



弘毅文化集团

HONY MEDIA GROUP

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00419)

**ANNUAL
REPORT
2025**

CONTENTS

1	Corporate Information
2	Chairman's Statement
3	Management Discussion and Analysis
11	Corporate Governance Report
18	Environmental, Social and Governance Report
32	Biographical Details of Directors and Senior Management
34	Report of the Directors
46	Independent Auditor's Report
50	Consolidated Income Statement
51	Consolidated Statement of Comprehensive Income
52	Consolidated Balance Sheet
53	Consolidated Cash Flow Statement
54	Consolidated Statement of Changes in Equity
55	Notes to the Consolidated Financial Statements
106	Financial Summary

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive Director

Mr. ZHAO John Huan (*Chairman*)

Executive Directors

Mr. CHENG Wu (*Chief Executive Officer*)

Mr. YUEN Hoi Po (*President*)

Independent Non-executive Directors

Mr. YUEN Kin

Ms. WANG Song Song

Ms. PAN Min

COMPANY SECRETARY & QUALIFIED ACCOUNTANT

Mr. HAU Wai Man, Raymond

INDEPENDENT AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

DBS Bank Ltd., Hong Kong Branch

Hang Seng Bank

The Hongkong and Shanghai Banking Corporation Limited

SOLICITORS

Woo Kwan Lee & Lo

Guantao Law Firm

REGISTERED OFFICE

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PRINCIPAL OFFICE IN HONG KONG

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Far East Finance Centre

16 Harcourt Road

Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

WEBSITE

www.honymedia.net

I am pleased to present the annual results of Hony Media Group (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2025.

In 2025, with the rapid advancement of artificial intelligence technology around the globe, the deep integration of AI into the content industry is transforming various content formats, including film, television, animation, and short videos. This integration is emerging as a new driving force for the growth of the culture and content industry both in China and internationally.

The field of global AI video generation and editing tools has witnessed a significant leap in functionality this year, with numerous mainstream international tools showing marked improvements in character consistency, physical detail rendering, camera movement fluidity and audio-visual synchronization. Some high-quality generated content has become nearly indistinguishable from real-life footage to the average viewer. In China, self-developed large models and video generation engines are rapidly maturing, demonstrating advantages in Chinese semantic comprehension, localized content creation, regulatory compliance and computational cost control. Several enterprises have expanded their global presence by raising capital through Hong Kong's financial markets. Additionally, Chinese AI-generated micro dramas and AI-powered comic adaptations are experiencing explosive growth in overseas markets. Data indicated that global in-app purchase revenue for micro drama applications reached nearly US\$2.8 billion in 2025, a substantial portion of which originated from products operated or produced by Chinese companies. These products leverage AI-driven high productivity and multilingual localization capabilities as their core competitive advantages.

In the face of rapid shifts in technological paradigms and profound adjustments in the competitive landscape, the Group remained closely attuned to the pulse of industry development and actively embraced the structural opportunities presented by "AI + content". We conducted proactive yet prudent research across strategic planning, technological investment, business models and capital market operations, all aimed at implementing the specific development directions of the Group's international culture, media and entertainment businesses. Through these efforts, we strove to build a global platform for creating and producing high-quality content, gradually realizing the Group's vision.

Meanwhile, "Echartnow", the Group's digitized operation business in the healthcare industry continued to develop soundly. Echartnow is also actively integrating AI technology to enhance its competitiveness. With the deepening of comprehensive compliance and digital transformation trends in the pharmaceutical industry, the Group will continue to work with Echartnow to enhance its core competitiveness, striving to achieve sustainable growth amidst industry cyclical fluctuations.

Finally, on behalf of the Board, I would like to extend our sincere gratitude to the shareholders, partners and all employees who have long supported the Group's development. Looking ahead to 2026, we will continue to uphold our core values of innovation, professionalism and sustainable growth. We will seize the opportunities presented by the new era of "AI + Content" and join hands with all stakeholders to create a more imaginative future together.

ZHAO John Huan
Chairman of the Board
Hony Media Group

Hong Kong, 31 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

During the year ended 31 December 2025 (the “Year”), the Group’s revenue was HK\$570,067,000, representing a decrease of 44% compared with last year. “Echartnow”, the digitized operation service in the healthcare industry, was the main source of revenue for the Group, recording revenue of HK\$471,968,000 during the Year, representing a decrease of 46% compared with last year, mainly due to the fact that over 60% of leading pharmaceutical companies suspended or reduced budgets for non-core, non-urgent digital marketing projects in the first half of 2025, which directly resulted in a significant year-on-year reduction in the order volume and project scale for Echartnow from several major clients. In view of changes in the market environment, Echartnow carried out the Group’s organizational restructuring and talent optimization in the first half of the year, further reducing long-term core fixed expenses without affecting sustainable innovation capabilities, sustainable development and corporate core competitiveness. This measure yielded immediate results. During the Year, the segment loss of Echartnow continued to narrow down by 58% to HK\$12,797,000 (2024: HK\$30,785,000). Revenue from “Meerkat Health”, another business of the Group and a smart health service platform, was HK\$97,869,000, representing a decrease of 33% as compared with last year. As the “Meerkat Health” business has incurred continuous losses for consecutive years, the Group disposed of the relevant business in January 2026 in order to concentrate its resources on the development of other businesses with greater potential.

As no further impairment provision was required for the interest in HB Entertainment during the Year (2024: impairment provision of HK\$76,106,000), coupled with the further narrowing of the segment loss of Echartnow and the Group’s continuous cost and expense control, the loss for the Year substantially narrowed down by 57% from approximately HK\$177,190,000 for last year to approximately HK\$76,284,000.

In 2024, the Group completed the issuance of HK\$120 million convertible bonds to a company under Hony Capital (“Hony Capital”), and appointed Mr. Zhao John Huan, Chairman of Hony Capital as the Chairman of the Board of Directors of the Company, focusing on the strategic development of international culture, media and entertainment businesses, striving to realize the vision of building a world-leading global content creation platform under the banner of AI+culture content. Hony Capital is a prominent investment management group in the PRC. With assets under management exceeding RMB120 billion, Hony Capital covers various sectors including entertainment and culture, digital technology and consumer services. During the Year, Hony Capital converted part of the convertible bonds it held and formally became one of the strategic shareholders of the Company.

BUSINESS REVIEW AND PROSPECT

(1) “Echartnow”, provision of digitized operation service in the healthcare industry

In 2025, amid the normalization of compliance requirement in the pharmaceutical industry, the demand for efficient, measurable, and traceable digital operational capabilities was becoming increasingly urgent. Echartnow firmly anchored itself to its core positioning as “China’s leading digital operations service provider for the pharmaceutical industry,” continuously deepening its digital service

system that spans the entire chain of pharmaceutical marketing, medical affairs and market operations. Building on this foundation, Echartnow further transformed its accumulated operational data into reusable assets, and empowered by artificial intelligence technology, achieved a leap from “process execution” to “intelligent decision-making”.

Echartnow provides pharmaceutical companies with full-life cycle solutions, covering research & development, production and marketing, and relies on AI large model capabilities to achieve full-link compliance control and data integration. At the same time, Echartnow cooperated with the government and industry partners to promote standardization construction, led the formulation of the “Compliance Development Guidelines for Biopharmaceutical Digitized Operations”, filled the gaps in the industry, and built an open ecosystem through the “Shanghai Biomedical Digitized Operation Standard Innovation Consortium” to lower the threshold for transformation. Driven by the two-wheel drive of policy and market, Echartnow takes technological innovation and ecological synergy as the core to help the pharmaceutical industry achieve high-end and intelligent development, and provides a digital engine for the implementation of the “Healthy China” strategy.

Business Review

During the Year, Echartnow achieved breakthrough progress in platform capability enhancement, data asset accumulation and AI scenario implementation:

- **National and Regional Platform Recognition:** Echartnow was officially awarded the title of “Comprehensive Medical Digital Empowerment Platform” by the Shaanxi Provincial Data and Government Services Bureau. This signifies the government’s high recognition of the Company’s capabilities in cross-regional and multi-dimensional integration of medical resources and data services.
- **AI Application Scenarios Selected by Authorities:** Two innovative applications developed by Echartnow — “Intelligent Screening Empowerment for Patient Recruitment: AI Intelligent Screening Platform Development” and “Pharmaceutical Marketing Compliance and Precision Empowerment Platform Construction” — were successfully included in the “Suzhou Artificial Intelligence Application Scenario Open List” released at the 2025 Jiangsu Artificial Intelligence Innovation Development Conference and the First Artificial Intelligence OPC Conference. This not only affirms Echartnow’s technological strength, but also opens up policy pathways for future large-scale replication and commercial implementation in the Yangtze River Delta region.
- **Deepening Expansion of Customer Partnerships:** The number of cooperative pharmaceutical companies increased to 415, a 26.5% growth compared to the end of 2024. Coverage of top-tier clients, including Yiling Pharmaceutical, Qilu Pharmaceutical, CSPC Pharmaceutical Group and Jemincare, has steadily improved. Service offerings have expanded from traditional digital marketing to high-value areas such as medical research support, real-world study (RWS) design, and doctor IP incubation, simultaneously enhancing customer loyalty and per-client value.

MANAGEMENT DISCUSSION AND ANALYSIS

- The number of registered doctors on the platform increased by 48.9% from the end of 2024 to about 90,000. All doctors registered with their real names, uploaded qualification materials and passed the review, covering key departments such as pediatrics, oncology, and cardiovascular, providing accurate digitized marketing and academic promotion support for pharmaceutical companies.

By providing pharmaceutical companies with digitized services for pharmaceutical products (including digitized marketing services and medical research services) and digitized services for the medical ecosystem (including digitized value medical services and digitized innovation scenario services), Echartnow generates information technology service fees, consulting service fees and promotion service fees; among them, digitized marketing services are the basis and main source of revenue. Digitized marketing services are the provision of marketing, medical conferences, medical science popularization and digitized promotion services to customers in the pharmaceutical industry based on online ecological platform, including:

- Supporting customer marketing decisions through market research and site visits;
- Provision of academic conference execution, on-site service, live streaming, video editing, etc. through conference systems, covering various forms such as academic conferences, MDT conferences, expert lectures and other forms;
- Production and promotion of medical science popularization content, including informational advertorials, short videos and live broadcasts, etc., to help medical staff disseminate health knowledge;
- Utilization of private and public domain platforms to optimize marketing activities and achieve precise promotion of information, audio, video, pictures, etc.;
- Building IP brand for doctors, production and publication of professional articles and videos, thus enhancing the influence of doctors.

Through the above services, Echartnow helps pharmaceutical companies to enhance their brand influence, optimize marketing activities, and achieve accurate communication.

For the year ended 31 December 2025, the revenue of Echartnow was HK\$471,968,000 (2024: HK\$869,555,000), representing a decrease of 46% compared with last year; the gross profit margin was 34.3% (2024: 38.7%), representing a decrease of 4.4% compared with last year. In 2025, pharmaceutical companies are generally in a critical period of internal marketing model restructuring and compliance system establishment, with over 60% of leading pharmaceutical companies having suspended or reduced budgets for non-core and non-urgent digital marketing projects in the first half of 2025. This directly resulted in a significant year-on-year reduction in order volume and project scale from several of Echartnow's major customers.

Although Echartnow's revenue decreased during the year due to the short-term factors mentioned above, its segment loss continued to narrow significantly by 58% to HK\$ 12,797,000 (2024: HK\$30,785,000). Continuing its 2024 strategy, Echartnow in 2025

further optimized its customer structure while enhancing the differentiated competitiveness of its products and services. It provided high-value services to top-tier and innovative pharmaceutical companies, coupled with decisive organizational restructuring and talent optimization. Therefore, while Echartnow's revenue decreased, its losses also narrowed across the board, as specifically reflected in the following aspects:

- Deepening adjustment of customer structure: In the past two years, pharmaceutical companies have generally been in a critical period of reforming their internal marketing models and building their marketing compliance organizational systems. In 2025, based on market and regulatory trends, Echartnow enhanced its service value, promoted the effectiveness of precision marketing, and built intelligent, end-to-end compliance monitoring throughout its entire business process to systematically optimize its customer structure. In 2025, Echartnow increased the revenue contribution from its cooperation with the top 100 pharmaceutical companies in China from 59% to 61%. The value proposition of our services has been fully demonstrated, winning deep trust and strategic cooperation from top-tier and leading innovative pharmaceutical companies.
- Strategic adjustment of product value structure: In response to policy guidance and to position for long-term profitability, the Company has focused its resource allocation on high-value customized marketing solutions. This strategic adjustment expanded customer coverage for high-quality projects and increased strategic cooperation with leading innovative drug customers such as Innovent Biologics. A structural analysis shows that full-year revenue from high-value projects increased by 200% year-on-year, with its proportion of total revenue rising to 36%; in the fourth quarter alone, the proportion exceeded 50%.
- In view of changes in the market environment, Echartnow carried out the Group's organizational restructuring and talent optimization in the first half of the year, further reducing long-term core fixed expenses without affecting sustainable innovation capabilities, sustainable development and corporate core competitiveness.

Prospect

In the first half of 2025, the pharmaceutical industry witnessed frequent policy updates, including the "Compliance Guidelines for Pharmaceutical Companies to Prevent Commercial Bribery Risks", which reinforced corporate compliance requirements. Pharmaceutical companies accelerated the transformation of their marketing models, necessitating internal marketing restructuring and the establishment of compliance systems. As a result, some digital marketing projects were temporarily delayed or postponed. However, in the long term, policies explicitly require companies to establish standardized and traceable digital operation systems, which will provide sustained growth momentum for Echartnow's business. As the pharmaceutical industry deepens its commitment to comprehensive compliance and digital transformation, Echartnow expects that its business will gradually recover and resume growth in 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Echartnow will continue to adhere to the dual drivers of “deep optimization of business structure” and “comprehensive enhancement of service value”, proactively leading the new trend of high-quality development in the industry. Following a development path of being “rooted in digital operations and winged by AI application scenarios”, we will focus on advancing the following strategies:

- Consolidating the foundational framework of digital operations — Strengthening the “full product line service access” mechanism for the Top 20 strategic clients, and providing integrated solutions spanning from marketing execution to medical strategy.
- Promoting large-scale replication of AI scenarios — Using Suzhou’s selected scenarios as a model, rolling out solutions such as “AI + chronic disease management” and “AI + tumor follow-up” among key customers nationwide.
- Exploring collaborations with medical insurance and commercial insurance — Developing efficacy evaluation and health management services based on real-world data, and enhancing the empowerment capabilities of regional platforms.
- Leveraging Shaanxi’s “Comprehensive Medical Digital Empowerment Platform” qualification to export replicable digital operation project models, supporting local governments in building regional pharmaceutical and health digital ecosystems.

(2) “Meerkat Health”, a smart healthcare services platform

In 2024, Meerkat Health divested high-cost and uncertain business segments such as vaccines and health check-ups, terminated its private domain e-commerce operations, and fully downsized the associated workforce, thereby streamlining its organizational structure. Based on the optimization of its business and organizational framework, Meerkat Health now focuses entirely on the pharmaceutical wholesale segment. By building a deeply collaborative ecosystem with core suppliers, it empowers partners to overcome offline growth bottlenecks, actively enhances product quality, reduces operational costs, and aims to continuously improve its business standards and market competitiveness.

For the year ended 31 December 2025, the revenue of Meerkat Health was HK\$97,869,000 (2024: HK\$145,851,000), representing a decrease of 33% compared with last year. The segment loss for 2025 narrowed by 44% from HK\$6,851,000 for last year to HK\$3,831,000.

In January 2026, the Group completed the sale of the Meerkat Health operations. Despite Meerkat Health’s continuous efforts to improve its operations, the Meerkat Health operations has consistently recorded net losses over the past several financial years. Additionally, as of the end of 2025, Meerkat Health operations reported net segment liabilities of approximately HK\$6,315,000, which impacted the Group’s overall financial position. This sale enables the Group to optimize its asset allocation and focus on areas and businesses with stronger growth potential. The move also allows the Group to redeploy internal

resources to support the development of its existing core businesses by eliminating loss-making and net liability operations, thereby enhancing the Group’s overall financial flexibility.

(3) Entertainment and Media

HB Entertainment is an associate in which the Group holds a 30.77% equity interest. It is principally engaged in the production of and investment in films and television dramas, as well as the provision of artist management and agency services in Korea.

HB Entertainment has produced a number of well-received and well-rated TV dramas, including “Sky Castle”, “Partners for Justice” series, “My Love from the Star”. Recent productions include:

- “Motel California”, a TV drama produced by HB Entertainment, was premiered in January 2025 on Korean MBC TV channel. It was written by Lee Seo-yun, renowned for “365: One Year Against Destiny”. The drama starred renowned actress Lee Se-young from “The Red Sleeve”. According to Nielsen data, the nationwide average viewership rating was 4.3%, and the highest nationwide viewership rating was 6.0%.
- “Recipe for Love” — A weekend television drama aired on KBS 2TV in January 2026, directed by Han Jun-seo and written by Park Ji-sook, starring Jin Se-yeon and Park Ki-woong. According to Nielsen data, the premiere episode of “Receipt for Love ” achieved a national viewership rating of 14.3%, while the tenth episode set a personal record with a national rating of 17.4%, ranking first among all dramas broadcast during the same time slot.

In respect of artist management and agency business, HB Entertainment has successfully signed renowned South Korean veteran actors Lee Sung-min and Kim Yun-seok, as well as Japanese actor Machida Keita. Among them, Lee Sung-min is celebrated for his delicate and exceptional acting skills and is known as a “trustworthy actor.” His representative works include “Misaeng: Incomplete Life”, “Reborn Rich”, “The Spy Gone North” and “The Man Standing Next.” He has received the Best Actor awards at both the Baeksang Arts Awards and the Bul Film Awards.

During the Year, the “Entertainment and Media” business recorded revenue of approximately HK\$230,000 (2024: HK\$3,056,000), and recorded a segment loss of HK\$2,756,000 (2024: segment loss of HK\$85,698,000, of which approximately HK\$76,106,000 was provision for impairment of interest in HB Entertainment). This was mainly attributable to the share of loss of an associate, HB Entertainment during the Year.

Prospect

Looking ahead, taking into account various factors including the Group’s financial position and financing potential, future trends, market risks and returns, project investment, etc., the management is now prudently selecting suitable tracks, including but not limited to elements such as AI, new media, Web 3.0, especially business models based on AI + cultural content (including but not limited to AI + micro dramas, AI + comic-dramas, AI + movies, AI + content globalization, etc.) so as to implement the Group’s specific development direction for its international culture, media and

entertainment business and strive to build a global platform for high-quality content creation, thereby gradually bringing the Group's vision to fruition.

ENVIRONMENTAL & SOCIAL RESPONSIBILITIES

(a) Environmental responsibilities

Committed to building an “eco-friendly” enterprise, the Group has implemented various environmental management actions, so as to ensure that exhaust gas, sewage and office waste are properly recycled and processed, with a view to minimising the environmental impact of our business operations. The Group embeds the concept of green environmental protection into its activities, actively promotes environmental awareness, advocates the conservation and recycling of energy and other resources, to improve the efficiency of the resource utilization, with the aim of minimising the natural resources wasted while reducing operating costs. We strictly abide by relevant laws and regulations on environmental protection where we do business and have formulated corresponding environmental management systems, actively deliver environmental protection messages, enhance environmental awareness among employees, customers as well as other stakeholders, thus fulfilling our shared commitment to protecting the natural environment.

(b) Social responsibilities

The Group adheres to a “people-centric” talent strategy, attaches importance to the recruitment and cultivation of talents, and is committed to building core competitiveness with excellent staff teams. The Group complied with the laws and regulations relating to human resources management where its operations are located, and have established human resources management systems. Safety drills are conducted on a regular basis to enhance safety awareness among employees and their ability to cope with dangers; regular trainings are provided to employees and clear promotion channels are put in place to help them realise individual potential and achieve long-term career development; various employee activities are organised to enhance their physical and mental health. We also create a safe and comfortable office environment, attach importance to employees' occupational health and safety, offer generous salary and holiday benefits, as well as safeguard the legitimate rights and interests of our employees, thus achieving growth along with employee development.

Striving to ensure product and service quality from the source, the Group has put in place strict standards for supplier selection to ensure that the business qualifications, management capabilities, service and product quality, as well as quotations of suppliers are in line with its requirements on products and services. Through on-site investigation, the Group conducts a comprehensive assessment to ensure the stability in its supplier performance, which covers aspects like production and supply capabilities, as well as credentials, etc. To ensure a sustainable supply chain, the Group also regularly evaluates the compliance of suppliers, as well as the fulfilment of their environmental and social responsibilities, and timely terminates cooperation with suppliers that underperform in service standards and secures additional suppliers of excellent performance.

The Group safeguards the legitimate rights and interests of the shareholders, customers as well as other stakeholders. In addition to strictly complying with laws and regulations against corruption, bribery, fraud and money laundering in jurisdictions where its operations are located, the Group also strengthens management on corporate internal control to prevent corruptions.

Having acknowledged its corporate social responsibilities, the Group continues to care for vulnerable groups. In forms such as provision of employment opportunities, the Group fully leverages on its strengths in resource reserve to support the development of local communities and give back to the society.

As a responsible corporate citizen, the Group keeps close communication with all of its stakeholders, so as to maintain collaborative relations based on mutual benefit and trust, to stay updated on demands and expectations of relevant stakeholders, and to keep improving its mechanism for stakeholder engagement, aiming to deliver synergistic growths in social and economic benefits. As a company listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Group strictly complies with the disclosure requirements of the Stock Exchange. As one of the platforms that we use to communicate with the stakeholders, the ESG report for the year are set out on pages 18 to 31 of this Annual Report, will deliver a comprehensive view on what the Group has accomplished in the establishment of ESG systems, as well as its performance during 2025.

FINANCIAL REVIEW

The Group is organized into the following main operating segments:

1. Digitized operation services in healthcare industry (“Echartnow”)
2. Smart healthcare services platform (“Meerkat Health”)
3. Entertainment and Media

As disclosed in Note 35 to the consolidated financial statements of the Group, the operation of “Meerkat Health” was disposed of in January 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

The key financial figures of the Group for the year ended 31 December 2025 are summarized as follows:

	2025 HK\$'000	2024 HK\$'000	Change %
Revenue:			
– Digitized operation services in healthcare industry	471,968	869,555	–46%
– Smart healthcare services platform	97,869	145,851	–33%
– Entertainment and media	230	3,056	–92%
	570,067	1,018,462	–44%
Gross profit:			
– Digitized operation services in healthcare industry	161,863	336,692	–52%
– Smart healthcare services platform	1,059	19,111	–94%
– Entertainment and media	33	3,056	–99%
	162,955	358,859	–55%
Segment result:			
– Digitized operation services in healthcare industry	(12,797)	(30,785)	loss –58%
– Smart healthcare services platform	(3,831)	(6,851)	loss –44%
– Entertainment and media	(2,756)	(85,698)	loss –97%
	(19,384)	(123,334)	loss –84%
Loss for the year	(76,284)	(177,190)	loss –57%
Loss for the year attributable to equity owners of the Company	(66,717)	(163,489)	loss –59%
Non-HKFRS Adjustments:			
Adjusted loss for the year	(73,081)	(103,235)	loss –29%

– Revenue

Revenue for the year ended 31 December 2025 amounted to approximately HK\$570,067,000 (2024: HK\$1,018,462,000), being a 44% decrease comparing to the prior year. The decrease in revenue during the year was mainly due to the following factors:

- During the year, revenue from “Digitized operation services in healthcare industry” segment (i.e., Echartnow) decreased by 46% to approximately HK\$471,968,000 (2024: HK\$869,555,000), which accounted for approximately 83% (2024: 85%) of the Group’s revenue. Echartnow, in 2025, pharmaceutical companies are generally in a critical period of internal marketing model restructuring and compliance system establishment, with over 60% of leading pharmaceutical companies having suspended or reduced budgets for non-core and non-urgent digital marketing projects in the first half of 2025. This directly led to a significant year-on-year reduction in the order volume and project scale from several major customers of Echartnow, which was the primary reason for the decline in revenue. In addition, in response to policy guidance and to optimize long-term profitability, Echartnow took the initiative to reduce certain low value-added, highly standardized basic promotion services, and instead tilted resources towards high-value customized compliance solutions. This strategic adjustment has affected the scale of revenue in the short term, but has laid the foundation for the improvement of profit margins in the future.
- During the year, revenue from the “Smart Healthcare Services Platform” segment (i.e., Meerkat Health) decreased by 33% to approximately HK\$97,869,000 (2024: HK\$145,851,000), which accounted for approximately 17% (2024: 14%) of the Group’s revenue. Despite Meerkat Health’s continuous efforts to improve its operations, the Meerkat Health operations has consistently recorded net losses and decline in revenue over the past several financial years. The Group has decided to dispose of the Meerkat Health operations and the disposal was completed in January 2026.

– Cost of Sales and Gross Profit

Cost of sales for the year ended 31 December 2025 amounted to approximately HK\$407,112,000 (2024: HK\$659,603,000), being a 38% decrease comparing to the prior year. Gross profit for the year ended 31 December 2025 amounted to approximately HK\$162,955,000 (2024: HK\$358,859,000), being a 55% decrease comparing to the prior year, while gross profit margin decreased to 29% (2024: 35%). The year-to-year decrease of cost of sales and gross profit is mainly driven by the decline in revenue as explained above.

– Other Income and Other Gains, net

Other income and other losses, net, for the year ended 31 December 2025 amounting to a net income of approximately HK\$3,865,000 (2024: net income of HK\$10,502,000) mainly comprised of (i) exchange gain of HK\$2,286,000 (2024: exchange loss of HK\$1,879,000); and (ii) gain on disposal of subsidiaries of HK\$998,000 (2024: HK\$1,002,000). Detailed breakdown of other income and other gains net is set out in Note 5 to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

– Marketing and Selling Expenses

Marketing and selling expenses for the year ended 31 December 2025 amounted to approximately HK\$156,753,000 (2024: HK\$352,946,000), being a 56% decrease comparing to the prior year. The decrease in marketing and selling expenses during the year was mainly attributed to the following:

- (i) Staff costs and marketing expenses were incurred for the promotion of the Echartnow platform and other relevant expenses were also incurred for enhancing the registration of doctors and pharmacies on the Echartnow platform. Affected by the decline in the revenue and gross profit as previously mentioned, Echartnow has slowed down the investment in such marketing and selling expenses during the year; and
- (ii) The warehouse and logistic expense incurred for the Meerkat Health business also reduced in line with the decline in the relevant revenue.

– Research and Development Expenses

Research and development expenses for the year ended 31 December 2025 amounted to approximately HK\$10,372,000 (2024: HK\$17,321,000), being a 40% decrease comparing to the prior year. The amount mainly comprised staff costs and employee benefit expenses in relation to research and development function. The significant decrease in the research and development expenses during the year was in line with the organizational restructuring and talent optimization of Echartnow operation in the first half of 2025, leading to redundancy of the certain research and development staff force.

– Administrative Expenses

Administrative expenses for the year ended 31 December 2025 amounted to approximately HK\$51,539,000 (2024: HK\$70,371,000), being a 27% decrease comparing to the prior year. The decrease in administrative expenses during the year was mainly attributed to the net effect of the following:

- (1) The administrative expenses of Echartnow operation decreased during the year which was in line with the completion of its organizational restructuring and talent optimization in the first half of 2025; and
- (2) Continues effort of cost and expense control in the Group with the keen adoption of various AI tools.

– Finance Costs, net

Finance costs, net for the year ended 31 December 2025 amounted to approximately HK\$19,088,000 (2024: HK\$17,612,000), being a 8% increase comparing to the prior year. The increase in net finance costs during the year was mainly attributed to i) interest expense on the convertible bonds issued in March 2024 amounting to approximately HK\$14,566,000 (2024: HK\$11,614,000) as full-year impact was included in 2025; and ii) the increase in interest expense on long-term financial liabilities during the year to approximately HK\$4,578,000 (2024: HK\$3,633,000).

– Share of Results of an Associate

Share of results of an associate, representing the share of results of HB Entertainment (the Group's 31%-owned associated company which is principally engaged in production of and investment in movies and TV drama series, provision of artist management and agency services in South Korea), amounted to a loss of approximately HK\$3,305,000 (2024: a loss of approximately HK\$6,801,000). The decrease in loss of HB Entertainment during the year was mainly attributed to the broadcast of a new drama "Motel California" in the first half of 2025.

– Provision for Impairment of Interest in an Associate

There was no provision for impairment in 2025, while provision for impairment of interest in HB Entertainment of approximately HK\$76,106,000 has been recognized for the year ended 31 December 2024. The incurrence of significant amount of impairment provision for year 2024 was mainly attributed to the following reasons:

- i) There was a general downward trend in the valuation of entertainment-related listed companies in the Korean market during the year. This is evidenced by the significant drop of average enterprise value-to-revenue ratio based on a pool of comparable listed companies within the same industry of HB Entertainment from 3.2 as at 31 December 2023 to 2.05 as at 31 December 2024; and
- ii) HB Entertainment has produced two TV dramas in 2023, while by end of 2024 there was only one TV drama being completed substantially (which was premiered in January 2025). This led to a significant drop in revenue of HB Entertainment which is one of the key parameters for determination of recoverable amount.

– Non-Hong Kong Financial Reporting Standard indicator in relation to loss for the year

The Group's loss for the year ended 31 December 2025 amounted to HK\$76,284,000 compared that of HK\$177,190,000 for the preceding financial year. The Group's adjusted loss for the year ended 31 December 2025 amounted to HK\$73,081,000, representing an decrease of HK\$30,154,000 or 29%, compared to the adjusted loss of HK\$103,235,000 for the preceding financial year. Adjusted loss is based on the loss for the corresponding year after excluding non-operating profit or loss items such as share-based compensation expenses, change in fair value of financial assets/interest in an associate at fair value through profit or loss, loss on modification of financial assets, notional interest on long-term financial liabilities, fair value change on investment properties, fair value change on financial liabilities at fair value through profit or loss and provision for impairment of interest in an associate. The decrease in adjusted loss was mainly attributable to reduction of segment losses of Echartnow operation resulting from the completion of its organizational restructuring and talent optimization in the first half of 2025, coupled with the Group's continuous effort of cost and expense control.

MANAGEMENT DISCUSSION AND ANALYSIS

To supplement the Group's consolidated financial statements presented in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), the Group has also reported its adjusted net loss attributable to equity holders of the Company, which is not required under, or presented in accordance with, HKFRSs, as an additional financial indicator. We are of the view that presenting the non-HKFRS indicator together with the relevant HKFRS indicator will help investors to better compare our operational performance across various periods, without the potential impact of projects which our management considers as not indicative to our operational performance. We believe that the non-HKFRS indicator provides investors and other individuals with helpful information to understand and assess our consolidated operational results in the same way that our management does. However, the adjusted net loss attributable to equity holders of the Company we presented may not be comparable with similar indicators presented by other companies. Such non-HKFRS indicator has its limitations as an analytical tool, and it should not be regarded as being independent from the operational results or financial position presented according to HKFRSs, or as an alternative to analyze the relevant operational results or financial position. In addition, the definition of such non-HKFRS indicator may vary from those applied in other companies.

The adjusted loss for the years ended 31 December 2025 and 2024 set out in the table below represents adjustments to the most direct and comparable financial indicator calculated and presented in accordance with HKFRSs (i.e. loss for the year):

	2025 HK\$'000	2024 HK\$'000
Loss for the year	(76,284)	(177,190)
Add:		
– Expenses/(reversal) of shared-based compensation	50	(3,312)
– Fair value change on financial assets at fair value through profit or loss, net of tax	(319)	2,180
– Fair value change on interest in an associate measured at fair value through profit or loss	–	4,536
– Fair value change on investment properties	473	(7,371)
– Gain on financial liabilities at fair value through profit or loss	–	(4,243)
– Loss on modification of financial assets	–	2,426
– Unwind interest on a financial asset	(1,579)	–
– Notional interest on long-term financial liabilities	4,578	3,633
– Provision for impairment of interest in an associate	–	76,106
Adjusted loss for the year	<u>(73,081)</u>	<u>(103,235)</u>

Liquidity and Treasury Management

As at 31 December 2025, the Group held cash and cash equivalents of approximately HK\$23,888,000 (2024: HK\$34,450,000), being a 31% decrease, comparing to the balance as at 31 December 2024.

The Group is at net current liability position of HK\$84,073,000 as at 31 December 2025 (2024: net current asset position of HK\$2,804,000). The current ratio, representing the total current assets to the total current liabilities, decreased from 1.02 as at 31 December 2024 to 0.69 as at 31 December 2025. Included in current liabilities as at 31 December 2025 were convertible bonds and the related interest payable of HK\$59,542,000 and HK\$11,458,000, the due date of which have been deferred to 21 April 2028 following the effectiveness of the Extension Deed in March 2026 as detailed in note 35 to the consolidated financial statements. Should the Extension Deed be effective as of 31 December 2025, the pro forma net current liability and the current ratio as at 31 December 2025 would be HK\$13,073,000 and 0.94 respectively.

