



ENTERPRISE DEVELOPMENT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1808

2025
ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Yu Hui (*Chief Executive Officer*)
Li Zhuoyang

Independent Non-executive Directors

Cai Jinliang
Chin Hon Siang
Chen Kwok Wang

COMPANY SECRETARY

Chan Yuen Ying, Stella

AUTHORISED REPRESENTATIVES

Li Zhuoyang
Chan Yuen Ying, Stella

AUDIT COMMITTEE

Cai Jinliang (*Committee Chairman*)
Chin Hon Siang
Chen Kwok Wang

REMUNERATION COMMITTEE

Chin Hon Siang (*Committee Chairman*)
Cai Jinliang
Li Zhuoyang

NOMINATION COMMITTEE

Chin Hon Siang (*Committee Chairman*)
Cai Jinliang
Li Zhuoyang

AUDITORS

HLB Hodgson Impey Cheng Limited

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1105, 11/F
Jubilee Centre
18 Fenwick Street/46 Gloucester Road
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586, Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

PRINCIPAL BANKER

Bank of Communications Co., Ltd.

STOCK CODE

1808

COMPANY WEBSITE

www.1808.com.hk

EXECUTIVE DIRECTORS' STATEMENT

On behalf of the board (the “Board”) of directors (the “Directors”) of Enterprise Development Holdings Limited (the “Company”), I present herewith the annual results of the Company and its subsidiaries (the “Group”) for year ended 31 December 2025.

For the year ended 31 December 2025, the Group recorded the consolidated net profit attributable to shareholders of the Company of approximately RMB152,186,000 as compared to the consolidated net profit attributable to shareholders of the Company of approximately RMB72,737,000 in 2024. For the year ended 31 December 2025, the Group’s profit was mainly affected by a combined effect of, including but not limited to, (i) distribution expenses of RMB28,081,000; (ii) general and administrative expenses of RMB39,689,000; (iii) finance costs of RMB7,507,000; and (iv) income tax expenses of RMB17,576,000; which were offset by (i) a gross profit of RMB148,652,000; (ii) share of results of associates of RMB64,585,000; (iii) realised gain on the disposal of financial assets at fair value through profit or loss of RMB62,480,000; and (iv) unrealised gain on financial assets at fair value through profit or loss of RMB9,632,000.

This year, the Company has proactively aimed to establish its presence in the digital economy by focusing on data, intelligent computing, edge computing, networks, and applications as fundamental pillars. It has emphasized innovation as the driving force while striving for progress balanced with stability. We are dedicated to transforming the Company into a leading service provider specializing in the digital economy, data elements, data asset management, artificial intelligence, intelligent computing, and edge computing. Our aim is to deliver comprehensive digital technology solutions tailored to our customers’ needs. The current business structure and development efforts are starting to deliver results, achieving notable milestones along the way. Net profit has seen a substantial rise compared to the previous year.

As we look ahead to the future and strive to seize the opportunities presented by the digital transformation era, the Group plans to take a business-driven approach in its implementation strategy. This will involve establishing a “three chains and one circle” model, emphasizing seamless integration across the innovation chain, industrial chain, and financial chain to achieve overall synergy. By integrating business model innovation, data assetization, investment capitalization, and ecological industrial layout, we aim to enhance an innovation-driven, collaborative digital economy. The company will leverage its strengths, address gaps, and use its technological and financial advantages in a dual-chain approach to empower each node of the industrial ecosystem through incubation and investments.

The Group is committed to maximising its technological capabilities in big data, advanced models, and high-performance computing to continuously enhance and solidify its leading position in areas such as data elements, data asset operations, intelligent computing, and edge computing. Simultaneously, it aims to promote and deepen the integration of the digital and real economies, fostering sustained business innovation and advancements that will drive long-term growth and generate value for its shareholders.

On behalf of the Board, I wish to extend my deepest gratitude to all shareholders for their unwavering support, to our business partners for their dedicated collaboration, and to our staff for their hard work and commitment. Moving forward, we remain steadfast in our efforts to achieve outstanding outcomes and uphold the highest standards of excellence.

Yu Hui

Executive Director and Chief Executive Officer

Hong Kong, 23 March 2026

BIOGRAPHIES OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Yu Hui (“Mr. Yu”), aged 62, was appointed as an executive Director and the chief executive officer of the Company on 26 October 2023. Mr. Yu, with a Master’s degree in economics, is a digital government and digital economy professional. He served as the dean of technology research institution of Fujian Xingyun Big Data Application Service Co., Ltd.*, chief architect of Fujian Big Data Co., Ltd.*, and president of Fujian Start Group Co., Ltd.*. Mr. Yu organized and participated in research and development of over 20 patents in IT software such as big data, internet of things (IoT) and blockchain etc. and has deep knowledge and extensive practical experience in areas of cloud network edge, data elementization and digital government construction. Mr. Yu graduated from Xiamen University with a Master’s degree in economics, specialising in global economics in 1999. The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) issued a public censure against Mr. Yu on 17 March 2026. For more details, please refer to the Statement of Disciplinary Action issued by the Stock Exchange on 17 March 2026.

Ms. Li Zhuoyang (“Ms. Li”) (formerly, Li Yueqiu), aged 51, was appointed as an executive Director on 24 May 2021. She is also a member of each of the nomination committee of the Company (the “Nomination Committee”) and the remuneration committee of the Company (the “Remuneration Committee”). Ms. Li obtained a Bachelor’s degree from Southwestern University of Finance and Economics in December 1998 and an EMBA degree from China Europe International Business School in September 2025. Ms. Li has joined 北京東方龍馬軟件發展有限公司 (Beijing Orient LegendMaker Software Development Co., Ltd.*) (“Beijing Orient LegendMaker”), a non wholly-owned subsidiary of the Company since 2000. She was a director of Beijing Orient LegendMaker, a legal representative and an executive director of each of 上海東方龍馬技術有限公司 (Shanghai Orient LegendMaker Technology Co., Ltd.*) and 成都東方龍馬信息產業有限公司 (Chengdu Orient LegendMaker Information Industry Co., Ltd.*), all are non wholly-owned subsidiaries of the Company, and a legal representative of the Guangzhou Branch of Beijing Orient LegendMaker. Ms. Li has been a legal representative, chairman and president of Beijing Orient LegendMaker since 2019. The Stock Exchange issued a public censure against Ms. Li on 17 March 2026. For more details, please refer to the Statement of Disciplinary Action issued by the Stock Exchange on 17 March 2026.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cai Jinliang (“Mr. Cai”), aged 56, was appointed as an independent non-executive Director on 24 August 2020. He is also the chairman of the audit committee of the Company (the “Audit Committee”), and a member of each of the Remuneration Committee and the Nomination Committee.

Mr. Cai was graduated from Gannan Normal University in July 1989, majoring in Mathematics and obtained a Master degree of Business Administration and a Postgraduate Degree from Northwest Polytechnical University in September 2006. He has been a certified public accountant in China since August 2008 and has more than 15 years of practicing experience and obtained the qualification of a certified internal auditor, certification in control self-assessment and an independent director in the Shanghai Stock Exchange. Mr. Cai joined Wuyige Certified Public Accountants LLP in October 2012 and has been a partner and department manager since April 2018. He had been a senior project manager and a manager in RSM China LLP (now known as Ruihua Certified Public Accountants) during the period from 2006 to September 2012. Mr. Cai was an independent director, and the convener of the board of directors and the audit committee of Fujian Start Group Co., Ltd. (“Fujian Start”) (a company listed on the Shanghai Stock Exchange; stock code: 600734) during the period from September 2018 to January 2025.

BIOGRAPHIES OF DIRECTORS

He had conducted the audit work on the annual reports of Shandong Xinneng Taishan Power Generation Co., Ltd. (a company listed on the Shenzhen Stock Exchange; stock code: 720), Xinyangfeng Agricultural Technology Co., Ltd. (a company listed on the Shenzhen Stock Exchange; stock code: 902), Metallurgical Corporation of China Ltd. (a company listed on both the Shanghai Stock Exchange and the Stock Exchange; stock code: 601618, 01618), China Huaneng Group Co., Ltd., Great Wall Securities Co., Ltd (a company listed on the Shenzhen Stock Exchange; stock code: 2939) and Yintai Securities Co., Ltd., and has extensive experience in auditing annual report, significant assets restructuring and special audit on state-owned enterprises and listed companies. Mr. Cai performed internal audits according to corporate internal control standards of Datang International Power Generation Co., Ltd. (a company listed on both the Shanghai Stock Exchange and the Stock Exchange; stock code: 601991, 991) and Angang Steel Company Limited (a company listed on both the Shenzhen Stock Exchange and the Stock Exchange; stock code: 898, 347), provided consultation services on the establishment of internal control system of Xinjiang Bayi Iron & Steel Group Co., Ltd. (a company listed on the Shanghai Stock Exchange; stock code: 600581) and has extensive experience in internal audit, evaluation and system construction consulting services.

According to the announcement of Fujian Start made on 8 April 2022 (the “Fujian Start Regulatory Announcement”), 中國證券監督管理委員會福建監管局 (China Securities Regulatory Commission (Fujian)* (“CSRC”) concluded after investigation that Fujian Start failed to make accurate disclosure (i) in relation to its financial statements of 2018 (the “Fujian Start FY2018 Financial Statements”), which contained inflated recorded revenue and costs of sales of one of its subsidiaries; and (ii) in relation to its financial statements of 2019 (the “Fujian Start FY2019 Financial Statements”), which contained inflated net profits and net assets of Fujian Start as a result of inaccurate impairment valuation assessment. CSRC considered that the relevant directors of Fujian Start, including Mr. Cai, who was then an independent director of Fujian Start, failed to exercise proper due diligence to ensure true, accurate and complete disclosure of the financial conditions of Fujian Start in the Fujian Start FY2018 Financial Statements and Fujian Start FY2019 Financial Statements and hence had breached the applicable securities laws in the People’s Republic of China (“PRC”). According to the Fujian Start Regulatory Announcement, CSRC issued a warning against the relevant directors of Fujian Start, including Mr. Cai, and imposed penalty in the amount of RMB90,000 (as confirmed by the announcement of CSRC issued on 8 December 2022) against Mr. Cai. The Stock Exchange issued a public censure against Mr. Cai on 17 March 2026. For more details, please refer to the Statement of Disciplinary Action issued by the Stock Exchange on 17 March 2026.

Mr. Chin Hon Siang (“Mr. Chin”), aged 56, was appointed as an independent non-executive Director on 26 May 2021. He is also the chairman of each of the Remuneration Committee and the Nomination Committee, and a member of the Audit Committee.

Mr. Chin holds a Bachelor of Commerce Degree from Monash University, Australia. He is a member of CPA Australia. He has over 21 years of experience in external auditing, merger and acquisition and corporate finance. Mr. Chin had served various senior positions in certain public companies whose shares are listed on U.S. Stock Exchange, Taiwan Stock Exchange, Singapore Stock Exchange as well as the Hong Kong Stock Exchange as financial controller, chief finance manager and chief financial officer from 2002 to 2022.

Mr. Chin also served as independent non-executive director of various public companies whose shares are/were listed on Singapore Stock Exchange and Hong Kong Stock Exchange, from 2015 to 2021. The Stock Exchange issued a public censure against Mr. Chin on 17 March 2026. For more details, please refer to the Statement of Disciplinary Action issued by the Stock Exchange on 17 March 2026.

BIOGRAPHIES OF DIRECTORS

Mr. Chen Kwok Wang (“**Mr. Chen**”), aged 63, was appointed as an independent non-executive Director on 9 December 2021. He is also a member of the Audit Committee. Mr. Chen is currently a partner of Fairbairn Catley Low & Kong. He has been admitted as a solicitor of the High Court since 2005 and a member of the Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants) since February 1990. Mr. Chen obtained a Master degree of Business Administration in December 1997 from the University of Hong Kong. He also obtained his Bachelor of Laws from the University of Wolverhampton in February 2002 and his Postgraduate Certificate in Laws from the University of Hong Kong in June 2003.

Mr. Chen had been an independent non-executive director of Wai Chi Holdings Company Limited (a company listed on the main board of the Stock Exchange; stock code: 1305) from 11 March 2014 to 31 October 2023 and an independent director of Fujian Start Group Co., Ltd (a company listed on the Shanghai Stock Exchange; stock code: 600734) from 20 May 2014 to 27 March 2022.

According to Fujian Start Regulatory Announcement, CSRC concluded after investigation that Fujian Start failed to make accurate disclosure (i) in relation to the Fujian Start FY2018 Financial Statements, which contained inflated recorded revenue and costs of sales of one of its subsidiaries; and (ii) in relation to Fujian Start FY2019 Financial Statements, which contained inflated net profits and net assets of Fujian Start as a result of inaccurate impairment valuation assessment. CSRC considered that the relevant directors of Fujian Start, including Mr. Chen, who was then an independent director of Fujian Start, failed to exercise proper due diligence to ensure true, accurate and complete disclosure of the financial conditions of Fujian Start in the Fujian Start FY2018 Financial Statements and Fujian Start FY2019 Financial Statements and hence had breached the applicable securities laws in the PRC. According to the Fujian Start Regulatory Announcement, CSRC issued a warning against the relevant directors of Fujian Start, including Mr. Chen, and imposed penalty in the amount of RMB30,000 (as confirmed by the announcement of CSRC issued on 8 December 2022) against Mr. Chen. The Stock Exchange issued a public censure against Mr. Chen on 17 March 2026. For more details, please refer to the Statement of Disciplinary Action issued by the Stock Exchange on 17 March 2026.

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group recorded the revenue of approximately RMB3,858,546,000 (2024: RMB408,585,000), of which revenue mainly comprised (i) software maintenance and other services amounted to approximately RMB60,783,000 (2024: RMB36,777,000); and (ii) sale of software license, hardware products and other products amounted to approximately RMB3,797,763,000 (2024: RMB371,808,000). The increase in overall revenue for the software and hardware business rose 844% year on year to RMB3,858,546,000, which was mainly attributable to the continuous development of the Group's existing business, and the increase in sales of server products and computing power server products, and it entered into and completed new contracts which involved integrated IT solutions, edge computing, intelligent computing and other data services. Benefit from the surge in global demand for artificial intelligence and high-performance computing, the Group's computing infrastructure segment revenue achieved significant growth in 2025. With the implementation of scenarios driven by software and solutions, as well as the significant growth achieved by the Group in the field of digital asset management and computing power-related services and products, the delivery volume of core products has increased significantly, and the market demand for high-end computing hardware, including servers and graphics processors, has increased significantly to support the deployment and operation of customers' computing power services.

