Non-automobile companies			Advertising companies			E-commerce		
	Expected loss rate	Gross carrying amount		Expected loss rate	Gross carrying amount		Expected loss rate	Gross carrying amount		Expected loss rate	Gross carrying amount	
		RMB'000	RMB'000		RMB'000	RMB'000		RMB'000	RMB'000		RMB'000	RMB'000
0-90 days past due	0.9%	109	1	0.5%	27,321	134	-	-	-	-	12,088	-
91-180 days past due	0.8%	354	3	-	-	-	-	-	-	-	-	-
Over 180 days past due	100.0%	5,688	5,688	80.9%	10,253	8,296	32.6%	12,130	3,953	-	-	-
		6,151	5,692		37,574	8,430		12,130	3,953		12,088	-

Except for those customers that were found credit-impaired, the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets mainly based on the shared risk characteristics, and applying historical loss rate adjusted for forward-looking information to estimate the loss allowance of contract assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY (Continued)

(c) Credit risk (Continued)

Trade receivables and contract assets (Continued)

The following table provides information about the exposure to credit risk and ECL for contract assets at reporting date.

	Automobile companies			Non-automobile companies			Advertising companies		
	Expected loss rate	Gross carrying amount RMB'000	Expected credit loss RMB'000	Expected loss rate	Gross carrying amount RMB'000	Expected credit loss RMB'000	Expected loss rate	Gross carrying amount RMB'000	Expected credit loss RMB'000
At 31 December 2025	8.3%	2,308	191	27.6%	41,946	11,585	100%	9,500	9,500
At 31 December 2024	6.5%	20,160	1,314	29.0%	41,557	12,053	47.2%	9,500	4,485

The movement of loss allowance provision for trade receivables and contract assets were as follows:

	Trade receivables		Contract assets		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
At 1 January	18,075	16,122	17,852	17,673	35,927	33,795
Written off	(3,323)	–	(230)	–	(3,553)	–
Net allowance for ECL recognised during the year	1,539	1,953	3,654	179	5,193	2,132
At 31 December	16,291	18,075	21,276	17,852	37,567	35,927

For the year ended 31 December 2025, the decrease in loss allowance on trade receivables was mainly due to the decrease in long-overdue trade receivables. For the year ended 31 December 2024, the increase in loss allowance on trade receivables was mainly due to the increase in long-overdue trade receivables.

For the year ended 31 December 2025, the increase in loss allowance on contract assets was mainly attributable to the full impairment of contract assets related to advertising companies.

At 31 December 2025, the Group had trade receivables and contract assets with gross amounts of approximately RMB3,931,000 (2024: approximately RMB5,984,000) and RMB20,893,000 (2024: approximately RMB11,671,000) respectively, being credit-impaired since the management of the Group considers these balances are unlikely to be recoverable or partially recoverable. At 31 December 2025 and 2024, the credit-impaired trade receivables and contract assets were fully impaired.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

(c) Credit risk *(Continued)*

Trade receivables and contract assets *(Continued)*

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a long period. During the year ended 31 December 2025, trade receivables and contract assets of approximately RMB3,323,000 and RMB230,000 respectively, were written off directly to profit or loss and are subject to enforcement activity.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised cost

Deposits and other receivables are closely monitored for recoverability and collectability and the Group maintains close communications with the counterparties. The Group uses the past-due information of counterparties to assess whether credit risk has increased significantly since initial recognition. At the reporting date, the balances were not past due, and based on historical experience, majority of these balances were settled shortly upon maturity, hence the associated credit risk is minimal. The management considers that the identified impairment loss under expected credit loss model is immaterial.

The Group's bank balances are placed in reputable financial institutions with sound credit ratings assigned by international credit rating agencies. The management believes there is no significant credit risk of loss on such assets.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables / contract assets	Other financial assets
Performing	The counterparty has a low to moderate risk of default and does not have any past-due amounts	Lifetime ECL — not credit-impaired	12-month ECL
Underperforming	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Non-performing	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY (Continued)

(c) Credit risk (Continued)

Other financial assets at amortised cost (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and other items which are subject to ECL assessment:

	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount 2025 RMB'000	Gross carrying amount 2024 RMB'000
Financial assets at amortised cost:					
Trade receivables	19	Performing	Lifetime ECL (not credit-impaired)	30,648	39,518
		Underperforming	Lifetime ECL (not credit-impaired)	16,875	22,441
		Non-performing	Lifetime ECL (credit-impaired)	3,931	5,984
Contact assets	20	Performing	Lifetime ECL (not credit-impaired)	28,324	49,451
		Underperforming	Lifetime ECL (not credit-impaired)	4,537	10,095
		Non-performing	Lifetime ECL (credit-impaired)	20,893	11,671
Deposits and other receivables, excluding prepayments for goods and services	21	Performing	12-month ECL (not credit-impaired)	600	927
Restricted bank balances and cash and bank balances	22	N/A	12-month ECL	17,086	7,211



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY (Continued)

(d) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group's finance department. The Group's finance department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The directors have carried out a detailed review of the cash flow forecast of the Group covering a period of not less than twelve months from the date of this report and other measures taken by the management as referred to in Note 2 to the consolidated financial statements, and consider that the Group will have sufficient working capital to meet its financial obligations as they fall due.

The table below analyses the non-derivative financial liabilities and lease liabilities of the Group into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table were the contractual undiscounted cash flows and the earliest date the Group can be required to pay. Balances within 1 year other than bank borrowings and lease liabilities, equal their carrying balances as impact from discounting is not significant.

	Weighted average interest rate	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2025						
Trade and other payables (excluding accrued employee benefits and other taxes)	N/A	56,762	-	-	56,762	56,762
Interest-bearing borrowings	4.65%	29,793	2,120	-	31,913	31,000
Lease liabilities (Note 16(b))	3.18%	175	105	134	414	395
		86,730	2,225	134	89,089	88,157
At 31 December 2024						
Trade, bills and other payables (excluding accrued employee benefits and other taxes)	N/A	78,850	-	-	78,850	78,850
Interest-bearing borrowings	3.92%	27,658	2,253	-	29,911	28,563
Lease liabilities (Note 16(b))	4.41%	1,364	-	-	1,364	1,332
		107,872	2,253	-	110,125	108,745

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

(e) Capital risk management

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

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 or sell assets to reduce debts. 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.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total interest-bearing borrowings divided by total equity.

The gearing ratios were as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Total interest-bearing borrowings	31,000	28,563
Total equity	12,737	3,689
Gearing ratio	243.39%	774.27%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the management to make judgements, estimates and assumptions that affect the adoption of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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.

(a) Measurement of progress of exhibitions and events for revenue recognition

The Group measures progress of exhibitions and events and recognises its revenue according to the proportion of actual costs of work performed to date as compared to total budgeted costs of projects. Due to the nature of the activities undertaken in these projects, the date at which the project activities are entered into and the date when the activities are completed may fall into different accounting periods.

The management estimates the revenue and budgeted costs at the commencement of the exhibitions and events and regularly assesses the progress as well as the financial impact of scope changes, claims, disputes and liquidation damages. Budgeted costs which mainly comprise labor costs, subcontracting charges, material and consumables and other costs are estimated by the management. Any significant variances in estimations of the budgeted costs will impact the measurement of progress which drives the revenue recognition of works in an accounting period. The management constantly conducts periodic review of the relevance of budgets by reviewing the actual amounts incurred and comparing with previous estimated amounts in order to mitigate the exposure to significant variances.