The gearing ratio, representing the net debt (total borrowings, convertible bonds and lease liabilities less cash and cash equivalents and deposits paid for securing other borrowings) to total equity, is 2.8 times as at 31 December 2025 (2024: 4.9 times). Long-term financial liabilities, representing capital contributions from a new investor of a subsidiary which may need to be repurchased by that subsidiary under certain circumstances in the future, have not been included in the calculation of the gearing ratio. The Group's convertible bonds with principal amounts of HK\$60,000,000 have been converted during the year, leading to the decrease in the gearing ratio. The Group's total bank and other borrowings as at 31 December 2025 amounted to approximately HK\$83,922,000 (2024: HK\$75,051,000), and was denominated in Chinese Renminbi.

Should the convertible bonds be fully converted as of 31 December 2025, the pro forma net debt, total equity and gearing ratio as at 31 December 2025 would be HK\$15,959,000, HK\$86,720,000 and 18.4% respectively.

Foreign Currency Exchange Exposure

The Group has operations and investments in the PRC, Korea and Hong Kong, and is mainly exposed to foreign exchange risk arising from Chinese Renminbi and Korean Won currency exposures, primarily with respect to the Hong Kong dollars. During the year, fluctuation in Chinese Renminbi and Korean Won against Hong Kong dollars resulted in the net exchange gain of approximately HK\$2,286,000 (2024: exchange loss of HK\$1,879,000). The Group has not used any forward contracts, currency borrowings or other means to hedge its foreign currency exposure from Chinese Renminbi and Korean Won but manages through constant monitoring to limit as much as possible its net exposures.

Capital Structure

The Group has mainly relied on its equity, convertible bonds, bank and other borrowings and internally generated cash flow to finance its operations.

During the year ended 31 December 2025, the Company has issued (i) 63,800,000 shares upon share subscription (2024: nil); and (ii) 59,820,000 shares upon partial conversion of convertible bonds (2024: nil). Further details of new shares issued during the year are set out in Note 29 to the consolidated financial statements.

Convertible bonds as at 31 December 2025 amounted to approximately HK\$59,542,000 (2024: HK\$115,879,000). Further details of the convertible bonds issued during the year are set out in Note 31 to the consolidated financial statements.

Total bank and other borrowings as at 31 December 2025 amounted to approximately HK\$83,922,000 (2024: HK\$75,051,000). Further details of the bank and other borrowings are set out in Note 26 to the consolidated financial statements.

CHARGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2025 and 2024, save as those disclosed in Note 26 and Note 31 to the consolidated financial statements, none of the Group's assets was charged and the Group did not have any material contingent liabilities or guarantees.

HUMAN RESOURCES

As at 31 December 2025 the Group employed a total of 127 (2024: 221) full-time employees in Hong Kong and the PRC.

The Group operates different remuneration schemes for sales and non-sales employees. Sales personnel are remunerated on the basis of on-target-earning packages comprising salary and sales commission. Non-sales personnel are remunerated by monthly salary which is reviewed by the Group from time to time and adjusted based on performance. In addition to salaries, the Group provides staff benefits including medical insurance, contribution to staff provident fund and discretionary training subsidies. Share awards, share options and bonuses are also available at the discretion of the Group depending on the performance of the Group.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2025 and 2024.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the “Board”) is committed to achieving high standards of corporate governance and adherence to the governance principles and practices. The Board or its delegated Board Committees has regularly reviewed and monitored its implementation and effectiveness. Throughout the year ended 31 December 2025, the Company has applied the principles and complied with the code provisions in Part 2 of the Corporate Governance Code (the “CG Code”) set out in Appendix C1 to the Listing Rules on the Stock Exchange.

BOARD OF DIRECTORS

As at the date of this report, the Board comprises six directors (“Directors”) whose biographical details, as well as the relationship amongst them (if any), are set out on pages 32 to 33 of this Annual Report.

The Board is responsible for establishing the Group’s corporate policy and strategic direction; setting business objectives and development plans; monitoring financial performance, internal controls and the performance of the senior management; and ensuring that the Company complies with all applicable laws and regulations. The Board delegates day-to-day operations of the Group to the management, which is responsible for implementing these strategies and plans.

Directors play an active role in participating in the Company’s meetings. The composition of the Board as at the date of this report and their attendance at the Company’s meetings during the year 2025 are as follows:

Directors	Director Categories	Meetings		Committee Meetings			
		Board	General	Audit	Remuneration	Corporate Governance	Nomination
Mr. ZHAO John Huan	Chairman and Non-executive Director	8/8	2/2	–	–	–	–
Mr. CHENG Wu	Executive Director and Chief Executive Officer	8/8	2/2	–	–	–	–
Mr. YUEN Hoi Po	Executive Director and President	8/8	2/2	–	member 2/2	chairman 2/2	member ⁽²⁾ 0/2
Mr. YUEN Kin	Independent Non-executive Director	8/8	2/2	chairman 3/3	chairman 2/2	member 2/2	–
Ms. WANG Song Song	Independent Non-executive Director	8/8	2/2	member ⁽³⁾ 0/3	member 2/2	–	member 2/2
Ms. PAN Min	Independent Non-executive Director	8/8	2/2	member 3/3	–	–	chairman ⁽⁴⁾ 2/2
Mr. CHU Yugu ⁽¹⁾	Independent Non-executive Director	4/8	1/2	member 3/3	–	member 2/2	chairman 2/2
Total number of meetings held		8	2	3	2	2	2

(1) Mr. CHU Yuguo resigned as an Independent Non-executive Director of the Company with effect from 3 November 2025 and, accordingly, ceased to be the chairman of the Nomination Committee and a member of each of the Audit Committee and the Corporate Governance Committee with effect from the same date.

(2) Mr. YUEN Hoi Po was appointed as a member of the Nomination Committee on 3 November 2025. No Nomination Committee meeting was held after his appointment during the year ended 31 December 2025.

(3) Ms. WANG Song Song was appointed as a member of the Audit Committee on 3 November 2025. No Audit Committee meeting was held after her appointment during the year ended 31 December 2025.

(4) Ms. PAN Min was re-designated from a member to the chairman of the Nomination Committee on 3 November 2025.

To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationship among the Directors.

BOARD COMMITTEES

The Board has established Executive Committee, Corporate Governance Committee, Nomination Committee, Remuneration Committee and Audit Committee. Sufficient resources have been provided for the committees to undertake their duties. Each Board Committee has the authority to seek any complete and reliable information that it requires from the management. Where necessary, these committees should seek independent professional advice, at the Company's expenses, to perform their responsibilities.

Written terms of reference of each of the Executive Committee, Corporate Governance Committee, Nomination Committee, Remuneration Committee and Audit Committee are available on the websites of the Company, and, where applicable, the Stock Exchange.

Executive Committee

The Executive Committee currently comprises two Executive Directors, namely Mr. YUEN Hoi Po (chairman) and Mr. CHENG Wu.

The Executive Committee is mainly responsible for improving the efficiency of the Board's operation and shorten any operations-related decision making processes, as sometimes it may be practically difficult to convene a full board meeting or to arrange all the Directors to sign a written resolution in a timely manner.

No meetings were held throughout the year.

Corporate Governance Committee

The Corporate Governance Committee comprises one Executive Director, namely Mr. YUEN Hoi Po (chairman) and one Independent Non-executive Director, namely Mr. YUEN Kin.

The Corporate Governance Committee is mainly responsible for developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; reviewing and monitoring the training and continuous professional development of Directors and senior management; reviewing the Company's Shareholder Communication Policy; administering the Share Schemes, and reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year, two meetings were held by the Corporate Governance Committee to review matters including training and development for Directors and senior management, the Code of Conduct for Directors and employees, Directors' time commitment to Company affairs, and the Company's compliance with the CG Code and related disclosure requirements. The Committee also reviewed the major amendments to the CG Code and related disclosure requirements issued by the Stock Exchange which was taken effect on 1 July 2025 and approved corresponding revisions to its Terms of Reference. During the year, the Committee reviewed the effectiveness of the Shareholders' Communication Policy and how the Board, including the INEDs, communicates with shareholders, and considered the related disclosures to be included in the Corporate Governance Report. The Committee also approved the adoption of the Workforce Diversity Policy.

Nomination Committee

The Nomination Committee comprises two Independent Non-executive Directors, namely Ms. PAN Min (chairman) and Ms. WANG Song Song and one Executive Director, namely Mr. YUEN Hoi Po, following the change effective on 3 November 2025.

The Nomination Committee is mainly responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board structure and its composition; making recommendations on any proposed changes to the Board; reviewing Board Diversity Policy and Nomination Policy; assessing the independence of Independent Non-executive Directors, and reviewing the implementation and effectiveness of board independence mechanism.

During the year, two meetings were held by the Nomination Committee to review the Nomination Policy, evaluate the Board structure and its composition, and consider matters relating to the retirement and re-election of Directors at the 2025 annual general meeting in accordance with the Articles of Association. In line with the Company's ongoing commitment to board diversity, the Committee reviewed and revised the Board Diversity Policy to enhance its alignment with the revised CG Code and disclosure requirements which became effective on 1 July 2025. The Committee reiterated its focus on promoting diversity, including gender diversity, and will continue to monitor the implementation of the policy. The Committee also reviewed the major amendments to the CG Code and related Listing Rules issued by the Stock Exchange effective from 1 July 2025, and amended its Terms of Reference to ensure continued compliance with the updated regulatory requirements.

Remuneration Committee

The Remuneration Committee comprises two Independent Non-executive Directors, namely Mr. YUEN Kin (chairman) and Ms. WANG Song Song and one Executive Director, namely Mr. YUEN Hoi Po.

The Remuneration Committee is mainly responsible for making recommendation to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; and making recommendations to the Board on the remuneration of Non-executive Directors. The Remuneration Committee was delegated responsibility to determine the remuneration packages, including benefits in kind, pension rights and compensation payments, of individual Executive Directors and senior management.

During the year, two meetings were held by the Remuneration Committee to assess the remuneration packages and discretionary bonuses for Directors and senior management, taking into account the current economic environment and the financial performance of the Company with a view to ensure that remuneration is in line with the Company's financial performance and the interests of its stakeholders. The Committee also review matters relating to the Company's share schemes under Chapter 17 of the Listing Rules, including the clawback mechanism under the Share Award Scheme. Under this mechanism, any award granted to an eligible participant will be automatically forfeited if the participant engages in misconduct, ceases employment with the Group, or otherwise becomes ineligible prior to the vesting of the award. Misconduct includes fraud, debt default, criminal convictions, regulatory breaches, etc. Since no options or awards were granted to Directors and Senior Management disclosed on pages 32 to 33 of this Annual Report, no further action was required by the Committee under Listing Rule 17.07A.

CORPORATE GOVERNANCE REPORT

Audit Committee

The Audit Committee comprises three Independent Non-executive Directors, namely Mr. YUEN Kin (chairman), Ms. PAN Min and Ms. WANG Song Song following the change effective on 3 November 2025.

The Audit Committee is mainly responsible for the following:

1. Making recommendation to the Board on the appointment, reappointment, and removal of the external auditor, and to approve the terms of engagement of the external auditor;
2. Reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
3. Monitoring the integrity of the Company's financial statements and annual report and accounts, interim report and reviewing significant financial reporting judgments contained in them;
4. Monitoring the Company's financial reporting system, risk management and internal control systems; assisting the Board in reviewing the effectiveness of the Company's risk management and internal control systems;
5. Reviewing and monitoring the continuing connected transactions of the Group;
6. Reviewing the whistleblowing policy and system for Directors, senior management and all employees of the Group and third parties (i.e. those who deal with the Group such as customers, agents, contractors and suppliers) to raise concerns about possible improprieties in financial reporting, internal control or other matters anonymously and to ensure proper arrangements are in place for fair and independent investigation of those matters and for appropriate follow up action; and
7. Reviewing the effectiveness of the policy and system that promote and support anti-corruption laws and regulations.

During the year, three meetings were held by the Audit Committee for the purposes of meeting the above mentioned responsibilities.

BOARD NOMINATION POLICY

The Nomination Policy of the Company sets out the process of nomination as well as the criteria for selection and recommendation of director candidates as adopted by the Nomination Committee. Conditions considered in the nomination criteria include but are not limited to the candidate's qualifications, skills, experience, independence and compliance with the Board Diversity Policy. The Board has the final decision on all matters in respect of recommending candidates to be elected or re-elected at a general meeting.

BOARD DIVERSITY POLICY

The Group adopted a Board Diversity Policy to set out the approach to achieve diversity on the Board. We acknowledge that different perspectives and experiences can make the Board more effective and improve decision-making. The Board Diversity Policy aims to establish a board that represents the diversity of our stakeholders and the communities we engage with, taking into account factors such as gender, age, cultural background, education, and professional expertise.

As at 31 December 2025, the Board, comprised of six Directors, included two women (33.3%), which is considered an appropriate gender balance. The Company will continue to monitor the Board's composition and consider the evolving needs of the business and the regulatory environment.

The Nomination Committee would assess gender balance of the Board on an annual basis and assist in identification and development of a pipeline of high-caliber candidates with diverse backgrounds and experiences to ensure a continuous flow of potential successors for the Board.

As at 31 December 2025, the senior management consisted of four males and one female, including the CEO and President who are also Directors of the Company. The male-to-female ratio in the workforce (including senior management) was 0.76:1. This ratio demonstrates our commitment to achieving gender diversity in our workforce. Please refer to the ESG Report on page 22 for details on gender diversity across the workforce by employee categories.

BOARD INDEPENDENCE

The Company acknowledges the importance of board independence in maintaining good corporate governance. The Board currently comprises three independent non-executive directors, one non-executive director and two executive directors. This composition of the Board provides sufficient independence to enable independent judgement and oversight in the Board's deliberations and decision-making process. Moreover, several key committees of the Board, including the Audit Committee, Nomination Committee, and Remuneration Committee, are chaired by INEDs and have a majority of INED. INEDs are encouraged to express their views during Board and committee meetings.

As at the date of this report, the Board consists of three INEDs. Mr. YUEN Kin has served as an INED for over nine years. The Company confirms that it still considers all three INEDs to be independent, having regard to the independence criteria set out in Listing Rule 3.13. The Board is not aware of any changes in circumstances that would affect their independence. Each INED has confirmed that they comply with the independence criteria under Listing Rule 3.13 and are independent from any members of the Board and senior management of the Company. This indicates that they maintain independence in character and decision making.

The Board, through its Nomination Committee, conducts a comprehensive annual review of the effectiveness of the mechanism for independent views and input.

CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors actively engaged in continuous professional development activities throughout the year to enhance and refresh their knowledge and skills. This included training in areas relevant to their roles and responsibilities. Individual training records have been reviewed, confirming participation by all Directors. These activities strengthened Directors' expertise in key areas of governance and leadership.

NON-EXECUTIVE DIRECTORS

All Non-executive Directors (including Independent Non-executive Directors) of the Company are appointed for a specific term, which is subject to the Articles of Association of the Company or any other applicable laws regarding director retirement and re-election. All Non-executive Directors are serving fixed terms of not more than three years.

Throughout the year, the Board had at least three Independent Non-executive Directors, with at least one of whom having appropriate professional qualifications or accounting or related financial management expertise as required under Listing Rule 3.10.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted a code of conduct regarding securities transactions by Directors (the "Code of Conduct") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules. Having made specific enquiry, all Directors have fully complied with the required standard set out in the Model Code throughout the year 2025.

The Code of Conduct applies to all the relevant employees as defined in the CG Code, including any employee of the Company, or director or employee of a subsidiary or holding company of the Company who, because of such office or employment, is likely to possess inside information in relation to the Company or its securities.

EXTERNAL AUDITOR

The Audit Committee has received a letter from the existing auditor of the Company, PricewaterhouseCoopers, confirming their independence and objectivity. The remuneration paid to PricewaterhouseCoopers and its affiliated firms (if any) for services rendered is listed as follows:

Nature of the services	2025 HK\$'000	2024 HK\$'000
Audit services	1,850	1,930
Non-audit services	-	535
	1,850	2,465

There is no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The following statements, which set out the responsibilities of the Directors in relation to the consolidated financial statements, should be read in conjunction with, but distinguished from, the Independent Auditor's Report on pages 46 to 49 which acknowledges the reporting responsibilities of the external auditor.

Annual Report and Financial Statements

The Directors acknowledge their responsibilities for preparing the consolidated financial statements which give a true and fair view of the state of the Group.

Accounting Policies

The Directors consider that in preparing the consolidated financial statements, the Group uses appropriate accounting policies that are consistently applied, and that all applicable accounting standards are followed.

Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and which enable the preparation of consolidated financial statements in accordance with the disclosure requirements of the Hong Kong Companies Ordinance, the applicable accounting standards and other financial disclosures required by the Listing Rules.

CORPORATE GOVERNANCE REPORT

Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Going Concern

As detailed in Note 2(a) to the consolidated financial statements, the Directors, having made appropriate enquires, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL

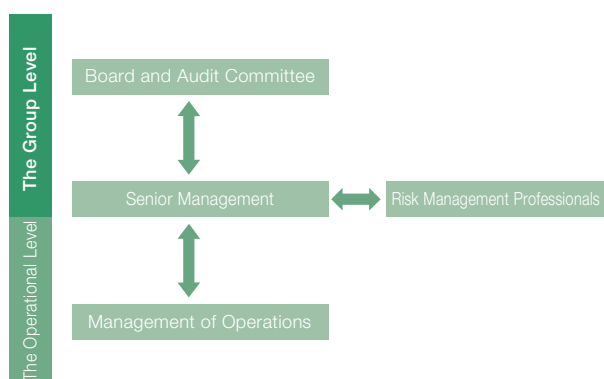
Responsibilities

The Board believes that a comprehensive set of risk management and internal control systems plays an essential role in achieving the Group's strategic goals, and has therefore acknowledged its responsibility to set up and maintain these systems, as well as review their effectiveness, while the management is responsible for designing, implementing and monitoring risk management and internal control systems, and providing a confirmation to the Board of the effectiveness of such systems. However, such internal control system is designed to manage, rather than eliminate, the risk of failing to achieve business objectives, and is only capable of providing reasonable, not absolute assurance.

Risk Management and Internal Control Systems

Established in 2015, the Group's risk management organizational structure is a 3-tier framework, comprising of the Board and its Audit Committee, senior management, as well as management of operations. This structure aims at facilitating the risk management in each aspect of the Group's businesses and constantly improving its internal control system. The detailed structure is presented as follows:

Risk Management Structure



The roles of each level within the risk management structure are set out below:

Board and its Audit Committee	
✓	Setting strategic goals
✓	Overseeing the design, implementation and monitoring of the risk management and internal control systems carried out by the management
✓	Evaluating major risks of the Group and judging their nature and degree
✓	Providing guidance on the significant areas of risk management, shaping and developing the Group's risk culture and setting the tone at the top level
✓	Reviewing the effectiveness of the risk management and internal control systems

Senior Management	
✓	Performing risk assessment on the Group from an overall perspective and implementing the Board's risk management and internal control policies and procedures
✓	Designing, implementing, and monitoring the risk management and internal control systems
✓	Providing the Board with confirmation of the effectiveness of the risk management and internal control systems

Risk Management Professionals	
✓	Coordinating with and assisting senior management in promoting risk management
✓	Overseeing business departments' establishment and implementation of risk response plans and measures

Management of Operations	
✓	Identifying and evaluating operational risks, designing, executing and monitoring the risk management and internal control systems implemented at operations
✓	Carrying out risk management processes and internal control measures across business operations and functional areas

The Group has prepared the Risk Management Manual, which defines the Group's risk management structure, respective duties and risk management processes. In each financial year, the Group organizes the management of each business department to implement their respective risk management processes. Through systematic risk management procedures, the Group identifies the nature and degree of the risks it faces, and assesses the major risks the Group is subject to. The Group prioritizes risks based on their probability and the severity of impact on the Group's businesses, and then develops risk management measures to keep the risks at an acceptable level. In anticipation of the changing risk dynamics, the Board has identified and evaluated the ESG risks related to the Group in the same way as other risks and believed that ESG-related risks had no material impact on the financial position and operations of the Group.

The Group's internal control system was constructed based on the internal control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Audit Committee reviews the effectiveness and adequacy of the system on a semi-annual basis. If any deficiency of internal control is identified, the Group will address it by communicating with the management internally and ordering rectification to be made. Any material deficiency identified in the control or procedures will be reported to the Board directly for communication and discussion.

The Group has an independent internal audit function, which reports to the Audit Committee directly and regularly. The internal audit function is responsible for reviewing the Group's risk management and internal control measures, and overseeing the management and controls of each of the Group's businesses and processes independently, through which the internal audit function assists the Board in promoting the continuous improvement of the Group's risk management and internal control systems.

In relation to the management of disclosure of inside information, the Group has put in place the Inside Information and Disclosure Policies, setting out the definition of inside information and specifying the procedures for the handling and dissemination of inside information. The Group discloses information to the public generally and non-exclusively through channels including but not limited to financial reports, announcements or official websites, with a view to achieving fair and timely disclosure of information. The Group strictly prohibits unauthorized use of confidential or inside information.

Review on the Risk Management and Internal Control Systems in 2025

The Board is responsible for reviewing the effectiveness of the risk management and internal control systems for the year. The review covers all material aspects of control, including financial, operational and compliance controls. The Board has finished reviewing the Group's risk management and internal control systems for the year ended 31 December 2025 and is satisfied with the results. The Board and the management have also reviewed the adequacy of resources, staff qualifications and experiences, training programmes for staff and relevant budgets for the Group's accounting, internal audit, financial reporting functions and those relating to the Company's ESG performance and reporting, and is satisfied with the results.

COMPANY SECRETARY

Mr. HAU Wai Man, Raymond, being an employee of the Company, has served as Company Secretary for over 15 years. He has complied with Listing Rule 3.29 throughout the year. The Company Secretary reports to the chairman of the Board and is mainly responsible for assisting the chairmen of the Board and its committees to prepare agendas for meetings and to prepare and disseminate meeting material to the Directors and committees' members in a timely and comprehensive manner; ensuring every Director complies with the Board's policy and procedures, and all applicable rules and regulations; and ensuring accurate records of Board/committee meeting proceedings, discussions and decisions are recorded. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

INVESTOR RELATIONS

The Company recognises the importance of effective communication with shareholders and stakeholders (including employees, customers, suppliers and investors). In this respect, the Company has established a range of communication channels to provide comprehensive information to its shareholders and stakeholders. The Company maintains regular and effective communication with its shareholders and stakeholders through the shareholders meetings, results press conferences, reception of potential shareholders, email communications as well as through the Company website. The Company website has designated contacts, email addresses and enquiry lines for shareholders and stakeholders to make any query in respect of the Company and it also used for publication of the Company's announcements, notices and other corporate communications to enable shareholders and other stakeholders to keep abreast of the latest development of the Group's business. The Board (through its Corporate Governance Committee) has reviewed the communication activities carried out during the year and was satisfied with the implementation and effectiveness of the Shareholders Communication Policy.

COMMUNICATION WITH SHAREHOLDERS

Shareholders' communication policy was established for ensuring the enhancement of communication between the Company and its shareholders.

Shareholders are encouraged to attend general meetings or to appoint proxies to attend and vote at the meetings on their behalf if they are unable to attend the meetings. Any vote of the shareholders at general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Code provision F.2.2 of the CG Code stipulates that the Chairman should attend the annual general meeting. Mr. ZHAO John Huan, Chairman of the Board, has attended the annual general meeting of the Company in the year 2025 (the "AGM"), together with the chairmen of the audit, remuneration, nomination and any other committees (as appropriate). In case of the absence of any of the chairmen of the committees, the relevant chairman would invite another member of the committee or, failing this, his or her duly appointed delegate to attend. These persons are available to answer questions at the AGM.

The chairman of the independent board committee (if any) would be available to answer questions at any general meeting that approve connected transactions or any other transactions that required independent shareholders' approval.

CORPORATE GOVERNANCE REPORT

The external auditor engaged by the Company has attended the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

The Share Registrar of the Company would be appointed as the scrutineer at the Company's general meetings to provide the detailed procedures for conducting a poll and to count the votes. The poll results announcement will then be made in accordance with the prescribed methods.

To further increase the efficiency of communication as well as to protect the environment, arrangements have been made to ascertain the shareholders' preference as to the means of receiving the Company's corporate communications. For details of such arrangements, please contact Customer Service Hotline of Tricor Investor Services Limited at (852) 2980 1333.

CONSTITUTIONAL DOCUMENTS

There were no changes to the constitutional documents of the Company. During the year, the Company implemented a share consolidation which became effective on 11 December 2025. Upon the share consolidation becoming effective, the authorised share capital of the Company became HK\$3,000,000,000 divided into 15,000,000,000 ordinary shares of par value HK\$0.20 each. As such, the share consolidation did not require a formal amendment to the Memorandum and Articles of Association under Cayman Islands law. A copy of the Memorandum and Articles of Association is available on the websites of the Stock Exchange and the Company.

DIVIDEND POLICY

The Company has developed and adopted its Dividend Policy. The policy specifies that the Board will declare reasonable dividend to shareholders on a semi-annual basis or as of any date in consideration of the Group's financial performance, shareholders' interests, business strategy, reserves of the Company, taxation, compliance and other factors. The payment of dividends is subject to the approval by the Board and/or shareholders, and the amount of dividends to be paid shall not exceed the amount recommended by the Board.

SHAREHOLDERS' RIGHTS

1. Procedures for Shareholders to convene an EGM:

- The Company will hold an annual general meeting (AGM) every year. Any general meeting that is not the AGM will be referred to as an extraordinary general meeting (EGM). Shareholders who hold at least one-tenth of the Company's paid-up capital carrying the voting rights at general meetings can request the Board or the Company Secretary to call an EGM by submitting a written requisition. This requisition, signed by the shareholder, should set out the matters to be discussed at the meeting. The requisition should be deposited at the Company's principal office located at Unit 1603, 16/F., Far East Finance Centre, No.16 Harcourt Road, Hong Kong. In case of joint holdings, it is sufficient for only one of the joint holders to sign the requisition.

- The requisition will be verified with the Company's Share Registrar and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the shareholders. On the contrary, if the requisition has been verified as not in order, the requisitioner(s) concerned will be advised of this outcome and accordingly, an EGM will not be convened as requested.
- The EGM shall be held within two (2) months after the deposit of such requisition. If the Board fails within twenty-one (21) days from the date of deposit of the requisition to proceed to convene the EGM, the requisitioner(s) himself (themselves) may convene the meeting in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

2. Procedures for Shareholders to make proposals at AGM:

There are no provisions allowing shareholders to make proposals or move resolutions at the AGM under the memorandum and articles of association of the Company or the companies laws of the Cayman Islands. Shareholders who wish to make proposals or move a resolution may convene an EGM.

3. Procedures for Shareholders to send enquiries to the Board:

Shareholders may send their enquiries to the Board by addressing them to the Company Secretary. The Company Secretary will forward the enquiries to the Board.

The contact details of the Company Secretary are as follows:

Address : Unit 1603, 16/F
Far East Finance Centre
No.16 Harcourt Road
Hong Kong
Email : info@honymedia.net
Tel : 3690 2050
Fax : 3690 2059

By Order of the Board

HAU Wai Man, Raymond
Company Secretary

Hong Kong, 31 March 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Hony Media Group (the “Company”, together with its subsidiaries, the “Group”) are pleased to present this Environmental, Social and Governance Report 2025 (the “ESG Report” or the “Report”). The Report aims to disclose, in an objective manner, what the Group accomplished in compliance with, as well as its internal policies, management measures and performance in relation to environmental, social and governance (“ESG”) for the year 2025.

Reporting Scope

The disclosure of the Report covers the period from 1 January to 31 December 2025 (the “Reporting Period”), certain parts of which can be traced back to previous years. The Report covers the Group’s ESG-related efforts and performance for its head office and its major continuing operation; i.e., the digitised operation services in healthcare industry (“Echartnow”).

Reporting Basis and Principles

The Report has been prepared in accordance with the ESG Reporting Code (the “Code”) as set out in Appendix C2 to the Main Board Listing Rules of the Stock Exchange and the Materiality, Quantitative, Balance and Consistency principles as set out in the Code to ensure its truthfulness and accuracy, and for the purpose of fully reflecting the current ESG management status and achievements of the Group while providing valuable information.

Source of Information

All sources of data and information in the Report include the Group’s internal formal documents, statistical reports and third-party questionnaires. The Report is reviewed and approved by the Board, which is responsible for the authenticity, accuracy and integrity of its contents. The Group undertakes that there is no false representation, misleading statement or material omission in this Report.

THE ESG STRUCTURE

In order to meet its sustainable development needs, the Group has established its ESG structure comprising the Board, the “ESG Working Group” and its business and functional departments, with a view to strengthening its strategic research and strategic planning on sustainable development, and enhancing its capability to confront and manage ESG and climate-related risks.

The Board takes the overall responsibility for the Group’s ESG and climate-related policies, measures and effectiveness. The Board is responsible for setting the Company’s direction for sustainable development, formulating its annual ESG and climate-related approaches, strategies, prioritisation and targets, monitoring the Company’s assessment on environmental and social impacts, understanding the potential impacts on its business model brought about by such ESG and climate-related issues and the associated risks thereof, reviewing the materiality assessment and reporting procedures with a view to ensuring the effective and continuous implementation of policies, regularly reviewing the performance of the Group based on ESG and climate-related targets and approving the information disclosed in the Report, so that the Company’s performance and information disclosures are consistently aligned with the expectations and requirements of investors and regulatory authorities.

The Group has established a working group designated to oversee ESG-related matters. This working group is mainly responsible for carrying out the overall coordination in accordance with the sustainable development guidelines and objectives set by the Board, overseeing the formulation and implementation of sustainable development strategies, assisting the Company in creating harmonious relationships and building effective communication with internal and external stakeholders, as well as reviewing the Report and making the disclosure hereof. The “ESG Working Group” is responsible to the Board for providing necessary advice, with a view to ensuring that the Company’s ESG management and reporting fulfil the regulatory requirements.

The Group’s business and functional departments are responsible for formulating relevant strategies in their respective areas and for the effectiveness of implementation in accordance with the Company’s sustainable development strategies and objectives.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

The Group is well aware of stakeholders' critical influence on the Company's sustainable development. Through diversified communication channels, the Group has duly listened to the expectations and requirements of its stakeholders. The Company has sorted out the opinions and suggestions of stakeholders, constantly reviewed its comprehensive development strategies, optimised internal management and externality management of its business, and worked with its stakeholders to achieve sustainable development.

Stakeholders	Communication Channels	Concerned Issues of Stakeholders
Customers	Business cooperation meetings through online/offline/video/phone calls and other means Customer services Routine meetings Customer satisfaction surveys	Product quality and safety Information security and privacy protection Enhancement of service quality
Shareholders and investors	General meetings Company announcements Official website	Regulating corporate governance Complying with the Listing Rules Corporate transparency, as well as establishment and enhancement of the position and reputation of the Company
Employees	Employee training Employee events Performance reviews	Occupational training and promotion Ensuring occupational health Offering competitive remuneration packages
Governments/regulators	Routine reporting and information disclosure Full payment of taxes in a timely manner Supervision and inspection	Timely communication and disclosure Tax compliance Operational compliance
Suppliers and partners	Visits Regular assessment Exploration of cooperation opportunities	Provision of a fair environment for cooperation Enhancement of mutual trust and benefit Delivery of shared development
Community	Community environmental governance Participation in community building	Conservation of ecological systems Promotion of community development

To effectively respond to the expectations and demands of its various stakeholders, the Group continuously refines its materiality assessment process in accordance with the Code and relevant guidelines, taking into account its business characteristics and industry trends. During the Reporting Period, the Group referred to the industry matrices of MSCI Inc. ("MSCI") and the Sustainability Accounting Standards Board ("SASB"). Through internal and external stakeholder questionnaire surveys, 6 high materiality issues were identified. The assessment mainly comprised the following steps:

Step 1: Issue Identification

Based on the Group's business model, key ESG issues in the industry and sustainable development frameworks, a preliminary screening of 25 potential material issues was conducted.

Step 2: Stakeholder Engagement

An independent third-party consultant was engaged to conduct stakeholder questionnaire surveys and management interviews, as well as benchmarking analysis of peer ESG performance, to validate the relevance of the issues.

Step 3: Issue Assessment and Prioritisation

Based on the survey results, the priority of issues was determined by evaluating them from two dimensions: "importance to stakeholders" and "importance to the business". The prioritisation was submitted to management for review and confirmation.