Gross Profit

For the year ended 31 December 2025, the Group recorded a gross profit of approximately RMB148,652,000 (2024: RMB46,014,000). For the alignment with the revenue growth, cost of sales increased significantly by 923% to approximately RMB3,709,894,000 (2024: RMB362,571,000) as compared to 2024. The gross profit ratio for the software and hardware business of the Group during the year was approximately 4% while that of 2024 was approximately 11%. The decrease in gross profit ratio was mainly due to the increase in proportion for sales of server hardware products and computing power server products which have lower overall gross profit margin. The Group's gross profit increased significantly to RMB148,652,000 with the increase in revenue, recording a significant growth rate. Compared with the same period last year, the gross profit amount increased by 223%.

Distribution Expenses

For the year ended 31 December 2025, distribution expenses were approximately RMB28,081,000 (2024: RMB21,921,000). The increase in distribution expenses was mainly due to the increase in staff costs and selling expenses of the software and hardware business in the PRC during the year.

General and Administrative Expenses

For the year ended 31 December 2025, general and administrative expenses were approximately RMB39,689,000 (2024: RMB41,868,000). The decrease in general and administrative expenses was mainly attributable to the decrease in legal and professional fee and loss allowance on trade and other receivables.

Finance Costs

For the year ended 31 December 2025, finance costs were approximately RMB7,507,000 (2024: RMB9,186,000). The decrease in finance costs was due to the decrease in interest expenses on interest-bearing borrowings during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Change in Fair Value and Gain on Disposal of Financial Assets at Fair Value Through Profit or Loss

The Group invested in various financial instruments for short-term investments, including the equity securities listed in Hong Kong and the United States, the unlisted equity securities in the PRC and tokenised notes. During the year ended 31 December 2025, fair value gain on financial assets at fair value through profit or loss of approximately RMB9,632,000 (2024: RMB4,991,000) was recognised in profit or loss, and recorded net gain on disposal of financial assets at fair value through profit or loss of approximately RMB62,480,000 (2024: RMB99,138,000). Detail of financial assets at fair value through profit or loss are included in note 17 to the consolidated financial statements.

Income Tax

Income tax expense of the Group for the year ended 31 December 2025 amounted to approximately RMB17,576,000 (2024: RMB1,727,000). The income tax expense is based on the respective corporate income tax applicable to the subsidiaries located in the PRC. The rise in income tax is resulted from an increase in the provision allocated for the assessable profit of the current year.

Profit for the Year

As a result, the Group recorded a profit for the year ended 31 December 2025 of approximately RMB192,231,000 (2024: RMB73,561,000).

Prepayments made to Suppliers

The prepayments to suppliers will be used to offset against future purchases from suppliers, which increased to approximately RMB471,793,000 as at 31 December 2025 (31 December 2024: RMB159,019,000). The substantial increase in prepayments to suppliers as of 31 December 2025 is primarily associated with the significant expansion of the IT products sales business. During the year ended 31 December 2025, the revenue generated from the sales of IT products experienced a remarkable increase by 921%, amounted to RMB3,797,763,000 in comparison to the same period of 2024. Consequently, the advance payment to suppliers for 2025 rose in accordance with the growth in business volume with the industry practice. Prepayments made to suppliers are expected to be either utilised or reimbursed within one year, depending on the terms of the associated contractual agreements and the advancements in completing the related project or obligations. In respect of prepayments made to suppliers, individual credit evaluations are performed on all suppliers requiring prepayment over a certain amount. These evaluations focus on the suppliers' past history and take into account information specific to the suppliers as well as pertaining to the economic environment in which the suppliers operate.

Liquidity and Financial Resources

The Group's working capital is funded by the cash generated from operating and financing activities. As at 31 December 2025, the Group maintained cash and cash equivalents amounted to approximately RMB168,527,000 (2024: RMB160,575,000). As at 31 December 2025, the Group's current ratio was approximately 1.58 times (2024: 3.75 times); and the Group's net gearing ratio, which is calculated based on total borrowings less cash and cash equivalents and pledged bank deposits divided by total equity, at 31 December 2025 and 31 December 2024 are not applicable, since the Group had cash and bank deposits in excess of total borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2025, the Group's borrowings from banks, a former fellow subsidiary and a third-party amounted to approximately RMB134,734,000 (2024: RMB32,252,000) with fixed interest rate ranging from 2.15% to 10% per annum (2024: 2.7% to 10% per annum), amongst which RMB127,500,000 (2024: RMB24,698,000) were repayable within one year. Approximately RMB123,000,000 (2024: RMB20,000,000) of the loan amount was denominated in Renminbi and the remaining amount of approximately RMB11,734,000 were denominated in Hong Kong dollars and payable within one year and repayable on demand (2024: RMB12,252,000). Apart from abovementioned borrowings, the Group has an outstanding amount due to broker of approximately RMB73,936,000 included in other payables, which carries a fixed interest rate of 3.25% per annum and was denominated in Hong Kong dollars as of 31 December 2025.

Foreign Exchange Risk

The Group's revenue is mainly denominated in Renminbi and most of the Group's monetary assets and liabilities are denominated in Renminbi. Accordingly, the Directors consider the Group's exposure to foreign currency risk is not significant and no related hedge is required for the time being.

Pledge of Assets

As at 31 December 2025, the Group's certain time deposits amounted to approximately RMB89,738,000 (2024: Nil) and equity securities listed in United States and Hong Kong amounted to approximately RMB69,916,000 were pledged to banks and other financial institutions respectively to secure certain loan facilities granted to the Group. Details of pledges of assets are included in note 17 and note 20 to the consolidated financial statements.

Capital Structure

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders of the Company (the "Shareholders") through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, including interest-bearing borrowings, and equity attributable to equity shareholders of the Company, comprising issued share capital, share premium, accumulated losses and other reserves. The management of the Group reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the redemption of existing debt. The Group's overall strategy remains unchanged throughout the year. As at 31 December 2025, the cash and cash equivalents of the Group are mainly held in United States dollars, Renminbi and Hong Kong dollars.

Fund Raising Activities and Use of Proceeds

Placing of New Shares

On 30 April 2024, the Company entered into a placing agreement (the "Placing Agreement") with Zhongtai International Securities Limited (the "Placing Agent"), pursuant to which the Placing Agent has conditionally agreed, as the placing agent of the Company, to procure on a best effort basis to not less than six placees who and whose ultimate beneficial owners shall be independent third parties of the Company to subscribe for up to 40,810,000 placing shares with par value of HK\$0.1 each (the "Placing Share(s)") at the placing price of HK\$1.80 per Placing Share (the "Placing"). The maximum Placing Shares represent approximately 16.66% of the issued share capital of the Company as enlarged by the allotment and issue of all Placing Shares. The Placing Shares were issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 23 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

On 21 May 2024, the Company and the Placing Agent entered into a supplemental agreement to the Placing Agreement, pursuant to which, among other matters, the completion date of the Placing was extended and the placing price was adjusted to HK\$2.09 per Placing Share.

On 13 June 2024, 40,810,000 Placing Shares were successfully issued at placing price of HK\$2.09 per Placing Share with aggregate nominal value of HK\$4,081,000. The placing price of HK\$2.09 per Placing Share represents (i) a discount of approximately 5.43% to the closing price of HK\$2.21 per share of the Company as quoted on the Stock Exchange on 30 April 2024; and (ii) a discount of approximately 12.9% to the closing price of HK\$2.40 per share of the Company as quoted on the Stock Exchange on 21 May 2024. The gross proceeds from the Placing amounted to approximately HK\$85.293 million and the net proceeds amounted to approximately HK\$84.347 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$2.07 per Placing Share.

The Company originally intended to apply (i) 70% of the net proceeds from the Placing of approximately RMB54.734 million (equivalent to HK\$59.042 million) for investment in new business when opportunity arise, including, but not limited to, investment in artificial intelligence data center comprising its construction, equipment and operation etc., and/or development and operation of smart city construction; and (ii) 30% of the net proceeds from the Placing of approximately RMB23.459 million (equivalent to HK\$25.305 million) as general working capital for the Group including staff cost, professional fees, rental payments and other general administrative and operating expenses.

As at 22 May 2025, the Company utilised approximately RMB23.459 million (equivalent to HK\$25.305 million) for general working capital of the Group.

Having considered the needs of working capital of the Group, as well as the excellent performance and strong development momentum of the artificial intelligence server market, on 22 May 2025, the Board resolved to re-plan the remaining unutilised net proceeds from the Placing originally planned for investment in the artificial intelligence data center project (i.e. approximately RMB54.734 million, equivalent to HK\$59.042 million) to continue to deepen and expand the software licensing sales business, artificial intelligence server product sales business and other related product businesses, mainly for the purchase of artificial intelligence servers for sales purposes.

As at 31 December 2025, the net proceeds from the Placing was fully utilised as intended as to (i) approximately RMB23.459 million (equivalent to HK\$25.305 million) for general working capital of the Group, among which approximately RMB2.658 million (equivalent to HK\$2.867 million) is for professional fee, approximately RMB2.420 million (equivalent to HK\$2.610 million) is for rental expenses, approximately RMB14.044 million (equivalent to HK\$15.149 million) is for staff costs and the remaining RMB4.337 million (equivalent to HK\$4.679 million) is for general administrative expenses; and (ii) approximately RMB54.734 million (equivalent to HK\$59.042 million) for the purchase of artificial intelligence servers for sales purposes, which in the continuous development and expansion of sale of software license, hardware products and other products business.

Details of the Placing, including the reason for the Placing, and details of the utilization of its proceeds were set out in the Company's announcements dated 30 April 2024, 21 May 2024, 22 May 2024, 13 June 2024 and 22 May 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Rights Issue

On 29 November 2022, the Company announced the proposed rights issue by issuing up to 124,896,729 ordinary shares with par value of HK\$0.1 each in the share capital of the Company (the “Right Shares”) on the basis of three (3) Rights Shares for every two (2) existing shares of the Company held on the record date (i.e. 10 February 2023) at the subscription price of HK\$0.85 per Rights Share (the “Rights Issue”).

On 10 January 2023 and 3 February 2023, the Company and VC Brokerage Limited, the underwriter of the Rights Issue, entered into the supplemental underwriting agreement and second supplemental agreement to the underwriting agreement dated 29 November 2022, pursuant to which, the record date has been extended to 3 March 2023 and further extended to 24 March 2023.

On 25 April 2023, an aggregate of 122,446,911 Rights Shares with nominal value of HK\$12,244,691.10 was issued. The subscription price of HK\$0.85 per Rights Share represents a discount of approximately 39.72% to the closing price of HK\$1.410 per share of the Company as quoted on the Stock Exchange on 29 November 2022. The gross proceeds from the Rights Issue was approximately HK\$104.08 million and the net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, was approximately HK\$102.653 million (equivalent to a net subscription price of approximately HK\$0.84 per Rights Share).

The Company originally intended to apply (i) 96% of the net proceeds from the Rights Issue of RMB87.027 million (equivalent to HK\$98.553 million) for the general working capital of the Group in industrial parks (the “Industrial Park Software Project”); and (ii) 4% of the net proceeds of approximately RMB3.626 million (equivalent to HK\$4.10 million) from the Rights Issue for the general working capital such as overhead expenses including salary, rental and other expenses of the Company. As at 20 December 2023, the Company utilised approximately RMB0.272 million (equivalent to HK\$0.308 million) of the net proceeds from the Rights Issue on the general working capital of the Group in the Industrial Park Software Project; and RMB3.626 million (equivalent to HK\$4.100 million) of the net proceeds from the Rights Issue on the general working capital of the Group.

Having considered the needs of working capital of the Group, as well as the prevailing market conditions, on 20 December 2023, the Board resolved to change the use of the unutilised net proceeds from the Rights Issue of approximately RMB86.755 million (equivalent to HK\$98.245 million) to: (a) RMB60.255 million (equivalent to HK\$68.245 million) for the general working of the Group in Industrial Park Software Project, and (b) RMB26.500 million (equivalent to HK\$30.0 million) for the general working capital of the Group such as overhead expenses including salary, rental and other expenses, details of which are set forth as follows:

Use of Proceeds	Initial allocation RMB million	Utilised net proceeds before reallocation RMB million	Unutilised net proceeds for reallocation RMB million	Revised allocation of the unutilised net proceeds RMB million
General working capital of the Group in the Industrial Park Software Project	87.027	0.272	86.755	60.255
General working capital of the Group	3.626	3.626	–	26.500
Total:	<u>90.653</u>	<u>3.898</u>	<u>86.755</u>	<u>86.755</u>

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2025, the net proceeds from the Rights Issue was fully utilised as intended as to (i) approximately RMB60.527 million (equivalent to HK\$68.553 million) for the general working capital of the Group in the Industrial Park Software Project, among which approximately RMB41.317 million (equivalent to HK\$46.796 million) in the hardware facilities, network facilities, database facilities and application facilities; approximately RMB7.765 million (equivalent to HK\$8.795 million) in the staff cost; approximately RMB4.639 million (equivalent to HK\$5.254 million) in the sale and marketing; and approximately RMB6.806 million (equivalent to HK\$7.708 million) in management and other operating expenses including the management fee such as rent and utilities, tax, equipment testing and evaluation and other miscellaneous expenses for the use of the Group; and (ii) approximately RMB30.126 million (equivalent to HK\$34.10 million) for general working capital of the Group, among which approximately RMB4.398 million (equivalent to HK\$5.029 million) is for professional fee, approximately RMB2.429 million (equivalent to HK\$2.754 million) is for rental expenses, approximately RMB18.725 million (equivalent to HK\$21.141 million) is for staff costs and the remaining RMB4.574 million (equivalent to HK\$5.176 million) is for general administrative expenses.

Details of the Rights Issue and details of the utilization of its proceeds were set out in the Company's announcements dated 29 November 2022, 9 December 2022, 10 January 2023, 3 February 2023, 14 March 2023, 24 April 2023, 20 December 2023 and 20 February 2024, the circular of the Company dated 24 February 2023 and the prospectus of the Company dated 27 March 2023.

Significant Investments, Material Acquisition and Disposal of Subsidiaries, Associates or Joint Ventures, or Future Plans for Material Investments and Capital Assets

The information on the Group's significant investment held as at 31 December 2025 is as follows:

Limited Partnership Agreements

On 17 May 2025, Beijing Enterprise Edge Computing Technology Co., Ltd.* (北京企展邊緣計算科技有限公司) ("Beijing Enterprise Edge Computing"), an indirect wholly-owned subsidiary of the Company, entered into the limited partnership agreement with Nanjing Jinming Yanhe Industrial Investment Management Partnership (Limited Partnership)* (南京錦銘研和產業投資管理合夥企業(有限合夥)) ("Limited Partner I") and Jianlu Chengfang (Shenzhen) Investment Co., Ltd.* (建陸承方(深圳)投資有限公司) ("Limited Partner II") for the capital injection into Beijing Qitong Fuyuan Enterprise Management Center (Limited Partnership)* (北京企通富源企業管理中心(有限合夥)) ("Qitong Fuyuan"), a limited partnership registered in Chinese Mainland on 30 December 2024 with business purpose of identifying suitable investment projects and bringing returns to its partners.