(b) Current and deferred income tax

The Group is subject to income taxes in the PRC. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences would impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimates, such difference will impact the recognition of current and deferred income tax in the period in which such estimates are changed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(c) Allowance for ECL on trade receivables and contract assets

ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions. The Group performs impairment assessment under ECL model on trade receivables and contract assets individually or based on provision matrix.

Except for customers with significant balances or credit-impaired, which are assessed for impairment individually, the Group uses provision matrix to calculate the ECL for its trade receivables and contract assets. The provision rates are based on internal credit ratings as groupings of various debtors that have similar credit risk characteristics. The provision matrix is based on relevant historical loss rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the estimated loss rates are reassessed and changes in forward-looking information are considered.

The assessment requires management judgement and estimates. Where the actual outcome or expectation in future is different from original estimate, such differences will impact the carrying amount of trade receivables and contract assets and credit loss allowance in the period in which the estimate has been changed.

(d) Impairment of non-financial assets, other than goodwill and non-current assets relating to Yi-commerce Holding Limited and its subsidiaries (collectively referred to as the “Yi-commerce Group”)

Plant and equipment, right-of-use assets and intangible assets are stated at costs less accumulated depreciation / amortisation and impairment losses, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test. No impairment losses were recognised during the year ended 31 December 2025.

(e) Acquisition of subsidiaries

The initial accounting on the acquisition of subsidiaries involves identifying and determining the fair value to be assigned to the identifiable assets and liabilities of the acquired entities. The fair values of the identified assets and liabilities are determined by reference to the valuation performed by an independent professional valuer where applicable. Any changes in the assumptions used and estimates made in determining the fair value will impact the carrying amount of these assets and liabilities. Details of the acquisition are disclosed in Note 27 to the consolidated financial statements.

(f) Impairment of goodwill and non-current assets relating to Yi-commerce Group

The Group determines whether goodwill and non-current assets of Yi-commerce Group are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating unit (the “CGU”) to which the goodwill and non-current assets of Yi-commerce Group are allocated. Estimating the value in use (the “VIU”) requires the Group to make an estimate of the expected cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of the impairment assessment of goodwill and non-current assets of Yi-commerce Group are disclosed in Note 18 to the consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FUTURE CHANGES IN HKFRS ACCOUNTING STANDARDS

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new / revised HKFRS Accounting Standards that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ⁽¹⁾
Annual Improvements to HKFRS Accounting Standards	Volume 11 ⁽¹⁾
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ⁽¹⁾
HKFRS 18	Presentation and Disclosure in Financial Statements ⁽²⁾
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁽²⁾
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency ⁽²⁾
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽³⁾

⁽¹⁾ Effective for annual periods beginning on or after 1 January 2026

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

⁽³⁾ The effective date to be determined

HKFRS 18 *“Presentation and Disclosure in Financial Statements”*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *“Presentation of Financial Statements”*. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of HKFRS 18 may affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

Save as disclosed above, the directors do not anticipate that the adoption of the new / revised HKFRS Accounting Standards in future periods will have any material impact on consolidated position or performance.

6. SEGMENT INFORMATION

HKFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the chief operating decision maker (the “CODM”) of the Group, being the executive directors of the Company, for the purpose of resources allocation and performance assessment.

The Group’s reportable and operating segments under HKFRS 8 are as follows:

1. Exhibition and event related business
2. Advertisement related business
3. E-commerce business

The Group’s operating segments are strategic business units that offer different services. They are managed separately because each business requires different marketing strategies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (Continued)

Segment revenues and results

Segment results represent the profit or loss by each segment without allocation of finance costs, net, corporate incomes and expenses, which is the measure reported to CODM for the purposes of resource allocation and assessment of segment performance.

Year ended 31 December 2025

	Exhibition and event related services RMB'000	Advertisement related services RMB'000	E-commerce RMB'000	Total RMB'000
Revenue from external customers and reportable segment revenue	87,340	–	7,180	94,520
Results of reportable segments	(3,638)	(3,072)	668	(6,042)
Corporate income				871
Corporate expenses				(10,817)
Operating loss				(15,988)
Finance costs, net				(1,471)
Loss before income tax				(17,459)
Income tax credit				108
Loss for the year				(17,351)
Segment results include:				
Depreciation of right-of-use assets	959	–	102	1,061
Depreciation of plant and equipment	56	–	10	66
Written off of plant and equipment	13	–	–	13
Amortisation of intangible assets	–	–	164	164
Provision for ECL on trade receivables and contract assets, net	2,121	3,072	–	5,193
Provision for ECL on prepayments	382	–	–	382
Settlement discount from suppliers	(4,436)	–	–	(4,436)
Other segment information:				
Addition to right-of-use assets*	340	–	350	690
Addition to plant and equipment*	1,950	–	31	1,981
Addition to intangible assets*	–	–	2,251	2,251
Addition to goodwill*	–	–	7,647	7,647

* The amounts included additions through acquisition of subsidiaries.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

Year ended 31 December 2024

	Exhibition and event related services RMB'000	Advertisement related services RMB'000	E-commerce RMB'000	Total RMB'000
Revenue from external customers and reportable segment revenue	122,716	–	17,448	140,164
Results of reportable segments	1,344	212	(589)	967
Corporate income				237
Corporate expenses				(6,603)
Operating loss				(5,399)
Finance costs, net				(1,183)
Loss before income tax				(6,582)
Income tax credit				259
Loss for the year				(6,323)
Segment results include:				
Depreciation of right-of-use assets	1,152	–	–	1,152
Depreciation of plant and equipment	60	–	–	60
Written off of plant and equipment	448	–	–	448
Reversal of ECL on prepayments	(79)	–	–	(79)
Provision for (Reversal of) ECL on trade receivables and contract assets, net	2,344	(212)	–	2,132
Settlement discount from suppliers	(5,937)	–	–	(5,937)
Other segment information:				
Addition to plant and equipment [#]	15	–	–	15

[#] The amount did not include addition of right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

No information of segment assets and liabilities is reviewed regularly by the CODM for resource allocations and the assessment of performance of operating segments. Therefore, only the segment revenue and segment results are presented.

Geographical information

The Group's revenue is derived from within the PRC, and the non-current assets are substantially located in the PRC, hence no geographical analysis information is presented.

Information about major customers

Revenue from customers (presented by entities under common control, if appropriate) of the corresponding years individually contributing over 10% of the Group's revenue is as follows:

	2025 RMB'000	2024 RMB'000
Exhibition and event related services		
Customer A	29,910	35,390
Customer B	16,415	<i>(Note)</i>
Customer C	<i>(Note)</i>	16,637
Customer D	<i>(Note)</i>	15,257
E-commerce		
Customer E	<i>(Note)</i>	17,419

Note: The customer contributed less than 10% of the total revenue of the Group from the relevant year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. REVENUE

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within HKFRS 15		
— Over time		
Exhibition and event related services	78,419	117,582
Exhibition showroom related services	8,921	5,134
	87,340	122,716
— At a point in time		
One-stop value chain services	615	15,959
Provision of IT solutions	6,470	—
SaaS platform services	95	1,489
	7,180	17,448
	94,520	140,164

Substantially all revenue contracts are for one year or less. As permitted by the practical expedient under HKFRS 15, the transaction price allocated to the unsatisfied contracts at the end of the reporting period is not disclosed.