Step 4: Information Disclosure and Integration

According to the prioritisation of issues, the Group communicates relevant management measures and performance through this Report and official channels. Issues of high materiality will be integrated into the next year's business planning and ESG targets.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Based on the results of the above assessment, the list of the Group's material issues and the corresponding matrix diagram are presented as follows:



Environment area

1. Environmental Protection*
2. Exhaust Emission and Sewage Discharge Management
3. Climate Change*
4. Waste Management
5. Energy-use Efficiency
6. Water-use Efficiency
7. Green Office

Employment area

8. Workforce Management*
9. Employee Remuneration and Benefits
10. Working Hours and Holiday Management*
11. Employees' Rights and Care
12. Diversity and Equal Opportunity
13. Occupational Health and Safety
14. Employee Training and Development
15. Prevention of Child and Forced Labour

Operations area

16. Operational Management
17. Supply Chain Management
18. Promoting the Development of Healthcare Industry
19. Product Quality and Safety*
20. Responsible Marketing and Promotion
21. Customer Service and Satisfaction Management
22. Intellectual Property Rights Protection
23. Research and Development
24. Information Security and Privacy Protection*

Community area

25. Community Investment

* Issues of high materiality

PRODUCT AND SERVICE RESPONSIBILITIES

The Group is committed to maintaining a fair, honest and upright business environment, carrying out operation management in pursuit of excellence and providing high-quality products and high-standard services. It protects the rights and interests of customers in accordance with the law and keeps improving its anti-corruption mechanism. The Company strictly complies with the *Drug Administration Law of the People's Republic of China*, *Food Safety Law of the People's Republic of China*, *Regulation on the Supervision and Administration of Medical Devices*, *Health Food Registration and Filing Regulation* and other laws and regulations on the quality and safety of medicines, medical devices and health food. Strict supplier access criteria and evaluation standards are put in place to ensure suppliers' capacity and quality. The Company also conducts active training and publicity activities on anti-corruption and anti-money laundering, in order to promote honesty and integrity as part of its corporate culture.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Customers' Health & Safety

The Group requires its staff responsible for quality control to complete the training on quality management of medical devices organised by the Drug Supervision and Administration Department on a timely basis, so as to ensure the effectiveness of the Company's quality management, maintain the order of the operation of the online sales on the medical platforms and protect the safety of customers. "Echartnow" has established a quality management team responsible for overseeing and auditing the product information of medical devices on "Echartnow" and developing standards for research and development, quality and product inspection, to ensure product quality and safety through standardised workflows. Furthermore, it has obtained the *GB/T 19001-2016/ISO 9001:2015 Quality Management System Certification*. During the Reporting Period, the Group did not involve in any product recalls due to safety or health concerns.

Customers' Complaints & Responses

Adhering to customer-oriented principles, the Group has been constantly improving its service quality. Subsidiaries of the Group have developed and strictly followed the *Emergency Response & Management Guideline* and other related guidelines to clarify contingent response processes for emergencies and the complaint management process. Emergencies are categorised into different levels and followed up by professional departments, with a view to addressing customer complaints, public opinion, government regulation and other incidents. During the Reporting Period, the Group did not receive any major complaints in relation to its products and services.

Customers' Information & Privacy Protection

The Group takes concrete measures to protect customers' information and privacy, complies with the *Personal Information Protection Law of the People's Republic of China*, *Data Security Law of the People's Republic of China* and other laws and regulations, and regularly update and review the existing privacy protection mechanism in accordance with the latest laws and regulations. As part of its effort to ensure information safety and reliability on its platform, "Echartnow" has developed and implemented rules such as the *Information Security Management Guideline*, *Measures for Cybersecurity and Data Compliance Administration* as well as *Rules for Data Security Administration*, which clarify its requirements for managing information security, including the definition of information rating, confidentiality requirements, and contingency plans in response to risk events. The Group has signed privacy protection agreements with all employees who may have access to customers' personal information, emphasising the importance of information security protection to employees, and preventing employees from disclosing, selling, sharing and other improper use of customer information.

Responsible Marketing

The Group abides by the *Advertising Law of the People's Republic of China*, *Provisions on the Administration of Pharmaceutical Directions and Labels* and other relevant laws and regulations. It strictly controls the information used for advertising, publicity, and streaming media, and is responsible for the legality, authenticity and accuracy of the contents published, prohibiting the publication of deceptive or misleading contents to the public, to avoid adverse effects on the public. "Echartnow" has established the marketing regulatory processes to ensure that all marketing information is legal and compliant through the regulation of the compliance review process of marketing materials for each business.

Intellectual Property Rights Protection

The Group strictly abides by the *Patent Law of the People's Republic of China* and other laws and regulations. It has formulated and implemented the Measures for the Administration of *Intellectual Property Rights* and *Intellectual Property Rights Management Guideline* to manage and apply intellectual property rights in respect of patents, trademarks, copyrights of works and software, with a view to safeguarding the core competitiveness of the enterprise. To enhance employees' awareness of intellectual property rights, the Group plans to gradually strengthen intellectual property rights training and establish performance incentives for employees' efforts in intellectual property rights protection.

SUPPLY CHAIN MANAGEMENT

The Group strictly abides by the *Law of the People's Republic of China on Bid Invitation and Bidding* and other laws and regulations. It has formulated and implemented the *Supplier Management Guideline* and the *Procurement Management Guideline*, through which it adheres to the principles of openness and transparency in all aspects of development, access and evaluation of suppliers and provides a fair competition platform for them. Meanwhile, we review credentials and evaluate the capability of our suppliers and ensure the quality and reliability of the products they supply through regular quality inspections, environmental assessments and product certifications.

The Group selects suppliers of good reputation that offer high quality, timely services at reasonable prices. Compliance with environmental laws and regulations is also a prerequisite, and suppliers with excellent environmental performance will be preferred. As at 31 December 2025, the Group maintained good cooperative relationships with 98 suppliers with the following geographical distribution:

Region	Number of Suppliers	Percentage
Mainland China	57	58.16%
Hong Kong	40	40.82%
Overseas	1	1.02%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OPERATING WITH INTEGRITY

In order to maintain a business environment with impartiality and integrity and ensure the Group's business is conducted properly, the Group strictly adheres to the *Anti-Money Laundering Law of the People's Republic of China*, *Law against Unfair Competition of the People's Republic of China*, the *Prevention of Bribery Ordinance (Cap. 201, Laws of Hong Kong)* and other laws and regulations, with a view to resolutely cracking down on corruption, bribery, malpractice, extortion, fraud, money laundering and other misconducts. The Group has continued to improve the anti-corruption mechanism, formulate and implement various policies and guidelines such as the *Integrity Building Guidelines*, *Management Rules Against Malpractice*, the *Policy on Inside Information and Information Disclosure* and the *Code of Ethics*. It has strictly regulated the professional ethics of all employees from the policy level, strengthened the internal and external risk prevention capabilities, banned corruption and malpractice among employees, so as to do its utmost to safeguard the legitimate rights of its stakeholders, including shareholders, customers and business partners. During the Reporting Period, there was no litigation of corruption against the Group or its employees.

The Group requires new staff members to sign a *Compliance Undertaking*. It reminds its employees to pay attention to the code of ethical conduct, properly address conflicts of interest at work, and alert and prevent commercial bribery and other violations through a number of ways, including the *Employee Handbook*, relevant rules and policies, and training sessions. Meanwhile, the Group has set up a dedicated email, telephone, and other channels for receiving reports and complaints on misconduct. If an employee is found to have committed a corrupt act after investigation, the employee will be ordered to accept financial and administrative penalties in accordance with the regulations of the State and the Group; and if such employee is suspected of having violated the law, the employee will be referred to the judicial authorities. In addition, the Group engages a third-party consultant to review the effectiveness of internal control and verify high risk areas annually, so as to identify and improve internal control deficiencies and prevent risks in a timely manner.

To reinforce employees' awareness of integrity, the Group actively carries out integrity publicity and education, advocating a corporate culture of honesty and integrity and fostering an anti-corruption corporate environment. During the Reporting Period, the Group conducted systematic anti-corruption training. The training content covered key areas such as the *Code of Business Conduct*, handling conflicts of interest, and policies on gifts and entertainment. The training targeted all directors, senior management, and employees, and was delivered through various formats including online lectures and internal code of conduct study, ensuring that all employees receive at least one hour of anti-corruption training annually.

TALENT CULTURE

"People-centric" is the core talent management philosophy of the Group. The Group is committed to ensuring the compliance of employment, with a view to providing its employees with a healthy, safe, harmonious and inclusive working atmosphere, together with clear pathways for career development and competitive remuneration and benefits, enhancing the sense of belonging among its employees through caring actions and activities, and thus achieving mutual growth with employees. In compliance with the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Employment Ordinance (Cap. 57, Laws of Hong Kong)* and other relevant laws and regulations, the Group has formulated and implemented policies and systems of human resources management, aiming to standardise its management processes and safeguard the legitimate rights of its staff.

Human Resources Management

As at 31 December 2025, the Group had a total of 127 full-time employees in Hong Kong and Mainland China. The KPIs for employment are as follows:

Category		Number of Employees	Number of Leavers	Employee Turnover Rate
By gender	Male	55	47	46.08%
	Female	72	61	45.86%
By age group	35 and below	71	86	54.78%
	36–45	33	21	38.89%
	Over 45	23	1	4.17%
By geographical region of working place	Mainland China	114	107	48.42%
	Hong Kong	13	1	7.14%
Total		127	108	45.96%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employment & Labour Practices

The Group regards talent as its most valuable asset. During the process of employment, the Group carries out the recruitment work through multi-level and multi-channel approach and in strict compliance with the *Recruitment Management Policy* and other systems. Based on various levels of positions and talent, the Group undertakes the introduction of talent via flexible channels of campus recruitment, external recruitment, internal referral and other channels. The Group strictly monitors all recruitment procedures and introduces objective and impartial standards, so as to guarantee fair recruitment. The Group has also entered into formal labour agreements or labour contracts with all employees, thus ensuring their legitimate rights and interests.

The Group strictly complies with the provisions on prohibiting child labour and forced labour specified in the *Law of the People's Republic of China on the Protection of Minors*, *Provisions on the Prohibition of Using Child Labour* and other relevant laws and regulations in jurisdictions where it operates. In order to ensure all formal employees meet the statutory minimum age for admission to employment in jurisdictions where it operates, the Group initiates an identity document verification during recruitment process, and conducts relevant background check. In case of any misrepresentation of age or presenting forged documents, the Group will either reject the candidates or terminate such employment immediately. During the Reporting Period, there were neither risks of child labour, forced or compulsory labour nor cases of engaging children or minors in dangerous tasks, forced or compulsory labour in jurisdictions where the Group operated, and all employees were reasonably remunerated with reasonable working hours and statutory holidays.

Diversity & Harmony

The Group is committed to implementing the concepts of diversity and equal opportunities, and eliminating discrimination and bias that might arise from, among others, colour, gender, age, national origin, nationality, language, religious belief and physical condition, thus creating an open and inclusive workplace on an ongoing basis. In addition, the Group has proactively implemented certain caring measures for female employees, which include prohibition on reducing their wages or unilaterally terminating the contracts due to pregnancy, childbirth or breastfeeding, ensuring that no hazardous task is assigned to a female employee during her pregnancy, entitling them to paid leave for pregnancy check-ups, maternity leave and other maternity benefits in accordance with the provisions of the jurisdictions where it operates, so as to safeguard the fair employment practices for female employees.

Remuneration and benefits

The Group strictly implemented the Remuneration Management Policy under the principle of “all talents and resources available shall be optimally used” during the Reporting Period. Based on the contribution value of each position to the achievement of the Group’s strategic objectives, the Group links the remuneration and bonus of its employees with their personal ability, individual length of service, academic background and performance evaluation, thus ensuring the balance between the contribution and income of its employees. Taking into account factors including, among others, remuneration levels in the industry and its own operational efficiency, the Group adjusts the remuneration system and package annually when appropriate, so as to continuously optimise its ability to attract and retain talents. “Echartnow” continuously improves its employee health and care system: arranging annual physical check-ups for all employees; launching diversified fitness programmes, forming marathon running groups and regularly participating in events, while encouraging employees to enhance their physical fitness through running, hiking, and other activities; building a platform for reading and exchange to enrich employees’ spare time cultural life, comprehensively enhancing the team’s physical and mental health and cohesion.

Employee Training & Development

The Group provides sufficient training opportunities for its employees and a favourable career development environment to stimulate their thinking and potentials, thus enhancing their work performance, offering them promotion and advancement opportunities, thereby helping the Group and its employees realise mutual sustainable development. “Echartnow” systematically promotes the building of its talent pipeline. It offers the “Sparkle Training Camp” for new employees, consolidating the pre-job training system through an integrated online and offline teaching model. It strictly implements national regulatory requirements by organising special training on compliance management and information security confidentiality for all employees. Considering the characteristics of the healthcare industry, it regularly conducts studies and discussions on industry policy interpretations and cutting-edge trends, continuously enhancing the team’s professional competence and business capabilities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As at 31 December 2025, KPIs of the Group's staff training were as follows:

Category		Average Training Hours per Employee	Percentage of Employees Trained
By gender	Male	7.51	100%
	Female	9.53	100%
By grade	Senior Management	11.62	100%
	Middle Management	7.62	100%
	General Staff	8.61	100%

Occupational Health and Safety

The Group advocates the concept of “healthy work, healthy life”, attaches great importance to the safety of its employees at work and considers maintaining a healthy and safe working environment to be its key obligation. In strict compliance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Fire Protection Law of the People's Republic of China*, the *Occupational Safety and Health Ordinance (Cap. 509, the Laws of Hong Kong)* and other relevant laws and regulations, the Group implemented the *General Requirements for Occupational Safety and Health Management* and other safety management systems, continuously improved the safety management framework, ensured the occupational safety and health of the employees by strictly implementing the safety management work, providing safety protection, cultivating the safety awareness of the employees, organising fire drills and providing regular medical check-ups for our employees. We also regularly review the existing safety management mechanism in accordance with the latest laws and regulations, while revising and updating on the problems and gaps identified. In 2025, the Group conducted 8 hours of health and safety training and five fire drills. During the Reporting Period and in the past three years, there was no incident of work-related injury or death of employees of the Group.

Caring for Employees

The Group is committed to providing its employees with a convenient, comfortable, engaging and hassle-free workplace, and to creating a stronger sense of belonging. The Group continues to work on communication and care in the two dimensions of “information accessibility” and “health and wellbeing”. During the Reporting Period, to continuously strengthen staff relations, the Group organised team-building activities during holidays. Various staff activities, such as sports day and variety shows, were also organised to promote engagement and communication among employees.

Notes to social KPIs in this Chapter:

- (1) Data of social KPIs covers the Group's head office in Hong Kong, as well as the business segment of “Echartnow”.
- (2) Employee turnover rate = number of employees leaving employment under the category/(total number of employees at end of Reporting Period + number of employees leaving employment in the current year) × 100%.
- (3) Percentage of employees trained = number of employee trained/number of employees at year end.
- (4) Percentage of employees trained by type = number of employees trained by type/number of employees by type at year end.
- (5) Average training hours = total training hours/number of employees at year end.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GREEN OPERATION

The Group fully understands that environmental protection is an important responsibility of a corporate citizen. In strict compliance with the *Environmental Protection Law of the People's Republic of China*, the *Waste Disposal Ordinance of Hong Kong* and other relevant laws and regulations, the Group actively responds to the national call for 'carbon peaking and carbon neutrality' during its operations, as it conscientiously implements various environmental protection measures and strives to realise the green development concept by reducing pollution emissions, enhancing energy utilisation and reasonably disposing of waste. "Echartnow" has formulated and implemented the *Office Environment Management System* and Procedures to regulate employees' use of various office resources and actively explore methods to reduce environmental impact. During the Reporting Period, the Group's operations complied in all material respects with national and local laws and regulations on environmental protection as applicable, and it was not subject to any penalties for any non-compliance with existing environmental laws or regulations.

Emission Management

As more frequent extreme weather phenomena are being brought by climate changes, the Group has recognised such issues and the fact that such phenomena may adversely affect its production and operation. It has therefore been proactively responding to the national call for "energy conservation and emission reduction" by adhering to the philosophy for sustainable and low-carbon development. "Echartnow" applies digital technology to the mitigation of and adaptation to climate change, reducing the impact of climate change by minimising the carbon footprint of its products and services. For instance, it has established a specialised pharmacy system that offers electronic prescriptions and innovative online payment methods. By actively leveraging digital technology and product influence, "Echartnow" supports the low-carbon transition of users, industries and society.

Energy Use

All facilities and equipment of the Group must comply with the standards of the jurisdictions where it operates, with priority given to the use of energy-efficient appliances such as lighting devices, air conditioners and refrigerators. For the purpose of reducing unnecessary energy consumption, the Group reasonably sets the office area lighting time and air-conditioning temperature, and requests employees to switch off lights and appliances as they leave the workplace. In addition, to ensure the normal operation and extend the useful life of various electrical appliances, the Group regularly conducts maintenance and repairs, thus avoiding the impact on power efficiency due to ageing.

During the Reporting Period, total direct and indirect energy consumption of the Group was as follows:

Total non-renewable fuel (direct) consumption (MWh)	69.69
Total purchased energy (indirect) consumption (MWh)	45.14
Total energy consumption (MWh)	114.83
Energy consumption intensity (MWh/HK\$ million revenue)	0.20

Exhaust Emissions

The Group's exhaust emissions are mainly derived from gas fuel use and utilisation of company vehicles. In strict compliance with the latest environmental requirements, all segments under the Group have switched to new equipment to minimise unnecessary fuel consumption, improve combustion efficiency and reduce exhaust emissions.

During the Reporting Period, exhaust emissions generated by the Group were as follows:

Nitrogen oxide emissions (kg)	3.18
Sulphur oxide emissions (kg)	0.11
Particulate matter emissions (kg)	0.23

Waste Disposal

The Group strictly complies with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Measures for the Prevention and Control of Environmental Pollution by Discarded Dangerous Chemicals and other laws and regulations, thus conducting strict and compliant management of wastes in preventing environmental pollution. In addition, "Echartnow" has established a digital operation platform to achieve full-process digital management of project documents, effectively reducing paper use and document redundancy, thereby minimising waste generation from the source.

During the Reporting Period, waste generated by the Group was as follows:

Non-hazardous waste produced (kg)	163.50
Non-hazardous waste intensity (kg/HK\$ million revenue)	0.29

Among the non-hazardous waste generated by the Group, scrap metal parts, plastics, office paper and other wastes with recycling value are kept by the persons in charge of the generating departments, and are processed together occasionally through reselling to the recycling stations. In order to reduce the impact of waste on the environment, the Group has also entered into contracts with professional companies for integrated loading, removal and disposal. During the Reporting Period, no hazardous waste was generated by the Group.

Sewage Discharge

The Group strictly complies with the Environmental Quality Standards for Surface Water and other laws and regulations. In accordance with plans of the municipal administration, domestic sewage generated by the Group, which is mainly derived from its office premises, is collected via designated sewage pipes and subsequently discharged to the municipal sewage network, where it will be treated in a centralised manner by relevant sewage treatment plants.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Water Consumption

The Group obtains commercial water through government water supply department and strictly complies with the *Water Law of the People's Republic of China* and other laws and regulations, reasonably utilising water resources. For daily office water consumption, the Group actively promotes the concept of water conservation, analyses the causes of abnormal consumption and implements improvement plans in a timely manner, with a view to reducing the wastage of water resources. Meanwhile, the Group has set clear water conservation targets, systematically integrating them into its ESG management and daily operations to continuously improve water efficiency. During the Reporting Period, the Group did not have any problem in sourcing fit-for-purpose water.

During the Reporting Period, total water consumption and density of the Group were as follows:

Municipal-supplied water consumption (cubic metre)	1,758.00
Total water consumption (cubic metre)	1,758.00
Water consumption intensity (cubic metre/HK\$ million revenue)	3.08

Notes to environmental KPIs in this Chapter:

- (1) During the Reporting Period, the scope of data collection covered the Group's head office in Hong Kong, as well as the business segment of "Echartnow".
- (2) Exhaust gas emissions are derived from the motions of company vehicles, whose emission factors are determined with reference to the Reporting Guidance on Environmental KPIs (the "Reporting Guidance") from the Stock Exchange.
- (3) Conversion factors for energy heating value are determined under the *General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2020)* issued by the PRC and the *Energy Statistics Manual 2017* issued by the International Energy Agency.

CLIMATE CHANGE

The Group recognises that climate-related issues can materially impact our business operations and long-term value. Therefore, the Group integrates climate change considerations into its core strategy and enhances climate-related risk assessments to fully evaluate the material impacts on the business, thereby formulating targeted mitigation measures. The Group discloses climate-related information based on the four-pillar framework (Governance, Strategy, Risk Management, Metrics & Targets) in accordance with the Code.

Governance

The Group has established a three-tier climate governance structure composed of the Board, the ESG Working Group, and business and functional departments, integrating the management of climate-related risks and opportunities. As the highest governing body, the Board oversees the Group's climate-related policies and strategies, taking the lead in deliberating, deciding, managing and supervising climate-related matters. To ensure climate-related matters are systematically addressed, the Board integrates them into the agenda of regular meetings at least once a year. These meetings focus on discussing the Group's climate-related risks and opportunities, as well as assessing whether the Group has implemented effective measures to mitigate and adapt to climate change impacts. The Board reviews progress toward climate targets annually and makes adjustments as necessary to ensure strategies stay on track. The Board also considers climate-related risks and opportunities when overseeing strategy, significant transactions, risk management and related policies, and evaluates their potential impacts on the Group's business development and operations.

To ensure the Board has the expertise to fulfill its oversight role, the Group supports the Directors in enhancing their climate-related knowledge and capabilities. Initiatives include providing access to specialised learning resources, organising targeted internal training sessions, and facilitating participation in climate-focused projects and seminars delivered by external professional institutions. This helps strengthen the Board's ability to navigate complex climate challenges and stay abreast of the latest developments in climate risks and opportunities.

Building on the Board's strategic oversight, day-to-day climate governance responsibilities are delegated to the ESG Working Group, composed of members of the Group's management. The ESG Working Group's responsibilities include executing climate strategies, achieving climate targets, monitoring the implementation of the Group's climate-related actions and plans, and reporting on the progress of climate-related assessments to enhance the Group's resilience. Business and functional departments are responsible for fully integrating the aforementioned climate-related controls and procedures into their daily policies and operations, proactively identifying the climate risks and opportunities involved, and effectively implementing specific climate action plans.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Strategy

The Group refines its risk assessment procedures to analyse the potential impacts of climate change on its business and value chain, thereby evaluating and formulating optimal response measures. During this Reporting Period, the Group conducted its first comprehensive climate scenario analysis, covering physical risks and transition risks, as well as related opportunities, and performed detailed screening and assessment for each risk and opportunity category.

Physical risks: Risks related to the physical impacts of climate change, including acute risks driven by extreme weather events or chronic risks caused by long-term shifts in climate patterns.

Transition Risks: Risks related to the transition to a lower-carbon economy, which may entail policy, legal, technology, and market changes arising from the requirements for climate change mitigation and adaptation.

To conduct a comprehensive analysis of climate-related risks and opportunities that may arise throughout business development, the Group comprehensively considered factors such as global temperature rise pathways, changes in climate policies, time horizons of impact, industry nature and strategic goals, and selected the scenario assumption models and related parameters listed in the table below, aligning with China's "dual carbon" strategy and the Hong Kong government's target of "achieving carbon neutrality by 2050". The Group analyses the current impacts of climate risks and opportunities, as well as their expected impacts over the short, medium and long term (up to 2030, 2040, and 2050). These time horizons are defined by taking into account the Group's operational budgeting cycle and strategic business planning cycle. In the scenario analysis, the Group assumes that its climate-related policies and reporting scope will remain unchanged within the expected impact range of the risks.

Scope	Consistent with the reporting scope, covering all major operating activities of the Group in Mainland China and Hong Kong, including the head office and "Echartnow".
Scenarios Used	<p>IPCC Scenario Framework (for physical risks analysis):</p> <ul style="list-style-type: none"> ● SSP 1–2.6: Global warming is limited to 2.0°C. Governments' social, economic and clean energy transitions align with historical trends. Stringent policies amplify transition risks for enterprises, while physical risks remain notable. ● SSP 5–8.5: Global warming exceeds 4°C. Delayed government climate action, stalled emission reduction/adaptation, and insufficient policies drive extreme climate impacts, increasing enterprises' immediate and long-term physical risks. <hr/> <p>NGFS Scenario Framework (for transition risks and opportunities analysis):</p> <ul style="list-style-type: none"> ● Net Zero 2050: Early adoption of stringent climate policies. By reducing energy demand and advancing low-carbon technologies, it aims to limit global warming to 1.5°C and achieve global net-zero carbon dioxide emissions around 2050. ● Current Policies: Only currently implemented climate policies remain in place, leading to continued growth in GHG emissions. Global warming is projected to exceed 3°C, resulting in severe physical risks.

The Group recognises that integrating both quantitative and qualitative analysis would deliver a more comprehensive assessment of climate-related risks and opportunities. However, as relevant operational data is fragmented across business units and industry-accepted measurement methodologies for such metrics remain highly uncertain, the Group is currently unable to reliably compile various cross-industry indicators in a reasonable and cost-effective manner. The Group's climate-related actions have been fully integrated into its daily business operations, and the financial impacts on climate-related risks and opportunities are not material. Therefore, quantitative data has not been separately identified or disclosed. Nevertheless, based on qualitative assessments and analyses conducted under the selected scenarios and time horizons, the Group has identified the impacts of the following 4 key climate-related risks and opportunities. The Group is also actively enhancing internal data integration systems and scenario-modelling capabilities to gradually improve the granularity of quantitative climate disclosures.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk and Opportunity Type	Area of Impact	Materiality Level ¹			Impact on Business Model and Value Chain	Impact on Financial Performance
		Short-term	Medium-term	Long-term		
Physical Risks						
Extreme Weather Events	The Group's operating locations				<p>Business Model:</p> <ul style="list-style-type: none"> Extreme weather leads to data centre service interruptions or office closures, affecting online platform stability and employee work. <p>Value Chain:</p> <ul style="list-style-type: none"> Employee commuting disruptions affect operational staffing; supply chain logistics delays may impact acquisition of necessary operational materials. 	<ul style="list-style-type: none"> Revenue Loss: Service interruptions may lead to decreased platform business volume and customer churn. Cost Increase: Data centre emergency maintenance, backup power, and business continuity measures lead to higher operational costs.
Transition Risks						
Policy & Regulation Tightening	The Group's overall compliance operations				<p>Business Model:</p> <ul style="list-style-type: none"> Must comply with increasingly stringent climate-related information disclosure requirements, increasing compliance complexity. Energy efficiency standards are becoming stricter, potentially impacting operations. <p>Value Chain:</p> <ul style="list-style-type: none"> Need to track and report operational carbon emissions. Suppliers may increase prices due to their own rising carbon costs. 	<ul style="list-style-type: none"> Compliance Costs: Investment in carbon accounting tools, reporting systems, and related consultancy services to meet new disclosure requirements. Supply Chain Costs: Carbon costs passed on by suppliers may lead to higher procurement costs. Potential Fines and Reputational Risks: Non-compliance could result in fines and damage to brand reputation.
Opportunities						
Operational Energy Efficiency Optimisation	The Group's operating locations				<p>Business Model:</p> <ul style="list-style-type: none"> Enhancing electricity efficiency through measures such as optimising cloud technology adoption and server virtualisation. Promoting green offices to reduce unnecessary energy consumption. <p>Value Chain:</p> <ul style="list-style-type: none"> Selecting cloud service providers that use renewable energy or have better energy efficiency performance. 	<ul style="list-style-type: none"> Operational Cost Savings: Reduced energy consumption directly lowers major operating expenses, improving profit margins. Capital Efficiency Improvement: Extending hardware lifespan, reducing the frequency of equipment upgrades and capital expenditure.
Shift in Customer Healthcare Preferences	The Group's digitised operation services in healthcare industry				<p>Business Model:</p> <ul style="list-style-type: none"> Structural shift in demand, with digital healthcare services becoming mainstream. <p>Value Chain:</p> <ul style="list-style-type: none"> Enhanced attractiveness to partners. 	<ul style="list-style-type: none"> Revenue Growth: Capitalising on new market demands driven by climate change, acquiring incremental users, and increasing market share.

Note:

1. Materiality definitions: "Light Color" — Handle through standard existing processes; "Regular Color" — Need to be monitored consistently; "Dark Color" — Require management strategy planning and implementation tracking.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risks and Opportunities Response Measures:

Risk Type	Response Measures
Extreme Weather Events	<ul style="list-style-type: none"> Develop and regularly practice business continuity plans and disaster recovery plans for platforms. Establish policies for flexible work arrangements under extreme weather to ensure employee safety and core function operations.
Policy & Regulation Tightening	<ul style="list-style-type: none"> Continuously monitor climate-related regulatory developments globally and in operating locations. Establish an internal climate risk assessment and management system.
Opportunity Type	Response Measures
Operational Energy Efficiency Optimisation	<ul style="list-style-type: none"> Annually implement energy-saving renovation projects at major operating locations (e.g., LED lighting, smart air conditioning controls). Establish energy efficiency standards for IT equipment procurement, prioritising products with low energy consumption.
Shift in Customer Healthcare Preferences	<ul style="list-style-type: none"> Increase technology investment to optimise the full-process experience, including online consultations, electronic prescriptions, and medication delivery linkage, consolidating service resilience advantages. Clearly communicate the sustainable development value of digital healthcare in marketing to shape a leading brand image for green health technology.

While the Group has not yet developed a dedicated climate transition plan, the Group has implemented response measures, and the measures disclosed in the previous reporting period have been fully implemented, with related funding and execution provided through the Group's internal capital and existing human resources. The Group also established climate-related targets during the Reporting Period to comprehensively advance its decarbonisation and climate resilience building. During the Reporting Period, the Group had no material capital expenditure, financing, or investment specifically dedicated to addressing climate-related risks and opportunities.

Despite these proactive actions, the Group faces key uncertainties that may constrain the effective implementation of its future climate resilience plans, including the uncertain pace of global and regional climate policy updates, the uncertain shift in user demand for green services, and the evolving speed and severity of physical climate change impacts. Nevertheless, the Group believes it possesses a robust capacity to adjust and adapt its strategy and business model to address climate change across the short, medium and long term. This adaptive capacity is embedded in the Group's ongoing strategic planning and operational management, enabling timely adjustments to business priorities, operational processes and value chain collaboration in response to evolving climate risks, regulatory changes and market dynamics.

Going forward, the Group will regularly monitor climate-related risks and opportunities, evaluate mitigation effectiveness, adjust strategies based on operational performance, and track the progress of all climate-related target achievement through ongoing monitoring. The Group will adjust climate-related targets in a timely manner based on operational performance and external climate trends, to ensure targets are both feasible and ambitious. We will also optimise mitigation and adaptation measures based on target progress and the results of effectiveness evaluations. These clear goals will guide the orderly advancement of all climate response initiatives, effectively support the Group in meeting its established climate-related targets, and further strengthen the Group's adaptive resilience to climate change challenges.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk Management

The Group has integrated the processes for identifying, assessing, prioritising, and monitoring climate-related risks and opportunities into the overall risk management framework and system to embed climate risk management into day-to-day operations. The Group also ensures that it effectively addresses the challenges posed by climate change. This integration aligns with the Group's existing risk management structure, and there were no significant changes to its risk management process during the Reporting Period.

Throughout the process, the Group considers parameters such as asset location and type, historical exposure to extreme weather, and energy consumption patterns. It also utilises climate data from publicly available scenario sources, as well as internal data (e.g., energy and resource consumption data and operational event logs). Below is an overview of the Group's climate risk and opportunity management process.

Identification: The Group identifies potential climate risks and opportunities by researching climate change trends, domestic and international industry developments and technological changes, conducting peer benchmarking, and collecting stakeholder opinions. Climate-related scenario analysis is also performed, considering the Group's operational conditions and business characteristics. These initiatives enable the Group to comprehensively and objectively gather data on potential climate risks and opportunities across all its business locations in Hong Kong and Mainland China, ensuring the final list of climate risks and opportunities covers key links throughout the entire business process.

Assessment: The Group conducts a comprehensive assessment, analysing the potential impacts of climate-related risks and opportunities on its business model, value chain, and financial performance, as well as evaluating their likelihood of occurrence and the corresponding magnitude of impact. This assessment uses inputs and parameters consistent with the identification stage, covering the same reporting scope and complete business process links.

Prioritisation: Based on the assessment results of climate-related risks and opportunities, the Group prioritises the identified items based on the likelihood of occurrence and significance of impact. This prioritisation process aligns with the Group's overall risk management framework and business objectives.

Monitoring: Each business and functional department is responsible for continuously monitoring and collecting data on climate-related risks and opportunities within their operational scope, as well as the effectiveness of implemented mitigation and response measures. Building on this, the Group's ESG Working Group conducts periodic overall assessments and monitoring, consolidates information, and regularly reports the results of identifying, assessing, and managing climate-related risks and opportunities to the Board. This process strengthens the Board's oversight based on frontline information and ensures that risk response measures and opportunity capture initiatives are effectively implemented across departments.