Pursuant to the aforesaid limited partnership agreement, all parties agreed to make cash contribution to Qitong Fuyuan, with the total subscribed capital of Qitong Fuyuan being RMB120 million. Among them, Beijing Enterprise Edge Computing is the general partner, with subscribed capital of RMB50 million, representing 41.67% of the total investment; and Limited Partner I and Limited Partner II are limited partners, with subscribed capital of RMB50 million and RMB20 million respectively, representing 41.67% and 16.67% of the total investment respectively. The Group holds 41.67% interest in Qitong Fuyuan.

The Directors considered the capital contribution to Qitong Fuyuan through the aforesaid limited partnership agreement will help the Group to introduce other partners to jointly seek suitable projects and work hard to develop projects that are in line with the Group's business, thereby helping the Group to gain greater returns through financial investment returns, which is in line with the Group's long-term development strategies. As the Group is the sole managing partner of Qitong Fuyuan, the financial results of Qitong Fuyuan has been consolidated into the accounts of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

On the same date, Qitong Fuyuan, Hainan Yayi Co-creation Technology Co., Ltd.* (海南雅億共創科技有限公司) (“Yayi Co-creation”) and Chen Zhansheng* (陳展生) entered into the Hainan Yayi limited partnership agreement to jointly invest in Hainan Yayi WinWin Technology Partnership (Limited Partnership)* (海南雅億共贏科技合夥企業(有限合夥)) (“Hainan Yayi Partnership”), a limited partnership registered in Chinese Mainland in May 2025 with its business scope including, but not limited to, investment activities with own funds and asset management services for investment with own funds, particularly to invest in corporations with activities in medical research and experimental development, cell technology research and development and application, medical research and experimental development (except human stem cells, gene diagnosis and treatment technology development and application), natural science research and experimental development, biomass energy technology services, engineering and technical research and experimental development, technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion.

Pursuant to the aforesaid limited partnership agreement, all parties agreed to make cash contribution to Hainan Yayi Partnership, with the total subscribed capital of Hainan Yayi Partnership being RMB200 million, of which Yayi Co-creation is the general partner, with a subscribed capital of RMB30 million, representing 15% of the investment; while Qitong Fuyuan and Chen Zhansheng are limited partners, with subscribed capital of RMB120 million and RMB50 million, respectively, representing 60% and 25% of the investment, respectively. The capital contribution of Qitong Fuyuan has been funded by the capital contribution in the total amount of RMB120 million made by its partners.

Hainan Yayi Partnership looks for investment in biomedicine related corporations and has acquired 14.16% equity interest in 賽隆藥業集團股份有限公司, a company with its shares listed on Shenzhen Stock Exchange (stock code: 002898), which focused on biomedical industries, at a consideration of RMB199 million in July 2025.

The Directors considered the investment in Hainan Yayi Partnership through the aforesaid limited partnership agreement will help the Group to identify suitable projects and strive to develop projects that are in line with the Group’s business, thereby helping the Group to obtain greater returns through financial investment returns, which is in line with the Group’s long-term development strategies. As at 31 December 2025, the investment in Hainan Yayi Partnership is classified as an associate of the Group, the interests in the associate is RMB182,711,000 as at 31 December 2025 and attributed to 12.4% of the Group’s total assets as at 31 December 2025. During the year ended 31 December 2025, the share of result from the aforesaid associate of RMB62,711,000 was recognised, and there are no realised gain or loss and any dividends received.

The swift advancements in AI-driven pharmaceuticals are revolutionising the research and development framework within the pharmaceutical sector. AI is becoming deeply integrated into key areas such as target screening, molecular optimisation, and clinical trial design, driving a surge in the need for advanced computing capabilities and hardware solutions across the industry. By leveraging a partnership investment model, the Company, acting as a limited partner, aims to build a strategically aligned ecosystem with its target collaborators. As a leader in intelligent computing centers and data asset management solutions, this synergy will position both parties to sustainably accelerate growth while transitioning to the next phase of scaled development with increased stability.

For details of the above limited partnership agreements, please refer to the Company’s announcements dated 17 May 2025, 10 July 2025 and 26 September 2025.

The Group will continue to focus on screening potential enterprises that have established market leadership in their respective fields. The Group will continue to maintain investment strategy and diversify our investment in stable return generating investment in order to improve our capital efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

Save as disclosed above, the Group did not make any significant investments, material acquisition or disposal of subsidiaries, associates or joint ventures for the year ended 31 December 2025, nor the Group has plans for material investments and capital assets as at 31 December 2025.

Material Acquisition and Disposal of Listed Securities

During the period from 1 June 2023 to 16 January 2026, the Group acquired and disposed several listed securities which are listed on NASDAQ. These acquisitions and/or disposals of listed securities constituted various discloseable transactions, major transactions or very substantial disposal of the Company under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

At the extraordinary general meeting of the Company held on 11 February 2026, ordinary resolutions had been passed by the Shareholders to approve, ratify and confirm certain acquisitions and disposals of listed securities during the relevant periods and to grant a specific mandate to authorize and empower the Board to carry out disposal(s) in tranches in the open market, of up to 20,000 shares in Tesla Inc., a company incorporated in the United States and the common stock of which are listed on NASDAQ, during 9 months from the date on which the ordinary resolution was duly passed (i.e. 11 February 2026).

For details, please refer to the Company’s announcements dated 10 January 2024, 12 January 2024, 24 January 2024, 7 February 2024, 14 February 2024, 28 January 2025, 7 February 2025, 25 February 2025, 6 March 2025, 13 March 2025, 31 March 2025, 30 April 2025, 14 May 2025, 30 May 2025, 9 June 2025, 17 July 2025, 31 July 2025, 8 August 2025, 18 August 2025, 20 August 2025, 26 August 2025, 12 September 2025, 30 September 2025, 2 October 2025, 28 November 2025, 16 January 2026 and 11 February 2026, and the Company’s circular dated 27 January 2026.

As of the date of this annual report, the Group has not disposed any shares in Tesla Inc. pursuant to the relevant disposal mandate.

Events after the Reporting Period

As disclosed in the section headed “Material Acquisition and Disposal of Listed Securities” above, the Group undertook several acquisitions and disposals of listed securities, and the specific mandate granted to the Board after the reporting period.

In addition, subsequent to the reporting period, the Group received an early redemption notice from the issuer regarding the accelerated redemption and repayment of the tokenised notes. For details of the tokenised notes, please refer to note 17 of the consolidated financial statements.

Employees and Remuneration Policies

As at 31 December 2025, the Group employed 154 (2024: 130) full time employees. The staff costs amounted to approximately RMB36,309,000 for the year ended 31 December 2025 (2024: RMB32,302,000). The remuneration package of employees is determined by reference to their performance, experience, positions, duties and responsibilities in the Group and the prevailing market conditions. The Group continued to provide retirement, medical, employment injury, employment and maternity benefits which are governed by the state-managed social welfare scheme operated by the local government of the PRC to the employees in the PRC. In addition, the Group maintains a mandatory provident fund scheme for all qualifying employees in Hong Kong. The Company had also adopted a share option scheme. The Group believes that development and training are crucial for employees to discharge their duties more effectively and efficiently, and the Group organizes regular training and development courses for its employees.

MANAGEMENT DISCUSSION AND ANALYSIS

Contingent Liabilities

As at 31 December 2025, the Group had no significant contingent liability (2024: Nil).

Final Dividend

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

BUSINESS REVIEW

The Group is principally engaged in the provision of integrated business software solutions and sale of software licenses, hardware products and other products. Leveraging the basic database software and technology, cloud engineered systems, and enterprise software products provided by multinational computer technology companies, the Group then provides integration services and tailor-made solutions to cater for the needs of different corporate clients in different industries. As those purchased software serve as different core structure with basic designated functions, the Group will base on the situation of the clients such as business nature, the size, number of users to integrate functions of the software and sell to clients and provide the aftersale maintenance services. In order to meet the business performance requirements of the clients, the Group would need to evaluate and recommend the hardware input/output, central processing unit and memory of the database, as well as optimise the configuration of the database's operating parameters. If necessary, engineers of the Group may adjust and/or alter certain configuration and deployment in order to attain best user experience and maximise the performance of such software products with the combination of hardware. Due to the enhancement of network bandwidth and change of needs of business environment in various industries, the Group continued to enrich its product and service portfolio oriented towards computing power services, including (i) provision of software value added services; (ii) personalised and custom development of software products; (iii) sales of high-end software and hardware products (positioned as supporting solutions delivery); and (iv) digital asset operations and table entry business. With the enhancement of technological capabilities including but not limited to, cloud computing technology, artificial intelligence (AI) technology and 5G nowadays, and the experience gained in the industry by the Group, the Company incorporated the edge computing and intelligent computing architecture into its services to strengthen its computing and storage capabilities as it is expected to improve response times and performance for clients. The above measures further consolidated the business layout driven by software license and solutions, covering the upstream and downstream of computing power services, among which hardware sales are mainly a necessary support for the implementation of solutions and the supply of computing power.

The Group has achieved remarkable growth in digital asset management and computing power-related services and products. Through continuous and precise optimization of its technical structure and comprehensive enhancement of its service model, the Group has not only achieved significant breakthroughs in the professionalization of digital asset management but also achieved a series of milestone breakthroughs in the innovation of computing power services. This dynamic growth has not only fully demonstrated the strong expansion trend of market demand for related products, but also demonstrated the significant improvement of the Group's competitive strength in the industry. More importantly, these achievements have created a solid and stable foundation for future long-term development, further consolidating the Group's leadership and direction in this rapidly evolving field.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded a revenue of approximately RMB3,858,546,000 for the year ended 31 December 2025 (2024: RMB408,585,000), representing an increase of approximately 844%. During 2025, the software and hardware business was benefited from the all-round improvement in management to significant growth in 2025 as compared to the corresponding period in 2024. The significant increase in overall revenue for the software and hardware business was mainly attributable to the continuous development of the Group's existing business, and it entered into and completed new contracts which involved integrated IT solutions, edge computing, intelligent computing and other data services. In the contemporary landscape where computational capability equates to national power, large-scale parallel computing has emerged as an essential component of the digital era. The rapid proliferation of expansive AI models has demonstrated that parallel computing within heterogeneous architectures constitutes the critical intelligent computing resource required today. Capitalizing on the escalating global demand for AI and high performance computing, the Group's computing infrastructure segment experienced a substantial growth on revenue in 2025. With the implementation of scenarios driven by software and solutions, as well as the significant growth achieved by the Group in the field of digital asset management and computing power-related services and products, the delivery volume of core products has increased significantly, and the market demand for high-end computing hardware, including servers and graphics processors, has increased significantly to support the deployment and operation of customers' computing power services. For the year ended 31 December 2025, the Group recorded a consolidated net profit attributable to equity holders of the Company of approximately RMB152,186,000, as compared to approximately RMB72,737,000 for the same period in 2024. The increase in the Group's profit for the year ended 31 December 2025 was primarily attributable to the increase in revenue from its software license and solution services and their ancillary services, as well as its hardware business.

OUTLOOK AND FUTURE BUSINESS STRATEGIES

The Company will continue to focus on the gradual expansion of its existing business, which is primarily centered on software licensing and solutions. It aims to leverage its well-established customer base and the competitive advantages of its products and services to strengthen its core operations. Concurrently, the Company is proactively preparing to capitalize on the emergence of new high-value productive forces fueled by key drivers like groundbreaking advancements in science and technology, innovative resource allocation methodologies, and industrial transformation. Particular emphasis is placed on the digital economy, with a focus on computing power services across upstream and downstream sectors. This includes critical areas such as data management, AI computing, edge computing, networks and applications, digital asset operations, and table entry.

Guided by innovation, the Company is making steady progress, achieving notable milestones in its strategic initiatives, ensuring continued customer value through its solution-driven delivery model. Looking ahead, the Company aims to reinforce its stature as a leading service provider within the digital economy. Its strategic priorities will revolve around data-centric elements such as data asset management, AI computing, and edge computing. Additionally, it will work to enhance coordination in computing power service supply, operations and maintenance, digital asset handling, and table entry processes. By delivering comprehensive digital technology solutions tailored to effectively meet customer needs, the Company seeks to solidify its leadership position in this dynamic industry.

Simultaneously, efforts will be made to leverage the Group's strengths while addressing existing gaps by integrating technological prowess and financial assets through a dual-chain approach. This initiative seeks to empower every node within the industrial ecosystem via strategic tools such as industrial incubation and targeted investments, and continues to support the scenario-based expansion and large-scale delivery of software service license and solutions.

MANAGEMENT DISCUSSION AND ANALYSIS

Harnessing the power of big data, advanced models, and high-performance computing capabilities, the Group will continuously refine its competitive edge in areas like data element optimization, data asset operations, intelligent computing, and edge computing. These endeavors will drive deeper integration between the digital economy and real world industries, fostering sustained business innovation and upgrades. In doing so, the Group is committed to advancing its long-term strategic development goals while maximizing value creation for its shareholders.

In relation to its investment business activities, emphasis will be placed on carefully evaluating and selecting prospective enterprises that have already achieved a strong and reputable market position in their respective industries. At the same time, the Group intends to actively explore opportunities for diversified investment ventures that are capable of delivering steady and reliable returns over time. This strategy is aimed at optimizing the overall efficiency of capital utilization while striving for sustainable growth and long-term value creation.

* For identification purpose only.