8. OTHER GAINS AND LOSSES, NET

	2025 RMB'000	2024 RMB'000
Government grant (<i>Note</i>)	32	118
Exchange gain (loss), net	239	(179)
Settlement discount from suppliers	4,436	5,937
Written off of plant and equipment (<i>Note 15</i>)	(13)	(448)
Penalty income	—	291
(Provision for) Reversal of ECL on prepayments	(382)	79
Handling fee income	402	—
Others	352	7
	5,066	5,805

Note: During the year ended 31 December 2025, the Group received government grant of approximately RMB32,000 (2024: approximately RMB118,000) in accordance with the government tax policy. Such amount has been recognised as other income because the Group has fulfilled conditions and other contingencies attached to the receipts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived after charging (crediting):

	2025 RMB'000	2024 RMB'000
Cost of sales and services by revenue streams:		
— Exhibition and event related services	65,173	102,595
— Exhibition showroom related services	8,893	4,917
— One-stop value chain services	614	15,926
— Provision of IT solutions	2,565	–
— SaaS platform services	11	300
	77,256	123,738
Included in cost of services:		
— Materials and consumables costs	38,608	63,962
— Venue and equipment related charges	13,921	19,978
— Design and services fee	12,380	12,092
— Subcontracting labour fee	4,654	3,979
Employee benefit expenses, including directors' emoluments (Note 10) (Note i)	25,364	16,157
Depreciation on plant and equipment (Note 15) (Note ii)	66	60
Depreciation on right-of-use assets (Note 16(a)) (Note iii)	1,061	1,152
Amortisation on intangible assets (Note 17) (Note iv)	164	–
Expenses relating to short-term leases (Note 16(c)) (Note v)	1,133	1,376
Auditor's remuneration	1,226	1,127
Professional services and consultancy fees	6,284	4,722
Net allowance for ECL on:		
— Trade receivables (Note 3(c))	1,539	1,953
— Contract assets (Note 3(c))	3,654	179
	5,193	2,132
Provision for (Reversal of) ECL on prepayments (Note 21)	382	(79)

Notes:

- (i) Total staff costs of approximately RMB8,574,000 and RMB16,790,000 (2024: approximately RMB7,552,000 and RMB8,605,000) have been charged to cost of services and administrative expenses for the year ended 31 December 2025, respectively.
- (ii) Total depreciation of plant and equipment of approximately RMB25,000 and RMB41,000 (2024: approximately RMB20,000 and RMB40,000) has been charged to cost of services and administrative expenses for the year ended 31 December 2025, respectively.
- (iii) Total depreciation of right-of-use assets of approximately RMB1,061,000 (2024: approximately RMB1,152,000) has been charged to administrative expenses for the year ended 31 December 2025.
- (iv) Total amortisation of intangible assets of approximately RMB164,000 (2024: Nil) has been charged to cost of services for the year ended 31 December 2025.
- (v) Total operating lease expense in respect of short-term leases of approximately RMB1,133,000 (2024: approximately RMB1,376,000) has been charged to cost of services for the year ended 31 December 2025.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. EMPLOYEE BENEFIT EXPENSES

	2025 RMB'000	2024 RMB'000
Wages and salaries	21,567	12,743
Pension scheme and other social security costs	2,814	2,576
Housing benefits	561	398
Other costs and benefits	422	440
	25,364	16,157

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included three (2024: four) directors whose emoluments are reflected in the analysis shown in Note 33. Details of the remuneration for the year of the remaining two (2024: one) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Wages and salaries	1,379	312
Pension scheme and other social security costs	34	83
Housing benefits	–	16
	1,413	411

The number of highest paid employees who are not directors whose remuneration fell within the following band

	Number of individuals	
	2025	2024
Emoluments band Nil to HK\$1,000,000	2	1

No bonuses had been paid to the Company's non-director highest paid employees for the year ended 31 December 2025 (2024: Nil).

During the year ended 31 December 2025, no emolument (2024: Nil) was paid or payable by the Group to any of the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of these highest paid non-director individuals waived or had agreed to waive any emoluments during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

11. FINANCE COSTS, NET

	2025 RMB'000	2024 RMB'000
Finance income		
Interest income on bank balances and deposits	12	25
Finance costs		
Interest expense on bank and other borrowings	(1,416)	(1,120)
Interest on lease liabilities (<i>Note 16(c)</i>)	(41)	(88)
Interest expense on promissory note	(26)	–
	(1,483)	(1,208)
Finance costs, net	(1,471)	(1,183)

12. INCOME TAX

	2025 RMB'000	2024 RMB'000
Current tax		
— PRC enterprise income tax (“EIT”)	97	29
Deferred tax (<i>Note 26</i>)	(205)	(288)
Total income tax credit for the year	(108)	(259)

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which entities in the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax under these jurisdictions.

The PRC EIT is calculated at 25% (2024: 25%) of the estimated assessable profits of subsidiaries operating in the PRC for the year ended 31 December 2025.

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%. Accordingly, the Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. The Group did not generate any assessable profits arising in Hong Kong for the years ended 31 December 2025 and 2024.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. INCOME TAX (Continued)

The income tax credit for the year can be reconciled to the loss before income tax as follows:

	2025 RMB'000	2024 RMB'000
Loss before income tax	(17,459)	(6,582)
Tax expense calculated at applicable PRC statutory tax rate of 25%	(4,365)	(1,645)
Difference in tax rates	1,297	919
Income not taxable for tax purposes	(6)	(4)
Expenses not deductible for tax purposes	1,941	735
Tax effect of unrecognised tax losses	1,291	1,776
Tax effect of unrecognised deductible temporary differences	1,372	216
Tax concession	(382)	(50)
Utilisation of previously unrecognised tax losses	(1,256)	(2,206)
Income tax credit	(108)	(259)

At 31 December 2025, the Group has estimated unused tax losses and deductible temporary differences in respect of expected credit losses and lease liabilities arising in the PRC of approximately RMB33,872,000 and RMB44,351,000 (2024: approximately RMB33,732,000 and RMB38,863,000) respectively. The estimated unused tax losses will be available for offsetting against future profits for a maximum period of five years from the reporting date.

The Group has not recognised deferred tax assets in respect of the tax losses, as set out below, because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The unrecognised tax losses will expire as follows:

	2025 RMB'000	2024 RMB'000
Year 2025	–	1,628
Year 2026	370	3,766
Year 2027	11,287	11,287
Year 2028	9,946	9,946
Year 2029	7,105	7,105
Year 2030	5,164	–
	33,872	33,732

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

13. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2025	2024
Loss attributable to equity holders of the Company (<i>in RMB'000</i>)	(16,992)	(5,746)
Weighted average number of ordinary shares in issue (<i>thousand</i>)	142,419	122,577
Basic loss per share (<i>in RMB cents</i>)	(11.93)	(4.69)

There were no dilutive potential ordinary shares during the years ended 31 December 2025 and 2024, and therefore, diluted loss per share is the same as the basic loss per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