Metrics and Targets

The Group regards the advancement of climate resilience and sustainable operational practices as core strategic priorities. It consistently works to align its sustainable development targets and related action plans with global sustainability standards. The Group prioritises alignment with China's national "dual carbon" strategy and Hong Kong's regional carbon peaking and neutrality objectives, initiatives that underpin China's fulfillment of its obligations under the Paris Agreement.

To align with these climate frameworks, the Group continuously assesses its ESG key performance indicators and has developed reduction and management targets that match the requirements of these national and regional climate and sustainability frameworks. While these targets have not yet undergone independent third-party verification, nor were they formulated using a sectoral decarbonisation approach, the Board will monitor the progress and performance of target achievement on an annual basis and assess whether revisions are necessary. Furthermore, the Board will continue to refine the mechanisms for formulating, evaluating and verifying these targets to ensure the transparency and credibility of its decarbonisation efforts.

To turn these governed targets into tangible emissions reductions, the Group focuses on substantive decarbonisation through energy efficiency and operational process enhancement. At this stage, the Group has no plans to use carbon credits for emissions offsetting, but will closely monitor carbon credit market and policy developments to leverage such tools as supplementary support for long-term carbon neutrality goals when appropriate.

Carbon Reduction Targets for the Group's Operating Locations:

Target Category	Description
GHG Emissions	Reduce total Scope 1 and Scope 2 GHG emission intensity by 5% by 2030, with 2025 as the base year.
Energy Management	Reduce total energy consumption intensity by 5% by 2030, with 2025 as the base year.

During the Reporting Period, the Group conducted GHG identification, assessment, and inventory activities to effectively manage its GHG emissions. These activities covered the Group's operations in Hong Kong and Mainland China, with Scope 1 and Scope 2 emissions accounting completed in accordance with the requirements of the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)*. The Group recognises the importance of value chain indirect emissions and has begun identifying relevant emission sources. However, as Scope 3 emissions accounting involves extensive upstream and downstream activity data, obtaining complete, reliable and consistent quantitative data presents significant practical challenges at the current stage. To ensure the accuracy and reliability of the information contained in this Report, and to avoid potentially misleading disclosures before the data foundation is stable, the Group decided to focus on reporting Scope 1 and Scope 2 emissions, which are directly controllable and influenceable, during this Reporting Period. The Group will continue to improve its data management capabilities and maintain communication with value chain partners, aiming to gradually incorporate relevant quantitative information on Scope 3 emissions in the future when conditions are mature and the disclosed data can meet strict quality standards.

During the Reporting Period, the summary of GHG emissions of the Group is illustrated as below:

Total GHG emissions (tonne CO₂e)	43.84
Total GHG emissions intensity (tonne CO₂e/HK\$ million revenue)	0.08
Scope 1 GHG emissions (tonne CO₂e)	19.19
Scope 2 GHG emissions (tonne CO₂e)	24.65

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Notes to KPIs in this Chapter:

- (1) The Group uses an operational control approach for GHG emission accounting. This methodology defines the accounting scope based on the Group's authority to enforce operational policies across its business activities. This not only more accurately reflects its actual responsibilities in carbon emission management but also helps strengthen GHG emission monitoring and governance, ensuring that accounting outcomes align with the Group's sustainable development goals.
- (2) The calculation methodology of GHG emissions follows the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)*, the *Appendix 2: Reporting Guidance on Environmental KPIs* issued by HKEX, and the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong* jointly published by the Hong Kong Environmental Protection Department and the Electrical and Mechanical Services Department. The Group's GHG emissions include carbon dioxide, methane and nitrous oxide, and are presented in tonnes of carbon dioxide equivalent (tCO₂e) for better readability.
- (3) Scope 1 direct emissions originate from the Group's daily fuel consumption by company vehicles. Emission factors used for calculation are referenced from the *Appendix 2: Reporting Guidance on Environmental KPIs* issued by HKEX.
- (4) Scope 2 refers to energy indirect GHG emissions, including electricity purchased from power companies. Emission factors used for calculating GHG emissions from purchased electricity are based on data provided by the Ministry of Ecology and Environment of the People's Republic of China, The Hong Kong Electric Company, Limited and CLP Power Hong Kong Limited.

The Group's strategic focus remains on optimising core business performance and creating long-term value, which aligns with its current ESG and climate-related risk management approach. The Group has not yet introduced an internal carbon pricing mechanism, nor has it integrated climate-related factors into its remuneration policy or governance frameworks. This is primarily because these elements have not yet demonstrated a direct and material relevance to the Group's industry, current operational priorities, or financial decision-making needs. The Group will continue to monitor advancements in climate-related indicators, industry best practices, and the application of internal carbon pricing, and will proactively assess the feasibility of integrating these elements into its governance frameworks and remuneration policies when conditions mature.

COMMUNITY INVESTMENT

Fully aware of its corporate social responsibilities, the Group actively participates in social charity and constantly cares for vulnerable groups. In forms such as donations and charity events, the Group fully leverages its strengths in resource reserve to support the development of local communities and give back to the society wherever possible.

During this Reporting Period, "Echartnow" continued to provide digital operation service projects, accelerating the new drug research and development process for pharmaceutical companies through patient recruitment and case collection services, enabling more patients to access advanced treatment options. At the same time, "Echartnow" partnered with collaborating enterprises to donate medical consultation cards to the China Charity Federation, promoting the allocation of medical resources to grassroots levels. Through the "Building China's Medical Village Initiative", "Echartnow" assisted partners in establishing long-term collaborations with pharmaceutical chain enterprises, primary healthcare institutions, and industry experts, sharing resources to enhance the accessibility and equity of medical services. Looking ahead, "Echartnow" will remain committed to actively promoting industry collaboration and fulfilling its social responsibilities, thereby contributing to the national Healthy China Initiative.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Mr. ZHAO JOHN HUAN

Director since 2024

Chairman and Non-Executive Director

Mr. ZHAO John Huan, aged 63, a Non-Executive Director and the Chairman of the Company. Mr. ZHAO holds an MBA degree from the Kellogg School of Management at Northwestern University, Master's degrees in Electronic Engineering and Physics from Northern Illinois University, and a Bachelor's degree in Physics from Nanjing University.

Mr. ZHAO currently holds the position of the chairman of Hony Capital. Additionally, he serves as a non-executive director for Legend Holdings Corporation (HKSE: 3396), Lenovo Group Limited (HKSE: 992), as well as the chairman and executive director of Goldstream Investment Limited (HKSE: 1328) and Best Food Holding Company Limited (HKSE: 1488).

Mr. ZHAO is deemed to have an interest in 119,641,076 Shares through his interest in United Strength LS Limited. This interest comprises 59,820,538 Shares, together with the Convertible Bonds with aggregate outstanding principal amount of HK\$60,000,000, which is convertible into 59,820,538 Shares at the conversion price of HK\$1.003 per Share. United Strength LS Limited is a wholly-owned subsidiary of Hony HK Co-Investment, L.P., which is managed by United Strength Youthful Limited (as the general partner). United Strength Youthful Limited is a wholly-owned subsidiary of Hony Capital Group Limited, which is in turn a wholly-owned subsidiary of Hony Capital Group, L.P., managed by Hony Group Management Limited (as the general partner). Mr. ZHAO is a director of Hony Group Management Limited, which is 80% owned by Hony Managing Partners Limited. He also serves as a director of Hony Managing Partners Limited, a wholly-owned subsidiary of Exponential Fortune Group Limited, in which Mr. ZHAO is a director and owns a 49% interest.

In the past three years, Mr. ZHAO served as a non-executive director of the listed companies including Zoomlion Heavy Industry Science and Technology Co., Ltd (HKSE: 1157; SZSE: 000157) from June 2015 to June 2023 and China Glass Holdings Limited (HKSE: 3300) from January 2005 to April 2025.

Mr. CHENG Wu

Director since 2018

Executive Director and Chief Executive Officer

Mr. CHENG Wu, aged 51, an Executive Director and CEO of the Company. He is a member of Executive Committee of the Company. Mr. CHENG graduated from Tsinghua University with a Bachelor of Science degree in Physics. He also gained EMBA degrees from the Olin Business School at Washington University and the PBC School of Finance at Tsinghua University.

Mr. CHENG, who served at Tencent Holdings Limited (HKSE: 700) ("Tencent"), a substantial shareholder of the Company, for over 12 years, held various senior positions including corporate vice president, chairman of Tencent Animation & Comic, chairman of Tencent Literature, and the chief executive officer of Tencent Pictures. Mr. CHENG was responsible for the strategic planning and day-to-day operation of Tencent Animation & Comic, Tencent

Literature, Tencent Pictures, and Tencent Esports. In addition, Mr. CHENG was responsible for Tencent Group's marketing and public relations functions, and the marketing and strategy functions of Tencent's Interactive Entertainment Group.

From April 2020 to May 2023, Mr. CHENG served as the executive director, chief executive officer, chairman of the strategic and investment committee of the board, and a member of remuneration committee of the board of China Literature Limited (HKSE: 772), a subsidiary of Tencent.

Mr. YUEN Hoi Po

Director since 2010

Executive Director and President

Mr. YUEN Hoi Po, aged 63, currently serves as Executive Director and President of the Company. He is the Chairman of Executive Committee and Corporate Governance Committee as well as a member of Remuneration Committee and Nomination Committee. Mr. YUEN holds a bachelor degree from the University of Heilongjiang. Mr. YUEN is the sole member and the sole director of Smart Concept Enterprise Limited which is a substantial shareholder of the Company pursuant to Part XV of the Securities and Futures Ordinance and a director of several subsidiaries of the Company. Mr. YUEN has acquired extensive experiences in the commercial sector when he engaged in businesses, including trading, real estates, tourism and services, since 1990.

Mr. YUEN served as an independent non-executive director of Man Sang International Limited (Stock Code: 938), a company listed on The Stock Exchange of Hong Kong Limited, from November 2018 to January 2025.

Mr. YUEN Kin

Director since 2004

Independent Non-Executive Director

Mr. YUEN Kin, aged 71, currently serves as Independent Non-executive Director of the Company. He is the Chairman of Audit Committee and Remuneration Committee of the Company as well as a member of Corporate Governance Committee. Mr. YUEN holds a Master of Business Administration degree from the University of Toronto, Canada. He is a Chartered Accountant in Canada, a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

Mr. YUEN is currently an independent non-executive director of Emerson Radio Corporation (NYSEMKT: MSN), a company listed on The New York Stock Exchange. He has been also an executive director of Culturecom Holdings Limited (Stock Code: 343), a company listed on The Stock Exchange of Hong Kong Limited, from 14 September 2017 to 6 May 2024.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Ms. WANG Song Song

Director since 2023 Independent Non-Executive Director

Ms. WANG Song Song, age 57, currently serves as Independent Non-executive Director of the Company. She is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Ms. WANG holds a bachelor degree in Clinical Medicine Capital Institute of Medicine from Capital Medical University, and has worked in the pharmaceutical industry over 15 years. Ms. WANG has held various key leadership positions in the pharmaceutical multinational corporations, accumulating extensive experience in the fields of new drug development, regulatory submission, product launch and post-marketing medical support.

Ms. PAN Min

Director since 2023 Independent Non-Executive Director

Ms. PAN Min, aged 55, currently serves as Independent Non-executive Director of the Company. She is the Chairman of Nomination Committee and a member of Audit Committee of the Company. Ms. PAN received a doctorate in Management from Wuhan University in 2015. Ms. PAN is a Certified Practising Accountant in the PRC, and has over 30 years of professional accounting and auditing experience in accounting firms in the PRC, with business involving China, Hong Kong and Europe.

Ms. PAN is currently an independent director of Shanghai Golden Union Commercial Management Co., Ltd. (SSE Stock Code: 603682), Shanghai Milkground Food Tech Co., Ltd. (SSE Stock Code: 600882) and Vohringer Home Technology Co., Ltd. (SSE Stock Code: 603226), the shares of which are listed on the Shanghai Stock Exchange.

Ms. PAN resigned as an independent director of Shanghai Hugong Electric (Group) Co., Ltd. (SSE Stock Code: 603131), the companies listed on Shanghai Stock Exchange on 28 August 2024, and also resigned as an independent director of Shandong Longji Machinery Co., Ltd. (SZSE Stock Code: 002363) and Harbin Gloria Pharmaceuticals Co., Ltd. (SZSE Stock Code: 002437), the companies listed on Shenzhen Stock Exchange, in August 2023 and on 6 February 2025 respectively.

SENIOR MANAGEMENT

Mr. HAU Wai Man, Raymond

Mr. HAU Wai Man, Raymond, aged 51, is the Chief Financial Officer, Qualified Accountant, Company Secretary and director of several subsidiaries of the Company. He is a fellow member of the Association of Chartered Certified Accountants (ACCA), a member of Hong Kong Institute of Certified Public Accountants (HKICPA) and a Chartered Financial Analyst (CFA) Charterholder. He holds an MBA degree from The Hong Kong University of Science and Technology (HKUST), and has over 10 years of experience in international accounting firms and corporates in Hong Kong and the PRC before joining the Company in 2006.

Ms. SHANG Jing

Ms. SHANG Jing, aged 43, is the director and was one of the founders of Shaanxi Yizhinuo Information Technology Co., Limited, a subsidiary of the Group. She joined the Group as its president, Healthcare Unit (Echartnow) upon the completion of the Company's acquisition of Shaanxi Yizhinuo Information Technology Co., Limited in April 2021. Ms. SHANG has about 10 years' experience in sales and marketing in pharmaceutical multinational corporations, including Pfizer and Novartis. Ms. SHANG also serves as director of several subsidiaries of the Company.

Mr. WANG Jian

Mr. WANG Jian, aged 51, is the director and was one of the founders of Pingtan Xinban Clinic Company Limited, a subsidiary of the Group. He joined the Group upon the completion of the Company's acquisition of Pingtan Xinban Clinic Company Limited in April 2021. Mr. WANG holds a bachelor degree in clinical medicine, and has over 25 years' experience in professional medical practice, management of medical and health technology enterprises, as well as investments and entrepreneurship in the field of medical and health technology. Mr. WANG also serves as director of several subsidiaries of the Company.

The board of directors of the Company (the “Board”) is pleased to submit its report together with the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

During the year ended 31 December 2025, the Group was principally engaged in: (i) digitized operation services in the healthcare industry (“Echartnow”); (ii) smart healthcare services platform (“Meerkat Health”); and (iii) entertainment and media business. Following the completion of the disposal of a wholly-owned subsidiary of the Group on 30 January 2026 (as disclosed in the announcement of the Company dated 30 January 2026), as of the date this Annual Report, the Group no longer carries on the Meerkat Health business. Details of the principal activities of the Company’s principal subsidiaries as at 31 December 2025 are set out in Note 38 to the consolidated financial statements. Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group’s business, can be found in the Management Discussion and Analysis set out on pages 3 to 10 of this Annual Report.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated income statement on page 50 of this Annual Report.

The Board does not recommend the payment of a final dividend in respect of the year ended 31 December 2025.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 106 of this Annual Report.

DONATIONS

No donation was made by the Group during the year (2024: Nil).

SHARE ISSUED IN THE YEAR

Details of the shares of the Company issued in the year ended 31 December 2025 are set out in Note 29 to the consolidated financial statements.

DIRECTORS

The directors of the Company during the year and up to the date of this report are:

Mr. ZHAO John Huan (Chairman)²
 Mr. CHENG Wu (Chief Executive Officer)¹
 Mr. YUEN Hoi Po (President)¹
 Mr. YUEN Kin³
 Ms. WANG Song Song³
 Ms. PAN Min³
 Mr. CHU Yuguo^{3,4}

1. Executive Director
2. Non-executive Director
3. Independent Non-executive Director

4. Mr. CHU Yuguo resigned on 3 November 2025 and confirmed that he has no disagreement with the Board and no matter in relation to his resignation needs to be brought to the attention of the shareholders of the Company

In accordance with Article 87(1) of the Company’s Articles of Association, Mr. CHENG Wu and Mr. YUEN Hoi Po shall retire from office by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company, as a responsible corporate citizen, is committed to promoting sustainable initiatives and performing its social responsibilities. For further details, please refer to the ESG report as set out on pages 18 to 31 of this Annual Report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and Senior Management as at the date of this report are set out on pages 32 to 33 of this Annual Report.

EMOLUMENTS OF DIRECTORS, SENIOR MANAGEMENT AND THE FIVE HIGHEST-PAID INDIVIDUALS

The Group’s remuneration policy rewards Directors and Senior Management based on industry benchmark metrics, including their individual performance, level of involvement and the overall performance of the Group.

Particulars of the emoluments of the Directors, past Directors (if applicable) and the five highest-paid individuals of the Group during the year are set out in Notes 12 and 37 to the consolidated financial statements.

The remuneration of the Senior Management of the Group for the year falls within the following band:

Remuneration Bands	Number of senior management
HK\$1–HK\$500,000	1
HK\$500,001–HK\$1,000,000	1
HK\$1,000,001–HK\$1,500,000	1
HK\$2,000,001–HK\$2,500,000	1
HK\$4,000,001–HK\$4,500,000	1

The biographical details of all members of Senior Management, including the CEO and President, are set out on pages 32 to 33 of this Annual Report. While the CEO and President also serve as Directors of the Company, their biographical details are included within the Director category. During the year 2025, six individuals served as members of Senior Management (including the CEO and the President). As at the date of this Annual Report, the Group has five members of Senior Management following the resignation of one member in 2026. Mr. YUEN Hoi Po, as President, does not receive any salary from the Group in his capacity as either a Director or Senior Management member. Accordingly, the remuneration bands disclosed above reflects the remuneration of five members of Senior Management, excluding the President during the year.

REPORT OF THE DIRECTORS

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into during the year or subsisting at the end of the year are set out below:

(A) SHARE SCHEMES

Summary of Share Schemes

This section summarizes the Company's Share Schemes, including the 2024 Share Option Scheme, adopted on 21 June 2024, and the Amended Share Award Scheme, initially adopted on 20 August 2021, and subsequently amended on 21 June 2024.

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| (i) The purpose of the schemes | The 2024 Share Option Scheme and the Amended Share Award Scheme have the common goal of attracting, retaining, and motivating eligible participants to contribute to the Group's growth and development. The Share Option Scheme offers a flexible mechanism for incentivizing, rewarding, and compensating eligible participants, while the Amended Share Award Scheme specifically recognizes and rewards contributions through the direct grant of Shares. Both schemes ultimately serve to support the Company's strategic objectives and long-term success. |
| (ii) The participants of the schemes | Eligible participants of the Share Schemes comprise three main categories. First, Employee Participants include all employees, chief executives, and directors (of all types) of any Group member, as well as individuals receiving share options or awards as employment incentives under the 2024 Share Option Scheme or the Amended Share Award Scheme. Board discretion determines final eligibility. Second, Related Entity Participants consist of directors and employees of the Company's holding companies, fellow subsidiaries, or associated companies, with the Board retaining final eligibility determination. Finally, Service Providers are individuals or entities providing ongoing services crucial to the Group's long-term growth. This includes independent contractors (advisers, consultants, etc.) whose service continuity and frequency approach that of employees. However, this excludes placement agents, financial advisors involved in fundraising, mergers or acquisitions, and professional service providers (auditors, valuers) requiring impartiality and objectivity. Under the Amended Share Award Scheme, awards may also be granted to companies wholly owned by, or trusts established by, any of the above participant categories. |
| (iii) The total number of shares available for issue under the schemes together with the percentage of the issued shares (excluding treasury shares) that it represents as at the date of the annual report | As at the date of this annual report, the total number of shares available for issue under the Share Schemes, including treasury shares available for transfer, represents 10% of the issued share capital (excluding treasury shares). The Scheme Mandate Limit was initially determined on 21 June 2024, being the date of adoption of the 2024 Share Option Scheme and the effective date of the Amended Share Award Scheme, at 1,358,533,860 shares with a par value of HK\$0.02 each, representing 10% of the issued share capital of the Company as at that date. Following the Share Consolidation becoming effective on 11 December 2025, under which every ten existing shares with a par value of HK\$0.02 each were consolidated into one share with a par value of HK\$0.20 (the "Share(s)"), the Scheme Mandate Limit has been adjusted in accordance with the terms of the 2024 Share Schemes and the Listing Rules. As a result, the total number of shares available for issue (and, together with treasury shares that may be transferred, as applicable) under the Scheme Mandate Limit has been adjusted to 135,853,386 Shares. |
| (iv) The maximum entitlement of each participant under the schemes | Under the Share Schemes, the maximum share allocation for any individual participant within a 12-month period is 1% of the Company's issued share capital (excluding treasury shares). This limit encompasses exercised, outstanding, and cancelled options and awards (excluding lapsed ones) and includes any transferred treasury shares. For directors (excluding independent non-executive directors), chief executive, and their associates, the maximum award allocation (excluding options) is 0.1% of issued share capital (excluding treasury shares) within a 12-month period. Similarly, the maximum allocation of options or awards for independent non-executive directors, substantial shareholders, and their associates is 0.1% of issued share capital (excluding treasury shares) within a 12-month period. |
| (v) The period within which the option may be exercised by the grantee under the scheme | The period during which an option may be exercised under the 2024 Share Option Scheme is the "Option Period." This period is determined and communicated to the grantee by the Directors. If not otherwise specified, the Option Period extends from the date the Board offered the option to the earlier of: (i) the option's automatic lapse date (as defined in the scheme); and (ii) ten (10) years from the date the Board offered the option. |
| (vi) The vesting period of options or awards granted under the schemes | The 2024 Share Option Scheme and the Amended Share Award Scheme establish a minimum 12-month vesting period for all options and awards. However, only Employee Participants are eligible for shorter vesting periods under specific circumstances detailed in the scheme documents. These exceptions are designed to enhance employee attraction and retention, facilitate succession planning, and ensure competitiveness within the market. The granting of shorter vesting periods remains at the discretion of the Board or its designated committee. |
| (vii) The amount, if any, payable on application or acceptance of the option or award and the period within which payments or calls must or may be made or loans for such purposes must be repaid | No payment is required upon application or acceptance of an award. However, acceptance of an option requires a non-refundable payment of HK\$1.00 to the Company, received within the timeframe specified in the offer (not exceeding 21 days from the Offer Date). No financing arrangements, including loans, are available for the acceptance of options under the scheme. |
| (viii) The basis of determining the exercise price of options granted or the purchase price of shares awarded, if any | The exercise price for options granted under the 2024 Share Option Scheme is determined at the discretion of the Directors, but must be at least the highest of: (a) the closing share price on the Offer Date; (b) the average closing share price over the five preceding business days; and (c) the nominal share value on the Offer Date. For awarded shares under the Amended Share Award Scheme, if purchased off-market, the purchase price will not exceed the lower of the closing market price on the purchase date or the average closing market price over the preceding five trading days. |
| (ix) The remaining life of the schemes | The 2024 Share Option Scheme and the Amended Share Award Scheme are each designed to operate for a maximum of ten years from their respective adoption dates. After ten years, no further grants will be made, but the schemes will remain active to allow for the exercise of outstanding options and the vesting of outstanding awards and the completion of any related administrative processes. |

Movement of Share Schemes

During the year ended 31 December 2025, no share options or share awards were granted, exercised, vested, cancelled or lapsed under the 2024 Share Option Scheme or the Amended Share Award Scheme. There were no outstanding share options or share awards as at 1 January 2025 and 31 December 2025. Accordingly, there was no movement in respect of the Company's share schemes during the year, and no tabular disclosure of movements of share options or share awards by category of participants is presented.

Availability of Share Schemes

As at 1 January 2025, the Scheme Mandate Limit under the 2024 Share Option Scheme and the Amended Share Award Scheme was 1,358,533,860 shares of HK\$0.02 each, representing 10% of the issued share capital of the Company as at 21 June 2024, being the date of adoption of the 2024 Share Option Scheme and the effective date of the Amended Share Award Scheme. Within such limit, the Service Provider Sublimit was 135,853,386 shares of HK\$0.02 each, representing 1% of the issued share capital of the Company as at that date. Following the Share Consolidation becoming effective on 11 December 2025, pursuant to which every ten existing shares of HK\$0.02 each were consolidated into one share of HK\$0.20 each, the Scheme Mandate Limit and the Service Provider Sublimit were adjusted in accordance with the terms of the 2024 Share Option Scheme, the Amended Share Award Scheme and the Listing Rules. As a result, the Scheme Mandate Limit was adjusted to 135,853,386 Shares, within which the Service Provider Sublimit was adjusted to 13,585,338 Shares. As at 31 December 2025, no options or awards had been granted under the 2024 Share Option Scheme or the Amended Share Award Scheme, and accordingly the entire adjusted Scheme Mandate Limit remained available for grant.

Percentage of Share Issuable

No options or awards were granted under any of the Company's share schemes during the year ended 31 December 2025. Consequently, no Shares were issuable in respect of options and awards granted during the year. The resulting calculation, based on the weighted average number of shares in issue (excluding treasury shares), is therefore not applicable.

Save as disclosed above, as at 31 December 2025, there were no options or awards which had already been granted or to be granted under the Share Schemes to: (i) any of the Company's directors, chief executives, or substantial shareholders, or their respective associates; (ii) any participant with options and awards exceeding the 1% Individual Limit (as defined under Chapter 17 of the Listing Rules); (iii) any related entity participant or service provider with options and awards exceeding 0.1% of the issued shares of the Company in issue (excluding treasury Shares) in any 12-month period; and (iv) any employee participants, related entity participants or service providers.

(B) CONVERTIBLE BONDS

The Company issued 10% convertible bonds due March 2026 with an aggregate principal amount of HK\$120,000,000 in March 2024 (the "Convertible Bonds") to United Strength LS Limited, a company controlled by Mr. ZHAO John Huan, Chairman of the Company, through a chain of companies. The closing price of the Shares on the Stock Exchange on 7 March 2024, the date on which the terms of the Convertible Bond issuance were finalized, was HK\$0.101 per Share. Upon exercise of the conversion rights attached to the Convertible Bonds in full at the initial Conversion Price of HK\$0.1014 per Share (subject to adjustment), the Convertible Bonds would have been convertible into 1,183,431,952 shares of HK\$0.02 each. During the year, the Conversion Price of the outstanding Convertible Bonds was adjusted to HK\$0.1003 per Share following the completion of a subscription of new shares of HK\$0.02 each under the Company's general mandate on 17 November 2025. Subsequently, on 28 November 2025, United Strength LS Limited exercised its right to partially convert Convertible Bonds with an aggregate principal amount of HK\$60,000,000 at the adjusted Conversion Price, resulting in the allotment and issuance of 598,205,383 new shares of HK\$0.02 each, leaving a remaining principal amount of HK\$60,000,000. Following the Share Consolidation effective on 11 December 2025, the Conversion Price and the number of Shares to be issued upon exercise of the outstanding conversion rights were adjusted to HK\$1.003 per Share and 59,820,538 Shares, respectively.

On 22 January 2026, the Company and the Bondholder entered into an Extension Deed to extend the maturity date of the remaining Convertible Bonds of HK\$60,000,000 by 25 months from 21 March 2026 to 21 April 2028. Save for the adjustments to the Conversion Price described above and the maturity extension, all other terms and conditions of the Convertible Bonds remain unchanged. Save as disclosed above, there were no other convertible bonds issued by the Company during the year ended 31 December 2025. Details of the Convertible Bonds are set out in Note 31 to the consolidated financial statements.

Use of Proceeds from Convertible Bonds

The net proceeds from the issue of the Convertible Bonds, after deduction of related expenses, amounted to approximately HK\$118,100,000. As disclosed in the announcement of the Company dated 21 March 2024, the net proceeds were intended to be applied in accordance with the proposed applications set out therein. As disclosed in the Annual Report 2024, proceeds allocated to (i) digitized operation services in the healthcare industry, (ii) operation of smart healthcare services platform and (iii) General working capital (including settlement of certain other borrowings) had been fully utilised. In March 2025, following an agreement with the Bondholder to defer interest payments to the maturity date, the Company reallocated HK\$14,712,000 (originally designated for interest) to general working capital. Details of the reallocation and utilization of the unutilised proceeds were disclosed in the Interim Report 2025.

REPORT OF THE DIRECTORS

The following table sets out the breakdown of the use of proceeds during the year ended 31 December 2025:

Purpose of Proceeds	Amount Allocated (as reallocated) (HK\$'000)	Amount Utilised in 2024 (HK\$'000)	Amount Utilised in 2025 (HK\$'000)	Unutilised Amount as at 31 December 2025 (HK\$'000)
Digitized operation services	38,000	38,000	–	–
Smart healthcare platform	12,000	12,000	–	–
Payment of interests	9,288	9,288	–	–
General working capital*	58,812	44,100	14,712	–
Total	118,100	103,388	14,712	–

* Includes the original HK\$44,100,000 (allocated in 2024) and the reallocated HK\$14,712,000 (reallocated in 2025).

All net proceeds from the Convertible Bonds had been fully utilised by 30 June 2025.

(C) SUBSCRIPTION OF NEW SHARES

On 6 November 2025, the Company entered into a subscription agreement (the “Subscription Agreement”) with an independent third party (the “Subscriber”), pursuant to which the Subscriber conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 638,000,000 ordinary shares of HK\$0.02 each in the share capital of the Company (the “Subscription Shares”) at the subscription price of HK\$0.039 as disclosed in the announcement of the Company dated 6 December 2025. The Subscription Shares refer to shares of the Company on a pre-share consolidation basis. On 11 December 2025, the Company implemented a share consolidation on the basis that every ten issued and existing shares of HK\$0.02 each in the share capital of the Company were consolidated into one consolidated share. The 638,000,000 Subscription Shares represent 63,800,000 consolidated shares of the Company.

Use of Proceeds from the Subscription of New Shares

The net proceeds from the subscription amounted to approximately HK\$24,662,000 and are intended to be used for the Group’s general working capital and operating expenses. The following table provides a detailed breakdown of the movement of the use of proceeds during the year 2025 and the expected timeline for the utilized proceeds:

Purpose of Proceeds	Amount Allocated (HK\$'000)	Amount Utilised in 2025 (HK\$'000)	Amount Unused as at 31 December 2025 (HK\$'000)	Expected Timeline for utilising the remaining net proceeds
Settlement and future payment of staff costs and office rental expenses	9,865	5,445	4,420	Expected to be utilised by end of 2026
Settlement and future payment of statutory, compliance, audit, legal, valuation and other professional fees	6,165	2,370	3,795	Expected to be utilised by end of 2026
Settlement and future payment of other expenses and general working capital	8,632	7,123	1,509	Expected to be utilised by end of 2026
Total	24,662	14,938	9,724	

COMPETING BUSINESS

To the best of the Directors’ knowledge, during the year, none of the Directors had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DISTRIBUTABLE RESERVES

There was no distributable reserves of the Company as at 31 December 2025, calculated under the Companies Law of the Cayman Islands and the Company’s Articles of Association, as the Company’s accumulated losses of HK\$1,487,569,000 has exceeded its share premium of HK\$1,289,584,000.

SUBSEQUENT EVENTS

Particulars of subsequent events that have occurred since the end of the financial year are set out in Note 35 to the consolidated financial statements.

MAJOR SUPPLIERS AND MAJOR CUSTOMERS

For the year ended 31 December 2025, the percentage of cost of sales attributable to the Group's major suppliers are as follows:

The percentage attributable to the largest supplier	59%
The percentage attributable to the five largest suppliers combined	82%

For the year ended 31 December 2025, the percentage of revenue from sales of goods or rendering of services attributable to the Group's major customers are as follows:

Percentage attributable to the largest customers	15%
Percentage attributable to the five largest customers combined	40%

None of the Directors, their close associates or any shareholder (who to the knowledge of the Directors own more than 5% of the Company's issued shares (excluding treasury shares)) had an interest in these major suppliers or customers, as appropriate.

RETIREMENT BENEFIT SCHEME

Details of retirement benefit scheme of the Group are set out in Note 2(c)(xii) to the consolidated financial statements.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation (other than statutory compensation).

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transactions, arrangements or contracts of significance in relation to the Company's business in which (i) the Company, any of its subsidiaries, or a parent company or any of its subsidiaries were involved, and (ii) a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2025, the interests and short positions of the Directors and Chief Executives in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules were as follows:

Long positions in ordinary shares of the Company:

Name of Directors	Capacity	Number of shares held (Note 1)			% of total issued share capital of the Company (Note 2)
		Personal interest	Corporate interest	Total	
YUEN Hoi Po	Beneficial owner and interest of a controlled corporation	45,931,000	193,803,010 (Note 3)	239,734,010	16.17
ZHAO John Huan	Interest of a controlled corporation	–	119,641,076 (Note 4)	119,641,076	8.07

Notes:

- Pursuant to the share consolidation of the Company which became effective on 11 December 2025, every ten issued and unissued ordinary shares of par value HK\$0.02 each in the share capital of the Company were consolidated into one ordinary share of par value HK\$0.20 each (the "Share(s)"). Accordingly, the number of Shares of the Company as at 31 December 2025 reflects the number of Shares after the share consolidation becoming effective.
- The percentage of shareholding is calculated with reference to the Company's number of shares in issue as at 31 December 2025.