FIVE-YEAR SUMMARY AND KEY FINANCIAL RATIOS

	For the year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	3,858,546	408,585	60,646	47,909	40,825
Cost of sales	3,709,894	(362,571)	(34,601)	(27,093)	(24,313)
Gross profit	148,652	46,014	26,045	20,816	16,512
Profit/(loss) for the year	192,231	73,561	3,801	(25,014)	(30,734)
Profit/(loss) attributable to non-controlling interests	40,045	824	(1,749)	(2,746)	(6,914)
Profit/(loss) for the year attributable to equity shareholders of the Company	152,186	72,737	5,550	(22,268)	(23,820)

FIVE-YEAR SUMMARY AND KEY FINANCIAL RATIOS

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

	At 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Non-current assets	216,728	43,973	12,483	6,164	3,362
Current assets	1,255,775	516,109	290,281	196,814	208,214
Current liabilities	(794,598)	(137,647)	(37,748)	(34,697)	(30,736)
Net current assets	461,177	378,462	252,533	162,117	177,478
Total assets less current liabilities	677,905	422,435	265,016	168,281	180,840
Non-current liability	(3,795)	(1,310)	(875)	(1,167)	–
Net assets	674,110	421,125	264,141	167,114	180,840
Total equity attributable to equity shareholders of the Company	511,994	369,024	212,888	113,549	124,581
Non-controlling interests	162,116	52,101	51,253	53,565	56,259
Total equity	674,110	421,125	264,141	167,114	180,840

	At 31 December				
	2025	2024	2023	2022	2021
Profitability ratios					
Return on shareholder's equity* (Note 1)	35.11%	21.47%	1.76%	(14.38%)	(18.14%)
Return on assets* (Note 2)	18.91%	17.05%	1.50%	(12.07%)	(15.29%)
Liquidity ratios					
Current ratio (Note 3)	158.04%	374.95%	769.00%	567.24%	677.43%
Receivables turnover days* (Note 4)	1.87	12.87	110.68	190.59	187.78
Inventory turnover days* (Note 5)	15.59	18.81	N/A	N/A	7.03
Payables turnover days* (Note 6)	2.63	13.64	54.62	89.42	59.48
Capital adequacy ratios					
Net gearing ratio (Note 7)	N/A	N/A	N/A	N/A	N/A

(Note 1) Profit/(loss) for the year divided by average total equity and multiplied by 100%.

(Note 2) Profit/(loss) for the year divided by average total assets and multiplied by 100%.

(Note 3) Current assets divided by current liabilities and multiplied by 100%.

(Note 4) Balance of average trade receivables and bills divided by revenue of the year and multiplied by 365 days.

(Note 5) Average inventory balance divided by cost of sales of the year and multiplied by 365 days.

(Note 6) Balance of average trade payables and bills divided by cost of sales of the year and multiplied by 365 days.

(Note 7) Balance of total borrowings less cash, time deposits and pledged deposits divided by total equity and multiplied by 100%.

* Included revenue, cost of sales and loss for the year from both continuing and discontinued operations

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the shareholders' value.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code ("CG Code") in Appendix C1 to the Listing Rules as its own code of corporate governance. During the year ended 31 December 2025, the Company was in compliance with all the relevant code provisions set out in the CG Code except for the deviation from code provision C.2.1, which is explained below.

Under CG Code provision C.2.1, the role of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company has not appointed a chairman. The roles and functions of chairman have been performed by the Board jointly.

Save as those mentioned above and in the opinion of the Directors, the Company has met all the relevant code provisions set out in the CG Code during the year ended 31 December 2025.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 December 2025.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company, and is responsible for setting up the overall strategy as well as reviewing the operation and financial performance of the Group. The Board reserved for its decision or consideration matters covering overall Group strategy, major acquisitions and disposals, annual budgets, annual and interim results, recommendations on Directors' appointment or re-appointment, approval of major capital transactions and other significant operational and financial matters. The management was delegated the authority and responsibility by the Board for the daily management of the Group. In addition, the Board has also delegated various responsibilities to the Board committees. Further details of these committees are set out in this report.

The Board currently consists of five Directors including two executive Directors and three independent non-executive Directors:

Executive Directors

Mr. Yu Hui (*Chief Executive Officer*)
Ms. Li Zhuoyang

Independent Non-Executive Directors

Mr. Cai Jinliang
Mr. Chin Hon Siang
Mr. Chen Kwok Wang

CORPORATE GOVERNANCE REPORT

The Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced Board composition is formed to ensure strong independence exists across the Board. The composition of the Board reflects the balanced skills and experience for effective leadership. The biographical information of the Directors is set out on pages 4 to 6 under the section headed “Biographies of Directors”.

Directors’ Training

All directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

All Directors had participated in continuous professional development and provided a record of training they received for the financial year ended 31 December 2025 to the Company.

The individual training record of each Director received for the year ended 31 December 2025 is set out below:

Name of Directors	Attending or participating in seminars/in-house briefing or reading materials relevant to the Group’s business/director’s duties
<i>Executive Directors</i>	
Mr. Yu Hui	✓
Ms. Li Zhuoyang	✓
<i>Independent Non-executive Directors</i>	
Mr. Cai Jinliang	✓
Mr. Chin Hon Siang	✓
Mr. Chen Kwok Wang	✓

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code requires that the roles between the chairman and the chief executive officer should be segregated. Mr. Yu Hui has been appointed as the chief executive officer of the Company on 26 October 2023. The Company has not appointed a chairman and the roles and functions of chairman have been performed by the Board jointly.

The Company is in the process of identifying suitable candidates to assume the role as chairman of the Company and further announcement in this regard will be made as and when appropriate.

CORPORATE GOVERNANCE REPORT

Non-executive Directors

The three independent non-executive Directors are persons of high calibre, with academic and professional qualifications in the fields of legal, accounting and finance. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Each independent non-executive Director has provided his confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them is independent.

Each of Mr. Cai Jinliang, Mr. Chin Hon Siang and Mr. Chen Kwok Wang signed an appointment letter issued by the Company for a term of three years commencing from 24 August 2023, 26 May 2024 and 9 December 2024, respectively, which will continue thereafter unless and until terminated by either party by 1 month's prior written notice.

Each of the above independent non-executive Director is subject to retirement by rotation at least once in every three years in accordance with the the Company's articles of association (the "Articles").

Board Diversity Policy

The Board has adopted a Board Diversity Policy on 27 August 2013 (the "Policy") which sets out the approach to achieve diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Board delegated certain duties under the Policy to the Nomination Committee. The Nomination Committee will discuss and review the necessity to set the measurable objectives for implementing the Policy from time to time.

The Board reviews the implementation and effectiveness of the Policy annually and considered that the Policy remains effective.

BOARD LEVEL

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

As at the date of this annual report, the Board consists of four male members and one female member. The Nomination Committee considered that the Board was sufficiently diverse in terms of gender and the Board had not set any measurable objectives. The Company has also reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain a high standard of operation.

The Company, through its commitment to providing equal opportunities as well as selecting the right candidates based on objective criteria with due regard for the benefits of diversity, will ensure that gender diversity is emphasised and maintained at the Board level in respect of succession planning in order to make available a diverse pipeline of candidates for appointment to the Board in case of any vacancies.

CORPORATE GOVERNANCE REPORT

WORKFORCE LEVEL

The Group is also committed to achieving gender diversity across the workforce (including senior management). The details of gender ratio in the workforce (including senior management) are shown in the section headed “Environmental, Social and Governance Report” of this annual report. The recruitment policy of the Group is to only consider the personal merits and capabilities, qualifications, working experiences and performance of the individuals during the recruitment process, transferal, promotion, and training regardless of gender. In the interests of enhancing efficiency, the Company has not set any measurable objective for achieving gender diversity at workforce level. The Company has nonetheless always adopted a meritocratic approach and adhered to the principle of openness and fairness without any discrimination in respect of gender, disability, marital status, pregnancy, religion, nationality, social or economic class, rural or urban, political opinion, pathogen-carrier or sexuality.

Board Meetings

The Board has four scheduled meetings a year at approximately quarterly interval and additional meetings will be held as and when required. The four scheduled Board meetings for a year are planned in advance. During the regular meetings of the Board, the Board reviewed the operation and financial performance and reviewed and approved the annual and interim results. During the year ended 31 December 2025, the Board held four meetings. All Directors were given an opportunity to include any matters in the agenda for regular Board meetings, and were given sufficient time to review documents and information relating to matters to be discussed in Board meetings in advance. The relevant Directors’ attendance is shown on page 28.

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

The Board adopted a mechanism for Directors to obtain independent opinions and perspectives for them to discharge their duties and responsibilities, and to ensure independent views and input are available to the Board.

The Company shall arrange suitable and sufficient resources to cover any matters relating to the obtaining of an independent opinion by the Board, including but not limited to the engagement of a legal team or any other professionals for such purpose (where appropriate).

The Directors shall give at least three working days’ notice to the Company Secretary to obtain an independent opinion, including but not limited to engaging a professional team for such purpose (where appropriate).

The Board has reviewed the implementation and effectiveness of the said mechanism during the year and considered that it has been operating effectively and will continue to monitor its implementation and effectiveness on an annual basis.

CORPORATE GOVERNANCE REPORT

General Meetings

During the year ended 31 December 2025, one general meeting of the Company was held, being the 2025 annual general meeting held on 20 June 2025 (the “2025 AGM”). The relevant Director’s attendance is shown on page 28.

The Board is responsible for maintaining an on-going dialogue with Shareholders and in particular, uses annual general meeting or other general meetings to communicate with them and encourage their participation.

CORPORATE GOVERNANCE FUNCTIONS

The Audit Committee is responsible for reporting to the Board on the matters in the CG Code, while Board is also responsible for performing the corporate governance duties as set out below:

- (a) to develop and review the Company’s policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- (c) to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Company and Directors; and
- (e) to review the Company’s compliance with the CG Code by reference to the recommendation of the Audit Committee and to review the disclosure in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE

In considering the nomination of new Directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates. The Company established the Nomination Committee with written terms of reference on 18 December 2006 and the Nomination Committee currently consists of two independent non-executive Directors, namely Mr. Chin Hon Siang (chairman) and Mr. Cai Jinliang, and one executive Director, namely Ms. Li Zhuoyang.

The latest terms of reference of the Nomination Committee is currently made available on the websites of the Stock Exchange and the Company. Terms of reference of the Nomination Committee are aligned with the code provisions set out in the CG Code.

The functions of the Nomination Committee are to review and monitor the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board and made recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify qualified individuals to become members of the Board; to assess the independence of the independent non-executive Directors; to review the Policy, review the measurable objectives that the Board has set for implementing the Policy, and the progress on achieving the objectives; and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer of the Company.

To ensure changes to the Board composition can be managed without undue disruption, there should be a formal, considered and transparent procedure for selection, appointment and re-appointment of directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new director (to be an additional director or fill a casual vacancy as and when it arises) or any re-appointment of directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities which, in particular, are set out as follows:

- a. participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- b. taking the lead where potential conflicts of interests arise;
- c. serving on the Audit Committee, the Remuneration Committee and the Nomination Committee (in the case of candidate for non-executive director) and other relevant Board committees, if invited;
- d. bringing a range of business and financial experience to the Board, giving the Board and any committee on which he or she serves the benefit of his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board/committee meetings;
- e. scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;

CORPORATE GOVERNANCE REPORT

- f. ensuring the committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- g. conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.

If the candidate is proposed to be appointed as an independent non-executive director, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an independent non-executive director with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

During the year ended 31 December 2025, the Nomination Committee held one meeting for assessing the independence of the independent non-executive Directors; considering the re-election of Directors and reviewing the composition of the Board. The relevant Directors' attendance is shown on page 28.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee with written terms of reference on 18 December 2006 and the Remuneration Committee currently consists of two independent non-executive Directors, namely Mr. Chin Hon Siang (chairman) and Mr. Cai Jinliang, and one executive Director, namely Ms. Li Zhuoyang.

The latest terms of reference of the Remuneration Committee is currently made available on the websites of the Stock Exchange and the Company. Terms of reference of the Remuneration Committee are aligned with the code provisions set out in the CG Code.

The functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure on the remuneration packages for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy as well as review and/or approve matters relating to shares schemes under Chapter 17 of the Listing Rules. The Remuneration Committee has adopted the approach under code provision E.1.2(c)(ii) of the CG Code to make recommendations to the Board on remuneration packages of the Directors and the members of senior management.

During the year ended 31 December 2025, the Remuneration Committee held one meeting for reviewing the remuneration of Directors and senior management. The relevant Directors' attendance is shown on page 28.

The emoluments payable to Directors and senior management depend on their respective contractual terms under the employment agreements, if any, and is fixed by the Board with reference to the recommendation of the Remuneration Committee, the performance of the Group and the then prevailing market conditions. Details of the remuneration of the Directors and senior management are set out in note 7 to the consolidated financial statements.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference on 18 December 2006 and the Audit Committee currently consists of three independent non-executive Directors, namely Mr. Cai Jinliang (chairman), Mr. Chin Hon Siang and Mr. Chen Kwok Wang.

The latest terms of reference of the Audit Committee is currently made available on the websites of the Stock Exchange and the Company. Terms of reference of the Audit Committee are aligned with the code provisions set out in the CG Code.

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and consolidated financial statements of the Group; overseeing the Company's financial reporting system including the adequacy of resources, qualifications and experience of staff in charge of the Company's financial reporting function and their training arrangement and budget, and reviewing the risk management and internal control systems.

The Audit Committee meets the external auditor regularly to discuss any area of concern during the audit. The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual report.

During the year ended 31 December 2025, the Audit Committee held two meetings. Each committee meeting has been supplied with necessary financial information of the Group for members to consider, review and access significant issues arising from the work conducted. The relevant Directors' attendance is shown on page 28.

During the year ended 31 December 2025, the Audit Committee reviewed the interim results of the Group for the six months ended 30 June 2025 and the annual results of the Group for the year ended 31 December 2024, which were in the opinion of the Audit Committee that the preparation of such results complied with the applicable accounting standards and the Listing Rules.

The Audit Committee noted the existing internal control system of the Group and also noted that review of the same will be carried out on an annual basis.

The financial statements of the Group for the year ended 31 December 2025 were audited by HLB Hodgson Impey Cheng Limited ("HLB") whose term of office will expire upon the conclusion of the 2026 annual general meeting of the Company to be held on 23 June 2026 ("2026 AGM"). The Audit Committee has reviewed the terms of engagement of HLB by taking into account, inter alia, (i) the size and structure as well as the nature and complexity of the business of the Group, (ii) the relevant audit fees and (iii) the resources deployed by HLB in respect of the audit of the financial statements of the Group in accordance with "Guidelines for the Effective Operation of Audit Committees – Selection, Appointment and Reappointment of Auditors" published by the Financial Reporting Council on 16 December 2021 and recommended to the Board the re-appointment of HLB as the auditor of the Company at the 2026 AGM.

CORPORATE GOVERNANCE REPORT

MEETINGS ATTENDANCE RECORD

The following table summarises the attendance of the Directors and committee members in the respective Board, Board committees and general meetings held during the year ended 31 December 2025.