14. SUBSIDIARIES

The Group's principal subsidiaries at the end of reporting period are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly or indirectly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of incorporation and kind of legal entity	Principal activities and place of operation	Registered / Issued capital	Ownership interest held by the Company			
				Directly		Indirectly	
				2025	2024	2025	2024
Dowway International Company Limited	Hong Kong, limited liability company*	Investment holding / Hong Kong	HK\$1	100%	100%	-	-
Sky Star Holding Limited	The BVI, limited liability company*	Investment holding / Hong Kong	United States Dollars ("US\$") 50,000	100%	100%	-	-
Yi-commerce Holding Limited	The BVI, limited liability company*	Investment holding / Hong Kong	US\$50,000 (2024: N/A)	100%	-	-	-
Beijing Dowway International Exhibition Company Limited [†] ("Beijing Dowway")	The PRC, limited liability company [#]	Exhibition and event related services / The PRC	RMB40,000,000 (2024: RMB 54,000,000)	-	-	100%	100%
Beijing Dowway Cultural Technology Company Limited [®] ("Dowway Cultural")	The PRC, limited liability company [®]	Exhibition showroom related services / The PRC	RMB3,200,000	-	-	100%	100%
伊宜網路科技(南京)有限公司	The PRC, limited liability company [#]	Provision of IT solutions and SaaS platform services / The PRC	HK\$3,000,000 (2024: N/A)	-	-	100%	-
天星數智(鄂州)資訊科技有限公司	The PRC, limited liability company [#]	E-commerce and Provision of IT solutions / The PRC	HK\$1,000,000	-	-	51%	51%
天星數智(武漢)信息技術有限公司	The PRC, limited liability company [#]	E-commerce / The PRC	HK\$1,000,000	-	-	51%	51%

* Registered as company limited by shares under Hong Kong / BVI law.

[#] Registered as wholly foreign owned enterprises under the PRC law.

[®] Registered as limited liability company wholly owned by Beijing Dowway under the PRC law.

[†] English translation for identification purpose only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. PLANT AND EQUIPMENT

	Motor vehicles <i>RMB'000</i>	Equipment and furniture <i>RMB'000</i>	Total <i>RMB'000</i>
Reconciliation of carrying amount			
— Year ended 31 December 2024			
At 1 January 2024	151	596	747
Additions	—	24	24
Depreciation charged (<i>Note 9</i>)	—	(60)	(60)
Written-off (<i>Note 8</i>)	(57)	(391)	(448)
At 31 December 2024	94	169	263
Reconciliation of carrying amount			
— Year ended 31 December 2025			
At 1 January 2025	94	169	263
Acquisition of subsidiaries (<i>Note 27</i>)	—	31	31
Additions	—	1,950	1,950
Depreciation charged (<i>Note 9</i>)	—	(66)	(66)
Written-off (<i>Note 8</i>)	(13)	—	(13)
At 31 December 2025	81	2,084	2,165
At 31 December 2024			
Cost	2,064	4,565	6,629
Accumulated depreciation	(1,970)	(4,396)	(6,366)
	94	169	263
At 31 December 2025			
Cost	1,888	6,546	8,434
Accumulated depreciation	(1,807)	(4,462)	(6,269)
	81	2,084	2,165



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

16. LEASES

(a) Right-of-use assets

The Group has lease contracts for offices premises, warehouse and motor vehicles used for its operation. Those leases generally run for an initial period of two to five years (*2024: two years*). There are no lease contracts that include variable lease payments. No extension or termination options, nor variable lease payments, were contained in the above lease contracts.

During the year ended 31 December 2025, the Group obtained a waiver of rental expenses of an office lease contract from a landlord. The waiver is accounted for as lease modification at the date on which both parties agreed to the changes (i.e. the amount of the rental waiver).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The carrying amounts of the right-of-use assets and the movements during the year are as follows:

	Offices premises <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Warehouse <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	2,495	–	–	2,495
Depreciation charged (<i>Note 9</i>)	(1,152)	–	–	(1,152)
At 31 December 2024 and 1 January 2025	1,343	–	–	1,343
Additions	218	340	132	690
Modification of lease	(198)	–	–	(198)
Depreciation charged (<i>Note 9</i>)	(1,033)	(6)	(22)	(1,061)
At 31 December 2025	330	334	110	774

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

16. LEASES (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	Offices premises <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Warehouse <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	2,523	–	–	2,523
Accretion of interest during the year	88	–	–	88
Principal elements of lease payments	(1,191)	–	–	(1,191)
Interest elements of lease payments	(88)	–	–	(88)
At 31 December 2024 and 1 January 2025	1,332	–	–	1,332
Additions	218	142	132	492
Accretion of interest during the year	37	1	3	41
Modification of lease	(198)	–	–	(198)
Principal elements of lease payments	(1,208)	(3)	(20)	(1,231)
Interest elements of lease payments	(37)	(1)	(3)	(41)
At 31 December 2025	144	139	112	395



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

16. LEASES (Continued)

(b) Lease liabilities (Continued)

	2025 RMB'000	2024 RMB'000
Analysed into:		
Current portion	165	1,332
Non-current portion	230	–
	395	1,332

The weighted average incremental borrowing rates applied to lease liabilities was 3.18% (2024: 4.41%). The total movement and cash outflow for leases and the maturity analysis of the lease liabilities are disclosed in Note 31 to the consolidated financial statements, respectively.

The maturity analysis of lease liabilities is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	175	1,364
Over one year but within two years	105	–
Over two years but within five years	134	–
Total lease payments	414	1,364
Less: Future finance charges	(19)	(32)
	395	1,332

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

16. LEASES (Continued)

(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 (Note 11)	41	88
Depreciation charged on right-of-use assets (Note 9)	1,061	1,152
Expenses relating to short-term leases (Note 9)	1,133	1,376
	2,235	2,616

(d) Leases committed

At 31 December 2025 and 2024, the Group did not enter into any new leases that are not yet commenced.

At 31 December 2025 and 2024, there were no commitments on short-term leases or low-value asset leases.

17. INTANGIBLE ASSETS

	Software RMB'000
Reconciliation of carrying amount — Year ended 31 December 2025	
At 1 January 2025	—
Acquisition of subsidiaries (Note 27)	1,145
Additions	1,106
Amortisation (Note 9)	(164)
	2,087
At 31 December 2025	2,087
At 31 December 2025	
Cost	2,251
Accumulated amortisation	(164)
	2,087

All intangible assets are available for use at 31 December 2025.

Impairment assessments

The Group carried out impairment test for intangible assets where an indicator of impairment appears by comparing their recoverable amounts to their carrying amounts at the end of each reporting period.

At 31 December 2025, the management is of the view that the intangible assets were not impaired as their recoverable amounts as included in the value-in-use ("VIU") calculation on the Yi-Commerce Group CGU (as defined and detailed in Note 18 to the consolidated financial statements) exceed their carrying amounts.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

18. GOODWILL

	2025 RMB'000
Reconciliation of carrying amount	
At the beginning of the reporting period	–
Additions (Note 27)	7,647
At the end of the reporting period	7,647
Cost	7,647
Accumulated impairment losses	–
	7,647

On 30 April 2025, the Company acquired the entire equity interests in Yi-commerce Group at a consideration of HK\$8,000,000 (equivalent to approximately RMB7,517,000) as set out in Note 27 in the consolidated financial statements. The Yi-Commerce Group is engaged in provision of IT solutions and SaaS platform services, value chain management services and blockchain technology (the “Yi-commerce Group CGU”), which is under the segment of E-commerce. Details of the acquisition are disclosed in Note 27 to the consolidated financial statements. The excess of the consideration over the acquisition date fair value of the identifiable assets acquired and the liabilities assumed of approximately RMB7,647,000 was recognised as goodwill.