REPORT OF THE DIRECTORS

- Mr. YUEN Hoi Po was deemed to be interested in 193,803,010 Shares of the Company held by his wholly-owned corporation namely, Smart Concept Enterprise Limited.
- Mr. ZHAO John Huan was deemed to have an interest in 119,641,076 Shares of the Company through his interest in United Strength LS Limited. Such interest comprises (i) 59,820,538 Shares; and (ii) Convertible Bonds with an aggregate outstanding principal amount of HK\$60,000,000, which are convertible into 59,820,538 Shares at a conversion price of HK\$1.003 per Share. United Strength LS Limited is a wholly-owned subsidiary of Hony HK Co-Investment, L.P., which is managed by United Strength Youthful Limited (as general partner). United Strength Youthful Limited is a wholly-owned subsidiary of Hony Capital Group Limited, which is in turn a wholly-owned subsidiary of Hony Capital Group, L.P., which is managed by Hony Group Management Limited (as general partner). Hony Group Management Limited is 80% owned by Hony Managing Partners Limited. Hony Managing Partners Limited is a wholly-owned subsidiary of Exponential Fortune Group Limited, of which Mr. ZHAO John Huan owns a 49% interest.

Save as disclosed above, as at 31 December 2025, none of the Directors, Chief Executives nor their associates 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 the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

Save as disclosed under the sections headed "Equity-linked Agreements" and "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation" above, at no time during the year was the Company or a specified undertaking (within the meaning of the Hong Kong Companies Ordinance) of the Company is a party to any arrangement to enable the directors of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporation.

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

As at 31 December 2025, the interests and short positions of the following persons (other than Directors or Chief Executives of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange were as follows:

Long positions in ordinary shares of the Company:

Name of Shareholders	Capacity	Nature of Interests	Number of shares held (Note 1)	% of total issued share capital of the Company (Note 2)
YUEN Hoi Po	Beneficial owner and interest of a controlled corporation (Note 3)	Beneficial and corporation interest	239,734,010	16.17
ZHAO John Huan	Interest of a controlled corporation (Note 4)	Corporation interest	119,641,076	8.07
Tencent Holdings Limited	Interest of a controlled corporation (Note 5)	Corporation interest	211,625,146	14.28
KO Chun Shun, Johnson	Interest of a controlled corporation (Note 6)	Corporation interest	126,200,000	8.51

Notes:

- Pursuant to the share consolidation of the Company which became effective on 11 December 2025, every ten issued and unissued ordinary shares of par value HK\$0.02 each in the share capital of the Company were consolidated into one ordinary share of par value HK\$0.20 each (the "Share(s)"). Accordingly, the number of Shares of the Company as at 31 December 2025 reflects the number of Shares after the share consolidation becoming effective.
- The percentage of shareholding is calculated with reference to the Company's number of shares in issue as at the 31 December 2025.
- Smart Concept Enterprise Limited is wholly-owned by Mr. YUEN Hoi Po and was beneficially interested in 193,803,010 Shares which representing approximately 13.08% of the total number of issued shares of the Company. Pursuant to the SFO, Mr. YUEN was deemed to be interested in these Shares.

4. Mr. ZHAO John Huan was deemed to have an interest in 119,641,076 Shares of the Company through his interest in United Strength LS Limited. Such interest comprises (i) 59,820,538 Shares; and (ii) Convertible Bonds with an aggregate outstanding principal amount of HK\$60,000,000, which are convertible into 59,820,538 Shares at a conversion price of HK\$1.003 per Share. United Strength LS Limited is a wholly-owned subsidiary of Hony HK Co-Investment, L.P., which is managed by United Strength Youthful Limited (as general partner). United Strength Youthful Limited is a wholly-owned subsidiary of Hony Capital Group Limited, which is in turn a wholly-owned subsidiary of Hony Capital Group, L.P., which is managed by Hony Group Management Limited (as general partner). Hony Group Management Limited is 80% owned by Hony Managing Partners Limited. Hony Managing Partners Limited is a wholly-owned subsidiary of Exponential Fortune Group Limited, of which Mr. ZHAO John Huan owns a 49% interest. As a result, Mr. ZHAO John Huan, Exponential Fortune Group Limited, Hony Managing Partners Limited, Hony Group Management Limited, Hony Capital Group, L.P., Hony HK Co-Investment, L.P. and United Strength Youthful Limited were all deemed to be interested in these Shares.
5. Mount Qinling Investment Limited is a wholly-owned subsidiary of Tencent Holdings Limited and is beneficially interested in 211,625,146 Shares of the Company. Pursuant to the SFO, Tencent Holdings Limited was deemed to be interested in these Shares.
6. Greater Harmony Limited is wholly-owned by Mr. KO Chun Shun, Johnson and was beneficially interested in 126,200,000 Shares of the Company. Pursuant to the SFO, Mr. KO was deemed to be interested in these Shares.

Save as disclosed above, as at 31 December 2025, no other persons (other than Directors or Chief Executives of the Company) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

INFORMATION ON THE VIE CONTRACTUAL ARRANGEMENTS

The Group has been operating a business which adopted contract-based arrangements or structures for the purpose of enabling the Group, as a foreign investor, to control and benefit from the PRC operating companies in the foreign restricted businesses in the PRC.

Set out below are the details of the relevant contractual arrangements which are material to the Group and subsisted during the period from 1 January 2025 up to 31 March 2025 (being the period prior to the termination of the HZ VIE Contractual Agreements) (the “Relevant Period”).

1. Contractual Arrangements (“HZ VIE Contractual Arrangements”) in respect of Hangzhou Meerkat Health Technology Co., Ltd. (杭州蒙哥健康科技有限公司) (“Hangzhou Meerkat”) and its subsidiaries (together with Hangzhou Meerkat, the “Hangzhou Meerkat Group”)

On 1 April 2025, the Group completed the unwinding of the VIE structure in respect of Hangzhou Meerkat Group and terminated the HZ VIE Contractual Arrangements. Following the divestment of the vaccination and body check businesses and the discontinuation of private e-commerce activities, the Group continued to operate the healthcare consumption business through direct equity ownership. As the VIE structure was no longer necessary, the Company acquired the remaining equity interests in the relevant entities and completed the termination of the HZ VIE Contractual Arrangements. Upon completion, the Hangzhou Meerkat Group became wholly-owned subsidiaries of the Company without any contractual arrangements, and their financial results continued to be consolidated into the Group’s consolidated financial statements based on direct equity ownership. As at 31 December 2025, no VIE contractual arrangements were subsisting.

1.1 Particulars of Hangzhou Meerkat and its registered owners

Hangzhou Meerkat is a company established under the laws of the PRC with limited liability in July 2021. During the Relevant Period, Hangzhou Meerkat was held as to 60% and 40% by Mr. YANG Aiwu and Ms. DONG Yu (the “HZ PRC Equity Owners”) respectively. Pursuant to an investment framework agreement dated 8 October 2021 (the “HZ Investment Framework Agreement”) entered into among the Company, Heartly Health Limited (a wholly-owned subsidiary of the Company), Top Crest Ventures Limited (the “ESOP”), Ever Merit Ventures Limited (the “Individual SPV”) and the HZ PRC Equity Owners as detailed in the announcement of the Company dated 8 October 2021, control documents were entered into on 26 October 2021 between Hangzhou Yuexiang Health Technology Co., Ltd. (杭州悦馨健康科技有限公司) (the “HZ WFOE”) (a company incorporated in the PRC with limited liability which is indirectly owned as to 60%, 20% and 20% by the Company, the ESOP and the Individual SPV respectively) and Hangzhou Meerkat and/or the HZ PRC Equity Owners to allow the HZ WFOE to contractually control 100% equity interests and the management of Hangzhou Meerkat.

Ms. DONG Yu and Mr. YANG Aiwu remained a director of Hangzhou Meerkat and an employee of the Group in the PRC, respectively, as at 31 December 2025. During the Relevant Period, Mr. YANG Aiwu was not a director of or involved in the management of Hangzhou Meerkat or Hangzhou WFOE.

REPORT OF THE DIRECTORS

1.2 Description of Hangzhou Meerkat's principal businesses and their significance to the Group

Prior to the termination of the HZ VIE Contractual Arrangements on 1 April 2025, Hangzhou Meerkat was principally engaged in the business of Smart Healthcare Services Platform (“Hangzhou Meerkat Principal Businesses”).

Key financial indicators of Hangzhou Meerkat are set out in paragraph 1.4 below.

1.3 Summary of the major terms of the underlying contracts of the HZ VIE Contractual Arrangements

1.3.1 Exclusive Business Cooperation Agreement

The HZ WFOE and Hangzhou Meerkat entered into the exclusive business cooperation agreement on 26 October 2021, pursuant to which, during the Relevant Period, Hangzhou Meerkat agreed to appoint the HZ WFOE as its exclusive service provider to provide Hangzhou Meerkat with comprehensive technical and business support and related consultancy services in relation to Hangzhou Meerkat Principal Businesses, and Hangzhou Meerkat agreed to pay service fees which shall be equal to the annual audited consolidated net profits after taxation of Hangzhou Meerkat to the HZ WFOE.

1.3.2 Exclusive Purchase Right Agreement

The HZ WFOE, the HZ PRC Equity Owners and Hangzhou Meerkat entered into the exclusive purchase right agreement on 26 October 2021, pursuant to which, during the Relevant Period, the HZ PRC Equity Owners and Hangzhou Meerkat shall irrevocably grant the HZ WFOE an exclusive right to purchase or nominate any entity(ies) to purchase at any time all or part of their existing and future equity interest in Hangzhou Meerkat and all or part of the existing and future assets of Hangzhou Meerkat respectively at the lowest price permissible under the PRC laws and regulations when permitted by the then applicable PRC laws in its sole discretion when exercising its right. The consideration to be received by the HZ PRC Equity Owners and/or Hangzhou Meerkat thereunder shall be unconditionally gifted to the HZ WFOE or its designated entity to the extent permitted under applicable PRC laws.

1.3.3 Power of Attorney and Undertaking Letters

Each of the HZ PRC Equity Owners and the HZ WFOE entered into the power of attorney and undertaking letter on 26 October 2021, pursuant to which, during the Relevant Period, each of the HZ PRC Equity Owners agreed to (i) entrust the HZ WFOE (or its nominees, including the directors of its shareholders and their successors, including a liquidator replacing such directors) as the exclusive agent to exercise all of his/her rights in relation to his/her equity interest in Hangzhou Meerkat on his/her behalf, (ii) undertake, among other things, that he or she will neither, directly or indirectly (either on its own or through any other individual or legal entity), participate or engage in any business which is or may be in competition with the business of Hangzhou Meerkat or its associated company, or acquire or hold any such business, nor carry on any activities which may lead to any material conflict of interest between himself or herself and the HZ WFOE, (iii) undertake that if he/she receives any dividends, interest, any other forms of capital distributions, residual assets upon liquidation, or proceeds or consideration from the transfer of equity interest as a result of, or in

connection with, his/her equity interest in Hangzhou Meerkat, he/she shall, to the extent permitted by applicable laws, remit all such monies or assets (after deducting all taxes and expenses required by the law) to the HZ WFOE or the entity designated by the HZ WFOE without any compensation; and (iv) undertake and warrant that the validity of the power of attorney and undertaking letter shall not be affected by the death, bankruptcy or divorce of any of the HZ PRC Equity Owners and shall remain valid against any assignees or successors of him/her; and that the successor, guardian, creditor, or spouse of any of the HZ PRC Equity Owners who may be entitled to his/her interests and rights in Hangzhou Meerkat in the event of his/her death, incapacity, bankruptcy, divorce or in the event that the exercise of his/her shareholder rights in Hangzhou Meerkat may be affected, will not perform any actions that may affect or hinder the performance of obligations on the part of such HZ PRC Equity Owner under the HZ VIE Contractual Arrangements.

1.3.4 Equity Pledge Agreements

The HZ WFOE, each of the HZ PRC Equity Owners and Hangzhou Meerkat entered into the equity pledge agreement on 26 October 2021, pursuant to which, during the Relevant Period, each of the HZ PRC Equity Owners agreed to pledge all of his/her equity interest in Hangzhou Meerkat to the HZ WFOE as security for the performance of the HZ VIE Contractual Arrangements.

1.3.5 Spousal Consent Letters

The spouse of each HZ PRC Equity Owners agreed that all the equity interest held by the relevant HZ PRC Equity Owner in Hangzhou Meerkat and all the benefits generated from these equity interest do not form part of his or her matrimonial property and he/she as the spouse has no rights thereto.

1.4 Revenue and assets subject to the HZ VIE Contractual Arrangements

There was no consolidated revenue of Hangzhou Meerkat Group subject to the HZ VIE Contractual Arrangements for the period from 1 January 2025 to 31 March 2025. As the HZ VIE Contractual Arrangements was terminated on 1 April 2025, there was no consolidated total assets of Hangzhou Meerkat Group subject to the HZ VIE Contractual Arrangements as at 31 December 2025.

2. Laws and regulations relating to the Hangzhou Meerkat Principal Businesses (the “Principal Business”) in the PRC and reasons for adopting the VIE Contractual Arrangements

During the Relevant Period, according to the relevant regulations including the Telecommunication Regulations of the PRC (《中華人民共和國電信條例》), the Classification Catalogue of Telecommunications Services (《電信業務分類目錄》) and the E-commerce Law (《電子商務法》) of the PRC, the business activities of selling goods or providing services to users through the Internet are regarded as e-commerce, the business of using data and transaction processing application platform connecting to the Internet and providing users with online data processing and transaction processing via the Internet constitutes business of “online data processing and transaction processing (operational e-commerce)”; and the charging of fees through the collection, development and processing of information and development of information platform and provision of information via the Internet constitute “Internet

information service business operating for profit (other than App store)". Accordingly, the Principal Business involve (1) online data processing and transaction processing (operational e-commerce) business (being the "Principal Business 1") and (2) Internet information service business operating for profit (other than App store) (being the "Principal Business 2"). These businesses are carried out concurrently and are inalienable.

According to the Foreign Investment Law of the PRC (the "Foreign Investment Law"), the State adopts the management systems of pre-establishment national treatment and negative list for foreign investment. Foreign investors shall not invest in any field forbidden by the negative list for access of foreign investment. For any field restricted by the negative list for access of foreign investment, foreign investors shall conform to the investment conditions provided in the negative list.

In respect of the Principal Business 1, according to the relevant law and regulations as stipulated in the Special Administrative Measures for Access of Foreign Investment (Negative List) (2021) (Order No. 47 of the National Development and Reform Commission and the Ministry of Commerce) (《外商投資准入特別管理措施(負面清單)(2021年版)》(國家發展和改革委員會、商務部令 第47號)) (the "Negative List"), Notice of the Ministry of Industry and Information Technology on Removing the Restrictions on Foreign Equity Ratios in Online Data Processing and Transaction Processing (Operating E-commerce) Business (No. 196 [2015] of the Ministry of Industry and Information Technology) (工業和信息化部關於放開在線數據處理與交易處理業務(經營類電子商務)外資股比限制的通告(工信部通信[2015]196號)) and the Notice of the Ministry of Industry and Information Technology on Issues Concerning Hong Kong and Macao Service Providers Carrying out Telecommunications Services in the Mainland" (No. 222[2016] of the Ministry of Industry and Information Technology) (《工業和信息化部關於港澳服務提供者在內地開展電信業務有關問題的通告》(工信部通信[2016]222號)) (collectively the "Notices"), the setting up of joint ventures in the PRC by foreign investors (including Hong Kong and Macau service providers) to provide the business of value-added telecommunications of online data processing and transaction processing businesses (operational e-commerce) is not subject to any shareholding restriction.

In respect of the Principal Business 2, according to the Notices, foreign investors (including Hong Kong and Macau service providers) may set up joint ventures in the PRC to provide Internet information service businesses operating for profit (other than App store) but are restricted to hold no more than 50% equity interest.

In addition, at the time of the entering into of the HZ VIE Contractual Arrangements, according to the Regulations on the Administration of Foreign-invested Telecommunications Enterprises (Revised in 2016) (Order No. 666 of the State Council of the PRC) (《外商投資電信企業管理規定(2016年修訂)》(中華人民共和國國務院令 第666號)), a foreign investor who invests in a value-added telecommunications services company shall have a good track record and operational experience in providing value-added telecommunications business (the "Qualification Requirement") in the PRC. There were no clear rules, measures, procedures, guidance or reference standard issued by PRC regulatory authority on the Qualification Requirement. In practice, the relevant authority would verify whether such foreign investor has previously been engaged in telecommunications business outside the PRC, or whether such foreign investor has

previously held any equity interest in the PRC enterprises engaged in the telecommunications business. The Group did not have any actual engagement in telecommunications business outside the PRC, and also had not held any equity interest in the PRC enterprises engaged in the telecommunications business other than Hangzhou Meerkat. Therefore, the Company directly or indirectly holding equity interest in Hangzhou Meerkat would make it very difficult and uncertain for Hangzhou Meerkat to continue to hold or renew the relevant licence to carry on the value-added telecommunications business, and the time and the prolonged process of application with unknown results would incur extra costs for the Company.

In view of the above, in the absence of clear guidance to determine whether the Company met the Qualification Requirement and in view of the Group's lack of the relevant qualification, the Company could not directly or indirectly hold any equity interest in Hangzhou Meerkat Group despite its intention to own more than 50% equity interest in such entities.

In order to comply with the relevant PRC laws and regulations while achieving the commercial intention of the parties, the VIE Contractual Arrangements were entered into, through which the HZ WFOE would have effective control over the finance and operations of Hangzhou Meerkat Group and could enjoy the entire economic interests and benefits generated by such entities despite the lack of registered equity ownership.

3. Risks associated with the VIE Contractual Arrangements

During the Relevant Period, the Group was exposed to certain risks under the VIE Contractual Arrangements, which are summarized below.

- (a) There was no assurance that the VIE Contractual Arrangements could comply with future changes in the regulatory requirements in the PRC and the PRC government might determine that the VIE Contractual Arrangements did not comply with applicable regulations.
- (b) The VIE Contractual Arrangements might not have been as effective as direct ownership in providing control over Hangzhou Meerkat Group.
- (c) The HZ PRC Equity Owners could potentially have had a conflict of interests with the Group.
- (d) The VIE Contractual Arrangements may be subject to scrutiny of the PRC tax authorities and transfer pricing adjustments and additional might have been tax imposed.
- (e) The Group might have borne economic risks as the primary beneficiary of the Hangzhou Meerkat Group which might have arisen from difficulties in its operation.
- (f) There might have been limitations in acquiring ownership in the equity interest of Hangzhou Meerkat.
- (g) Certain terms of the VIE Contractual Arrangements might not have been enforceable under the PRC laws, such as the dispute resolution mechanism.

REPORT OF THE DIRECTORS

- (h) The Company did not have any insurance which covered the risks relating to the VIE Contractual Arrangements and the transactions contemplated thereunder.

4. Internal control measures implemented by the Group to mitigate the risks

During the Relevant Period, the VIE Contractual Arrangements contain certain provisions in order to exercise effective control over and to safeguard the assets of Hangzhou Meerkat. In addition to the internal control measures as provided in the VIE Contractual Arrangements, the Company has implemented, through the HZ WFOE, the following internal control measures against Hangzhou Meerkat as appropriate:

Management controls

- (a) the Group was entitled to appoint the majority of the members of the board of directors (the “Representatives”) of Hangzhou Meerkat (the “OPCO”). The Representatives were required to conduct regular reviews on the operations of the OPCO and shall submitted the semi-annual reviews to the Board. The Representatives were also required to check the authenticity of the monthly management accounts of the OPCO;
- (b) the Representatives were actively involved in various aspects of the daily managerial and operational activities of the OPCO;
- (c) the Representatives reported any major events of the OPCO to the senior management of the Company, who must in turn reported to the Board;
- (d) the senior management of the Company conducted regular site visits and personnel interviews regarding the OPCO, and reported to the Board on a regular basis; and
- (e) all incorporation documents, all other legal documents and all seals and chops of the OPCO were delivered to the HZ WFOE upon request.

Financial controls

- (a) the finance department of the Company, led by the Chief Financial Officer (the “CFO”), collected monthly management accounts, bank statements and cash balances and major operational data of the OPCO for review. Upon discovery of any suspicious matters, the CFO reported to the Board;
- (b) if the OPCO had delayed in the payment of the services fees requested by the HZ WFOE, the CFO met with the shareholder(s) of the OPCO to investigate, and reported any suspicious matters to the Board. In extreme cases, the registered shareholder(s) of the OPCO would have been removed and replaced;
- (c) the OPCO must submitted copies of latest bank statements for every bank accounts of the OPCO within 15 days after the end of each month; and
- (d) the OPCO assisted and facilitated the Company to conduct on-site internal audit.

Legal review

- (a) While the HZ VIE Contractual Arrangements were in place, the senior management of the Company consulted the Company’s PRC legal adviser from time to time to check if there were any legal developments in the PRC affecting the arrangement contemplated under the VIE Contractual Arrangements, and determined if any modification or amendment were required to be made;
- (b) as part of the internal control measures, major issues arising from implementation and performance of the VIE Contractual Arrangements were reviewed by the Board on a regular basis which was no less frequent than twice a year. The Board determined, as part of its periodic review process, whether legal advisors and/or other professionals needed to be retained to assist the Group to deal with specific issues arising from the VIE Contractual Arrangements;
- (c) matters relating to compliance and regulatory enquiries from governmental authorities, if any, were discussed by the Board on a regular basis which shall be no less frequent than twice a year; and
- (d) the relevant business units and operation divisions of the Group reported regularly, which was no less frequent than on a monthly basis, to the senior management of the Company on the compliance and performance conditions under the VIE Contractual Arrangements and other related matters.

CONNECTED TRANSACTIONS

Pursuant to Chapter 14A of the Listing Rules, details of the Company’s continuing connected transaction during the year are as follows:

HZ VIE Contractual Arrangements

On 26 October 2021, a set of control documents were entered into between the HZ WFOE and Hangzhou Meerkat and/or the HZ PRC Equity Owners to allow the HZ WFOE to contractually control 100% equity interests and the management of Hangzhou Meerkat.

As a result of the HZ Investment Framework Agreement and the HZ VIE Contractual Arrangements, Ms. DONG Yu has become a substantial shareholder and a director of two subsidiaries of the Company, and Mr. YANG Aiwu has become a substantial shareholder of a subsidiary of the Company. Therefore, each of Ms. DONG Yu and Mr. YANG Aiwu is a connected person of the Company at subsidiary level, and the transactions contemplated under the HZ VIE Contractual Arrangements constitute continuing connected transactions under Chapter 14A of the Listing Rules and are subject to the reporting and announcement requirements but are exempt from the circular, independent financial adviser and shareholders’ approval requirement pursuant to Rule 14A.101 of the Listing Rules.

Please refer to details set out in the sub-section above titled “Contractual Arrangements in respect of Hangzhou Meerkat Health Technology Co., Ltd. (杭州獯哥健康科技有限公司)” under the section above titled “INFORMATION ON THE VIE CONTRACTUAL ARRANGEMENTS” and the announcement of the Company dated 8 October 2021.

Termination of the HZ VIE Contractual Arrangements

As disclosed in the announcement of the Company dated 1 April 2025, the HZ VIE Contractual Arrangements were terminated with effect from 1 April 2025. Upon termination, Hangzhou Meerkat and its subsidiaries became wholly-owned subsidiaries of the Company without any contractual arrangements, and the transactions contemplated under the HZ VIE Contractual Arrangements were discontinued accordingly. As a result, such transactions no longer constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules with effect from 1 April 2025.

During the period from 1 January 2025 up to 31 March 2025 (being the period prior to the termination of the HZ VIE Contractual Arrangements), no service fee has been paid by Hangzhou Meerkat to the HZ WFOE under the exclusive business cooperation agreement entered into between Hangzhou Meerkat and the HZ WFOE.

Grant of waiver

The Company has applied for, and the Stock Exchange has granted a waiver pursuant to Rule 14A.102 of the Listing Rules from strict compliance with the requirement of (i) fixing the term of the HZ VIE Contractual Arrangements for a period of not exceeding three years pursuant to Rule 14A.52 of the Listing Rules, and (ii) setting a maximum aggregate annual cap for the fees payable to the WFOE under the HZ VIE Contractual Arrangements pursuant to Rule 14A.53 of the Listing Rules, subject to the conditions as set out more particularly in the announcement of the Company dated 8 October 2021.

Annual review

Pursuant to Rule 14A.55 of the Listing Rules, all Independent Non-executive Directors have reviewed the continuing connected transaction under the HZ VIE Contractual Arrangements carried out during the Relevant Period and confirmed that such continuing connected transaction has been entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the relevant control documents governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

PwC, the auditor of the Company, has provided a letter to the Board under Rule 14A.56 of the Listing Rules, confirming that nothing has come to their attention that causes them to believe that the continuing connected transaction under the HZ VIE Contractual Arrangements during the Relevant Period: (i) has not been approved by the Board; (ii) was not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; and (iii) was not entered into, in all material respects, in accordance with the HZ VIE Contractual Arrangements, and the relevant control documents governing the transaction.

RELATED PARTY TRANSACTIONS

Details of the transactions carried out with related parties are set out in Note 34 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and there was no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holdings in the shares of the Company.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

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.

INDEMNITY OF DIRECTORS

Permitted indemnity provisions (as defined in Section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Company or its associated companies are currently in force. These provisions, provided by the Company, were in force during the year and remain in effect at the date of this Annual Report.

The Company has maintained directors and officers liability insurance throughout the year, which provides certain indemnities against liability incurred by directors and officers of the Company.

SUFFICIENCY OF PUBLIC FLOAT

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

CORPORATE GOVERNANCE

A separate corporate governance report prepared by the Board on its corporate governance practices is set out on pages 11 to 17 of this Annual Report.

REPORT OF THE DIRECTORS

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

OTHER CHANGES IN DIRECTORS' INFORMATION

Except the following, no other changes in Directors' information are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of 2025 Interim Report up to the date of this report.

1. Ms PAN Min has been appointed as an independent director of Vohringer Home Technology Co., Ltd. (SSE Stock Code: 603226) on 16 October 2025.

On behalf of the Board

HAU Wai Man, Raymond

Company Secretary

Hong Kong, 31 March 2026



To the Shareholders of Hony Media Group

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Hony Media Group (the “Company”) and its subsidiaries (the “Group”), which are set out on pages 50 to 105, comprise:

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

Our opinion

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

Basis for Opinion

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

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

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

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

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of the interest in an associate – HB Entertainment Co., Ltd. (“HB Entertainment”)
- Going concern assessment

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment assessment of the interest in an associate – HB Entertainment Co., Ltd. (“HB Entertainment”)

Refer to 2(b)(i), 2(b)(iii), 4 and 17(a) to the consolidated financial statements.

As at 31 December 2025, the net carrying amount of the interest in an associate – HB Entertainment was HK\$100,637,000 (2024: HK\$102,951,000).

Management performed assessment at the end of each reporting period to consider whether there was any indication that the interest in an associate may be impaired. Management determined its recoverable amount, which was measured at the higher of fair value less costs of disposal (“FVLCO”) and value in use (“VIU”).

The recoverable amount was assessed by FVLCO based on market approach, a valuation technique that uses relevant information generated by market transactions involving comparable companies.

Based on the results of the impairment assessment, no impairment (2024: HK\$76,106,000) in respect of the interest in an associate was recognised for the year ended 31 December 2025 based on the recoverable amount of HK\$110,966,000 (2024: HK\$102,951,000), which was determined by its FVLCO.

We focused on auditing the impairment assessment of the interest in an associate because the estimation of the recoverable amount is subject to high degree of estimation uncertainty. The inherent risk in relation to the impairment assessment of the interest in an associate is considered significant due to the complexity of the model and subjectivity of significant assumptions used.

Going concern assessment

Refer to Note 2(a) to the consolidated financial statements.

For the year ended 31 December 2025, the Group incurred a loss of HK\$76,284,000 and net cash used in operating activities of HK\$53,305,000. As at 31 December 2025, the Group had net current liabilities of HK\$84,073,000.

Given the above conditions, to support the preparation of the Group's consolidated financial statements on a going concern basis, management prepared a cash flow forecast for a period of not less than twelve months from 31 December 2025, taking into account certain measures as set out in Note 2(a) of the consolidated financial statements. Based on the assessment results, management concluded that the Group will have adequate resources to continue its operations and to meet its financial obligations as and when they fall due in the next twelve months from the year end date and therefore the use of the going concern basis in preparing the consolidated financial statements is appropriate.

As management's assessment of the going concern basis used in the preparation of consolidated financial statements involves significant management's judgements and assumptions, this matter is considered as a key audit matter.

The procedures performed in relation to the impairment assessment of the interest in an associate – HB Entertainment included:

- We discussed with management of the Group and obtained an understanding of management's assessment process of the impairment assessment performed by management on the interest in an associate;
- We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity and subjectivity;
- We evaluated the appropriateness of the FVLCO calculations methodology adopted by the Group's management with the involvement of our internal valuation expert, and tested the mathematical accuracy of the underlying calculations; and
- We assessed the reasonableness of key assumptions used in valuation such as average enterprise value-to-revenue ratio of comparable companies, discounts for lack of marketability and significant influence premium of the associate based on our knowledge of the business and industry and market research.

Based on the results of the procedures performed, we found that the key judgement and assumptions applied by management in relation to the impairment assessment of the interest in an associate – HB Entertainment were supportable by the evidence obtained.

Our audit procedures to assess this key audit matter included the following:

- We obtained understanding management's processes in relation to the preparation of cash flow forecast and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in preparing the cash flow forecast for the purpose of going concern assessment;
- We obtained management's cash flow forecast and discussed with management to understand their future operation plans in the forecast period;
- We evaluated the appropriateness of the Group's forecasted revenue growth rates, estimated operating expenses by considering the historical trend and current business plans;
- We evaluated management's sensitivity analyses around the key assumptions in the cash flow forecast to consider the downside effect of such changes;
- We enquired management of the availability of financing facilities with relevant supporting information, including agreements and financial support; and
- We evaluated the financial capability of the provider of loan facility to the Group based on relevant supporting evidence.

Based on our work, we found that the management's key judgement and assumptions used in its going concern assessment were supported by the available evidence.

Other Information

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

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

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

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

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 judgment and maintain professional scepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Hiu Tung (practising certificate number: P05150).

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 31 March 2026

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	570,067	1,018,462
Cost of sales		(407,112)	(659,603)
Gross profit		162,955	358,859
Other income and other gains, net	5	3,865	10,502
Marketing and selling expenses		(156,753)	(352,946)
Research and development expenses		(10,372)	(17,321)
Administrative expenses		(51,539)	(70,371)
Net provision for impairment of financial assets		(2,047)	(5,788)
		(53,891)	(77,065)
Finance income		1,579	–
Finance costs		(20,667)	(17,612)
Finance cost, net	7	(19,088)	(17,612)
Share of results of an associate	17	(3,305)	(6,801)
Provision for impairment of interest in an associate	17	–	(76,106)
Loss before taxation	8	(76,284)	(177,584)
Taxation	9	–	394
Loss for the year		(76,284)	(177,190)
Attributable to:			
Equity holders of the Company		(66,717)	(163,489)
Non-controlling interest		(9,567)	(13,701)
		(76,284)	(177,190)
Loss per share attributable to the equity holders of the Company for the year		HK Cents	HK Cents (restated)
Basic and diluted loss per share	10	(4.86)	(12.03)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

Notes	2025 HK\$'000	2024 HK\$'000
Loss for the year	(76,284)	(177,190)
Other comprehensive (loss)/income:		
Item that may be reclassified to profit or loss:		
– Currency translation differences	(2,755)	(22,972)
Item that may not be reclassified to profit or loss:		
– Currency translation differences	(1,136)	2,168
Other comprehensive loss for the year, net of tax	(3,891)	(20,804)
Total comprehensive loss for the year	(80,175)	(197,994)
Total comprehensive loss attributable to:		
Equity holders of the Company	(69,472)	(186,461)
Non-controlling interest	(10,703)	(11,533)
	(80,175)	(197,994)

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

CONSOLIDATED BALANCE SHEET

As at 31 December 2025

	Notes	As at 31 December	
		2025 HK\$'000	2024 HK\$'000
Assets			
Non-current assets			
Property, plant and equipment	13	1,563	2,846
Right-of-use assets	14	4,273	7,546
Intangible assets	15	293	1,186
Goodwill	16	27,243	27,198
Interest in an associate	17	100,637	102,951
Investment properties	18	12,418	10,629
Prepayments, deposits and other receivables	22	25,217	56,243
		169,644	208,599
Current assets			
Inventories	23	445	2,321
Trade and bills receivables	21	53,928	38,238
Prepayments, deposits and other receivables	22	86,959	78,486
Financial asset at fair value through profit or loss	20	12,938	12,619
Cash and cash equivalents	24	23,888	34,450
		178,158	166,114
Asset classified as held for sale	25	12,725	12,411
		190,883	178,525
Total assets		360,527	387,124
Equity and liabilities			
Equity			
Equity attributable to the equity holders of the Company			
Share capital	29	296,431	271,707
Deficits	30	(207,215)	(168,396)
		89,126	103,311
Non-controlling interests		(61,323)	(79,620)
Total equity		27,893	23,691
Liabilities			
Non-current liabilities			
Lease liabilities	14	1,626	4,292
Long-term financial liabilities	33	56,052	47,887
Other borrowing	26	–	19,654
Convertible bonds	31	–	115,879
		57,678	187,712
Current liabilities			
Trade payables	27	64,120	53,410
Other payables and accrued liabilities	28	64,301	60,312
Contract liabilities	28	122	2,608
Bank and other borrowings	26	83,922	55,397
Convertible bonds	31	59,542	–
Lease liabilities	14	2,949	3,994
		274,956	175,721
Total liabilities		332,634	363,433
Total equity and liabilities		360,527	387,124

The financial statements on pages 50 to 105 were approved by the Board of Directors on 31 March 2026 and were signed on its behalf.