	Meeting attended/held in 2025				
	Board	Audit Committee	Nomination Committee	Remuneration Committee	General Meeting
Number of meetings held during the year	4	2	1	1	1
<i>Executive Directors</i>					
Mr. Yu Hui	3/4	N/A	N/A	N/A	1/1
Ms. Li Zhuoyang	4/4	N/A	1/1	1/1	1/1
Mr. Liang Liang (<i>resigned with effect from 24 January 2025</i>) (Note)	0/0	N/A	N/A	N/A	0/0
<i>Independent Non-executive Directors</i>					
Mr. Cai Jinliang	4/4	2/2	1/1	1/1	1/1
Mr. Chin Hon Siang	4/4	2/2	1/1	1/1	1/1
Mr. Chen Kwok Wang	3/4	2/2	N/A	N/A	1/1

Note: Mr. Liang Liang resigned as an executive Director with effect from 24 January 2025, no board meeting and general meeting was held before his resignation.

AUDITORS' REMUNERATION

During the year ended 31 December 2025, the fee paid/payable to the Company's external auditor, HLB, for providing audit services and non-audit services were approximately RMB764,000 and RMB469,000 respectively. Fees for non-audit services consist of review of disclosure of financial information in 2025 interim report and professional fee in connection with the indebtedness statement for the circular of the Company dated 27 January 2026.

COMPANY SECRETARY

The Company engaged an external professional company secretarial services provider, Uni-1 Corporate Services Limited ("Uni-1"), to provide compliance and full range of company secretarial services to the Group in order to assist the Group to cope with the changing regulatory environment and to suit different commercial needs.

Ms. Chan Yuen Ying Stella ("Ms. Chan"), the representative of Uni-1, was appointed as the named Company Secretary of the Company.

Ms. Li Zhuoyang, an executive Director, is the primary point of contact at the Company for the Company Secretary.

According to the requirements of Rule 3.29 of the Listing Rules, Ms. Chan has taken not less than 15 hours of relevant professional training during the financial year ended 31 December 2025.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Shareholders may convene an extraordinary general meeting of the Company according to the provisions as set out in the Articles and the Companies Act (2013 Revision) of the Cayman Islands. The procedures shareholders can use to convene an extraordinary general meeting are set out in the Articles, which is currently available on the website of the Stock Exchange and the Company.

Pursuant to Article 58 of the Articles, any one or more Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal place of the meeting, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

PUTTING ENQUIRIES BY SHAREHOLDERS TO THE BOARD

Shareholders may send written enquiries to the Company for the attention of the Company Secretary at the Company's principal place of business in Hong Kong at Room 1105, 11/F, Jubilee Centre, 18 Fenwick Street/46 Gloucester Road, Wanchai, Hong Kong or by email to adm@1808.com.hk. The Company will not normally deal with verbal or anonymous enquiries.

PROCEDURES FOR PUTTING FORWARD PROPOSALS BY SHAREHOLDERS AT SHAREHOLDERS' MEETING

There is no provision allowing shareholders to move new resolutions at general meeting under the Cayman Islands Companies Act or the Articles. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting 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. As such, all the resolutions to be set out in the notice of the 2026 AGM will be voted by poll.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its Shareholders.

CORPORATE GOVERNANCE REPORT

The Board adopted a Shareholders communication policy on 16 March 2012 (the “Shareholders Communication Policy”) which sets out the provisions with the objective of ensuring that the Shareholders, both individual and institutional, and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments and governance), in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company.

The Board has conducted a review of the Shareholders Communication Policy for the year ended 31 December 2025 to ensure the effectiveness of the Shareholders Communication Policy. Such review shall be conducted annually. The Board considered that the Shareholders Communication Policy remains effective.

General Policy

The Board shall maintain an on-going dialogue with shareholders and the investment community, and will regularly review the Shareholders Communication Policy to ensure its effectiveness.

According to the Shareholders Communication Policy, there are multiple channels for information of the Company to be disseminated to Shareholders, which are included in the following manners:

- Delivery of annual and interim results and reports to all Shareholders;
- Publication of announcements on the annual and interim results on the Stock Exchange website, and issue of other announcements, shareholders’ circulars, corporate communications and other corporate publications in accordance with the continuing disclosure obligations under the Listing Rules on the Company’s website and the website of the Stock Exchange; and
- The general meeting of the Company is also an effective communication channel between the Board and Shareholders.

Effective and timely dissemination of information to Shareholders and the investment community shall be ensured at all times.

All Directors attended the 2025 AGM to answer questions of the meeting and collect views of Shareholders.

Communication Strategies

Shareholders’ Enquiries

Shareholders should direct their questions about their shareholdings to the Company’s branch share registrar in Hong Kong. Shareholders and the investment community may at any time make a request for the Company’s information to the extent such information is publicly available. Shareholders and the investment community shall be provided with designated contacts, email addresses and enquiry lines of the Company in order to enable them to make enquiry in respect of the Company.

CORPORATE GOVERNANCE REPORT

Corporate Communication

Corporate communication will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding.

Corporate Website

A dedicated Investors Relationship section is available on the Company's website. Information on the Company's website will be updated on a regular basis.

Information released by the Company to the Stock Exchange will also be posted on the Company's website according to the requirements under the Listing Rules. Such information includes announcements of all types, financial statements, results announcements, circulars and notices of general meetings etc..

Shareholders' Meetings

Shareholders are encouraged to participate in all general meetings or to appoint proxies to attend and vote for and on their behalf if they are unable to attend any general meetings. Appropriate arrangements for the general meetings shall be in place to encourage Shareholders' participation. The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served. Board members, in particular, the chairman of the Board, the chairmen of Board committees or their delegates, appropriate management executives and external auditors will attend annual general meetings to answer Shareholders' enquiries.

Shareholder Privacy

The Company recognises the importance of Shareholders' privacy and will not disclose Shareholders' information without their consent, unless required by law to do so.

DIVIDEND POLICY

The Board adopted the dividend policy (the "Dividend Policy") on 27 March 2020.

The amount of any dividends that the Company may declare and pay in the future will be subject to the discretion of the Board and will be based upon the Group's overall results of operation, financial condition, working capital requirements, capital expenditure requirements, liquidity position, future expansion plans, amount of retained earnings, distributable reserves and any other conditions that the Directors consider relevant. Any declaration and payment of dividends may also be limited by restrictions under the Companies Act of the Cayman Islands, the Company's constitutional documents, the Listing Rules and any other applicable laws and regulations. The amounts of dividend distributions that the Group has declared and made in the past are not indicative of the dividends that the Company may pay in the future.

The Directors may recommend a payment of dividends after taking into account the general economic conditions, business cycle of the Group's business and any other internal and external factors that may affect the business and financial performance and position of the Group in addition to the above mentioned criteria. Any future declaration of dividends may or may not reflect the historical declarations of dividends and will be at the absolute discretion of the Directors.

CORPORATE GOVERNANCE REPORT

The Board will review the Dividend Policy on a regular basis and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy from time to time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's consolidated financial statements for each financial year which give a true and fair view of the financial position of the Group and the Company and of its financial performance and cash flows of the Group for that year. In preparing the consolidated financial statements for the year ended 31 December 2025, the Board has selected suitable accounting policies and applied them consistently; made judgements and estimates that are prudent, fair and reasonable and prepared the accounts on a going concern basis.

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.

The Directors, having made appropriate enquiries, 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

The Board has overall responsibility for ensuring an effective system of risk management and internal control be maintained and for reviewing its effectiveness to safeguard the Company's assets and the Shareholders' interests.

The Audit Committee has been established under the Board, which is responsible for monitoring and reviewing the risk management procedures and internal control system of the Group.

The purpose of the Company's risk management process is to identify and manage risks in such a way that the Company is able to meet its strategic and financial targets. The Group formulated risk management procedures by taking into account adequately the five elements of the risk management framework: internal environmental control, risk management, control activities, information and communication and monitoring and improvement.

The Group aims to develop risk awareness and control responsibility as the Company's culture and the foundation of Company's internal control system. The internal control system applies to the Group's critical business processes including strategy development, business planning, investment decisions, capital allocation and day-to-day operations.

At beginning of each year, the Group conducts a risk assessment on the existing or potential risks that may impact the achievement of business objectives over the course of business operation. The assessment includes potential likelihood and impact of the identified risks. For the risks identified, the management determines the action plans and management targets in the expected time of completion according to the risk assessment result. The management is also responsible for managing their respective day-to-day operating risks, implementing measures to mitigate such risks.

The internal control system is designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact resulted from the risks. The risk management and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

CORPORATE GOVERNANCE REPORT

The Company does not have an internal audit department. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and complexity of the business of the Group, as opposed to diverting resources to establish a separate internal audit department, it would be more cost effective to appoint external independent professionals to perform independent review of the adequacy and effectiveness of the risk management and internal control systems of the Group. Nevertheless, the Board will continue to review at least annually the need for an internal audit department.

Reference is made to the announcements of the Company dated 28 January 2025, 13 March 2025, 16 May 2025, 19 September 2025 and 3 November 2025 (the “Relevant Announcements”) and the circular of the Company dated 27 January 2026 (the “Relevant Circular”).

As disclosed in the Relevant Announcements, the Company carried out various purchases and disposals of US listed securities during the period from 1 January 2023 to 5 February 2025 which constituted notifiable transactions under Chapter 14 of the Listing Rules. As disclosed in the Relevant Announcements and the Relevant Circular, a wholly-owned subsidiary of the Company did not adopt a systematic approach to keep track of all the purchases and disposals in respect of each of the listed securities and to compute the relevant size tests leading to the breaches of Chapter 14 of the Listing Rules. In relation to this non-compliance incident, the Company engaged an internal control consultant to carry review on the relevant investment management process and identified certain deficiencies in the internal control system. In response to the recommendations by the internal control consultant, the Company implemented various remedial actions and procedures, including, among others, the revision of the investment manual and the approval procedures, to address those deficiencies identified. For details, please refer to the Relevant Announcements and the Relevant Circular.

During the year, an external consulting firm has been engaged by the Group to advise on and review risk management and internal control of the Group and provide recommendations on improvement to the Audit Committee. Save as disclosed above, no significant deficiency and weakness on the internal control system has been identified for the year ended 31 December 2025 and the Company agrees with the recommendations provided by the consulting firm and therefore will adopt the practice in the coming year.

The Board considered that, for the year ended 31 December 2025, save as disclosed above, the risk management and internal control system and procedures of the Group, covering all material controls were reasonably effective and adequate.

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of the relevant obligations under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”) and the Listing Rules. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- (a) access of inside information is restricted to a limited number of employees on a need-to-know basis;
- (b) transmission of inside information in electronic form should be password-protected;
- (c) prohibit employees to discuss inside information in public area;
- (d) code names are assigned to confidential projects so that any reference to them would not be linked to the projects themselves to minimize possibilities of unintentional leakage;
- (e) trainings or briefings are provided to employees who will be in possession of inside information to ensure that they are fully conversant with their obligations to preserve confidentiality with reasonable care;
- (f) confidentiality agreements are in place before the Group enters into significant negotiations; and

CORPORATE GOVERNANCE REPORT

- (g) officers and employees other than the designated representative are prohibited to speak externally on behalf of the Company when communicating with external parties such as the media, analysts or investors.

CONSTITUTIONAL DOCUMENTS

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The Environmental, Social and Governance (“ESG”) Report (“Report”) of Enterprise Development Holdings Limited (“Company” and together with its subsidiaries, “Group”) has made reference to the ESG Reporting Guide in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEx ESG Reporting Guide”), and compile the report content in accordance with the principles of materiality, quantitative, balance and consistency.

The scope of this report is based on the Group and its all business segments in Hong Kong, Beijing, Shanghai, Chengdu and Guangzhou of the People’s Republic of China (“PRC”). There were no significant changes observed in the Group’s operating locations, the suppliers’ locations and supply chain structure in the financial year ended 31 December 2025 (“Year” or “Reporting Period”).

REPORTING PERIOD AND SCOPE

The statistics, figures and information cited in this Report are referenced from the archived questionnaires, records and research of the Group. This Report highlights the Group’s sustainability efforts in environmental and social aspects.

Reporting Period: 1 January 2025 to 31 December 2025, the financial period of the Group’s Annual Report 2025.

Organisations covered: The Group and its subsidiaries.

The reporting boundaries are determined by whether the subsidiaries are contributing to the operating business of the Group. In 2025, all subsidiaries and business entities of the Group are included in the ESG Report.

REFERENCE GUIDELINES

HKEx ESG Reporting Guide

CONTACT

Should you have any enquiries or feedback on this Report, please feel free to contact the Group via the following methods:

Address : Room 1105, 11/F, Jubilee Centre, 18 Fenwick Street/46 Gloucester Road, Wanchai, Hong Kong
Tel : +852 3707 1952
Fax : +852 3611 6041
Official website : <http://www.1808.com.hk>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EXECUTIVE DIRECTOR STATEMENT

I wish to formally acknowledge the exemplary performance and unwavering dedication of our colleagues throughout the past year. Their collective efforts have been instrumental in enabling the Group to achieve distinguished results while advancing sustainable development for the benefit of both the Group and its stakeholders.

Recognizing the importance of Environmental, Social, and Governance (“ESG”) responsibilities, the Group has implemented a comprehensive ESG management system that is fully integrated into our governance framework, thereby strengthening oversight at the Board level. A specialized ESG team has been established to oversee related matters across the Group. This team engages consistently with internal and external stakeholders to evaluate their perspectives on our ESG strategy and is tasked with escalating any ESG-related issues or potential risks to the Board for thorough consideration. In addition, the team submits an annual ESG performance report to the Board, enabling the monitoring of progress against our ESG objectives and supporting the allocation of resources where necessary. As a corporation committed to upholding its social responsibilities, the Group recognizes its obligation to provide employees with industry-leading standards that enhance both their wellbeing and productivity. We are equally resolute in our pursuit of elevating environmental performance to strengthen overall business resilience. Fully cognizant of the profound implications of climate change on society, the Group is steadfast in its commitment to contribute meaningfully by reducing its carbon footprint and by actively participating in initiatives that promote ESG social responsibility.

In closing, I extend my sincere appreciation to our employees for their exceptional contributions to the Group’s success over the past year. Their dedication continues to inspire our journey toward sustainable growth and responsible corporate citizenship.

Yu Hui

Executive Director and Chief Executive Officer

23 March 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CORE VALUES/MANAGEMENT PRINCIPLES

As a publicly listed software company, the Group acknowledges its overarching responsibility to conduct its business in a manner that contributes positively to society. In alignment with this commitment, sustainable development considerations have been systematically embedded into the Group's strategic and operational decision-making processes. Internally, a comprehensive framework of policies and guidelines has been established to address the full spectrum of ESG matters arising in the course of operations. Moreover, the current governance structure ensures that standardized ESG management principles are rigorously applied and consistently upheld across all business units of the Group.