Impairment assessment of goodwill and non-current assets of the Yi-commerce Group

The Group has engaged an independent valuer to provide assistance in assessing the recoverable amount of the Yi-commerce Group CGU at 31 December 2025 with reference to a VIU calculation based on the cash flow projection of the Yi-commerce Group CGU. Other than goodwill, the non-current assets of Yi-commerce Group CGU comprises of plant and equipment of approximately RMB21,000, right-of-use assets of approximately RMB96,000, and intangible assets of approximately RMB2,087,000. The VIU calculation adopted a cash flow projection based on financial budgets approved by the directors of the Company covering a 5-year forecast from 2026 to 2030. Cash flows beyond the 5-year period have been extrapolated using a 3.0% long-term growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

At 31 December 2025, the recoverable amount of the Yi-commerce Group CGU based on the VIU calculation exceeded the carrying amount of goodwill and non-current assets associated with the Yi-commerce Group CGU. Hence, no impairment loss was recognised on the goodwill and non-current assets associated with the Yi-commerce Group CGU for the year ended 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

18. GOODWILL (Continued)

Key assumptions used and approach in determining the key assumptions

	2025
Average gross profit margin	80%
Average growth rate	20%
Long-term growth rate	3%
Discount rate	13%

Management determined the budgeted gross profit margin and growth rate based on past performance and the expectation of market development. The discount rate used is pre-tax and reflects specific risks relating to the Yi-commerce Group CGU.

The management considers that any reasonably possible change in the key assumptions used in the VIU calculation on the Yi-commerce Group CGU would not cause an impairment loss at 31 December 2025.

19. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	51,454	67,943
Less: Loss allowance (Note 3(c))	(16,291)	(18,075)
Trade receivables, net	35,163	49,868
Arising from:		
Exhibition and event related services	28,397	29,603
Advertising related services	3,000	8,177
E-commerce	3,766	12,088
	35,163	49,868



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. TRADE RECEIVABLES *(Continued)*

The Group provided customers with credit period ranging from 30 to 120 (2024: 30 to 120) days from the date on which invoice was issued. The credit terms of each customer of the Group were determined by the Group's sales team and were subject to review and approval of the Group's management based on the customers' payment history, transaction volume and length of business relationship with the Group.

All outstanding trade receivables balances were being reviewed by the Group's sales department on a regular basis to ensure that any overdue receivable was promptly monitored and appropriate collection actions were taken. The Group's sales department would follow up on the collections and the Group's accounting department would monitor the progress of collection. For those material long outstanding balances, legal actions would be taken for debt collection. During the year ended 31 December 2025, the Group had taken legal actions for debt collection amounting to approximately RMB503,000. During the year ended 31 December 2024, no legal actions were taken by the Group for debt collection.

The following is an aging analysis of trade receivables (net of loss allowance) at the end of the reporting period presented based on invoice date:

	2025 RMB'000	2024 RMB'000
Up to 90 days	29,612	35,895
91 to 180 days	217	3,498
Over 180 days	5,334	10,475
	35,163	49,868

The following is an aging analysis of trade receivables (net of loss allowance) at the end of the reporting period presented based on due date:

	2025 RMB'000	2024 RMB'000
Not yet due	28,979	36,444
Past due:		
Within 90 days	633	2,939
91 to 180 days	503	351
Over 180 days	5,048	10,134
	6,184	13,424
	35,163	49,868

Information about the Group's exposure to credit risks and loss allowance for trade receivables is included in Note 3(c) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

20. CONTRACT ASSETS

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

	2025 RMB'000	2024 RMB'000
Current contract assets related to contracts with customers	53,754	71,217
Less: Loss allowance (<i>Note 3(c)</i>)	(21,276)	(17,852)
Contract assets, net	32,478	53,365

The balance represented the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the exhibition and events completed by the Group and the work is pending for the certification and confirmation by the customers. The contract assets are transferred to trade receivables when the rights become unconditional, which typically occurs only when both of the following conditions are met: (i) the Group obtains the customers' certification or confirmation of the completed exhibitions, events, and advertising services, and (ii) at the time of billing.

The Group applied the simplified approach to provide for expected credit losses prescribed by HKFRS 9 and the movement in the loss allowance of contract assets was set forth in Note 3(c).

The Group classifies these contract assets as current assets because the Group expects to realise them in its normal operating cycle.

At the end of the reporting period, the carrying amounts of contract assets were expected to be realised within one year (*2024: Same*).

There was a decrease in the overall contract activities and customer base of the Group for the years ended 31 December 2025 and 2024 and less contracts were signed at the end of the reporting period, thereby decreasing the amount arising from the recognition of revenue.

The movements of contract assets (before loss allowance and excluding those arising from increases and decreases both occurred within the same year) from contracts with customers within HKFRS 15 during the years are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	71,217	54,742
Recognition of revenue	28,322	45,568
Transferred to trade receivables	(45,785)	(29,093)
At 31 December	53,754	71,217



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

21. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Deposits (Note i)	360	336
Other receivable	240	–
Loans to employees (Note ii)	–	591
	600	927
Prepayments		
Prepayment for consumable items (Note iii)	4,128	3,233
Prepayment to suppliers for services (Note iv)	14,720	16,510
	18,848	19,743
Less: Loss allowance on prepayments	(1,986)	(1,604)
Prepayments and other receivables, net	17,462	19,066

Notes:

- (i) Balances represent rental deposits for properties.
- (ii) Balances represented the loans to employees, which were unsecured, interest-free, and fully settled during the year.
- (iii) Balances represent the prepayments for consumable items to be used for exhibition and events related business.
- (iv) Balances mainly represent the prepaid selling expenses and prepayment to subcontractors or suppliers for exhibition and events related business. In some situations, when the Group enters into service agreements with respective suppliers, it is required to make some prepayment to secure the suppliers' services, the venues which the exhibitions and events are held and the rental of materials or equipment. The prepayment would be utilised when the Group has provided the services to the customers.

The directors of the Company reassessed the possibility of realisation of the prepayments and recognised impairment loss of approximately RMB1,986,000 (2024: approximately RMB1,604,000) at 31 December 2025 due to the doubtful realisation of these assets which are unlikely to generate future economic benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

22. RESTRICTED BANK BALANCES AND CASH AND BANK BALANCES

	2025 RMB'000	2024 RMB'000
Restricted bank balances	–	1,000
Cash at banks	17,086	6,211

At 31 December 2024, restricted bank balances comprised deposits of RMB1,000,000 pledged to certain banks as security for certain banking facilities (Note 25).

Cash at banks earns interest at floating rates based on daily bank deposit rates.

At 31 December 2025, the cash and cash equivalents of the Group denominated in HK\$ and US\$ amounted to approximately RMB642,000 and RMB162,000 (2024: approximately RMB558,000 and RMB168,000), respectively. The Group has cash and cash equivalents denominated in RMB amounting to approximately RMB16,282,000 (2024: approximately RMB6,485,000) and were kept in the PRC. The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, 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.

23. TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade and bills payables:		
Trade payables (Note 23(a))	49,166	70,689
Bills payable (Notes 23(a) & 25)	–	3,000
	49,166	73,689
Accruals and other payables:		
Amounts due to directors (Note 32)	1,658	644
Employee benefit payables	4,236	4,176
Other tax payables	4,681	8,246
Other accruals and payables (Note 23(b))	5,938	4,517
	16,513	17,583
	65,679	91,272



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

23. TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES (Continued)

(a) Trade and bills payables

All of the trade and bills payables are expected to be settled within one year from the reporting date or are repayable on demand at the end of each reporting period. At 31 December 2025, the credit period granted by the suppliers are generally ranging from 90 to 180 (2024: 90 to 180) days.