YUEN Hoi Po
Director

CHENG Wu
Director

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

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Cash used in operations	32(a)	(52,620)	(74,236)
Income tax paid		–	(49)
Interest paid	32(b)	(685)	(239)
Net cash used in operating activities		(53,305)	(74,524)
Cash flows from investing activities			
Interest received		38	332
Purchases of property, plant and equipment		(25)	(195)
Purchases of intangible assets		(223)	–
Proceeds from sales of property, plant and equipment		23	3,539
Capitalised subsequent expenditure incurred for investment properties		–	(98)
Acquisition of a subsidiary, net of cash acquired		–	190
Deposit received for asset held for sale	28	15,500	–
Net cash generated from investing activities		15,313	3,768
Cash flow from financing activities			
Proceeds from issuance of convertible bonds	32(b)	–	120,000
Proceeds from issuance of new shares upon share subscription	29(c)	24,882	–
Repayment of bank and other borrowings	32(b)	(24,193)	(40,239)
Proceeds from bank and other borrowings	32(b)	31,427	44,641
Payment of deposits for securing other borrowings		–	(48,650)
Capital contribution from an investor of a subsidiary	32(b)	2,768	17,465
Principal elements of lease payments	32(b)	(4,527)	(6,551)
Interest paid		–	(9,888)
Net cash generated from financing activities		30,357	76,778
Net (decrease)/increase in cash and cash equivalents		(7,635)	6,022
Cash and cash equivalents at 1 January		34,450	27,037
Currency translation differences		(2,927)	1,391
Cash and cash equivalents at 31 December	24	23,888	34,450

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to equity holders of the Company				Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		
Balance at 1 January 2024	271,707	2,050,476	(2,031,990)	290,193	(67,400)	222,793
Comprehensive loss:						
– Loss for the year	–	–	(163,489)	(163,489)	(13,701)	(177,190)
Other comprehensive (loss)/income:						
Currency translation differences						
– Group	–	2,256	–	2,256	–	2,256
– Associate (Note 17)	–	(25,228)	–	(25,228)	–	(25,228)
– Non-controlling Interests	–	–	–	–	2,168	2,168
Total comprehensive loss	–	(22,972)	(163,489)	(186,461)	(11,533)	(197,994)
Contribution by and distribution to owners of the Company recognized directly in equity:						
– Share-based compensation	–	(2,625)	–	(2,625)	(687)	(3,312)
– Issuance of convertible bonds	–	2,204	–	2,204	–	2,204
Total contribution by and distribution to owners	–	(421)	–	(421)	(687)	(1,108)
Balance at 31 December 2024	271,707	2,027,083	(2,195,479)	103,311	(79,620)	23,691

	Attributable to equity holders of the Company				Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		
Balance at 1 January 2025	271,707	2,027,083	(2,195,479)	103,311	(79,620)	23,691
Comprehensive loss:						
– Loss for the year	–	–	(66,717)	(66,717)	(9,567)	(76,284)
Other comprehensive (loss)/income:						
Currency translation differences						
– Group	–	(3,746)	–	(3,746)	–	(3,746)
– Associate (Note 17)	–	991	–	991	–	991
– Non-controlling Interests	–	–	–	–	(1,136)	(1,136)
Total comprehensive loss	–	(2,755)	(66,717)	(69,472)	(10,703)	(80,175)
Contribution by and distribution to owners of the Company recognized directly in equity:						
– Share-based compensation	–	50	–	50	–	50
– Issuance of new shares upon share subscription	12,760	12,122	–	24,882	–	24,882
– Partial conversion of convertible bonds	11,964	47,481	–	59,445	–	59,445
– Transactions with non-controlling interests	–	(29,000)	–	(29,000)	29,000	–
Total contribution by and distribution to owners	24,724	30,653	–	55,377	29,000	84,377
Balance at 31 December 2025	296,431	2,054,981	(2,262,196)	89,216	(61,323)	27,893

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1 GENERAL INFORMATION

Hony Media Group (the “Company”) and its subsidiaries (together, the “Group”) is principally engaged in (i) digitized operation services in healthcare industry (“Echartnow”); (ii) smart healthcare services platform (“Meerkat Health”); and (iii) entertainment and media business. As disclosed in Note 35 to the consolidated financial statements, the operation of Meerkat Health is subsequently disposed of in January 2026.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 27 May 2002 under the Company Law (2002 Revision) (Cap. 22) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The shares of the Company are listed on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in thousand Hong Kong dollars (HK\$’000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 31 March 2026.

2 BASIS OF PREPARATION AND SUMMARY OF ACCOUNTING POLICIES

This note provides a basis of preparation and summary of accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Hony Media Group and its subsidiaries.

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, investment properties and asset classified as held for sale which are carried at fair values.

For the year ended 31 December 2025, the Group recorded a loss of approximately HK\$76,284,000 (2024: HK\$177,190,000) and net cash used in operating activities of HK\$53,305,000 (2024: HK\$74,524,000). As at 31 December 2025, the Group had net current liabilities of approximately HK\$84,073,000 (2024: net current assets of HK\$2,804,000).

In view of such circumstances, the directors of the Company have given careful consideration of the liquidity requirement for the Group’s operations, the performance of the Group and available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. The directors of the Company have taken into account the following measures in assessing the sufficiency of working capital requirements in the foreseeable future:

- (i) On 22 January 2026, the Company and United Strength LS Limited (the “CB Holder”), entered into the deed to extend the maturity date of the outstanding convertible bonds in the principal amount of HK\$60 million by 25 months from 21 March 2026 to 21 April 2028 (the “Extended CB Maturity Date”). In addition, the Company and the CB Holder agreed that the repayment date of any accrued interest of the convertible bonds shall also be extended to the Extended CB Maturity Date;
- (ii) In March 2026, a related party of the CB Holder (“the Facility Provider”) has agreed to provide financial support to the Group which includes an unsecured and non-interest bearing loan facility of up to HK\$40 million (the “Loan Facility”). The Loan Facility could be drawn down by the Company at any time upon request until 30 June 2027. The Facility Provider has agreed not to demand repayment of the loan balance, if drawn down by the Company, on or before 31 December 2027;
- (iii) Management has obtained written confirmations from certain lenders of the Group’s other borrowings that they will not demand repayment of the outstanding loan balances totalling approximately HK\$39 million on or before 31 December 2027; and
- (iv) Management has implemented and will continue to implement operational measures to improve the sales of the Group and to reduce operating costs and expenses while collecting outstanding receivables and realizing certain assets in the coming twelve months.

The directors of the Company have reviewed the Group’s cash flow projections, which cover a period of not less than twelve months from 31 December 2025. The directors of the Company are of the opinion that, taking into account the above-mentioned measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the next twelve months from 31 December 2025. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(i) Amended standards adopted by the Group

The Group has applied the following amended standards for the first time for their annual reporting period commencing 1 January 2025:

Amendments to HKAS 21 Lack of Exchangeability

These standards did not have any material impact on the Group's accounting policies and did not require retrospective adjustments.

(ii) New standards, interpretations and amendments not yet adopted by the Group

A number of new standards, interpretations and amendments to existing standards that have been issued but are not yet effective and have not been early adopted by the Group in preparing these consolidated financial statements.

		Effective for annual periods beginning on
HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity (amendments)	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Amendment to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Asset between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, interpretation and amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, management does not anticipate any significant impact on the Group's financial positions and results of operations.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some paragraphs in HKAS 1 have been moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures". Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18, and the related amendments to other standards, will be effective for annual periods beginning on or after 1st January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated income statement and disclosures in the future consolidated financial statements.

(b) Material accounting policies

(i) Group accounting

(1) Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 December.

(2) Subsidiaries

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

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the Group's accounting policies.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(3) Business combinations and goodwill

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the CGU retained.

(4) Separate financial statements

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(5) Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

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

The Group's share of post-acquisition profit or loss is recognized in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interests in associates are recognized in the consolidated income statement.

The Group has applied the measurement exemption within HKAS 28 "Investments in Associates and Joint Ventures", when an investment in an associate is held by, or is held indirectly through, a venture capital organization, or a mutual fund, unit trust and similar entities, the Group elects to measure investment in the associate at fair value through profit or loss since the Group decides such investment has the characteristics of a venture capital investment.

(6) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management committee, which comprises the chief executive officer and the chief financial officer of the Group, that makes strategic decisions.

(7) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

(8) Discontinued operation

A discontinued operation is a component of the entity that has been disposed of, closed, abandoned, terminated or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(ii) Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). As the Company is listed on the Main Board of the Stock Exchanges of Hong Kong Limited, the directors consider that it will be more appropriate to adopt Hong Kong dollar ("HK\$") as the Group's and the Company's presentation currency. Accordingly, the consolidated financial statements are presented in HK\$.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement within "finance costs, net". All other foreign exchange gains and losses are presented in the consolidated income statement within "other income and other gains, net".

Non-monetary items that are measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in consolidated income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(3) Group companies

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

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

(4) Disposal of foreign operation and partial disposal

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

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interests in associates or joint ventures that result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

(iii) Impairment of non-financial assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(iv) **Financial assets**

(1) *Classification*

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

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

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

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

(2) *Recognition and derecognition*

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

(3) *Measurement*

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into following category:

Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in interest revenue, other income and finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the consolidated income statement.

Equity instruments

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

Changes in the fair value of financial assets at fair value through profit or loss are recognized in "other income and other gains, net" in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at financial assets at fair value through other comprehensive income are not reported separately from other changes in fair value.

(4) *Impairment*

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

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Impairment on other financial assets at amortized cost is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

(v) **Financial liabilities**

(1) *Initial recognition and measurement*

Financial liabilities of the Group are classified, at initial recognition, at amortized cost, net of directly attributable transaction costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(2) *Subsequent measurement*

After initial recognition, financial liabilities are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the effective interest rate amortisation process.

(3) *Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

(vi) Revenue recognition:

Revenue is measured at the fair value of consideration received or receivable for the sale of goods or services rendered in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, rebates and discounts and after eliminating sales within the Group.

The Group recognizes revenue when the control of goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time and when specific criteria have been met for each of the Group's activities as described below.

The Group reports revenue on a gross or net basis depending on whether the Group is acting as a principal or an agent in a transaction. The Group is a principal if it controls the specified product or service before that product or service is transferred to a customer or it has a right to direct others to provide the product or service to the customer on the Group's behalf. Indicators that the Group is a principal include, but are not limited to, whether the Group (i) is primarily responsible for fulfilling the promise to provide the specified good or service; (ii) has inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer; (iii) has discretion in establishing the price for the specified good or service, etc.

Digitized operation services in healthcare industry

(1) *Provision of Digitized operation services*

The Group agrees the sales price for each service with the customers upfront and bills to the customers based on the actual service rendered and completed. Revenue is generally recognized at a point in time when the services are rendered and accepted by the customers.

Smart healthcare services platform

(1) *Revenue from sales of pharmaceutical and healthcare products*

The Group is engaged in the sale of pharmaceutical and healthcare products to individual customers and to merchant customers. Revenue from the sale of pharmaceutical and healthcare products is recorded net of discounts and recognized when the goods are delivered to customers by third party couriers.

Entertainment and media

(1) *Revenue from license fee and sub-licensing of film and TV programmes rights*

Revenue from license fee and sub-licensing of film and TV programmes rights is recognized at a point in time when the control of film and TV programme rights is licensed to the customers so that the customers can direct the use and obtain associated benefit.

(2) *Revenue from sales of television programmes, film rights and intellectual property (the "IP") products*

Revenue from the sale of television programmes, film rights and IP products is recognised at a point in time when the control of assets is transferred to customers, obligations in the agreement has been fulfilled and the right to receive payment is established. This revenue from the sale of television programmes, film rights and IP products is reported under the "Entertainment and Media" segment.

(c) Other accounting policies

(i) Property, plant and equipment

Property, plant and equipment, comprising plant, equipment and other assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

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

Leasehold improvements	shorter of 5 years or lease term
Furniture, computer and equipment	3–5 years
Machinery and equipment	3–10 years
Motor vehicles	4–5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(b)(iii)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognized in the consolidated income statement.

(ii) Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of group entities or counterparty.

(iv) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

(v) Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash on hand and deposits held at call with banks.

(vi) Share capital

Ordinary shares and preference shares are classified as equity.

Preference shares are classified as equity as there is no contractual right to convert the preference shares to any outflow of liability on the Company.

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

(vii) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(viii) Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the consolidated income statement, except to the extent that it relates to item recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(1) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(2) Deferred income tax

Inside basis difference

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

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

(3) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(ix) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

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

Provisions are measured at the present value of 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 recognized as interest expense.

(x) Interest income and interest revenue

Interest income is recognized on a time proportion basis using the effective interest method.

Interest revenue from programmes and films production in progress is recognized on a time proportion basis using the effective interest method and reported under "Entertainment and Media" segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(xi) *Share-based payments*

The Company operates share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(xii) *Employee benefits*

(1) *Retirement benefit costs*

The Group operates a defined contribution retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all those employees who are eligible to participate in the Scheme. The Scheme became effective on 1 December 2000. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated income statement as they became payable in accordance with the rules of the Scheme. The assets of the Scheme are held separately from those of the Group in an independent administered fund. The Group's employer contributions vest fully with the employees when contributed into the Scheme except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the Scheme.

The Company's subsidiaries in the People's Republic of China (the "PRC") are members of the state-managed retirement benefits scheme operated by the government of the PRC. The retirement benefits scheme contributions, which are based on a certain percentage of the salaries of the subsidiaries' employees, are charged to the consolidated income statement in the period to which they relate and represent the amount of contributions payable by these subsidiaries to the scheme.

For both retirement benefits schemes, the Group has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payment is available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(2) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to terminate the employment of current employees without possibility of withdrawal. In case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(3) Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(4) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave, maternity and other non-accumulating compensated absences are not recognized until the time of leave.

(xiii) Leases

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

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

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

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

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

To determine the incremental borrowing rate, the Group:

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

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

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

Payments associated with short-term leases are recognized on a straight-line basis as an expense in consolidated income statement. Short term leases are leases with a lease term of 12 months or less.

(xiv) 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.

(xv) Convertible bonds

The component parts of the convertible bonds are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue of the convertible bonds, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the convertible bonds as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. When the conversion option remains unexercised at the maturity date of the convertible bonds, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

(xvi) Investment properties

Investment properties, principally residential properties in Beijing, the PRC, are held for long-term rental yields and are not occupied by the Group. They are carried at fair value. Changes in fair values are presented in profit or loss as part of other income and other gains, net.

The group classifies cash outflows to acquire or construct investment property as investing and rental inflows as operating cash flows.

3 FINANCIAL RISK MANAGEMENT

(i) Financial risk factors

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

(a) Cash flow and fair value interest rate risk

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk. The Group analyzes its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, and alternative financing. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used. The scenarios are run only for financial assets and liabilities that represent the major floating interest-bearing positions.

Based on the simulations performed on cash balances placed with banks and bank and other borrowings carried at floating interest rate, if the interest rate increased/decreased by 60 basis-point with all other variables held constant, loss attributable to the equity holders of the Company for the year ended 31 December 2025 would increase/decrease by HK\$360,000 (2024: HK\$244,000).

(b) Credit risk

(i) Risk Management

Credit risk is managed on a group basis. The carrying amounts of bank balances, trade receivables, deposits and other receivables, programmes and films production in progress and financial asset at fair value through profit or loss represent the Group's maximum exposure to credit risk in relation to financial assets. The Group has policies that limit the amount of credit exposure to any financial institutions. The Group has also policies in place to ensure that the sales are made to customers with appropriate credit history and the Group performs periodic credit evaluations of its customers.

In addition, the Group reviews regularly the recoverable amount of deposits and other receivable, programme and films production in progress and financial asset at fair value through profit or loss to ensure that adequate impairment losses are made for irrecoverable amounts.

For banks and financial institutions, only rated parties with a minimum rating of 'A' are accepted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

Other than concentration of credit risk on bank balances, which are deposited with several banks with good credit ratings, the Group has concentration of credit risk as the Group's largest trade debtor accounted for 65% (2024: 16%) of the total trade receivables, and top three trade debtors constituted 70% (2024: 34%) of the total trade receivables as at 31 December 2025.

(ii) Impairment of financial assets

Trade receivables for sales of goods of the Group and from the provision of services are subject to the expected credit loss model. While cash and cash equivalents and pledged bank deposits are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Group measures the expected credit losses on a combination of both individual and collective basis. Trade receivables have been grouped based on shared credit risk characteristics. Management also considers the default rates and loss given default from external rating agency report and forward-looking information that may impact the customer's ability to repay the outstanding balances.

Trade receivables are written off where 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.

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

As at 31 December 2025, the balance of loss allowance in respect of these individually assessed receivables was approximately HK\$8,596,000 (2024: HK\$8,596,000).

The following table presents the balances of gross carrying amounts and the loss allowance in respect of trade receivables assessed on collective basis:

Internal credit rating	Average loss rate %	Gross carrying amount HK\$'000	Impairment loss allowance HK\$'000
As at 31 December 2024			
A3 to Aaa	0.00	8,194	–
B3 to Baa1	0.39	28,982	(114)
Caa3 to Ca	0.53	1,182	(6)
		38,358	(120)
As at 31 December 2025			
A3 to Aaa	0.22	61	–
B3 to Baa1	0.82	54,317	(450)
Caa3 to Ca	–	–	–
		54,378	(450)

Other financial assets at amortised cost

Expected credit losses are measured as an allowance equal to 12 months expected credit losses for stage 1 assets, or lifetime expected losses assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportive forwarding-looking information including changes in the payment status and operating results of the debtors and macroeconomic factors affecting the ability of the debtors to settle the receivables. The Group measures the expected credit losses on a combination of both individual and collective basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

For the year ended 31 December 2025 and 2024, the expected credit losses of these individually assessed and collectively assessed receivables were as follows:

	2025 HK\$'000	2024 HK\$'000
Trade receivables — collective basis	323	814
Deposits and other receivables — collective basis	1,724	4,974
	2,047	5,788

(c) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and net monetary assets and liabilities are denominated in Renminbi (“RMB”), South Korean Won (“KRW”) and United States Dollars (“US\$”) that is not the functional currency of the relevant group entity.

The Group has not used any forward contracts, currency borrowings and other means to hedge its foreign currency exposure but manages through constant monitoring to limit as much as possible its net exposure.

As at 31 December 2025, if RMB had strengthened/weakened by 5% against HK\$ with all other variables held constant, the loss for the year would decrease/increase by HK\$129,000 (2024: HK\$426,000), mainly as a result of foreign exchange gains/losses on translation of cash and cash equivalent and other receivables denominated in RMB and recorded in group entities with functional currency in HK\$.

As at 31 December 2025, if KRW had strengthened/weakened by 5% against HK\$ with all other variables held constant, the loss for the year would increase/decrease by HK\$206,000 (2024: HK\$340,000), mainly as a result of foreign exchange gains/losses on translation of share of results of an associate denominated in KRW and recorded in group entities with functional currency in HK\$.

In respect of US\$, the Group considers that minimal risk arises as the rate of exchange between HK\$ and US\$ is controlled within a tight range under the Hong Kong's Linked Exchange Rate System.

(d) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and bank balances.

Due to the dynamic nature of the Group's underlying businesses, the Group monitors the current and expected liquidity requirements and maintains flexibility in funding by maintaining sufficient cash and cash equivalent to meet operational needs and possible investment opportunities.

The table below analyzed the financial liabilities of the Group into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table were the contractual undiscounted cash flows. Balances due within twelve months equaled their carrying balances, as the impact of discounting was not significant.

	Within 1 year or on demand HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
At 31 December 2024					
Trade payables	53,410	-	-	-	53,410
Other payables and accrued liabilities	59,448	-	-	-	59,448
Convertible bond	-	120,000	-	-	120,000
Bank and other borrowings	55,397	19,654	-	-	75,051
Lease liabilities	4,091	3,125	1,304	-	8,520
Long-term financial liabilities	-	-	47,887	-	47,887
Total	172,346	142,779	49,191	-	364,316
At 31 December 2025					
Trade payables	64,120	-	-	-	64,120
Other payables and accrued liabilities	63,474	-	-	-	63,474
Convertible bond	60,000	-	-	-	60,000
Bank and other borrowings	84,653	-	-	-	84,653
Lease liabilities	3,013	1,338	328	-	4,679
Long-term financial liabilities	-	-	56,052	-	56,052
Total	275,260	1,338	56,380	-	332,978

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(ii) Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings, convertible bonds and lease liabilities less cash and cash equivalents and deposits paid for securing other borrowings. Long-term financial liabilities, representing capital contributions from a new investor of a subsidiary which may need to be repurchased by that subsidiary under certain circumstances in the future, have not been included in the calculation of the gearing ratio. The gearing ratio was as follows:

	2025 HK\$'000	2024 HK\$'000
Total lease liabilities (Note 14)	4,575	8,286
Bank and other borrowings (Note 26)	83,922	75,051
Convertible bonds (Note 31)	59,542	115,879
Less: Cash and cash equivalents (Note 24)	(23,888)	(34,450)
Less: Deposits paid for securing other borrowings (Note 22)	(48,650)	(48,650)
Net debt	75,501	116,116
Total equity	27,893	23,691
Gearing ratio	2.7 times	4.9 times

(iii) Fair value estimation

The table below analyzes financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets that are measured at fair value:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
At 31 December 2024				
Asset classified as held for sale (Note 25)				
– Deep Sea Health Limited	–	–	12,411	12,411
Financial asset at fair value through profit or loss (Note 20)				
– Deep Sea Health Limited	–	–	12,619	12,619
	–	–	25,030	25,030
At 31 December 2025				
Asset classified as held for sale (Note 25)				
– Deep Sea Health Limited	–	–	12,725	12,725
Financial asset at fair value through profit or loss (Note 20)				
– Deep Sea Health Limited	–	–	12,938	12,938
	–	–	25,663	25,663

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

The Group's finance department includes a team that performs the valuations of assets required for financial reporting purposes, including level 3 fair values. As part of the valuation process, this team reports directly to the chief financial officer.

Unlisted investments are stated at fair values which are estimated using other prices observed in recent transactions or valuation techniques when the market price is not readily available. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value level 3 financial instrument include techniques such as discounted cash flow analysis.

There were no transfers between levels 1, 2 and 3, and no change in valuation techniques during the year (2024: same).

The following table presents the movements of the Group's assets that are in level 3 for the years ended 31 December 2024 and 2025:

	Financial asset at fair value through profit or loss – Deep Sea Health Limited (Note (ii)) HK\$'000	Financial asset at fair value through profit or loss – Beijing Yi Yao Liang Xin (Note (iii)) HK\$'000	Total HK\$'000
As at 1 January 2024	5,049	9,856	14,905
Fair value loss through profit or loss	7,570	(9,750)	(2,180)
Exchange realignment	–	(106)	(106)
As at 31 December 2024	12,619	–	12,619
As at 1 January 2025	12,619	–	12,619
Exchange realignment	319	–	319
As at 31 December 2025	12,938	–	12,938
	Interest in an associate – Deep Sea Health Limited (Note (i)) HK\$'000	Asset classified as held for sale – Deep Sea Health Limited (Note (i)) HK\$'000	Total HK\$'000
As at 1 January 2024	16,947	–	16,947
Fair value loss through profit or loss	(4,536)	–	(4,536)
Reclassification to asset classified as held for sale (Note 25)	(12,411)	12,411	–
As at 31 December 2024	–	12,411	12,411
As at 1 January 2025	–	12,411	12,411
Exchange realignment	–	314	314
As at 31 December 2025	–	12,725	12,725

Quantitative information about fair value measurements using significant unobservable inputs (Level 3):

i. Asset classified as held for sale – Deep Sea Health Limited

The Group has engaged an independent valuer to determine the fair value of the unlisted investment. The fair value as at 31 December 2024 was estimated by using the market approach.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

ii. Financial asset at fair value through profit or loss – Deep Sea Health Limited, put option

The Group has engaged an independent valuer to determine the fair value of the put option. The fair value as at 31 December 2024 was determined by Binomial Option Pricing Model with a combination of observable and unobservable inputs. The fair value of the put option as at 31 December 2025 was estimated by making reference to the agreed transaction consideration.

iii. Financial asset at fair value through profit or loss – Beijing Yi Yao Liang Xin

The Group has engaged an independent valuer to determine the fair value of the unlisted investment as at 31 December 2024 by using the market approach.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(i)(b).

(ii) Impairment assessment of the interest in an associate – HB Entertainment Co., Ltd. ("HB Entertainment")

The Group assesses at the end of each reporting period to consider whether there is any indication for impairment on the interest in an associate – HB Entertainment and further assesses if they have suffered any impairment, in accordance with the accounting policy stated in Note 2(b)(i)(5) and 2(b)(iii). The recoverable amount has been determined by fair value less costs of disposal of the average enterprise value-to-revenue ratio based on a pool of comparable listed companies within the same industry. The calculation requires the use of estimates.

For the year ended 31 December 2025, no provision for impairment of interest in an associate – HB Entertainment has been recognized (2024: HK\$76,106,000) (Note 17).

5 REVENUE AND OTHER INCOME AND OTHER GAINS, NET

	2025 HK\$'000	2024 HK\$'000
Revenue		
Provision of digitized operation services	471,968	869,555
Revenue from sales of pharmaceutical and healthcare product	97,869	145,851
Revenue from sales of television programmes, film rights and IP products	230	3,056
	570,067	1,018,462
Other income and other gains, net		
Interest income	38	332
Gain on financial liabilities at fair value through profit or loss (Note 31)	–	4,243
Fair value change on financial assets at fair value through profit or loss, net	319	(2,180)
Fair value change on interest in an associate measured at fair value through profit or loss	–	(4,536)
Fair value change on investment properties (Note 18)	(473)	7,371
Gain on disposal of subsidiaries	998	1,002
(Loss)/gain on disposal of property, plant and equipment	(32)	3,492
Loss on modification of financial assets	–	(2,426)
Government subsidy	208	4,422
Exchange gain/(loss), net	2,286	(1,879)
Others	521	661
	3,865	10,502

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the management committee which comprises the chief executive officer and the chief financial officer of the Group. The management committee reviews the Group's internal reporting in order to assess performance and allocate resources. The management committee has determined the operating segments based on these reports.

The management committee has determined that the Group is organized into three main operating segments: (i) Digitized operation services in healthcare industry (Echartnow); (ii) Smart healthcare services platform (Meerkat Health) (which was disposed of in January 2026 as detailed in Note 35 to the consolidated financial statements); and (iii) Entertainment and media businesses. The management committee measures the performance of the segments based on their respective segment results. The segment results derived from loss before taxation, excluding exchange losses, net, finance costs, net and unallocated expenses, net. Unallocated expenses, net mainly comprise of corporate income net off with corporate expenses including salary, depreciation of right-of-use assets in relation to office and apartment and other administrative expenses which are not attributable to particular reportable segment.

Segment assets exclude cash and cash equivalents and other unallocated head office and corporate assets which are managed on a group basis. Segment liabilities exclude income tax liabilities and other unallocated head office and corporate liabilities which are managed on a group basis.

There were no sales between the operating segments during the year ended 31 December 2025 (2024: Nil).

(a) Business segment

For the year ended 31 December 2025

	Digitized operation services in healthcare industry HK\$'000	Smart healthcare services platform HK\$'000	Entertainment and media HK\$'000	Total HK\$'000
Revenue	471,968	97,869	230	570,067
Share of results of an associate	-	-	(3,305)	(3,305)
Segment results	(12,797)	(3,831)	(2,756)	(19,384)
Exchange gain, net				2,286
Fair value change on financial assets at fair value through profit or loss — unallocated				319
Net reversal of impairment of financial assets — unallocated				318
Other unallocated expenses, net				(40,735)
Finance costs, net				(57,196)
				(19,088)
Loss before taxation				(76,284)
Taxation				-
Loss for the year				(76,284)
Loss for the year attributable to non-controlling interests				9,567
Loss for the year attributable to equity holders of the Company				(66,717)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

For the year ended 31 December 2025

	Digitized operation services in healthcare industry HK\$'000	Smart healthcare services platform HK\$'000	Entertainment and media HK\$'000	Total HK\$'000
Segment assets	58,311	45,861	145,173	249,345
Unallocated assets				111,182
Total assets				360,527
Segment liabilities	105,875	52,176	-	158,051
Unallocated liabilities				174,583
Total liabilities				332,634
Other information:				
Additions of right-of-use assets				
– Allocated	655	-	-	655
– Unallocated				2,394
Purchases of property, plant and equipment				
– Allocated	7	-	-	7
– Unallocated				18
Depreciation of right-of-use assets				
– Allocated	1,117	180	-	1,297
– Unallocated				2,782
Depreciation of property, plant and equipment				
– Allocated	1,135	40	-	1,175
– Unallocated				134
Amortization of intangible assets	956	-	-	956
Write off of intangible assets	-	177	-	177
Purchase of intangible assets	223	-	-	223
Net (reversal of)/provision for impairment of trade receivables				
– Allocated	(109)	(223)	-	(332)
– Unallocated				9
Net provision for/(reversal of) impairment of deposits and other receivables				
– Allocated	143	-	(318)	(175)
– Unallocated				(1,549)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

For the year ended 31 December 2024

	Digitized operation services in healthcare industry HK\$'000	Smart healthcare services platform HK\$'000	Entertainment and media HK\$'000	Total HK\$'000
Revenue	869,555	145,851	3,056	1,018,462
Share of results of an associate	-	-	(6,801)	(6,801)
Provision for impairment of interest in an associate	-	-	(76,106)	(76,106)
Segment results	(30,785)	(6,851)	(85,698)	(123,334)
Exchange losses, net				(1,879)
Fair value change on financial assets at fair value through profit or loss — unallocated				(2,180)
Fair value change on asset classified as held for sale — unallocated				(4,536)
Net provision for impairment of financial assets — unallocated				(1,451)
Other unallocated expenses, net				(26,592)
Finance costs, net				(159,972)
				(17,612)
Loss before taxation				(177,584)
Taxation				394
Loss for the year				(177,190)
Loss for the year attributable to non-controlling interests				13,701
Loss for the year attributable to equity holders of the Company				(163,489)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

For the year ended 31 December 2024

	Digitized operation services in healthcare industry HK\$'000	Smart healthcare services platform HK\$'000	Entertainment and media HK\$'000	Total HK\$'000
Segment assets	89,172	27,540	146,323	263,035
Unallocated assets				124,089
Total assets				387,124
Segment liabilities	120,423	31,153	–	151,576
Unallocated liabilities				211,857
Total liabilities				363,433
Other information:				
Additions of right-of-use assets	126	–	–	126
Purchases of property, plant and equipment				
– Allocated	63	–	–	63
– Unallocated				132
Purchases of intangible assets	–	216	–	216
Depreciation of right-of-use assets				
– Allocated	1,597	174	–	1,771
– Unallocated				4,128
Depreciation of property, plant and equipment				
– Allocated	1,438	71	–	1,509
– Unallocated				50
Amortization of intangible assets	–	1,269	–	1,269
Net (reversal of)/provision for impairment of trade receivables				
– Allocated	882	27	–	909
– Unallocated				(95)
Net provision for impairment of deposits and other receivables				
– Allocated	7	–	3,421	3,428
– Unallocated				1,546
Write back of long-term prepayments				(3,274)
Provision for impairment of interest in an associate	–	–	(76,106)	(76,106)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(b) Geographical information

The geographical information for the year ended 31 December 2025 and 2024 are as follows:

	Revenue from external customers		Non-current assets ^{Note}	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
The PRC	570,067	1,018,462	42,074	49,368
Hong Kong	-	-	1,716	37
South Korea	-	-	100,637	102,951
	570,067	1,018,462	144,427	152,356

Note: Non-current assets exclude non-current portion of deposits and other receivables.