ESG GOVERNANCE STRUCTURE

The Group accords significant importance to its ESG commitments, with the objective of embedding these considerations seamlessly into its corporate decision-making processes. To ensure that ESG strategies remain aligned with the Group's long-term growth objectives, a dedicated governance framework has been instituted. This framework facilitates the systematic incorporation of ESG factors into day-to-day business operations. The Group's ESG governance structure comprises the Board of Directors ("Board") and an ESG working group, which operate in close coordination to drive the advancement and effective implementation of the Group's ESG strategies.

The Board	<ul style="list-style-type: none">- Has full responsibility for the Group's ESG strategy and reporting, including setting and overseeing related goals and policy directions.- Regularly discusses and reviews the Group's ESG-related risks and opportunities, performance, goals and measures with the assistance of the ESG working group.- Ensures the effectiveness of ESG risk management and internal control mechanism.
The ESG working group	<ul style="list-style-type: none">- Comprised of core members from various departments of the Group and reports progress to the Board on a regular basis, assisting and supporting the Board's oversight of ESG-related issues.- Responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance to ensure compliance with relevant law and regulations as well as preparing ESG reports.- Arranges meetings regularly to discuss and review ESG-related issues including but not limited to the effectiveness of the Group's ESG performance, policies and procedures and sustainability strategy goals.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER IDENTIFICATION AND COMMUNICATION

To strengthen its sustainable development strategy, the Group maintains regular engagement with key stakeholders to ensure their perspectives and concerns are appropriately understood and addressed. Over recent years, the Group has cultivated and sustained strong stakeholder relationships, enabling a comprehensive understanding of the risks and opportunities associated with its business activities. The following table sets out the principal channels through which the Group communicates with both internal and external stakeholders:

	Types of stakeholders	Key issues	Major communication method
Internal stakeholders	Directors	<ul style="list-style-type: none"> – Risk management 	<ul style="list-style-type: none"> – Consultation via phone calls and emails on a regular and ad hoc basis – Direct communication – Company conferences on a regular and ad hoc basis – Suggestion box
	Employees	<ul style="list-style-type: none"> – Vocational training and development – Salaries and benefits – Health and safety 	<ul style="list-style-type: none"> – Consultation via phone calls and emails on a regular and ad hoc basis – Direct communication – Company conferences on a regular and ad hoc basis – Suggestion box
External stakeholders	Shareholders/investors	<ul style="list-style-type: none"> – Stable return on investment – Transparency of information disclosure 	<ul style="list-style-type: none"> – Annual general meeting – Consultation via phone calls and emails on a regular and ad hoc basis
	Suppliers/customers	<ul style="list-style-type: none"> – Performance of contract – Standardised supply chain management system and procurement process – Establishment of complaint system 	<ul style="list-style-type: none"> – Annual report – Meetings on a regular and ad hoc basis
	Distributors	<ul style="list-style-type: none"> – Well-established information exchange system – Steady and stable supply of products 	<ul style="list-style-type: none"> – After-sales opinion box – Consultation via phone calls and emails on a regular and ad hoc basis – Meetings on a regular and ad hoc basis
	Government	<ul style="list-style-type: none"> – Business operation in compliance with relevant laws and regulations 	<ul style="list-style-type: none"> – Annual report – Meetings on a regular and ad hoc basis
	Community/academic institutions	<ul style="list-style-type: none"> – Contributions to community development 	<ul style="list-style-type: none"> – Annual report – Community services

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

Recognizing the varying impacts of ESG topics on both its business and stakeholders forms a central pillar of the Group's sustainability strategy. On an annual basis, the Group undertakes a structured and systematic process to identify and assess ESG issues that are material or otherwise relevant to its operations and stakeholder interests. The insights derived from this process provide the foundation for the formulation of ESG objectives and the development of targeted programs designed to strategically address these matters. In 2025, the Group conducted the annual materiality assessment to ensure that the ESG strategy remains fit for the purpose. ESG topics are identified based on:

- The Group's purpose, values and strategy;
- Risk faced by the Group;
- The global sustainability agenda and international best practices; and
- Stakeholder feedback.

For the preparation of this year's ESG report, the Group actively engaged with its principal stakeholders to obtain feedback on sustainability-related matters. A comprehensive materiality assessment was subsequently undertaken to identify and prioritize the key areas of ESG focus. Material topics were systematically evaluated and ranked according to their significance to the Group's business, considering both internal and external impacts. The assessment highlighted the following issues as most critical to stakeholders: occupational health and safety, employees' welfare and pay system and Customer data protection and privacy policies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



A Environmental management system and related policies	I Information on greenhouse emissions	Q Measures to reduce emissions and achievements
B Compliance with laws and regulations on emissions	J Amount of hazardous waste generated and handling method	R Amount of non-hazardous waste generated and handling method
C Waste management and recycling method	K Energy efficiency and management	S Resource management
D Water consumption and wastewater discharge control	L Occupational health and safety	T Employees' training and development
E Employees' rights and turnover rate	M Employees' welfare and pay system	U Employment practices to avoid child labour and forced labour
F Donation and community investment	N Stakeholder communication	V Supply chain management
G Product safety and quality assurance management	O Customer data protection and privacy policies	W Customer satisfaction survey
H Anti-corruption policies	P Whistle-blowing procedures	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL PERFORMANCE

The Group is committed to minimizing its environmental impact, notwithstanding the relatively low footprint associated with its core business activities. Targeted measures have been implemented to reduce emissions and resource consumption, with particular focus on vehicle usage and electricity demand. The Group's operations generate only limited volumes of waste, none of which is classified as hazardous. Importantly, the Group has achieved measurable improvements in its overall environmental performance compared with the prior reporting year.

The Group strictly adheres to applicable laws and regulations in both the PRC and Hong Kong, while also aligning with local government policies and its own internal management standards. In doing so, the Group demonstrates its commitment to fulfilling its social responsibility in the area of environmental protection. Compliance is maintained with key legislative instruments, including the Environmental Protection Law, the Law on the Prevention and Control of Atmospheric Pollution, and the Regulation on Urban Drainage and Sewage Treatment in the PRC.

The Group's main business did not change significantly during the Reporting Period, and the Group adhered to the latest environmental regulations.

1. Environmental Targets

Through the adoption of sustainable development goals, the Group fosters collaboration across its operating entities to pursue shared objectives. By continuously enhancing standards, operational efficiency, and innovation, the Group seeks to mitigate potential risks while strengthening long-term resilience and sustainability within its business portfolio.

Category	Metrics and targets	Implementation measures ¹
Greenhouse gas emission reduction	<p>Metrics:</p> <ul style="list-style-type: none"> - Gas emissions - Scope 1 emissions - Scope 2 emissions - Scope 3 emissions - GHG emissions intensity <p>Targets:</p> <ul style="list-style-type: none"> - Actively respond to the national carbon peak and carbon neutrality goals and practice green operations. - Maintain pollutant levels consistent with the Reporting Period over next 3 to 5 years. - Increase use of renewable energy sources in office operations. 	<p>Implemented:</p> <ul style="list-style-type: none"> - Departments monitor electricity use and enforce switch-off policies. - Air-conditioning maintained at 25 degrees Celsius for efficiency. - Carpooling encouraged to reduce vehicle usage. - Awareness campaigns on carbon reduction rolled out internally. <p>Planned:</p> <ul style="list-style-type: none"> - "Green Office" initiatives across all sites. - Independent verification of carbon emissions. - Explore carbon offset programs for unavoidable emissions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Category	Metrics and targets	Implementation measures ¹
Waste reduction	<p>Metrics:</p> <ul style="list-style-type: none"> – Hazardous waste disposal quantity – Hazardous waste intensity – Non-hazardous waste disposal quantity – Non-hazardous waste intensity <p>Targets:</p> <ul style="list-style-type: none"> – Incorporate green procurement standards into supplier management. – Implement garbage classification across offices in Hong Kong and PRC. – Ensure safe disposal of all electronic waste. – Maintain waste disposal levels consistent with Reporting Period over next 3 to 5 years. 	<p>Implemented:</p> <ul style="list-style-type: none"> – Promote “paper-free” office practices. – Encourage reuse of materials and sustainable packaging. – Reduce disposable cup usage; promote eco-friendly cleaning products. – Strengthen waste segregation and recycling practices. <p>Planned:</p> <ul style="list-style-type: none"> – Awareness of avoiding food waste to be promoted. – Expand green procurement to cover IT equipment and office supplies. – Establish waste performance KPIs for departments.
Resources conservation	<p>Metrics:</p> <ul style="list-style-type: none"> – Total energy consumption – Energy consumption intensity – Amount of water consumed – Water consumption intensity <p>Targets:</p> <ul style="list-style-type: none"> – Maintain electricity and water consumption at Reporting Period levels over next 3 to 5 years. – Achieve measurable reductions in water usage through conservation initiatives. 	<p>Implemented:</p> <ul style="list-style-type: none"> – Employees switch off and unplug unused devices. – Doors and curtains closed to improve insulation. – Maintains the air-conditioning system at 25 degrees Celsius. – Ride-sharing encouraged for Group vehicle use. – Energy-efficient lighting installed in offices. <p>To-be implemented:</p> <ul style="list-style-type: none"> – Upgrade water-saving facilities and install efficient faucets. – Introduce smart meters for real-time monitoring of energy and water use. – Launch employee awareness program on water conservation.

Note:

1. Measures are illustrated on a “including but not limited to” basis.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. Emissions

The Group maintains strict compliance with all applicable national and local laws and regulations governing emissions across its operations, supported by continuous monitoring to ensure adherence. In addition, the Group actively engages with stakeholders to incorporate their perspectives, particularly in relation to potential business recovery and future growth, thereby aligning environmental compliance with broader strategic objectives.

2.1. Gas Emission

The Group's emissions of gaseous pollutants remained broadly consistent with prior years, with vehicular emissions continuing to represent the primary source. In response, the Group has adopted targeted measures to mitigate greenhouse gas emissions, focusing on reducing vehicle usage and electricity consumption. Notably, the increase in Scope 1 and Scope 2 emissions recorded in 2025 was attributable to the expansion of business operations in the PRC, reflecting the impact of scaling activities on overall energy demand. The decrease in emission intensity was due to the increase in the PRC office working area of the Group.

Major Gas Emission Indicators

GHG Emission ¹	Unit	2025 PRC	2025 HK	2025 Total	2024 Total
Nitrogen oxides (NO _x)	kg	2.68	0.54	3.22	2.34
Sulphur dioxide (SO ₂)	kg	0.04	0.01	0.05	0.04
Particular matter (PM)	kg	0.20	0.04	0.24	0.17
Scope 1 ²	Tonnes of CO ₂ -e	7.16	2.26	9.42	7.63
Scope 2 ³	Tonnes of CO ₂ -e	66.65	5.80	72.44	45.86
Scope 3 ⁴	Tonnes of CO ₂ -e	4.75	–	4.75	4.27
Total	Tonnes of CO₂-e	78.56	8.06	86.61	57.76
GHG Emission	Tonnes of CO ₂ -e/m ²	0.04	0.07	–	PRC: 0.05 HK: 0.07

Notes:

1. The calculation method of the corresponding air emissions and the emission factors used in the calculation are based on HKEx ESG Reporting Guide and their referred documentation, unless stated otherwise.
2. Scope 1: Direct emission from sources that are owned or controlled by the Group.
3. Scope 2: Indirect emission from the generation of purchased electricity consumed by the Group.
4. Scope 3: Indirect emission mainly from paper usage, water consumption and sewage discharge of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.2 Waste Management

The Group does not generate any material hazardous waste in the course of its operations. The limited non-hazardous waste produced is primarily attributable to routine office activities. In line with its commitment to waste reduction, the Group has implemented measures to minimize overall waste generation, resulting in a very low level of waste output in 2025. However, quantitative measurement of waste levels was not undertaken during the reporting year.

The Group's production processes require only minimal water usage and result in the generation of a limited volume of wastewater. All wastewater management practices are conducted in strict compliance with applicable national and local laws and regulations, ensuring that environmental standards are consistently upheld.

The Group has established a comprehensive waste management system that ensures the proper handling and disposal of both hazardous and non-hazardous waste in full compliance with applicable regulations. This system is subject to regular review to maintain effectiveness and alignment with evolving standards. In addition, the Group actively promotes recycling and the reuse of office materials, including documents, as part of its ongoing efforts to minimize non-hazardous waste generation and enhance resource efficiency.

3. Use of Resources

The Group is committed to minimizing the environmental impact of its operations through the optimization of resource utilization and the implementation of energy- and water-efficiency measures. In parallel, the Group actively cultivates a culture of resource conservation among its employees, reinforcing sustainable practices across all levels of the organization.

In 2025, the Group recorded an increase in electricity and vehicle fuel consumption relative to 2024. This rise was primarily attributable to the expansion of business operations in the PRC, which resulted in higher overall energy demand associated with the enlarged scale of activities.

The Group's operations in the PRC and Hong Kong are primarily situated in commercial buildings managed by external property management service providers. In 2025, the Group was unable to obtain water consumption data for these subsidiaries due to limited access to water usage records. Nevertheless, the Group continues to emphasize responsible water use by consistently reminding employees to remain mindful of consumption and to avoid unnecessary wastage during daily operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Resource Consumption	Unit	2025 PRC	2025 HK	2025 Total	2024 Total
Purchased Electricity	Kilowatt Per Hour In '000s	84.9	9.66	94.56	59.84
Petrol	Kilowatt Per Hour In '000s	23.57	7.45	31.02	25.13
Total	Kilowatt Per Hour In '000s	108.48	17.11	125.58	84.97
Energy Consumption intensity	Kilowatt Per Hour In '000s/m ²	0.06	0.14	–	PRC: 0.07 HK: 0.13
Water	m ³	2,927.26	–	2,927.26	2,922.72
Water consumption intensity	m ³ /m ²	1.7	–	–	PRC: 2.9 HK: –

4. The Environment and Natural Resources

The nature of the Group's operations does not present significant environmental risks nor require substantial consumption of natural resources. Nevertheless, the Group remains firmly committed to minimizing its environmental impact and optimizing resource efficiency. All environmental protection measures are rigorously supervised during daily operations to ensure effective implementation. In addition, the Group continuously explores opportunities to further reduce emissions, reinforcing its dedication to sustainable business practices.