The following is an aging analysis of trade and bills payables at the end of the reporting period presented based on the invoice dates:

	2025 RMB'000	2024 RMB'000
Up to 90 days	24,148	40,164
91 days to 180 days	11,469	16,566
181 days to 365 days	12,006	10,027
Over 365 days	1,543	6,932
	49,166	73,689

(b) Other accrual and payables

At 31 December 2025 and 2024, the balances mainly included the accrued expenses and payables related to project tender submission, professional services and consultancy fees.

24. CONTRACT LIABILITIES

When the Group receives a deposit at the acceptance of exhibition and event project, this will give rise to contract liabilities at the start of the contract until the revenue is recognised.

	2025 RMB'000	2024 RMB'000
At the beginning of the reporting period	2,097	4,841
Revenue recognised that was included in the contract liabilities at the beginning of the year	(1,251)	(4,841)
Increase in contract liabilities excluding amounts recognised as revenue during the year	192	2,097
At the end of the reporting period	1,038	2,097

The Group applies the practical expedient in paragraph 21 of HKFRS 15 and does not disclose information about remaining performance obligation that have original expected duration of one year or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

25. INTEREST-BEARING BORROWINGS

	2025 RMB'000	2024 RMB'000
Bank borrowings		
— Secured	16,000	8,000
— Unsecured	13,000	9,313
	29,000	17,313
Other borrowings		
— Unsecured	2,000	11,250
	31,000	28,563
Current portion	29,000	26,563
Non-current portion	2,000	2,000
	31,000	28,563
Secured by (Note):		
— Corporate guarantee of an independent third party	16,000	8,000

Note: The corporate guarantee was provided by a financial institution engaged in the business of providing corporate guarantees and Mr. Huang shall bear unlimited joint and several liability for such guarantee.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

25. INTEREST-BEARING BORROWINGS (Continued)

The amounts of banking facilities and utilisation at the end of each reporting period are set out as follows:

	2025 RMB'000	2024 RMB'000
Facilities amount	29,000	20,313
Utilisation at the end of the reporting period:		
— Bills payable (Note 23)	—	3,000
— Bank borrowings	29,000	17,313
	29,000	20,313

At 31 December 2024, bills payable of the Group were secured by restricted bank balances of RMB1,000,000 (Note 22).

At 31 December 2025, bank borrowings bore fixed interests ranging from 2.30% to 3.10% (2024: 2.45% to 4.00%) per annum.

At 31 December 2025, other borrowings bore fixed interests of 12.00% (2024: 8.00% to 12.00%) per annum.

26. DEFERRED TAX LIABILITIES

The movement in the Group's deferred tax liabilities arising from depreciation and amortisation allowance for the years ended 31 December 2025 and 2024 was as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the reporting period	336	624
Acquisition of subsidiaries (Note 27)	81	—
Credited to profit or loss (Note 12)	(205)	(288)
At the end of the reporting period	212	336

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

27. ACQUISITION OF SUBSIDIARIES

On 28 April 2025, the Company entered into a conditional sale and purchase agreement (the "Agreement") with a related party, Innovation Era Technology Limited ("Innovation Era") (the "Vendor"), as detailed in Note 32 to the consolidated financial statements. Pursuant to the Agreement, the Vendor had agreed to sell and the Company had agreed to acquire the entire equity interest of the Yi-commerce Group at a consideration of HK\$8,000,000 (equivalent to approximately RMB7,517,000) (the "Acquisition").

The consideration of the Acquisition would be settled in the following manners:

- (a) HK\$1,000,000 (equivalent to approximately RMB943,000) was paid to the Vendor in cash as the first instalment of the consideration upon completion of the Acquisition; and
- (b) upon completion of the Acquisition, the second instalment of HK\$7,000,000 (equivalent to approximately RMB6,574,000) would be settled by issue of a promissory note, which carried 2% interest per annum from the date of issue and payable monthly in arrears, and with a maturity of six months from the date of issuance, to the Vendor. During the year ended 31 December 2025, the Group had redeemed the promissory note in full.

The Yi-Commerce Group is principally engaged in provision of IT solutions and SaaS platform services, value chain management services and blockchain technology, which enable the Group to expand its E-commerce business and further develop in the digital business industry through the Acquisition.

The Acquisition constituted a business combination and had been accounted for using the acquisition method under HKFRS 3 (Revised) "*Business Combination*".

On 30 April 2025, the Acquisition was completed and the Yi-commerce Group has become wholly-owned subsidiaries of the Group since then.

Details of the Acquisition are set out in the Company's announcement dated 28 April 2025.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

27. ACQUISITION OF SUBSIDIARIES (Continued)

The following summarises the consideration paid and the amounts of the assets acquired and liabilities assumed at the date of acquisition:

	<i>RMB'000</i>
Consideration paid, satisfied by:	
Cash paid	943
Promissory note	6,574
Total consideration, at fair value	7,517
	<i>RMB'000</i>
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Plant and equipment (Note 15)	31
Intangible assets (Note 17)	1,145
Cash and cash equivalents	187
Other receivable	13
Accruals and other payables	(1,401)
Tax payables	(24)
Deferred tax liabilities (Note 26)	(81)
Total identifiable net liabilities	(130)
Goodwill arising on acquisition	7,647
	7,517
	<i>RMB'000</i>
Net cash outflow on acquisition of subsidiaries:	
Net cash acquired from the subsidiaries	187
Consideration paid	(943)
	(756)

The directors of the Company have engaged an independent valuer to provide assistance in determining the fair value of the identifiable assets and liabilities of the Yi-commerce Group and the promissory note issued by the Group at the date of acquisition in accordance with HKFRS 13.

In the opinion of the directors of the Company, the goodwill arising from the acquisition is mainly attributable to the potential growth of the Yi-commerce Group. None of the goodwill recognised is expected to be deductible for income tax purpose.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

27. ACQUISITION OF SUBSIDIARIES (Continued)

Since acquisition and up to 31 December 2025, the Yi-commerce Group has contributed revenue of approximately RMB2,991,000 and contributed a loss of approximately RMB22,000 to the Group.

If the business combinations effected during the year ended 31 December 2025 had been taken place at 1 January 2025, the revenue and loss of the Group would have been approximately RMB95,417,000 and approximately RMB17,977,000, respectively.

28. SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares

	Number of shares '000	Nominal value of ordinary shares US\$'000
Authorised:		
Ordinary shares of US\$0.002 each at 1 January 2024, 31 December 2024 and 31 December 2025	1,000,000	2,000

	Number of shares '000	Nominal value of ordinary shares US\$'000	Equivalent value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Issued and paid:					
At 1 January 2024	120,000	240	1,531	84,813	86,344
Issue of shares in June 2024 (i)	4,000	8	58	3,644	3,702
Issue of shares in October 2024 (ii)	3,000	6	43	2,692	2,735
At 31 December 2024 and 1 January 2025	127,000	254	1,632	91,149	92,781
Issue of shares in April 2025 (iii)	9,000	18	132	8,361	8,493
Issue of shares in June 2025 (iv)	12,000	24	172	11,648	11,820
Issue of shares in August 2025 (v)	6,000	12	86	5,996	6,082
At 31 December 2025	154,000	308	2,022	117,154	119,176



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

28. SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

Ordinary shares (Continued)

- (i) On 3 June 2024, the Company and a subscriber named Mr. Li Wenjie entered into a subscription agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Li Wenjie has conditionally agreed to subscribe for, 4,000,000 new ordinary shares of the Company at the subscription price of HK\$1 per subscription share (the "Share Subscription 1"). These shares rank pari passu with all existing shares in all respects. The Share Subscription 1 was completed on 24 June 2024. Details are set out in the Company's announcements dated 3 June 2024 and 24 June 2024.
- (ii) On 21 October 2024, the Company and a subscriber named Mr. Hui Guojin entered into a subscription agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Hui Guojin has conditionally agreed to subscribe for, 3,000,000 new ordinary shares of the Company at the subscription price of HK\$1 per subscription share (the "Share Subscription 2"). These shares rank pari passu with all existing shares in all respects. The Share Subscription 2 was completed on 31 October 2024. Details are set out in the Company's announcements dated 21 October 2024 and 31 October 2024.
- (iii) On 19 March 2025, the Company and three subscribers named CT Vision Strategic Company Limited, Ms. Hu Zhixi, and Mr. Xu Linxin entered into 3 subscription agreements, pursuant to which the Company has conditionally agreed to allot and issue, and CT Vision Strategic Company Limited, Ms. Hu Zhixi, and Mr. Xu Linxin have conditionally agreed to subscribe for, 6,000,000, 1,000,000, and 2,000,000 new ordinary shares of the Company, respectively, at the subscription price of HK\$1 per subscription share (the "Share Subscription 3"). These shares rank pari passu with all existing shares in all respects. The Share Subscription 3 was completed on 9 April 2025. Details are set out in the Company's announcements dated 19 March 2025, 31 March 2025 and 9 April 2025.
- (iv) On 27 May 2025, the Company and a placing agent named Theia Securities Limited entered into a placing agreement, pursuant to which the Company has conditionally agreed to place, through the placing agent, on a best effort basis, up to 12,000,000 placing shares at the placing price of HK\$1.14 per placing share to not less than six placees who and whose beneficial owners shall be independent third parties (the "Placing"). These shares rank pari passu with all existing shares in all respects. The Placing was completed on 17 June 2025. Details are set out in the Company's announcements dated 27 May 2025, 13 June 2025 and 17 June 2025.
- (v) On 27 May 2025, the Company and a subscriber named Mr. Li Huaguo, an executive director of the Company, entered into a subscription agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Li Huaguo has conditionally agreed to subscribe for, 6,000,000 new ordinary shares of the Company, at the subscription price of HK\$1.14 per subscription share (the "Share Subscription 4"). These shares rank pari passu with all existing shares in all respects. The Share Subscription 4 was completed on 8 August 2025. Details are set out in the Company's announcements dated 27 May 2025, 10 July 2025, 1 August 2025 and 8 August 2025 and the Company's circular dated 15 July 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

29. RESERVES

(a) Statutory reserves

In accordance with the relevant laws and regulations in the PRC and Articles of Association of the subsidiaries incorporated in the PRC comprising the Group (the "PRC Subsidiaries"), it is required to appropriate 10% of the annual statutory net profits of the PRC Subsidiaries, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory reserves fund before distributing the net profit. When the balance of the statutory reserves fund reaches 50% of the registered capital of the PRC Subsidiaries, any further appropriation is at the discretion of shareholders. The statutory reserves fund can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding, provided that the remaining balance of the statutory reserves fund after such issue is not less than 25% of registered capital.

(b) Other reserve

The other reserve represents the consideration paid during the reorganisation on 25 September 2017 as deemed distributions to shareholders.

30. DIVIDENDS

No dividend has been paid or declared by the Company during the year ended 31 December 2025 (2024: Nil).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	2025 RMB'000	2024 RMB'000
Loss before income tax	(17,459)	(6,582)
Adjustments for:		
— Amortisation on intangible assets (<i>Note 9</i>)	164	—
— Depreciation of plant and equipment (<i>Note 9</i>)	66	60
— Depreciation of right-of-use assets (<i>Note 9</i>)	1,061	1,152
— Net allowance for ECL on trade receivables and contract assets (<i>Note 9</i>)	5,193	2,132
— Provision for (Reversal of) ECL on prepayment (<i>Note 8</i>)	382	(79)
— Finance costs, net (<i>Note 11</i>)	1,471	1,183
— Written off of plant and equipment (<i>Note 8</i>)	13	448
— Settlement discount from suppliers (<i>Note 8</i>)	(4,436)	(5,937)
Changes in working capital:		
— Trade receivables	13,166	(14,361)
— Deposits, prepayments and other receivables	1,235	(1,272)
— Contract assets	17,233	(16,475)
— Restricted bank balances	1,000	—
— Trade and bills payables	(20,087)	15,373
— Contract liabilities	(1,059)	(2,744)
— Accruals and other payables	(2,471)	6,248
Cash used in operations	(4,528)	(20,854)

Major Non-cash Transactions

- (i) During the year ended 31 December 2025, the Group obtained waiver of a lease for the office premises from a landlord resulting in the decrease in both right-of-use assets and lease liabilities by approximately RMB198,000. Details are disclosed in Note 16 to the consolidated financial statements.
- (ii) During the year ended 31 December 2025, the Group recognised right-of-use assets of approximately RMB690,000 which included down payment of approximately RMB198,000 and lease liabilities of approximately RMB492,000 at the inception date of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Promissory notes <i>RMB'000</i> <i>(Note 27)</i>	Bank and other Borrowings <i>RMB'000</i> <i>(Note 25)</i>	Lease liabilities <i>RMB'000</i> <i>(Note 16)</i>	Total <i>RMB'000</i>
At 1 January 2024	–	17,976	2,523	20,499
Other changes:				
Interest expenses <i>(Note 11)</i>	–	1,120	88	1,208
Changes from financing cash flows:				
Interest paid	–	(1,120)	–	(1,120)
New bank borrowings raised	–	17,313	–	17,313
New other borrowings raised	–	14,000	–	14,000
Repayment of bank borrowings	–	(17,976)	–	(17,976)
Repayment of other borrowings	–	(2,750)	–	(2,750)
Principal elements of lease payments	–	–	(1,191)	(1,191)
Interest elements of lease payments	–	–	(88)	(88)
At 31 December 2024 and 1 January 2025	–	28,563	1,332	29,895
Other changes:				
Interest expenses <i>(Note 11)</i>	26	1,416	41	1,483
Modification of lease <i>(Note 16(b))</i>	–	–	(198)	(198)
Additions of lease <i>(Note 16(b))</i>	–	–	492	492
Issue of promissory notes <i>(Note 27)</i>	6,574	–	–	6,574
Changes from financing cash flows:				
Interest paid	(26)	(1,416)	–	(1,442)
New bank borrowings raised	–	33,052	–	33,052
New other borrowings raised	–	2,000	–	2,000
Redemption of promissory notes	(6,574)	–	–	(6,574)
Repayment of bank borrowings	–	(21,365)	–	(21,365)
Repayment of other borrowings	–	(11,250)	–	(11,250)
Principal elements of lease payments	–	–	(1,231)	(1,231)
Interest elements of lease payments	–	–	(41)	(41)
At 31 December 2025	–	31,000	395	31,395



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

Total Cash Outflow for Leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	1,133	1,376
Within financing activities	1,272	1,279
	2,405	2,655

32. RELATED-PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control, common significant influence or joint control. Members of controlling shareholder, key management and their close family member of the Group are also considered as related parties.