(c) Revenue from major customers who have individually contributed 10% or more of the total revenue of the Group for the year ended 31 December 2025 and 2024 are disclosed as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A	86,862	279,410

7 FINANCE COSTS, NET

	2025 HK\$'000	2024 HK\$'000
Finance income		
Unwind interest on a financial asset	1,579	-
Finance costs		
Interest on bank and other borrowings	(1,241)	(1,881)
Interest on lease liabilities (Note 14)	(282)	(484)
Interest on long-term financial liabilities	(4,578)	(3,633)
Interest on convertible bonds (Note 31)	(14,566)	(11,614)
	(20,667)	(17,612)
Finance costs, net	(19,088)	(17,612)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

8 LOSS BEFORE TAXATION

Loss before taxation is stated after (crediting)/charging the following:

	2025 HK\$'000	2024 HK\$'000
Depreciation of property, plant and equipment (Note 13)	1,309	1,559
Depreciation of right-of-use assets (Note 14)	4,079	5,899
Auditor's remuneration		
– Audit services	1,850	1,930
– Non-audit services	70	535
Expense relating to short-term leases (Note 14)	1,111	3,003
Net provision for impairment of financial assets		
– Trade receivables (Note 21)	323	814
– Deposits and other receivables (Note 22)	1,724	4,974
Write back of long-term prepayments	–	(3,274)
Amortization of intangible assets (Note 15)	956	1,269
Provision for impairment of interest in an associate (Note 17)	–	76,106
Costs of digitized operation services in healthcare industry	310,105	532,596
Costs of inventories sold (Note 23)	96,810	126,741
Promotion fees paid to content providers	135,129	319,857
Employee benefit expense:		
<i>Directors' fees (Note 37)</i>	920	960
<i>Wages and salaries</i>	42,708	59,325
<i>Contributions to defined contribution pension schemes (Note a)</i>	8,263	10,755
<i>Share-based compensation expenses/(reversal) (Note 29)</i>	50	(3,312)
	51,941	67,728

Note a: During the year ended 31 December 2025, no forfeited contributions were utilized by the Group to reduce its contributions for the current year (2024: Nil).

9 TAXATION

No Hong Kong profits tax has been provided as the Group has no estimated assessable profit in Hong Kong for the year (2024: same). Taxation on profits outside Hong Kong has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the regions/countries in which the Group operates.

	2025 HK\$'000	2024 HK\$'000
Current income tax		
– Hong Kong profits tax	–	–
– PRC corporate income tax	–	(26)
Deferred income tax credit	–	420
	–	394

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

The tax on the Group's loss before taxation differs from the theoretical amount that would arise using the domestic tax rates applicable to the profit or loss before taxation of the consolidated entities in the respective countries as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before taxation	(76,284)	(177,584)
Tax calculated at domestic tax rates applicable to the profit or loss in respective countries	(15,680)	(33,101)
Tax effects of an associate, results reported net of tax	546	1,123
Income not subject to tax	(137)	(3,109)
Expenses not deductible for tax purposes	13,585	26,654
Tax losses not recognized	1,686	8,039
Taxation	-	(394)

The weighted average applicable tax rate was 20.5% (2024: 18.6%). The change in weighted average applicable tax rate was mainly caused by a change in mix of profits earned/losses incurred.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The analysis of deferred tax assets and liabilities is as follows:

	2025 HK\$'000	2024 HK\$'000
Non-current		
Deferred income tax liabilities to be recovered after more than 12 months	-	-

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

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	-	(442)
Credit to the consolidated income statement	-	420
Exchange differences	-	22
At the end of the year	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

The movement in gross deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

	Tax losses HK\$'000
1 January 2024	—
Credit to the consolidated income statement	—
Exchange differences	—
At 31 December 2024 and 1 January 2025	—
Credit to the consolidated income statement	1,067
Exchange differences	—
At 31 December 2025	1,067

Deferred tax liabilities

	Provision of CIT for revaluation of investment properties HK\$'000	Unremitted earning HK\$'000	Total HK\$'000
1 January 2024	—	(442)	(442)
Credit to the consolidated income statement	—	420	420
Exchange differences	—	22	22
At 31 December 2024 and 1 January 2025	—	—	—
Charge to the consolidated income statement	1,067	—	1,067
Exchange differences	—	—	—
At 31 December 2025	1,067	—	1,067

Deferred tax assets are recognized for tax losses carry-forward to the extent that the realization of the related tax benefit through the future taxable profits is probable. As at 31 December 2025, the Group had unrecognized tax losses of approximately HK\$597,603,000 (2024: approximately HK\$557,844,000) to carry forward against future taxable income, subject to agreement by the Inland Revenue Department of Hong Kong and local tax bureau of the PRC. The increase of unrecognized tax losses was mainly attributable to addition of unrecognized tax loss of the PRC subsidiaries during the year ended 31 December 2025. No deferred taxation has been recognized in respect of the tax losses due to unpredictability of future profit streams. The tax losses of the PRC subsidiaries have an expiry period of five years, while the tax losses of Hong Kong subsidiaries have no expiry date.

The Group did not recognize deferred income tax assets in respect of tax losses of approximately HK\$263,062,000 (2024: approximately HK\$251,276,000) which can be carried forward for 5 years and will expire in the following years:

	2025 HK\$'000	2024 HK\$'000
2026	12,098	12,098
2027	28,481	29,548
2028	13,134	13,134
2029	8,039	8,039
2030	1,686	—
At the end of the year	63,438	62,819

The remaining tax losses of approximately HK\$334,571,000 (2024: approximately HK\$334,571,000) can be carried forward indefinitely to offset against future taxable income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10 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 year.

For the purpose of calculation of basic and diluted loss per share for the years ended 31 December 2025 and 2024, the share consolidation being effective on 11 December 2025 (as detailed in note 29) was deemed to be effective throughout the period from 1 January 2024 to 31 December 2025. Accordingly, the weighted average number of ordinary shares of the Company in issue and the basic and diluted loss per share during the year ended 31 December 2024 were restated to reflect the effect of the above share consolidation.

	2025	2024
Weighted average number of ordinary shares in issue (thousands) (2024: restated)	1,371,972	1,358,534
Loss attributable to equity holders of the Company (HK\$'000)	(66,717)	(163,489)
Basic loss per share attributable to equity holders of the Company (HK cents per share) (2024: restated)	(4.86)	(12.03)

For the year ended 31 December 2025 and 2024, diluted loss per share equals to basic loss per share as the potential ordinary shares were not included in the calculation of diluted loss per share because they are anti-dilutive.

11 DIVIDEND

The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2025 (2024: Nil).

12 EMPLOYEE BENEFIT EXPENSE

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2024: one) director whose emoluments are reflected in the analysis shown in Note 37(a). The emoluments payable to the four (2024: four) individuals during the year are as follows:

	2025	2024
	HK\$'000	HK\$'000
Basic salaries, housing allowance, share options, other allowances and benefits in kind	6,561	7,544
Contributions to pension schemes	143	299
	6,704	7,843

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
Emolument bands		
HK\$1,000,001 – HK\$1,500,000	2	–
HK\$1,500,001 – HK\$2,000,000	1	3
HK\$2,000,001 – HK\$2,500,000	1	1
	4	4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

13 PROPERTY, PLANT AND EQUIPMENT

	Building HK\$'000	Machinery and equipment HK\$'000	Furniture, computer and equipment HK\$'000	Leasehold improvements HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Year ended 31 December 2024						
Opening net book amount	–	1	2,383	2,965	104	5,453
Additions	–	–	195	–	–	195
Written-off	–	–	(1,105)	–	–	(1,105)
Disposal	–	–	(47)	–	–	(47)
Depreciation	–	–	(368)	(1,171)	(20)	(1,559)
Exchange differences	–	–	(38)	(50)	(3)	(91)
Closing net book amount	–	1	1,020	1,744	81	2,846
At 31 December 2024						
Cost	886	24	2,926	6,245	1,359	11,440
Accumulated depreciation	(886)	(23)	(1,906)	(4,501)	(1,278)	(8,594)
Net book amount	–	1	1,020	1,744	81	2,846
Year ended 31 December 2025						
Opening net book amount	–	1	1,020	1,744	81	2,846
Additions	–	–	25	–	–	25
Disposal	–	–	(55)	–	–	(55)
Depreciation	–	–	(316)	(978)	(15)	(1,309)
Exchange differences	–	–	20	32	4	56
Closing net book amount	–	1	694	798	70	1,563
At 31 December 2025						
Cost	886	24	2,963	6,354	1,394	11,621
Accumulated depreciation	(886)	(23)	(2,269)	(5,556)	(1,324)	(10,058)
Net book amount	–	1	694	798	70	1,563

Depreciation expenses of approximately HK\$1,230,000 (2024: HK\$1,469,000), HK\$9,000 (2024: HK\$20,000) and HK\$70,000 (2024: HK\$70,000) have been charged in administrative expenses, marketing and selling expenses and research and development expenses respectively.

14 LEASES

(i) Amounts recognized in the consolidated balance sheet

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

	2025 HK\$'000	2024 HK\$'000
Right-of-use assets		
Office	4,273	7,546
	4,273	7,546
Lease liabilities		
Current	2,949	3,994
Non-current	1,626	4,292
	4,575	8,286

Additions to the right-of-use assets (including acquisition of subsidiaries) during the year ended 31 December 2025 was HK\$3,049,000 (2024: HK\$126,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(ii) Amounts recognized in the consolidated income statement

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

	Notes	2025 HK\$'000	2024 HK\$'000
Depreciation charge of right-of-use assets — offices	8	4,079	5,899
Interest expense (included in finance costs)	7	282	484
Expense relating to short-term leases (included in administrative expenses)	8	1,111	3,003

(iii) The Group's leasing activities

The Group leased various offices for its operations in Hong Kong and the PRC. Rental contracts are generally made for fixed periods of 6 months to 5 years, but may have extension options as described in Note 14(iv) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

(iv) Extension and termination options

Extension and termination options are included in the lease held by the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held are exercisable only by the Group and not by the respective lessor.

15 INTANGIBLE ASSETS

	Licenses and softwares	
	2025 HK\$'000	2024 HK\$'000
As at 1 January	1,186	2,274
Additions	223	–
Additions through acquisition of a subsidiary	–	216
Written off	(177)	–
Amortization (Note 8)	(956)	(1,269)
Exchange differences	17	(35)
As at 31 December	293	1,186
As at 31 December		
Cost	5,057	4,930
Accumulated amortization	(4,764)	(3,744)
Net carrying amount	293	1,186

Amortization expenses of approximately HK\$856,000 (2024: HK\$1,169,000) and HK\$100,000 (2024: HK\$100,000) have been charged in administrative expenses and marketing and selling expenses respectively.

See note 2(c)(ii) for the other accounting policies relevant to intangible assets, and note 2(b)(iii) for the Group's policy regarding impairments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

16 GOODWILL

	2025 HK\$'000	2024 HK\$'000
Cost and net carrying amount as at 1 January	27,198	27,203
Addition through business combination – smart healthcare services platform	–	253
Written off upon liquidation of a subsidiary	(257)	–
Exchange differences	302	(258)
Cost and net carrying amount as at 31 December	27,243	27,198

Impairment testing of goodwill

Except for the immaterial goodwill acquired through business combination – smart healthcare services platform – during the year ended 31 December 2024, the above goodwill acquired through business combinations is mainly allocated to the following CGU for impairment testing – Digitized operation services in healthcare industry. The Group has engaged an independent valuer to determine the recoverable amount of this CGU as at 31 December 2025 and 2024 using discounted cash flow projections based on financial budgets covering a five-year period. The compound annual revenue growth rate is 10.0% (2024: 6.5%). The discount rate applied to the cash flow projections is 18.0% (2024: 19.0%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2.0% (2024: 2%), which approximates the long-term average growth rate of this CGU in the PRC.

As at 31 December 2025, based on the impairment test performed, the recoverable amounts of the CGU exceeded its carrying amount by approximately HK\$35,737,000 and no impairment of goodwill was recognised (2024: Nil). A reasonable change in assumptions would not result in impairment, therefore disclosure of sensitivity analysis is not considered necessary.

17 INTEREST IN AN ASSOCIATE

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Interest in an associate accounted for using the equity method		
– Interest in HB Entertainment Co., Ltd.	100,637	102,951

Set out below are the associates of the Group as at 31 December 2025 which, in the opinion of the directors, are material to the Group. These associates are private companies and there is no quoted market price available for their shares. There are no contingent liabilities relating to the Group's interests in associates, and there are no contingent liabilities of the associates themselves.

Details of interests in associates as at 31 December 2025 and 2024 are as follows:

Name	Place of establishment and kind of legal entity	% of ownership interest		Principal activities and place of operation
		2025	2024	
HB Entertainment Co., Ltd. ("HB Entertainment")	South Korea, limited liability company	31%	31%	Production of and investments in movies and TV drama series, provision of entertainer/artist management and agency services in South Korea

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

Summarized financial information

Set out below is the summarized financial information of HB Entertainment. The entity is accounted for using the equity method.

Summarized balance sheet

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Current		
Cash and cash equivalents	48,138	35,658
Other current assets (excluding cash)	155,083	79,585
Total current assets	203,221	115,243
Current financial liabilities (excluding trade payables)	(6,936)	(54,061)
Other current financial liabilities	(140,482)	(53,557)
Total current liabilities	(147,418)	(107,618)
Non-current		
Total non-current assets	57,614	112,612
Total non-current liabilities	(7,519)	(9,685)
Net assets	105,898	110,552
Non-controlling interests	18,284	14,968
Net assets attributable to the equity holders	124,182	125,520

Summarized statement of comprehensive income

	2025 HK\$'000	2024 HK\$'000
Revenue	72,240	91,990
Loss before taxation	(9,995)	(20,030)
Taxation	(3,396)	(4,273)
Loss after taxation	(13,391)	(24,303)
Other comprehensive gain/(loss)	212	(14,911)
Total comprehensive loss	(13,179)	(39,214)

The information above reflects the amounts presented in the financial statements of the associate and not the Group's share of those amounts. They have been amended to reflect adjustments (if any) made by the entity when using the equity method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

Movements of interest in HB Entertainment are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	102,951	211,086
Share of results	(3,305)	(6,801)
Provision for impairment	–	(76,106)
Exchange differences	991	(25,228)
At 31 December	100,637	102,951

Reconciliation of summarized financial information

Reconciliation of the summarized financial information presented to the carrying amount of its interest in HB Entertainment

	2025 HK\$'000	2024 HK\$'000
Summarized financial information		
Opening net assets as at 1 January	125,520	164,734
Loss for the year	(13,391)	(24,303)
Exchange differences	12,053	(14,911)
Closing net assets as at 31 December	124,182	125,520
Interest in HB Entertainment	34,975	38,614
Goodwill	65,662	64,337
Carrying value	100,637	102,951

Impairment assessment for the interest in HB Entertainment

Recoverable amount was determined by the higher of the amount determined by value-in-use calculation or by fair value less costs of disposal.

The recoverable amount as at 31 December 2025 and 2024 was determined by fair value less costs of disposal. Management determined that the average enterprise value-to-revenue ratio based on a pool of comparable listed companies within the same industry.

Key assumptions adopted in the calculation of recoverable amount were as follows:

	As at 31 December	
	2025	2024
Unobservable inputs adopted in fair value less costs of disposal calculation		
Average enterprise value-to-revenue ratio	2.94	2.05
Discounts for lack of marketability	20%	20%
Significant influence premium	15%	15%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

No provision for impairment of interest in HB Entertainment has been recognized for the year ended 31 December 2025. A reasonable change in assumptions would not result in impairment as a such disclosure of sensitivity analysis is not considered necessary.

Provision for impairment of interest in HB Entertainment of approximately HK\$76,106,000 has been recognized for the year ended 31 December 2024. The incurrence of significant amount of impairment provision for the year is mainly attributed to the following reasons:

- i) There was a general downward trend in the valuation of entertainment-related listed companies in the Korean market during 2024. This is evidenced by the significant drop of average enterprise value-to-revenue ratio based on a pool of comparable listed companies within the same industry of HB Entertainment from 3.20 as at 31 December 2023 to 2.05 as at 31 December 2024; and
- ii) HB Entertainment has produced two TV dramas in 2023, while by end of 2024 there was only one TV drama being completed substantially (which was premiered in January 2025). This led to a significant drop in revenue of HB Entertainment which is one of the key parameters for determination of recoverable amount.

Based on the result of the goodwill impairment testing, the estimated recoverable amount of the business was below its carrying amount as at 31 December 2024 by approximately HK\$76,106,000.

The Group performs the sensitivity analysis based on the assumptions that discount for lack of marketability and significant influence premium have been changed. Had the estimated key assumptions during the forecast period been changed as below, the (shortfall)/headroom would be decreased to as below:

	As at December 31	
	2025 HK\$'000	2024 HK\$'000
Discounts for lack of marketability increased by 5%	8,942	(77,393)
Significant influence premium decreased by 5%	9,605	(76,778)

18 INVESTMENT PROPERTIES

	2025 HK\$'000	2024 HK\$'000
Non-current assets – at fair value		
Opening balance at 1 January	10,629	–
Transfer from long-term prepayments	–	3,274
Capitalized subsequent expenditure	–	98
Net (loss)/gain from fair value adjustment (Note 5)	(473)	7,371
Exchange differences	262	(114)
Closing balance at 31 December	10,418	10,629

(i) Amounts recognized in profit or loss for investment properties

	2025 HK\$'000	2024 HK\$'000
Rental income from operating leases	236	177
Direct operating expenses from property that generated rental income	79	8
Fair value (loss)/gain recognized in other income and other gains, net	(473)	7,371

The investment properties are leased to tenants under operating leases with rentals payable half-yearly. Lease income from operating leases where the group is a lessor is recognized in income on a straight-line basis over the lease term.

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

	2025 HK\$'000	2024 HK\$'000
Within 1 year	59	236
Between 1 and 2 years	–	59
	59	295

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per consolidated balance sheet

	At amortized cost HK\$'000	At fair value through profit or loss HK\$'000	Total HK\$'000
As at 31 December 2024			
Trade and bills receivables (Note 21)	38,238	–	38,238
Deposits and other receivables (excluding non-financial assets) (Note 22)	123,614	–	123,614
Cash and cash equivalents (Note 24)	34,450	–	34,450
Financial asset at fair value through profit or loss (Note 20)	–	12,619	12,619
Total	196,302	12,619	208,921
As at 31 December 2025			
Trade and bills receivables (Note 21)	53,928	–	53,928
Deposits and other receivables (excluding non-financial assets) (Note 22)	109,833	–	109,833
Cash and cash equivalents (Note 24)	23,888	–	23,888
Financial asset at fair value through profit or loss (Note 20)	–	12,938	12,938
Total	187,649	12,938	200,587

Financial liabilities as per consolidated balance sheet

	At amortized cost HK\$'000
As at 31 December 2024	
Trade payables (Note 27)	53,410
Other payables and accrued liabilities (excluding non-financial liabilities)	59,448
Bank and other borrowings (Note 26)	75,051
Lease liabilities (Note 14)	8,286
Long-term financial liabilities	47,887
Convertible bonds (Note 31)	115,879
Total	359,961
As at 31 December 2025	
Trade payables (Note 27)	64,120
Other payables and accrued liabilities (excluding non-financial liabilities)	63,474
Bank and other borrowings (Note 26)	83,922
Lease liabilities (Note 14)	4,575
Long-term financial liabilities	56,052
Convertible bonds (Note 31)	59,542
Total	331,685

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Put option		
– Deep Sea Health Limited (“DSH”) (Note a)	12,938	12,619

Note:

- (a) On 12 August 2021, the Company has completed an acquisition of 21.88% equity interest in DSH, which became an associate of the Group. In connection with the acquisition, the Company has been granted an option to put the whole of acquired 21.88% equity interests in DSH to the founder and largest shareholder of DSH by 30 December 2022 at its original cost of acquisition (“2022 option”). Pursuant to the supplemental agreement entered into on 28 December 2022, the Company has agreed not to exercise the 2022 option, and has been granted another option to put its equity interests in DSH to the founder and the largest shareholder of DSH by 31 December 2024 at its original cost of acquisition plus a premium of 8% per annum. On 30 December 2024, it was agreed that the Group will dispose the investment in DSH at a consideration of RMB23,200,000 to the controlling shareholder of DSH or his designate parties. As of 31 December 2025, RMB14,000,000 of such consideration has been received by the Group.

Upon initial recognition, the put option was classified as a financial asset measured at fair value through profit or loss. The fair value of the put option was estimated as at 31 December 2024 using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The unobservable inputs adopted by the Group include expected volatility of 26.75%, expected dividend yield of 0.00%, exercise probability of 100.00% and risk-free interest rate of 1.09%. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

As the Group has agreed with the controlling shareholder of DSH to dispose of the investment in DSH at a consideration of RMB23,200,000, the Group’s management adopted the approach of estimating the fair value of the put option as at 31 December 2025 by making referencing to the agreed transaction consideration. Refer to Note 25 for more details.

21 TRADE AND BILLS RECEIVABLES

The aging analysis of the trade and bills receivables based on invoice date is as follows:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
0–3 months	40,084	36,396
4–6 months	9,262	1,757
7–9 months	2,618	20
10–12 months	365	119
Over 1 year	10,676	9,586
	63,005	47,878
Less: Provision for impairment	(9,077)	(9,640)
	53,928	38,238

Classification as trade and bills receivables

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

Information about the impairment of trade and bills receivables can be found in Note 3(i)(b).

The Group’s credit terms with its customers are up to 90 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

Movements on the Group's provision for impairment of trade and bills receivables are as follows:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
At 1 January	9,640	8,832
Net reversal of impairment (Note 8)	323	814
Write off of trade receivable	(950)	–
Exchange differences	64	(6)
At 31 December	9,077	9,640

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The carrying amounts of trade and bills receivables approximate their fair values and are denominated in RMB.

The maximum exposure to credit risk at the balance sheet date is the carrying value of trade and bills receivables disclosed above. The Group does not hold any collateral as security.

22 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Prepayments	2,343	11,115
Deposits and other receivables	123,057	138,746
	125,400	149,861
Less: Provision for impairment of deposits and other receivables	(13,224)	(15,132)
Total net balance of prepayments, deposits and other receivables (Note)	112,176	134,729
Less: Non-current portion	(25,217)	(56,243)
Current portion	86,959	78,486

Movements on the Group's provision for impairment of deposits and other receivables are as follows:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
At 1 January	15,132	10,184
Net provision for impairment (Note 8)	1,724	4,974
Write off of other receivables	(3,696)	–
Exchange differences	64	(26)
At 31 December	13,224	15,132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

The carrying amounts of prepayments, deposits and other receivables of the Group are denominated in the following currencies:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
HK\$	32,625	50,313
RMB	79,551	84,416
	112,176	134,729

The carrying amounts of deposits and other receivables approximate their fair values.

Information about the impairment of deposits and other receivables can be found in Note 3(i)(b).

The maximum exposure to credit risk at the balance sheet date is the carrying value of deposits and other receivables disclosed above.

Note: The total net balance of prepayments, deposits and other receivables comprised the following significant components:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Unutilized film production investment amount (i)	32,147	42,718
Deposits paid for securing other borrowings (ii)	48,650	48,650
Other receivable generated from the discontinued operation of "Beijing Bayhood No. 9 Club" (iii)	20,484	21,830
Deposits paid to the suppliers of healthcare consumption business (iv)	252	8,054
Rental deposits	866	2,129
Others	9,777	11,348
	112,176	134,729

(i) As detailed in the Company's announcement dated 10 December 2015, the Group has invested an aggregate amount equivalent to approximately HK\$369 million (the "Total Investment Amount") pursuant to a film production investment agreement entered into with an independent film producer in 2015. Over the time a portion of the Total Investment Amount was converted into the Group's investment in movie projects, while a portion of such amounts were not utilized and were returned back to the Group. The amount of HK\$32,147,000 (2024: HK\$42,718,000) as at 31 December 2025 represented the outstanding balance of the unutilized film investment amounts due from the film producer. On the other hand, the Group has received a security deposit (included in other payables of the Group) of approximately HK\$6,311,000 (2024: HK\$13,336,000) from an affiliate of the film producer as a pledge against these other receivables.

(ii) As of 31 December 2025, the Group has paid deposits of approximately HK\$48,650,000 (2024: HK\$48,650,000) for securing certain of its other borrowings equivalent to approximately HK\$48,936,000 (2024: HK\$47,730,000) (Note 26).

(iii) The amount represented the net receivable amount due from Beijing Bayhood No. 9 Business Hotel Company Limited generated from the Group's discontinued operation in relation to Healthcare and Wellness Services – Beijing Bayhood No. 9 Club.

(iv) The amount represented deposits paid to the suppliers of pharmaceutical products by a subsidiary of the Group in relation to the healthcare consumption business of "Meerkat Health", so as to secure the purchases of certain pharmaceutical products, especially for those with high demand but limited supply in the market.

23 INVENTORIES

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Finished goods	445	2,321

The cost of inventories sold of approximately HK\$96,810,000 (2024: HK\$126,741,000) was recognized as expense and included in "Cost of sales" in the consolidated income statement for the year ended 31 December 2025.

No provision of impairment of inventories was recognized for the year ended 31 December 2025 (2024: same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

24 CASH AND CASH EQUIVALENTS

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Cash and bank balances	23,888	34,450
Denominated in:		
HK\$	10,416	1,648
RMB	13,471	32,790
US\$	1	12
	23,888	34,450
Maximum exposure to credit risk	23,863	34,425

The Group's cash and bank balances of approximately HK\$13,471,000 (2024: HK\$32,790,000) as at 31 December 2025 were denominated in RMB and held in the PRC. The remittance of these funds out of the PRC is subject to the foreign exchange restrictions imposed by the PRC government.

25 ASSET CLASSIFIED AS HELD FOR SALE

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Interest in an associate — Deep Sea Health Limited	12,725	12,411
	12,725	12,411

On 12 August 2021, the Company has completed an acquisition of 21.88% equity interest in Deep Sea Health Limited (“DSH”) at a consideration equivalent to RMB20 million. Through the investment the Company has indirectly obtained a minority stake in a high-end clinic and hospital operation currently based in Shanghai. The Group was able to exercise significant influence over DSH. The Group had elected to measure the investment in DSH at fair value through profit or loss since the Group decides the investment in DSH has the characteristics of a venture capital investment.

On 30 December 2024, it was agreed that the Group will dispose the investment in DSH at a consideration of RMB23,200,000 to the controlling shareholder of DSH or his designated parties. Accordingly the relevant interest in associates was reclassified to asset classified as held for sale as of 31 December 2024. As of 31 December 2025, RMB14,000,000 of such consideration has been received by the Group. No impairment was recognized for the asset classified as held for sale, as the exercise of the put option effectively fixed the total consideration at RMB23,200,000. Refer to Note 20 for more details.

The Group has engaged an independent valuer to determine the fair value of the unlisted investment as at 31 December 2024. The valuation of DSH was determined by using the market approach that made reference to price-to-sales multiples of the comparable companies in the same industry.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26 BANK AND OTHER BORROWINGS

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Current:		
Bank borrowing (Note a)	22,143	10,799
Other borrowings (Note b)	61,779	44,598
	83,922	55,397
Non-current:		
Other borrowings (Note b)	-	19,654
	83,922	75,051
Denominated in:		
RMB	83,922	75,051
HK\$	-	-
	83,922	75,051

As at 31 December 2025 and 2024, carrying amounts of bank and other borrowings approximated their fair values.

Note a: As at 31 December 2025, bank borrowing is secured (2024: secured), interest bearing at 3.3% (2024: 3.45%) and repayable within 1 year (2024: 1 year).

Note b: As at 31 December 2025, approximately HK\$48,936,000 (2024: HK\$47,730,000) of the other borrowings are secured by deposits of approximately HK\$48,650,000 (2024: HK\$48,650,000) (Note 22). The remaining other borrowings of approximately HK\$12,843,000 (2024: HK\$16,522,000) are unsecured.

Approximately HK\$61,779,000 (2024: HK\$44,598,000) and Nil (2024: HK\$19,654,000) of the other borrowings are repayable within 1 year and 2 years, respectively.

Approximately HK\$4,429,000 (2024: HK\$16,198,000) of the other borrowings are interest-bearing at a weighted average rate of 6.00% (2024: 6.00%) per annum. The remaining other borrowings of approximately HK\$57,350,000 (2024: HK\$48,054,000) are interest-free.

27 TRADE PAYABLES

The aging analysis of trade payables based on the invoice date were as follows:

	2025 HK\$'000	2024 HK\$'000
0-3 months	22,205	51,940
3-6 months	244	680
Over 6 months	41,671	790
	64,120	53,410

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

The carrying amounts of trade payables of the Group are denominated in RMB.

The carrying amounts of trade payables approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

28 CONTRACT LIABILITIES, OTHER PAYABLES AND ACCRUED LIABILITIES

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Current liabilities:		
Other payables and accrued liabilities (Note i)	48,801	60,312
Deposits received for asset held for sale	15,500	–
Contract liabilities (Note ii)	122	2,608
	64,423	62,920

Notes:

- (i) Other payables and accrued liabilities mainly represented accrued operating expenses and PRC other tax payables.
- (ii) Contract liabilities represent advanced payments received from the customers for services that have not been transferred to the customers. The balance was mainly arising from the business in relation to digitized operation services in healthcare industry.

The carrying amounts of other payables and accrued liabilities approximate their fair values.

The carrying amounts of the Group's contract liabilities, other payables and accrued liabilities were denominated in the following currencies:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
HK\$	37,449	4,607
RMB	26,974	58,313
	64,423	62,920

29 SHARE CAPITAL

	Ordinary shares		Preference shares of HK\$0.01 each		Total
	No. of shares '000	HK\$'000	No. of shares '000	HK\$'000	HK\$'000
Authorized:					
At 1 January 2025 (ordinary shares: HK\$0.02 each)	150,000,000	3,000,000	240,760	2,408	3,002,408
Share consolidation (note c)	(135,000,000)	–	–	–	–
At 31 December 2025 (ordinary shares: HK\$0.20 each)	15,000,000	3,000,000	240,760	2,408	3,002,408
At 1 January 2024 and 31 December 2024 (ordinary shares: HK\$0.02 each)	150,000,000	3,000,000	240,760	2,408	3,002,408
Issued and fully paid:					
At 1 January 2025 (ordinary shares: HK\$0.02 each)	13,585,339	271,707	–	–	271,707
Issuance of shares upon share subscription (ordinary shares: HK\$0.02 each) (note a)	638,000	12,760	–	–	12,760
Issuance of shares upon partial conversion of convertible bonds (ordinary shares: HK\$0.02 each) (note b) (Note 31)	598,205	11,964	–	–	11,964
Share consolidation (note c)	(13,339,390)	–	–	–	–
At 31 December 2025 (ordinary shares: HK\$0.20 each)	1,482,154	296,431	–	–	296,431
At 1 January 2024 and 31 December 2024 (ordinary shares: HK\$0.02 each)	13,585,339	271,707	–	–	271,707

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

Notes:

(a) Share subscription

The Company issued 638,000,000 new ordinary shares of HK\$0.02 each upon completion of share subscription to an independent investor on 17 November 2025, raising gross proceeds of approximately HK\$24,882,000.

(b) Partial conversion of convertible bonds

On 28 November 2025, the holder of the Company's convertible bonds exercised its right to partially convert the convertible bonds with an aggregate principal amount of HK\$60,000,000 at the adjusted conversion price of HK\$0.1003 per share, resulting in the Company's allotment and issuance of 598,205,383 new ordinary shares of HK\$0.02 each. The remaining outstanding principal amount of convertible bonds following the above conversion is HK\$60,000,000.

(c) Share consolidation

As approved at the extraordinary general meeting of the Company held on 9 December 2025, every ten issued and unissued shares of HK\$0.02 each in the share capital of the Company have been consolidated into one consolidated share of HK\$0.20 each effective from 11 December 2025. For details, please refer to the circular dated 19 November 2025 and the supplemental announcement dated 20 November 2025 issued by the Company.

Share Option

The previous share option scheme adopted by the Company on 21 June 2022 (the "2022 Share Option Scheme") has been terminated on 21 June 2024. No share option has been granted pursuant to the 2022 Share Option Scheme and no further share options could be granted by the Company under such scheme upon its termination. At the same time, the Company adopted a new share option scheme (the "New Share Option Scheme") on 21 June 2024, pursuant to a resolution passed on the extraordinary general meeting of the Company on the same date.

Pursuant to the New Share Option Scheme, the Company can grant options to Eligible Participant(s) (as defined in the New Share Option Scheme) for a consideration of HK\$1.00 for each grant payable by the Eligible Participant(s) to the Company.

Subscription price in relation to each option pursuant to the New Share Option Scheme shall not be less than the higher of (i) the closing price of the shares as stated in Stock Exchange's daily quotation sheets on the date on which the option is offered to a Eligible Participant(s); or (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 trading days immediately preceding the date of offer; or (iii) the nominal value of the shares of the Company. The minimum holding period for the vesting or exercise of the options is 12 months and the options are exercisable within the option period as determined by the Board of Directors of the Company. No share-based compensation expense has been charged to the consolidated income statement accordingly (2024: Nil).