The Group is committed to environmental protection and proactively manages the impact of its business activities on the environment and natural resources. To advance environmental sustainability, the Group integrates environmental protection principles into its internal management systems and operational practices. A range of measures have been implemented to optimize resource use and reduce emissions, while environmental awareness is actively promoted among employees. Staff are encouraged to contribute innovative ideas that help minimize environmental impact and support the Group's transition toward more sustainable operations. Further details are provided in the sections titled "Environmental Targets", "Emissions", and "Use of Resources".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5. Climate Change

In the context of global warming, the risks and impacts of climate change are increasingly significant and represent a major challenge for humanity. Guided by the framework and recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”), the Group has adopted a structured approach focusing on the four core pillars of “governance”, “strategy”, “risk management”, and “metrics and targets”. Through this framework, the Group proactively identifies and evaluates both physical risks and transition risks arising from climate change that may affect its operations. This enables the Group to strengthen resilience, mitigate potential impacts, and integrate climate-related considerations into its long-term business planning.

5.1. Governance

The Group’s Board provides strategic direction and oversight for sustainable development initiatives, including those addressing climate change. To ensure effective governance, the Board has delegated responsibility to the ESG working group, which manages ESG-related matters and reports regularly on significant climate risks and corresponding mitigation actions. The ESG working group convenes at least twice annually to conduct ongoing identification and assessment of climate risks, while also driving the Group’s initiatives and responses to climate change issues.

5.2. Strategies

Climate change presents both risks and opportunities for the Group’s business. Physical risks such as flooding, extreme weather events, and rising temperatures have the potential to adversely impact the Group’s assets, operations, employees, and suppliers. In addition, regulatory, market, and reputational risks associated with climate change are relevant at both the Group and subsidiary levels. At the same time, climate change also creates opportunities by driving business innovation and supporting the transition to a lower-carbon economy. By developing low-carbon and climate-resilient products and services, the Group is well-positioned to meet growing market demand while mitigating potential operational costs arising from extreme weather conditions, including maintenance and insurance premiums.

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Below illustrates the key climate-related physical risk relevant to the Group.

Risk categories		Risk impacts	Financial implications	Time horizon ¹	Control measures
Physical Risks	Acute Risk	<p>Typhoon</p> <p>Extreme weather such as typhoons and extreme precipitation will affect the normal operation of infrastructure facilities and employees commuting. The Group may be involved in breach of contract, compensation, and legal liability due to business interruption and other problems.</p>	<ul style="list-style-type: none"> - Increase in costs/ decrease in revenue due to asset damage. - Increase in costs of climate resilience measures. - Threat to employee health and safety. - Increase in insurance premiums and claim costs. 	<p>Short to medium term</p> <p>Short to medium term</p>	<ul style="list-style-type: none"> - When selecting a site for office/workplace, the Group studies the historical data of local disasters and give priority to weather-friendly regions. - The Group extends the natural disaster emergency management systems to its customers. - The Group incorporates disaster prevention drills into its maintenance system and conduct them on a regular basis. - The Group strengthens business continuity planning and insurance coverage. - The Group collaborates with property managers to enhance resilience.
	Chronic Risk	<p>Rising of average temperature</p> <p>Increasing temperature could cause a potentially adverse impact on the daily operation and maintenance of the equipment of the Group, including impacting the lifespan of the facilities and equipment within the workplaces. The energy consumption pressure for heat dissipation and cooling of the equipment and indoor environment is high, resulting in higher carbon emissions. Simultaneously, it also increases the consumption of water resources.</p>	<ul style="list-style-type: none"> - Decrease in revenue due to lower demand for the Group's products and services. - Increase in operating costs due to energy consumption. - Threat to employee health and safety. - Higher water utility costs. 	<p>Long term</p>	<ul style="list-style-type: none"> - When selecting a site for office/workplace, the Group gives priority to areas that can efficiently use natural resources, and which are rich in renewable energy. - The Group actively communicate with energy trading institutions about green energy consumption opportunities. - The Group implements employee health and safety programs to mitigate heat stress.

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Below illustrates the key climate-related transition risk relevant to the Group.

Risk categories		Risk impacts	Financial implications	Time horizon ¹	Control measures	
Transition Risks	Policy & Regulation Risk	Strengthening the responsibility of emission reporting	International and domestic regulatory agencies, capital market index ratings all have continuously upgraded requirements for disclosing environment-related information. To implement carbon trading, carbon tax, and environmental tax, the government must raise the accuracy requirement of carbon emissions data reporting. The Group needs to improve the overall comprehensiveness and accuracy of environmental data disclosure. If the environmental reporting requirements are not met, the Group will face compliance risks from regulatory authorities.	<ul style="list-style-type: none"> - Decrease in revenue due to lower demand for the Group's products and services. - Increase in compliance costs. - Increase in insurance costs. - Increase in revenue from low-carbon products and services. 	Short to medium term	<ul style="list-style-type: none"> - The Group actively conduct research on policy control risks, enhance communication with stakeholders, and actively respond to the demands of the stakeholders. - The Group continues to promote the meticulous management of energy and establish the management and control systems for energy statistical analysis, so as to mitigate the compliance risk of information disclosure. - The Group continues to promote energy conservation and emission reduction, such as the implementation of green office policies and minimizing waste in daily business operation. - The Group establishes internal audit processes for ESG data quality assurance.
	Technology Risk	Cost of transition to low emission technologies/failure to successfully invest in new technologies	In view of global warming and environmental protection, China has introduced new energy consumption and carbon emission control policies and measures and has put forward energy-saving requirements for the general commercial sectors. The Group thus faces pressure to transition to low carbon technologies. This may lead to an increase in compliance and operating costs. Failing to invest in or develop new low-carbon technologies could increase the Group's risk of financial loss.	<ul style="list-style-type: none"> - Investments in new technologies lead to higher R&D expenditures. - Energy efficiency improvements lead to operating costs reduction. 	Medium to long term	<ul style="list-style-type: none"> - The Group examines the justification of new technology investments and the compatibility with its business. The latest technologies need to be proven compatible, and which have passed technical experiments and have applied on a small scale before entering the large-scale application stage, so as to avoid the financial losses caused by unnecessary development failures. - The Group encourages its business partners and customers to adopt low-carbon and energy-saving new technologies. - The Group establishes long-term investment planning for climate resilient infrastructure.
	Reputational Risk	Increased concerns or negative feedback from stakeholders	Extreme climate events, such as extreme precipitation and typhoons, and chronic climate change, such as rising average temperature, may affect the safe and continuous operation of the Group. This may cause concerns and negative feedback from stakeholders regarding the stability of the Group's business. Besides, energy-saving and emission reduction have become a major concern of regulatory and investment institutions under the dual carbon target initiative. High energy consumption in daily operation may trigger concerns among stakeholders (including the government and investors) regarding the Group's operational efficiency and commitment to compliance obligations.	<ul style="list-style-type: none"> - Increase in financing opportunities. - Increase in costs of communication activities. - Potential loss of investor confidence if concerns are not addressed. 	Long term	<ul style="list-style-type: none"> - According to the requirements of regulatory authorities, the Group improves the accuracy and comprehensiveness of the disclosure of carbon emission data and energy consumption data and reduce the concerns and negative feedback of the Group's stakeholders. - The Group formulates emergency management plans for extreme natural disasters prevention plans and a summary of contingency measures for emergencies to minimize the impact of climate change on the Group's operation, reducing the concerns and negative feedback of the Group's stakeholders. - The Group establishes stakeholder engagement programs to build trust and credibility.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has also identified some key climate-related opportunities.

Opportunity category	Opportunity	Financial implications	Time horizon ¹	Strategies
Resource efficiency	Use of more efficient production and distribution processes	Lower operating costs due to higher energy efficiency	Short to medium term	– The Group has energy and water use intensity targets for its operation.
Products and services	Increased market demand for climate-resilient green energy products and services	Increase in revenue due to shifts in market preferences	Medium to long term	– The Group has been implementing sustainable production policies.
Markets	Sustainable financing	Diversified financing sources and lower costs of capital	Short to medium term	– The Group has entered into financing negotiations with potential investors based on its green characters.

Note:

1. Short to medium term refers to period up to 2035; and long term refers to period up to 2050.

The Group has undertaken evaluations of multiple long-term climate scenarios, with the Board and risk management functions working collaboratively to assess the resilience of the Group's climate strategies and the uncertainties associated with their implementation. Based on this analysis, the Group has determined that across all scenarios considered, the overall risk of physical climate impacts on its assets is assessed as low to moderate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5.3. Risk Management

The Group considers climate risk as part of its corporate risk management and developed the following procedures to identify the relevant risks:

Step 1: Risk inventory	<ul style="list-style-type: none">– Preliminary identification of climate risk and opportunity aligned with the TCFD categories– Analyse sector and peer best practices– Interviews with climate risk related departments– Generate a long list of climate-related risks and opportunities (“CRROs”)
Step 2: Scenario analysis	<ul style="list-style-type: none">– Selection of low and high carbon climate scenarios for analysis– Selection of the time horizon for analysis– Conducting scenario analysis for CRROs to identify material climate risks and opportunities
Step 3: Risk quantification	<ul style="list-style-type: none">– Selecting quantitative indicators, database and models for quantitative analysis– Developing financial impact transmission pathways– Developing financial impact quantification tools– Quantifying the financial impact of material risks and opportunities
Step 4: Risk response	<ul style="list-style-type: none">– Developing risk management measures for material CRROs– Assessing the effectiveness of the risk mitigation measures

The Group’s scenario analysis is informed by publicly available climate scenarios developed by recognized authorities, including the International Energy Agency (“IEA”), the Network for Greening the Financial System (“NGFS”), and the Intergovernmental Panel on Climate Change (“IPCC”) through its Shared Socio-Economic Pathways (“SSPs”). These scenarios incorporate global and local government policies, as well as environmental, economic, social, technological, and market indicators.

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The scenarios are not intended to serve as forecasts of the future; rather, they are designed to stress-test the Group's business against a range of plausible future states. The analysis considers two time horizons: a short-to medium-term horizon of 2030-2035 and a long-term horizon extending to 2050. Within this framework, the Group has adopted two reference scenarios: a High Carbon Scenario and a Low Carbon Scenario, which are briefly described below.

High Carbon Scenario	Represents a 'business as usual' world which does not forcefully pursue decarbonisation, and where no additional action is taken above the current policies that are in place. Emissions slow to a plateau in the 2030's and fall slightly by 2050. Almost all the net growth in energy demand to 2050 is met by low emissions sources, but this leaves annual emissions at around current levels. As a result, global average temperatures continue to rise, passing the 1.5°C mark around 2030 and expected to hit 2.6°C above pre-industrial levels in 2100. The focus for stakeholders under this scenario is on adaptation as the world fails to transition to a low-carbon economy.
Low Carbon Scenario	Represents a world where global warming is limited to 1.5°C through stringent climate policies, innovation and demand-led change reaching global net zero CO ₂ emissions around 2050. In addition to meeting all current net zero pledges, additional pledges from countries are met and there is a significant increase in public and private investment into green technologies. The share of renewables in the global electricity supply increases to more than 60% by 2030 and there are much more stringent government policies such as stricter energy efficiency building codes significant uptake of the use of recycled material in packaging.

These scenarios adopted by the Group represent balanced, science-based analyses that provide a contrast between best-case and worst-case outcomes. This enables the Group to sufficiently evaluate the risks and opportunities posed by climate change that may affect its business operations and value chain.

In terms of climate-related risk management processes, the Group has integrated sustainability criteria into its risk assessment framework for both daily operations and new acquisitions. These criteria include, but are not limited to, climate adaptation and resilience, flood risk assessment, energy efficiency, and carbon emissions. In addition, the Group has established business continuity plans to address extreme weather events and has developed a business recovery plan to ensure the maintenance of critical crisis planning and execution capabilities in the event of incidents, including those arising from climate-related disruptions.

5.4. Metrics and Targets

The Group is committed to minimizing its environmental footprint and continuously enhancing its sustainability performance. A range of measures have been implemented to reduce resource consumption and emissions, while fostering a strong culture of environmental responsibility among employees. The Group actively encourages staff to contribute innovative ideas that support environmental protection and promote more sustainable business practices. Further details are provided in the sections titled "Environmental Targets" and "Emissions".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

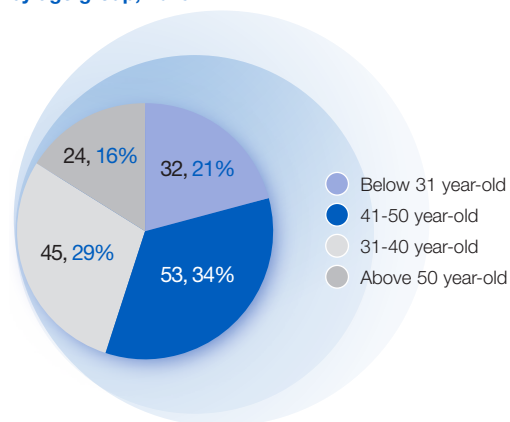
SOCIAL PERFORMANCE

1. Employment

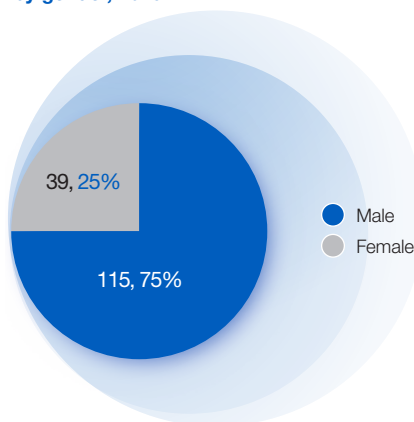
In 2025, the Group employed 154 full-time staff. All employment practices are strictly aligned with applicable national and local regulations, including the Employment Ordinance in Hong Kong, the Labour Law of the PRC, the Labour Contract Law of the PRC, the Employment Promotion Law of the PRC, the Labour Dispute Mediation and Arbitration Law of the PRC, the Regulation on the Annual Leave of Employees, and other relevant labour laws and regulations. These legal frameworks form the basis for the Group's employment policies and codes of practice. The Group ensures that all employees are fully protected in respect of compensation and benefits, recruitment and promotion, working hours, rest periods, entitled leave, equal opportunity, diversity, anti-discrimination, staff training, attendance, and performance management. In addition, the Group enforces internal measures to prevent discrimination on the grounds of nationality, age, ethnicity, race, religion, gender, marital status, pregnancy, sexual orientation, or political stance. All applicants are considered qualified for application and selection under fair and transparent processes.