Save as disclosed in elsewhere to these consolidated financial statements, the Group has the following related party transactions:

Balances with related parties

	2025 RMB'000	2024 RMB'000
Amounts due to directors of the Company		
— Mr. Shum Ngok Wa	(421)	(175)
— Mr. Dong Kejia	—	(467)
— Mr. Chen Xicheng	(1,237)	—
— Mr. Huang Xiaodi	—	(2)
	(1,658)	(644)

The amounts were interest-free, unsecured and will be due within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

32. RELATED-PARTY TRANSACTIONS *(Continued)*

Key management compensation

Details of compensation paid or payable to key management personnel of the Group are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Wages and salaries	5,053	2,750
Discretionary bonus	280	–
Pension scheme and other social security costs	228	213
Housing benefits	36	37
	5,597	3,000

Transaction with related party

On 30 April 2025, the Company acquired the entire equity interest of the Yi-commerce Group from a related party, Innovation Era, which is owned approximately (a) 89.1% by Mr. Ho Chun Kit Gregory, who is interested in approximately 4.4% of the shareholdings in the Company at the date of the Acquisition, (b) 6.0% by Mr. Chen Xicheng, an executive director of the Company, and (c) 2.9% by Mr. Shum Ngok Wa, an executive director of the Company. Details of the acquisition are disclosed in Note 27 of the consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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33. BENEFITS AND INTERESTS OF DIRECTORS

Year ended 31 December 2025

	Fee RMB'000	Salary RMB'000	Discretionary bonus RMB'000	Contribution to pension plan, welfare and other expense RMB'000	Total RMB'000
<i>Chairman</i>					
Mr. Huang Xiaodi (resigned as chairman on 9 February 2026)	-	240	20	76	336
<i>Executive directors</i>					
Mr. Chen Xicheng	-	1,656	-	17	1,673
Mr. Yan Jinghui (resigned on 9 February 2026)	-	240	20	57	317
Mr. Shum Ngok Wa	-	1,104	-	17	1,121
Mr. Dong Kejia (resigned on 9 February 2026)	-	-	-	-	-
Mr. Li Huaguo (appointed on 22 January 2025 and resigned on 9 February 2026)	-	243	-	-	243
<i>Non-executive director</i>					
Mr. Lian Mingcheng (resigned on 9 February 2026)	917	-	240	-	1,157
<i>Independent non-executive directors</i>					
Ms. Xu Shuang (resigned on 9 February 2026)	120	-	-	-	120
Mr. Tam Chak Chi	110	-	-	-	110
Mr. Ma Lin (appointed on 22 January 2025 and resigned on 9 February 2026)	-	-	-	-	-
Ms. Yau Yin Tan	110	-	-	-	110
	1,257	3,483	280	167	5,187

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

Year ended 31 December 2024

	Fee RMB'000	Salary RMB'000	Discretionary bonus RMB'000	Contribution to pension plan, welfare and other expense RMB'000	Total RMB'000
<i>Chairman</i>					
Mr. Huang Xiaodi	–	240	–	76	316
<i>Executive directors</i>					
Mr. Chen Xicheng (appointed on 24 April 2024)	–	1,142	–	12	1,154
Mr. Yan Jinghui	–	210	–	57	267
Mr. Shum Ngok Wa	–	554	–	6	560
Mr. Dong Kejia	–	–	–	–	–
<i>Non-executive director</i>					
Mr. Lian Mingcheng (appointed on 24 April 2024)	–	–	–	–	–
<i>Independent non-executive directors</i>					
Ms. Xu Shuang	120	–	–	–	120
Mr. Gao Hongqi (resigned on 7 June 2024)	60	–	–	–	60
Mr. Tam Chak Chi (appointed on 5 September 2024)	36	–	–	–	36
Mr. Tsoi Ka Shing (resigned on 5 September 2024)	42	–	–	–	42
Ms. Yau Yin Tan (appointed on 5 September 2024)	36	–	–	–	36
	294	2,146	–	151	2,591



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The non-executive director's emoluments shown above were mainly for services as director of the Company or its subsidiaries. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

During the year ended 31 December 2025 and 2024, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office, and no director waived their remuneration.

During the year ended 31 December 2025, Mr. Dong Kejia, an executive director of the Group, agreed to waive emoluments of RMB1,325,000 during the year due to the impact on the financial performance of the Group. During the year ended 31 December 2024, Mr. Shum Ngok Wa and Mr. Dong Kejia, executive directors of the Group, agreed to waive emoluments of approximately RMB553,000 and RMB1,327,000, respectively during the year due to the impact on the financial performance of the Group.

34. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

Pursuant to the relevant labour laws, rules and regulations in the PRC, the Group participates in defined contribution retirement benefit scheme (the "Retirement Benefit Scheme") organised by the relevant local government authorities in the PRC whereby the Group is required to make contributions to the Retirement Benefit Scheme at a certain rate of the standard wages determined by the relevant authorities in the PRC during the year. Contributions to the Retirement Benefit Scheme vest immediately.

At 31 December 2025 and 2024, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 RMB'000	2024 RMB'000
Non-current assets		
Investment in subsidiaries (<i>Note 14</i>)	222	221
Property, plant & equipment	6	–
Amounts due from subsidiaries (<i>Note a</i>)	14,033	1,599
Total non-current assets	14,261	1,820
Current assets		
Cash and bank balances	777	698
Prepayment	192	–
Total current assets	969	698
Current liabilities		
Accruals	3,814	2,998
Other payables	4,681	1,866
	8,495	4,864
Net current liabilities	(7,526)	(4,166)
Net assets (liabilities)	6,735	(2,346)
Capital and reserves		
Share capital (<i>Note 28</i>)	2,022	1,632
Share premium (<i>Note 28</i>)	117,154	91,149
Reserves (<i>Note b</i>)	(112,441)	(95,127)
Total equity (deficits)	6,735	(2,346)

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 27 March 2026 and signed on its behalf by

Chen Xicheng
Executive Director

Shum Ngok Wa
Executive Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

- (a) The balances were unsecured, interest-free and had no fixed term of repayment.
- (b) A summary of the Company's reserves is as follows:

	Accumulated losses <i>RMB'000</i>
At 1 January 2024	(84,633)
Loss for the year and total comprehensive loss for the year	(10,494)
	(95,127)
At 31 December 2024 and 1 January 2025	(95,127)
Loss for the year and total comprehensive loss for the year	(17,314)
At 31 December 2025	(112,441)

36. EVENTS AFTER THE REPORTING PERIOD

On 27 February 2026, the shareholders approved to change the English name of the Company from "Dowway Holdings Limited" to "Defeng Solife Holdings Limited", and the dual foreign name of the Company in Chinese from "天平道合控股有限公司" to "德豐宿來控股有限公司" by way of a special resolution at the extraordinary general meeting. On 9 March 2026, the Certificate of Incorporation on Change of Name of the Company has been issued by the Registrar of Companies in the Cayman Islands. On 27 March 2026, the certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong confirming the registration of the new English and Chinese names of the Company in Hong Kong.