During the year ended 31 December 2025, no share options were granted, exercised, cancelled or lapsed, and there was no outstanding option under the New Share Option Scheme as at 31 December 2025 (2024: Nil).

Share award scheme

On 20 August 2021 (the "Adoption Date"), the Group adopted a share award scheme ("Share Award Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. On 21 June 2024, pursuant to a resolution passed on the extraordinary general meeting of the Company on the same date, the Share Award Scheme was further amended to bring it in line with the latest requirements of the Listing Rules. An award granted under the Share Award Scheme will take the form of a Restricted Share Unit ("RSU"), being a contingent right to receive shares of the Company which are awarded under the Share Award Scheme.

All grants of RSUs to the Company's directors (including an executive director, a non-executive and an independent non-executive director) must first be approved by all the members of the remuneration committee of the Company, or in the case where the grant is proposed to be made to any member of the remuneration committee, by all of the other members of the remuneration committee. All grants of RSUs to connected persons shall be subject to compliance with the requirements of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

During the year ended 31 December 2025, no share (2024: nil) were granted to selected participants pursuant to the Share Award Scheme. No share (2024: 15,000,000 shares) were forfeited/lapsed during the year ended 31 December 2025 because the vesting conditions had not been fulfilled. No share were vested and issued during the year ended 31 December 2025 (2024: no share).

For the year ended 31 December 2025, share-based compensation expense recognized in the consolidated income statement for share awards was approximately HK\$50,000 (2024: reversal of share-based compensation expense HK\$3,312,000).

The fair value of the awarded shares granted during the year ended 31 December 2023 of HK\$0.140 per share was calculated based on the closing price of the Shares at the date of grant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

30 DEFICITS

	Share premium HK\$'000 (Note ii)	Merger reserve HK\$'000 (Note i)	Capital redemption reserve HK\$'000 (Note iii)	Currency translation reserve HK\$'000 (Note iv)	Shares held for share award scheme HK\$'000	Equity component of convertible bonds HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at 1 January 2024	1,228,635	860,640	1,206	(51,234)	(938)	-	12,167	(2,031,990)	18,486
Loss for the year	-	-	-	-	-	-	-	(163,489)	(163,489)
Share-based compensation	-	-	-	-	-	-	(2,625)	-	(2,625)
Issuance/Unlocking of shares for vested share awards	122	-	-	-	20	-	(142)	-	-
Issuance of convertible bonds	-	-	-	-	-	2,204	-	-	2,204
Currency translation differences	-	-	-	2,256	-	-	-	-	2,256
- Group	-	-	-	2,256	-	-	-	-	2,256
- Associate	-	-	-	(25,228)	-	-	-	-	(25,228)
Balance at 31 December 2024	1,228,757	860,640	1,206	(74,206)	(918)	2,204	9,400	(2,195,479)	(168,396)

	Share premium HK\$'000 (Note ii)	Merger reserve HK\$'000 (Note i)	Capital redemption reserve HK\$'000 (Note iii)	Currency translation reserve HK\$'000 (Note iv)	Shares held for share award scheme HK\$'000	Equity component of convertible bonds HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at 1 January 2025	1,228,757	860,640	1,206	(74,206)	(918)	2,204	9,400	(2,195,479)	(168,396)
Loss for the year	-	-	-	-	-	-	-	(66,717)	(66,717)
Share-based compensation	-	-	-	-	-	-	50	-	50
Issuance/Unlocking of shares for vested share awards	122	-	-	-	20	-	(142)	-	-
Issuance of shares upon share subscription	12,122	-	-	-	-	-	-	-	12,122
Partial conversion of convertible bonds	48,583	-	-	-	-	(1,102)	-	-	47,481
Currency translation differences	-	-	-	(3,746)	-	-	-	-	(3,746)
- Group	-	-	-	(3,746)	-	-	-	-	(3,746)
- Associate	-	-	-	991	-	-	-	-	991
- Transactions with non-controlling interests	-	-	-	328	-	-	(29,328)	-	(29,000)
Balance at 31 December 2025	1,289,584	860,640	1,206	(76,633)	(898)	1,102	(20,020)	(2,262,196)	(207,215)

Notes:

- (i) The merger reserve of the Group derives from the difference between the nominal value of the Company's shares issued to acquire the issued share capital of a group company pursuant to the Group reorganization in 2002, and the consolidated net asset value of the group company so acquired. Under the Companies Law (2003 Revision) (Cap. 22) of the Cayman Islands, the merger reserve is distributable to shareholders under certain prescribed circumstances.
- (ii) The share premium of the Company represents the excess of the fair value of the issued shares over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Law (2003 Revision) (Cap. 22) of the Cayman Islands, a company may make distributions to its members out of the share premium in certain circumstances.
- (iii) During the year ended 31 December 2008, the Company repurchased 120,600,000 issued ordinary shares on the Stock Exchange. These repurchased shares were cancelled immediately upon repurchase. The total amount paid to acquire these issued ordinary shares of HK\$4,609,000 were deducted from shareholders' equity. A sum equivalent to the nominal value of the repurchased shares amounting to HK\$1,206,000 has been transferred from accumulated losses to capital redemption reserve.
- (iv) The Group has certain investments in subsidiaries and associate with RMB/KRW as their functional currency, which is subjected to foreign currency translation risk. Fluctuation in such currencies would be reflected in the movement of the translation reserve. Fluctuation of currency translation differences in other comprehensive income in current year was resulted from revaluation of RMB/KRW against HK\$ and reclassification to profit or loss upon deregistration of a subsidiary of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31 CONVERTIBLE BONDS

References are made to the Company's announcements dated 7 March 2024, 21 March 2024, 26 March 2024, 17 November 2025, 28 November 2025, 9 December 2025 and 22 January 2026 (the "Announcements"). The Company has issued 10% convertible bonds due March 2026 with an aggregate principal amount of HK\$120,000,000 in March 2024. The principal terms of the Convertible Bonds are set out below:

Principal amount:	HK\$120,000,000 in two tranches (namely Tranche A Bonds of an aggregate principal amount of HK\$60,000,000, and Tranche B Bonds of an aggregate principal amount of HK\$60,000,000).
Interest:	10% per annum (payable in advance on the date of issue of the Convertible Bonds ("Issue Date"), and on a half-yearly basis on 30 June and 31 December in each year falling after the Issue Date (each an "Interest Payment Date")).
Maturity Date:	For both Tranche A Bonds and Tranche B Bonds, same maturing date at the second anniversary of the Issue Date of the Tranche A Bonds.
Conversion rights:	At any time after the Issue Date and up to and inclusive of the Maturity Date, the holder of the Convertible Bonds (the "CB Holder") shall have the right, but not the obligation to convert, in whole or in part, the outstanding principal amount of the Convertible Bonds into such number of Conversion Shares (as defined thereafter) as determined by dividing the outstanding principal amount of the Convertible Bonds to be converted by the Conversion Price (as defined thereafter) in effect on the relevant conversion date.
Conversion Price (adjusted):	HK\$1.003 per Share, subject to adjustment for, among other things, capitalisation issue, sub-division, consolidation and reclassification of shares, issue of shares in lieu of the whole or any part of a specifically declared cash dividend, capital distributions, cash dividend, offers to shareholders, issue of new shares for convertible or exchangeable securities at discount, issue of new shares at discount, consideration issues and other dilutive events. The Conversion Price may not be reduced so that, on conversion of the Convertible Bonds, Shares would fall to be issued below their nominal amount.
Conversion Shares:	Assuming the conversion rights attaching to the Convertible Bonds are exercised in full at the adjusted Conversion Price of HK\$1.003 per Share, the Convertible Bonds will be convertible into a total of 119,641,076 new shares of the Company.
Security:	The Company and some of its subsidiaries provided certain pledges in favour of the Subscriber as security for the due performance by the Company of all its obligations under the Convertible Bonds. The said pledges comprise: (i) a share charge as to 100% equity interest in Maximum Gains and as to 100% equity interest in Robust Ocean entered into between the Company, Maximum Gains and the Subscriber, (ii) a share pledge as to 100% equity interest in Tenghai Boye entered into between the Subscriber, Robust Ocean and Tenghai Boye, (iii) a share pledge as to 46.1807% equity interest in Suzhou Yizhinuo entered into between the Subscriber, Tenghai Boye and Suzhou Yizhinuo, (iv) a share pledge as to 30.77% equity interest in HB Entertainment Co., Ltd. (an associated company of the Company) entered into between the Subscriber and the Company, (v) a charge over the bank account of Robust Ocean entered into between the Subscriber and Robust Ocean, and (vi) a charge over the bank account of Tenghai Boye entered into between the Subscriber and Tenghai Boye.
Redemption at option of the Company:	The Company shall have the right, by giving not less than 30 days' prior written notice to the CB Holder, to redeem in whole or in part the Convertible Bonds (which shall be in integral multiples of HK\$1,000,000) for the time being outstanding (the "Issuer Redemption Bonds") at 100% of the principal amount and any accrued but unpaid interest (after deducting any interest prepaid but unaccrued) (the "Redemption Amount") for such Issuer Redemption Bonds (each an "Issuer Redemption"). There shall be no more than three (3) Issuer Redemptions in total.
Redemption at maturity:	Unless previously redeemed or converted in full, the Company shall redeem all the Convertible Bonds held by a CB Holder on the Maturity Date by paying the CB Holder the Redemption Amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

The movement of the Convertible Bonds as of 31 December 2025 and 2024 is set out as below:

	Liability component HK\$'000	Equity component HK\$'000	Total fair value HK\$'000
As at 1 January 2025	115,879	2,204	118,083
Partial conversion of convertible bonds	(59,445)	(1,102)	(60,547)
Effective interest charged (Note 7)	14,566	–	14,566
Interest paid/payable	(11,458)	–	(11,458)
As at 31 December 2025	59,542	1,102	60,644
As at 1 January 2024	–	–	–
Issuance of convertible bonds	113,553	2,204	115,757
Effective interest charged (Note 7)	11,614	–	11,614
Interest paid/payable	(9,288)	–	(9,288)
As at 31 December 2024	115,879	2,204	118,083

The difference of HK\$4,243,000 between the fair value and nominal value (i.e. the aggregate principal amount of HK\$120,000,000 of the Convertible Bonds upon issuance) was recognized as an one-off gain through profit or loss (Note 5).

On 28 November 2025, the CB Holder exercised its right to partially convert the Convertible Bonds with an aggregate principal amount of HK\$60,000,000 at the adjusted Conversion Price of HK\$1.003 per share, resulting in the Company's allotment and issuance of 59,820,538 new ordinary shares. The remaining outstanding principal amount of Convertible Bonds following the above conversion is HK\$60,000,000.

No redemption of the Convertible Bond has occurred up to 31 December 2025 (2024: nil).

On 22 January 2026, the Company and the CB Holder entered into an extension deed ("Extension Deed") to extend the maturity date of the outstanding Convertible Bonds in the principal amount of HK\$60,000,000 by 25 months from 21 March 2026 to 21 April 2028. In addition, the Company and the CB Holder agreed that the repayment date of any accrued interest of the Convertible Bonds shall also be extended to 21 April 2028. The Extension Deed has been effective since 19 March 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

32 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of loss before taxation to cash used in operations

	2025 HK\$'000	2024 HK\$'000
Loss before taxation	(76,284)	(177,584)
Adjustments for:		
– Share of results of an associate	3,305	6,801
– Interest income	(1,617)	(332)
– Depreciation of property, plant and equipment	1,309	1,559
– Depreciation of right-of-use assets	4,079	5,899
– Loss/(gain) on disposal of property, plant and equipment	32	(3,492)
– Write off of property, plant and equipment	–	1,105
– Write off of intangible assets	177	–
– Write off of trade receivable and other receivables	203	–
– Amortization of intangible assets	956	1,269
– Provision for impairment of trade receivables	323	814
– Provision for impairment of deposits and other receivables	1,724	4,974
– (Gain)/loss on early termination of lease	(82)	26
– Fair value change on interest in an associate measured at fair value through profit or loss	–	4,536
– Fair value change on financial assets at fair value through profit or loss, net	(319)	2,180
– Finance costs	20,667	17,612
– Share-based compensation expenses	50	(3,312)
– Gain on disposal of subsidiaries	(998)	(878)
– Loss on modification of financial assets	–	2,426
– Fair value change on investment properties	473	(7,371)
– Provision for impairment of interest in an associate	–	76,106
– Gain on financial liabilities at fair value through profit or loss	–	(4,243)
	(46,002)	(71,905)
Changes in working capital:		
– Decrease in inventories	1,911	1,942
– (Increase)/decrease in trade receivables	(15,170)	55,956
– Decrease in prepayments, deposits and other receivables	21,497	9,032
– Decrease in other payables and accrued liabilities	(22,068)	(11,647)
– Increase/(decrease) in trade payables	9,732	(52,960)
– Decrease in contract liabilities	(2,520)	(4,235)
Cash used in operations	(52,620)	(74,236)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(b) Reconciliation of liabilities arising from financing activities

	Convertible bonds – liability component HK\$'000	Convertible bonds – equity component HK\$'000	Capital contribution HK\$'000	Borrowings HK\$'000	Leases HK\$'000	Total HK\$'000
At 1 January 2024	–	–	27,606	72,231	15,430	115,267
Cash flows – principal elements of borrowings/leases, net	–	–	–	4,402	(6,551)	(2,149)
Cash flows – payment of borrowing interests	–	–	–	(839)	–	(839)
Cash flows – payment of convertible bonds interest	(9,288)	–	–	–	–	(9,288)
Cash flows – capital contribution from investor of a subsidiary	–	–	17,465	–	–	17,465
Cash flows – proceeds from issuance of convertible bonds	117,796	2,204	–	–	–	120,000
Acquisition – lease	–	–	–	–	127	127
Early termination of lease	–	–	–	–	(639)	(639)
Foreign exchange adjustments	–	–	(817)	(2,624)	(565)	(4,006)
Gain on financial liabilities at fair value through profit or loss (Note 5)	(4,243)	–	–	–	–	(4,243)
Finance costs, net (Note 7)	11,614	–	3,633	1,881	484	17,612
At 31 December 2024	115,879	2,204	47,887	75,051	8,286	249,307
At 1 January 2025	115,879	2,204	47,887	75,051	8,286	249,307
Cash flows – principal elements of borrowings/leases, net	–	–	–	7,234	(4,527)	2,707
Cash flows – payment of borrowing interests	–	–	–	(685)	–	(685)
Cash flows – capital contribution from investor of a subsidiary	–	–	2,768	–	–	2,768
Acquisition – lease	–	–	–	–	3,040	3,040
Early termination of lease	–	–	–	–	(2,644)	(2,644)
Foreign exchange adjustments	–	–	819	1,637	138	2,594
Partial conversion of convertible bonds	(59,445)	(1,102)	–	–	–	(60,547)
Convertible bonds interest payable	(11,458)	–	–	–	–	(11,458)
Other borrowings interest payable	–	–	–	(556)	–	(556)
Finance costs (Note 7)	14,566	–	4,578	1,241	282	20,667
At 31 December 2025	59,542	1,102	56,052	83,922	4,575	205,193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. LONG-TERM FINANCIAL LIABILITIES

In 2023, several subsidiaries of the Group have entered into a series of agreements (the “YZN Capital Increase and Reorganization Agreements”) with 張家港翼唐股權投資合夥企業(有限合夥) (Zhangjiagang Yitang Equity Investment Partnership (Limited Partnership)) (“Yitang”) and other relevant parties. Pursuant to the YZN Capital Increase and Reorganization Agreements, Yitang agreed to make capital contributions of RMB40,000,000 to Yizhinuo Technology (Suzhou) Co., Ltd. (“Suzhou YZN”), the holding company of the Echartnow operations after completion of the YZN Capital Increase and Reorganization Agreements, and would be interested in approximately 6.25% of the enlarged equity interest in Suzhou YZN.

In addition, pursuant to the YZN Capital Increase and Reorganization Agreements, Suzhou YZN shall use all endeavours to achieve the initial public offering on a reputable securities exchange within 5 years (“Qualified IPO”). If Suzhou YZN fails to complete a Qualified IPO or fails to be entirely acquired within the said period, Yitang may require Suzhou YZN to repurchase all or part of its equity interest held in Suzhou YZN in cash at cost of Yitang plus interest at 10% per annum (the “Repurchase Clause”). Accordingly, the capital contribution received by Suzhou YZN is accounted for as the Group’s long-term financial liabilities.

In May 2025, Yitang has made another capital contribution of RMB2,500,000 to Suzhou YZN with similar Repayment Clause as described above. Such additional capital contribution is also accounted for as the Group’s long-term financial liabilities.

34 RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, during the year the Group had the following transactions with related parties.

(a) Related party balances

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Other borrowings (unsecured and non-interest bearing)		
– Mr. YUEN Hoi Po, an executive director of the Company	1,439	1,404

(b) Related party transactions

Reference is made to the Company’s announcement dated 9 March 2026. The Company has been informed by a connected person of the Company at subsidiary level (who is a non-controlling shareholder of a subsidiary of the Group) on 27 February 2026 that an associate of that connected person has completed the subscription for new shares in one of the Group’s service providers (“Related Party Service Provider”) and is interested in 51% equity interest in that Related Party Service Provider. As such, that Related Party Service Provider has become a connected person of the Company at subsidiary level under Chapter 14A of the Listing Rules.

Cost of services and promotion fee paid to the Related Party Service Provider for the year ended 31 December 2025 amounted to approximately HK\$15,327,000 (2024: nil).

(c) Key management compensation

Remuneration for key management personnel, including amounts paid to the Company’s directors, is disclosed in Note 37 and certain of the highest paid employees is disclosed in Note 12.

35 SUBSEQUENT EVENTS

(a) Amendments to certain terms of the Convertible Bonds

Reference is made to the Company’s announcement dated 22 January 2026. On 22 January 2026, in accordance with the terms and conditions of the Convertible Bonds, the Company and the CB Holder entered into an Extension Deed to extend the maturity date of the outstanding Convertible Bonds in the principal amount of HK\$60,000,000 by 25 months from 21 March 2026 to 21 April 2028. In addition, the Company and the CB Holder agreed that the repayment date of any accrued interest of the Convertible Bonds shall also be extended to 21 April 2028. The Extension Deed has been effective since 19 March 2026.

(b) Disposal of the operation of Meerkat Health

Reference is made to the Company’s announcement dated 30 January 2026. On 30 January 2026, the Group entered into a sale and purchase agreement with an independent third party (the “Purchaser”), pursuant to which the Group has agreed to (i) dispose of the entire issued share capital of Heartily Health Limited (being the Hong Kong-incorporated holding company of the operations of Meerkat Health) to the Purchaser; and (ii) assign the shareholder’s loan due and owing by Heartily Health Limited to the Purchaser (“Assignment”), at an aggregate consideration of HK\$1. The said transaction was completed on 30 January 2026. Upon completion, the financial results, assets and liabilities of the operations of Meerkat Health will no longer be consolidated into the consolidated financial statements of the Group. The Group is expected to record a gain on disposal of approximately HK\$6 million upon completion, which is estimated with reference to (i) the consideration of HK\$1 together with the Assignment; and (ii) the “Smart healthcare services platform” segment net liabilities of approximately HK\$6,315,000 as at 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
		(Restated)
Assets		
Non-current assets		
Investment in subsidiaries	42,161	42,161
Investment in associates	102,951	102,951
	145,112	145,112
Current assets		
Loans advanced to subsidiaries	47,130	112,121
Prepayments, deposits and other receivables	6	993
Financial asset at fair value through profit or loss	12,938	12,619
Cash and cash equivalents	331	686
	60,405	126,419
Asset classified as held for sale	12,724	12,411
	73,129	138,830
Total assets	218,241	283,942
Equity and liabilities		
Equity		
Share capital	296,431	271,707
Deficits (Note (a))	(168,019)	(106,698)
Total equity	128,412	165,009
Liabilities		
Non-current liabilities		
Convertible bonds	–	115,879
	–	115,879
Current liabilities		
Other payables and accrued liabilities	30,287	3,054
Convertible bonds	59,542	–
	89,829	3,054
Total liabilities	89,829	118,933
Total equity and liabilities	218,241	283,942

The balance sheet of the Company was approved by the Board of Directors on 31 March 2026 and were signed on its behalf.

YUEN Hoi Po
Director

CHENG Wu
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

NOTE (a) RESERVE MOVEMENT OF THE COMPANY

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Shares held for share award scheme HK\$'000	Equity component of convertible bonds HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024	1,228,635	1,206	(938)	–	32,226	(1,118,798)	142,331
Loss for the year (restated)	–	–	–	–	–	(247,797)	(247,797)
Contribution by and distribution to owners of the Company recognised directly in equity:							
– Share awards	122	–	20	–	(142)	–	–
– Share-based compensation	–	–	–	–	(3,436)	–	(3,436)
– Issuance of convertible bonds	–	–	–	2,204	–	–	2,204
Restated total equity at 31 December 2024	1,228,757	1,206	(918)	2,204	28,648	(1,366,595)	(106,698)
At 1 January 2025	1,228,757	1,206	(918)	2,204	28,648	(1,366,595)	(106,698)
Loss for the year	–	–	–	–	–	(120,974)	(120,974)
Contribution by and distribution to owners of the Company recognised directly in equity:							
– Share awards	122	–	20	–	(142)	–	–
– Share-based compensation	–	–	–	–	50	–	50
– Issuance of new shares upon share subscription	12,122	–	–	–	–	–	12,122
– Partial conversion of convertible bonds	48,583	–	–	(1,102)	–	–	47,481
At 31 December 2025	1,289,584	1,206	(898)	1,102	28,556	(1,487,569)	(168,019)

Restatement of the investment in associates

The Company holds an interest in an associate operating overseas. As at 31 December 2024, following an impairment made, the carrying amount of this investment in the Company's standalone financial statements should be stated using the exchange rate at the end of the reporting period, rather than the historical exchange rate, in accordance with HKAS21. Accordingly, the carrying amount of the investment in associate and equity balances as at 31 December 2024 have been restated from HK\$144,509,000 to HK\$102,951,000 and from HK\$206,567,000 to HK\$165,009,000 respectively, and the restatement does not affect the opening balances of the earliest period presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

37 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each of the Directors and chief executive of the Company for the year ended 31 December 2025 is set out as follows:

Name	Fees HK\$'000	Salaries HK\$'000	Discretionary bonus HK\$'000	Housing allowance HK\$'000	Estimated money value of other benefits HK\$'000	Retirement benefit contributions HK\$'000	Total HK\$'000
Director and chief executive							
Mr. CHENG Wu (Note ii)	-	4,200	-	-	-	18	4,218
Directors							
Mr. ZHAO John Huan (Note i)	-	-	-	-	-	-	-
Mr. YUEN Hoi Po	-	-	-	-	-	-	-
Mr. YUEN Kin	240	-	-	-	-	-	240
Mr. CHU Yuguo (Note iii)	200	-	-	-	-	-	200
Ms. WANG Song Song	240	-	-	-	-	-	240
Ms. PAN Min	240	-	-	-	-	-	240
	920	4,200	-	-	-	18	5,138

The remuneration of each of the Directors and chief executive of the Company for the year ended 31 December 2024 is set out as follows:

Name	Fees HK\$'000	Salaries HK\$'000	Discretionary bonus HK\$'000	Housing allowance HK\$'000	Estimated money value of other benefits HK\$'000	Retirement benefit contributions HK\$'000	Total HK\$'000
Director and chief executive							
Mr. CHENG Wu (Note ii)	-	4,600	-	-	-	14	4,614
Directors							
Mr. ZHAO John Huan (Note i)	-	-	-	-	-	-	-
Mr. YUEN Hoi Po	-	-	-	-	-	-	-
Mr. YUEN Kin	240	-	-	-	-	-	240
Mr. CHU Yuguo (Note iii)	240	-	-	-	-	-	240
Ms. WANG Song Song	240	-	-	-	-	-	240
Ms. PAN Min	240	-	-	-	-	-	240
	960	4,600	-	-	-	14	5,574

Note:

- (i) Appointed on 24 April 2024
- (ii) Mr. CHENG Wu was appointed as the chief executive of the Group on 24 April 2024. In 2025, salaries of approximately HK\$367,000 was actually paid to Mr. CHENG Wu.
- (iii) Resigned on 3 November 2025

(b) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year ended 31 December 2025 (2024: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2025, the Company does not pay consideration to any third parties for making available directors' services (2024: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2025, there are no loans, quasi-loans and other dealing arrangements entered into by the Company or subsidiary undertaking of the Company in favour of directors, controlled bodies corporate by and connected entities with such directors (2024: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

There are no significant transactions, arrangements and contracts to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at 31 December 2025 or at any time during the year then ended (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

38 PARTICULARS OF PRINCIPAL SUBSIDIARIES

The table below lists out the subsidiaries of the Company as at 31 December 2025 and 2024 which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Name	Place of incorporation/ establishment and kind of legal entity	Particulars issued share capital/ registered capital	Interest held		Principal activities and place of operation
			2025	2024	
Anglo Alliance Co., Ltd (1)	British Virgin Islands, limited company	US\$2 ordinary	100%	100%	Investment holding
北京華億浩歌傳媒文化有限公司 Beijing Hua Yi Hao Ge Media Culture Co., Ltd. (7)	PRC, limited liability company	RMB231,601,483	100%	100%	Investment holding and licensing of films and TV drama in the PRC
北京華億千思廣告有限公司 Beijing Hua Yi Qian Si Advertising Company Limited (7)	PRC, limited liability company	RMB5,000,000	100%	100%	Advertising agency in the PRC
北京歐皓傳媒文化有限公司 Beijing Ouhao Media Culture Co., Ltd. (7)	PRC, limited liability company	RMB200,000	100%	–	Investment holding and licensing of films and TV drama in the PRC
Horizon Partner Holdings Limited (1)	British Virgin Islands, limited company	US\$1 ordinary	100%	100%	Investment holding
睿智康有限公司 Giant Health Company Limited (1)(5)	Hong Kong, limited company	HK\$1 ordinary	100%	100%	Investment holding
弘毅文化集團(香港)有限公司 Hony Media Group (HK) Limited (1)(5)	Hong Kong, limited company	HK\$40,000,000 ordinary	100%	100%	Investment holding and licensing of films in Hong Kong
China Jiu hao (Haikou) Investment Company Limited (1)	British Virgin Islands, limited company	US\$1 ordinary	100%	100%	Investment holding
中國9號健康產業(海口)有限公司 China Jiu hao Health Industry Corporation (Haikou) Limited (5)(7)	Hong Kong, limited company	HK\$1 ordinary	100%	100%	Investment holding
海口九號酒店管理有限公司 Haikou Jiu hao Hotel Management Company Limited (7)	PRC, limited liability company	HK\$150,000	100%	100%	Hotel management and provision of healthcare and wellness services in the PRC
Maximum Gains Ventures Limited (1)	Cayman Islands, limited company	HK\$10	100%	100%	Investment Holding
騰海健康有限公司 Robust Ocean Limited (5)	Hong Kong, limited company	HK\$1 ordinary	100%	100%	Investment holding
張家港騰海博業健康科技有限公司 Zhangjiagang Tenghai Boye Health Technology Co., Ltd. (7)	PRC, limited liability company	RMB200,000,000	100%	100%	Investment Holding
柏海投資有限公司 Prowess Investment Limited (1)(5)	Hong Kong, limited company	HK\$1 ordinary	100%	100%	Investment Holding
平潭心伴門診部有限公司 Pingtan Xinban Clinic Company Limited (7)	PRC, limited liability company	RMB73,490,196	46%	46%	Provision of medical services in the PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

Name	Place of incorporation/ establishment and kind of legal entity	Particulars issued share capital/ registered capital	Interest held		Principal activities and place of operation
			2025	2024	
陝西醫智諾信息科技有限公司 Shaanxi Yizhinuo Information Technology Co., Ltd (7)	PRC, limited liability company	RMB32,762,347	46%	46%	Provision of digitised operation services in healthcare industry in the PRC
醫智諾科技(蘇州)有限公司 Yizhinuo Technology (Suzhou) Co., Ltd (7)	PRC, limited liability company	RMB2,133,333	46%	46%	Provision of digitised operation services in healthcare industry in the PRC
醫智諾(上海)科技有限公司 Yizhinuo (Shanghai) Technology Company Limited (3)(7)	PRC, limited liability company	RMB10,000,000	–	46%	Provision of digitised operation services in healthcare industry in the PRC
Meerkat Health Holdings Limited (1)(4)	Cayman Islands, limited company	HK\$200	100%	60%	Investment Holding
柏悅健康有限公司 Heartily Health Limited (4)(5)(6)	Hong Kong, limited company	HK\$1 ordinary	100%	60%	Investment Holding
杭州悅響健康科技有限公司 Hangzhou Yuexiang Health Technology Co., Ltd (4)(6)(7)	PRC, limited liability company	RMB150,000,000	100%	60%	Investment holding and provision of management services for group companies in the PRC
杭州猛犸象健康管理有限公司 Hangzhou Mammoth Health Management Co., Ltd (4)(6)(7)	PRC, limited liability company	RMB10,000,000	100%	60%	Operation of platform for medical and healthcare services in the PRC
安徽豫哥醫藥有限公司 Anhui Meerkat Pharmaceutical Co., Ltd (4)(6)(7)	PRC, limited liability company	RMB50,000,000	100%	60%	Trading and supply chain management of pharmaceutical products in the PRC
樂為爾大藥房(安徽)有限公司 Leweier Pharmacy (Anhui) Co., Ltd. (2)(7)	PRC, limited liability company	RMB5,000,000	–%	31%	Sales of pharmaceutical products
杭州豫哥健康科技有限公司 Hangzhou Meerkat Health Technology Co., Ltd (6)(7)	PRC, limited liability company	RMB7,500,000	100%	60%	Investment holding and provision of management services for group companies in the PRC

(1) Shares held directly by the Company.

(2) Dissolved during the year.

(3) Disposed of during the year.

(4) Acquired the remaining interests during the year.

(5) The statutory financial statements of these companies for the year ended 31 December 2024 are audited by PricewaterhouseCoopers.

(6) Subsequently disposed of in January 2026 (Note 35).

(7) The names of the companies referred to above represent management's best effort in translating the Chinese names of the companies as no English names for these companies have been registered.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, are summarized below.

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue – continuing operations	570,067	1,018,462	1,344,031	1,581,391	327,713
Loss before finance costs and taxation – continuing operations	(57,196)	(159,972)	(116,031)	(316,629)	(139,565)
Finance (costs)/income, net – continuing operations	(19,088)	(17,612)	(3,605)	(1,497)	(2,280)
Loss before taxation – continuing operations	(76,284)	(177,584)	(119,636)	(318,126)	(141,845)
Taxation – continuing operations	–	394	69	425	418
Non-controlling interests – continuing operations	9,567	13,701	28,267	46,618	31,025
Loss from continuing operations attributable to the equity holders of the Company	(66,717)	(163,489)	(91,300)	(271,083)	(110,402)
(Loss)/profit from discontinued operation attributable to the equity holders of the Company	–	–	(5,787)	1,103	–
Loss attributable to the equity holders of the Company	(66,717)	(163,489)	(97,087)	(269,980)	(110,402)
Property, plant and equipment	1,563	2,846	5,453	13,943	7,466
Right-of-use assets	4,273	7,546	14,530	41,732	61,914
Film rights and films production in progress	–	–	–	–	116,949
Intangible assets	293	1,186	2,274	4,527	4,793
Goodwill	27,243	27,198	27,203	27,853	30,397
Interest in associates	100,637	102,951	228,033	238,575	261,072
Investment properties	10,418	10,629	–	–	–
Financial asset at fair value through profit or loss	12,938	12,619	14,905	17,110	–
Asset classified as held for sale	12,725	12,411	–	–	–
Other non-current assets	25,217	56,243	45,798	3,846	1,803
Other current assets	165,220	153,495	188,096	241,600	426,806
Total assets	360,527	387,124	526,292	589,186	911,200
Current liabilities	274,956	175,721	267,301	224,963	241,253
Non-current liabilities	57,678	187,712	36,198	14,298	11,047
Total liabilities	332,634	363,433	303,499	239,261	252,300
Net assets	27,893	23,691	222,793	349,925	658,900

CORPORATE COMMUNICATIONS

This annual report, in both English and Chinese versions, is available on the Company's website at www.honymedia.net (the "Company Website") and the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.

Registered Shareholders who have chosen (or are deemed to have consented) to receive the corporate communications of the Company (the "Corporate Communications") via the Company Website, and who for any reason have difficulty in receiving or gaining access to the Corporate Communications posted on the Company Website will promptly upon request be sent the annual report in printed form free of charge.

Registered Shareholders may request for printed copy of the annual report and/or change their choice of language and means of receiving Corporate Communications by providing a reasonable prior notice in writing to the Company c/o the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by sending an e-mail to is-ecom@vistra.com.