Major indicators for employment

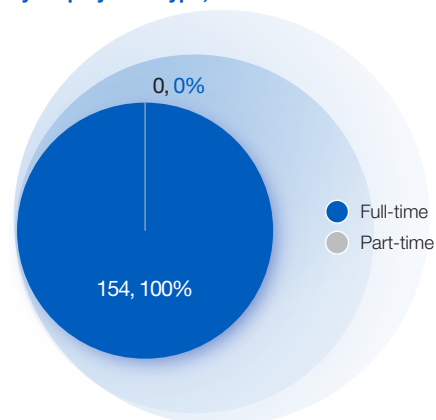
Number and percentage of staff by age group, 2025



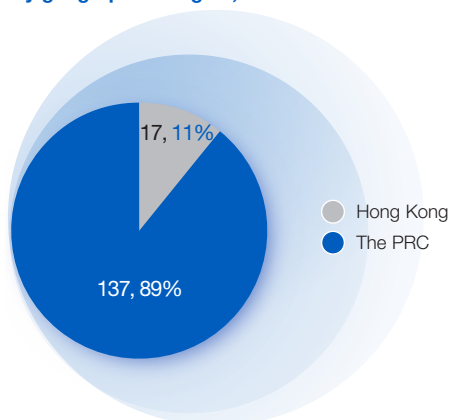
Number and percentage of staff by gender, 2025



Number and percentage of staff by employment type, 2025



Number and percentage of staff by geographical region, 2025



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The employee turnover rates during the Reporting Period by gender, age group, and geographical region as follow:

Employee turnover rate	2025	2024
By gender		
– Male	13%	23%
– Female	8%	11%
By age group		
– Age 30 or below	28%	24%
– Age 31-40	12%	30%
– Age 41-50	5%	10%
– Age 51 or above	–	–
By geographical region		
– Hong Kong	12%	11%
– The PRC	12%	21%
– Others	–	–
– Overall	12%	20%

The Group organizes a variety of events to strengthen employee cohesion and enhance productivity, including team-building activities and annual gatherings. In addition, the Group is committed to providing suitable benefits and support to staff as part of its talent retention strategy. The Group also actively promotes a work-life balance culture, encouraging employees to maintain healthy and sustainable working styles.

2. Health and Safety

Ensuring a safe and comfortable working environment is a top priority for the Group. The Group strictly complies with the Labour Law of the PRC, the Prevention and Control of Occupational Diseases of the PRC, the Fire Control Law of the PRC, the Measures for the Determination of Work-related Injuries, and other relevant local laws and regulations. To maintain a low-risk workplace, the Group has implemented a range of measures, including a medical insurance scheme for employees and regular maintenance of air ventilation systems to improve indoor air quality. Firefighting and safety equipment are installed throughout office premises, and all safety equipment is inspected annually by authorized third parties to ensure compliance and reliability.

In each of the past three years, including the current reporting year, the Group has neither work-related fatalities nor loss of working days due to work injuries recorded.

3. Development and Training

The Group is committed to providing continuous training to its employees to support both career and personal development, while maintaining an efficient and effective workforce. Training programs are tailored to the requirements of different job functions, with the aim of strengthening employee skills and capabilities. Aligned with the Group's business vision and objectives, and based on performance and capability assessments, training topics include updates on rules and regulations, technical knowledge, management skills, and customer service standards. Employees are encouraged to discuss their individual learning plans with supervisors during the performance evaluation process. Where appropriate, the Group also provides financial subsidies to support staff participation in external training courses, thereby fostering professional growth and long-term talent development.

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During the Reporting Period, the percentage of employee trained and the average training hours completed per employee by gender and employee category are as follows:

Major indicators for development and training

Training	Percentage of employees trained (%)		Average training hours (hours/employees)	
	2025	2024	2025	2024
By gender				
– Male	65%	65%	41.3	54.7
– Female	41%	44%	38.6	37.5
By employment category				
– Senior Management	7%	46%	96.0	38.8
– Middle Management	35%	100%	68.3	66.1
– General	69%	55%	38.2	48.9

4. Labour Standards

The Group strictly prohibits and does not tolerate the use of child labour or forced labour in any of its operations. All employees are recruited in full compliance with applicable labour laws and regulations, including minimum working age requirements. Employment practices are conducted on the principles of fairness, transparency, and mutual consent. All positions are governed by legally binding contracts that clearly set out the terms and conditions of employment, thereby safeguarding the rights and interests of both employees and the Group. This framework ensures that the Group maintains a responsible, compliant, and ethical employment environment.

The Group fully complies with the Employment Ordinance in Hong Kong, the Labour Law of the PRC, the Employment Promotion Law of the PRC, the Labour Dispute Mediation and Arbitration Law of the PRC, the Regulation on the Annual Leave of Employees, and all applicable local labour laws and regulations. The Group places strict emphasis on the prohibition of child labour and forced labour. Employee age is verified through inspection of official identification documents, and individuals under the age of 18 or without valid identification are disqualified from employment. All work must be performed voluntarily and without coercion. In the event that child labour or forced labour is discovered, the individual concerned will be dismissed immediately, in line with the Group's zero-tolerance policy.

During the Reporting Period, the Group was not aware of any material cases of non-compliance with laws and regulations relating to labour standards arising in the Reporting Period that would have had a significant impact on the Group.

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5. Supply Chain Management on Environmental and Social Risks

The Group has established a fair and transparent supplier selection process, supported by independent review and approval mechanisms for procurement exercises. Fraud and bribery are strictly prohibited within the Group's supply chain. To strengthen governance and resilience, the Group is committed to building a comprehensive vertical supply chain management system. This system incorporates regular evaluations of supplier performance and requires suppliers to implement remedial measures where performance is found to be sub-standard. By enforcing these standards, the Group aims to foster long-term, stable, and strategic partnerships with its suppliers, ensuring integrity and sustainability across the value chain.

Distribution of suppliers by regions

Region	Number of suppliers
Northern China	15
Eastern China	9
Southern China	8
Central China	1
South-western China	4
Others	–

6. Product Responsibility

Quality of products and services, together with adherence to business ethics, are top priorities for the Group. The Group does not engage in any form of unfair business practices. Its procurement and service delivery processes are designed to ensure that information regarding products and services is communicated in a clear, transparent, and accessible manner.

The Group strictly complies with applicable laws and regulations to safeguard intellectual property rights, including the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, and the Copyright Law of the People's Republic of China. The Group continuously strengthens its intellectual property protection management system while fostering employee enthusiasm for technological innovation. To reinforce awareness, the Group organizes regular training sessions and publicity initiatives on intellectual property protection. Employees are encouraged to remain vigilant and are required to report any suspected infringements via email, thereby ensuring timely identification and resolution of potential risks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group places strong emphasis on meeting customer needs by delivering products and services of the highest quality and suitability. To uphold this commitment, the Group implements rigorous compliance reviews and testing procedures, including comprehensive inspections and evaluations of product stability and safety prior to launch. In addition, the Group is firmly committed to safeguarding customer confidentiality and personal data privacy, which is regarded as a top priority. Information is collected only when deemed necessary for operational purposes and is used strictly for the purposes stated at the time of collection. To ensure compliance, the Group requires employees to enter into agreements that prohibit unauthorized access to or disclosure of confidential information. These requirements are clearly communicated, and any violations are subject to disciplinary action in accordance with the Staff Handbook.

During the Reporting Period, the Group did not receive any complaint regarding product responsibility.

7. Anti-Corruption

The Group upholds a strict zero-tolerance policy against corruption, bribery, extortion, fraudulent behavior, and money laundering. To mitigate the risk of such activities, the Group has established and implemented robust internal control mechanisms. Ethical requirements and codes of conduct are clearly defined in the employee handbook, which is distributed to all staff and regularly communicated to reinforce compliance. In cases of proven misconduct, disciplinary action will be taken, and the matter may be reported to law enforcement authorities and relevant regulatory bodies as appropriate.

The Group has established a whistle-blowing channel to enable staff to report suspected misconduct confidentially. All reports are promptly followed up and investigated by independent personnel to ensure impartiality and timely resolution. In 2025, the Group provided regular training to both management and employees to strengthen awareness and compliance with the latest regulations and best practices relating to anti-bribery, extortion, fraud, and money laundering. Training also covered national anti-corruption policies and reinforced adherence to the Group's internal Code of Conduct.

The Group strictly complies with the Prevention of Bribery Ordinance in Hong Kong, the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC, and other applicable laws and regulations. During the Reporting Period, the Group is not aware of any cases of material non-compliance with these laws and regulations that would have had a significant impact on its operations.

8. Community Investment

The Group places high priority in creating value for the communities it serves and encourages its employees to actively participate in sponsorships and charitable support through direct donation or involvement in various community and charitable activities to support those in need. The Group is committed to providing career opportunities to the locals and promoting the development of community's economy. Going forward, the Group is looking for opportunities to contribute to the community.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS

ESG Reporting Guidelines Aspects		Description
A. Environmental		
<i>Aspect A1 :Emissions</i>		
General Disclosure	A1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
KPI	A1.1	The types of emissions and respective emissions data.
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity. (Repealed 1 January 2025)
	A1.3	Total hazardous waste produced and intensity.
	A1.4	Total non-hazardous waste produced and intensity.
	A1.5	Description of measures to mitigate emission targets and steps taken to achieve them.
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and steps taken to achieve them.
<i>Aspect A2: Use of Resources</i>		
General Disclosure	A2	Policies on the efficient use of resources, including energy, water and other raw materials.
KPI	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.
	A2.2	Water consumption in total and intensity.
	A2.3	Description of energy use efficiency targets and steps taken to achieve them.
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and steps taken to achieve them.
	A2.5	Total packaging material used for finished products.
<i>Aspect A3: The Environment and Natural Resources</i>		
General Disclosure	A3	Policies on minimizing the issuer's significant impact on the environment and natural resources.
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Reporting Guidelines Aspects		Description
<i>Aspect A4: Climate Change</i>		
General Disclosure	A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. (Repealed 1 January 2025)
KPI	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. (Repealed 1 January 2025)
B. Social		
Employment and Labour Practices		
<i>Aspect B1 :Employment</i>		
General Disclosure	B1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.
KPI	B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.
	B1.2	Employee turnover rate by gender, age group and geographical region.
<i>Aspect B2: Health and Safety</i>		
General Disclosure	B2	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.
KPI	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.
	B2.2	Lost days due to work injury.
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.
<i>Aspect B3: Development and Training</i>		
General Disclosure	B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.
KPI	B3.1	The percentage of employees trained by gender and employee category.
	B3.2	The average training hours completed per employee by gender and employee category.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Reporting Guidelines Aspects		Description
<i>Aspect B4: Labour Standards</i>		
General Disclosure	B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labour.
	B4.2	Description of steps taken to eliminate such practices when discovered.
Operating Practices		
<i>Aspect B5: Supply Chain Management</i>		
General Disclosure	B5	Policies on managing environmental and social risks of the supply chain.
KPI	B5.1	Number of suppliers by geographical region.
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.
<i>Aspect B6: Product Responsibility</i>		
General Disclosure	B6	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.
KPI	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.
	B6.2	Number of products and service-related complaints received and how they are dealt with.
	B6.3	Description of practices relating to observing and protecting intellectual property rights.
	B6.4	Description of quality assurance process and recall procedures.
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Reporting Guidelines Aspects		Description
<i>Aspect B7: Anti-corruption</i>		
General Disclosure	B7	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.
KPI	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.
	B7.3	Description of anti-corruption training provided to directors and staff.
<i>Aspect B8: Community Investment</i>		
General Disclosure	B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.
KPI	B8.1	Focus areas of contribution.
	B8.2	Resources contributed (e.g. money or time) to the focus area.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CLIMATE-RELATED DISCLOSURES

TCFD Recommendation	
<i>Governance</i>	
Disclose the organization's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities.
	Describe management's role in assessing and managing climate-related risks and opportunities.
<i>Strategy</i>	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios.
<i>Risk Management</i>	
Disclose how the organization identifies, assesses, and manages climate-related risks.	Describe the organization's processes for identifying and assessing climate-related risks.
	Describe the organization's processes for managing climate-related risks.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.
<i>Metrics and Targets</i>	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

DIRECTORS' REPORT

The Board of Directors is pleasure in presenting their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 13 to the consolidated financial statements.

BUSINESS REVIEW

"Management Discussion and Analysis" on pages 7 to 17 and "Five-Year Summary and Key Financial Ratios" on pages 18 to 19 form part of this Directors' report.

The environmental policies and performance, compliance with relevant laws and regulations and relationships with employees are also discussed under section headed "Environmental, Social and Governance Report" on pages 35 to 61.

Principal Risks and Uncertainties Facing the Company

The Group's business and profitability growth in the year under review was affected by the volatility and uncertainty of macro-economic conditions in the PRC and Hong Kong.

The Group's business is also exposure to credit, liquidity, interest rate, foreign currency and equity price risks. An analysis of the Group's financial risk management is provided in note 28 to the consolidated financial statements.

Environmental Policies and Performance

The Group recognises its responsibility to protect the environment from its business activities. The Group continually seeks to identify and manage environmental impacts attributable from the operational activities in order to minimise these impacts if possible.

Compliance with the Relevant Laws and Regulations

During the year ended 31 December 2025 and up to the date of this report, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group's business and operation.

Key Relationships with Employees, Customers and Suppliers

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the year ended 31 December 2025, there was no material and significant dispute between the Group and its employees, customers and suppliers.

DIRECTORS' REPORT

FINANCIAL STATEMENTS

The results of the Group for the year ended 31 December 2025 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 77 to 82.

DIVIDENDS

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

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders of the Company entitled to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Wednesday, 17 June 2026 to Tuesday, 23 June 2026, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 16 June 2026. The record date for ascertaining Shareholders' entitlement to attend and vote at the 2026 AGM is Tuesday, 23 June 2026.

DISTRIBUTABLE RESERVES

At 31 December 2025, the Company did not have reserves available for distribution to equity shareholders of the Company (2024: Nil).

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 31 December 2025 are set out in note 24 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares).

GROUP FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the past five financial years is set out on pages 18 and 19 of this report.

DIRECTORS' REPORT

CHARITABLE DONATIONS

During the year, charitable donations made by the Group amounted to RMB492,000 (2024: Nil).

FIXED ASSETS

Details of movements in fixed assets are set out in note 11 to the consolidated financial statements.

DIRECTORS

The list of Directors of the Company during the year and up to the date of this annual report is set out below:

Executive Directors

Mr. Yu Hui (*Chief Executive Officer*)

Ms. Li Zhuoyang

Mr. Liang Liang (*resigned with effect from 24 January 2025*)

Independent Non-executive Directors

Mr. Cai Jinliang

Mr. Chin Hon Siang

Mr. Chen Kwok Wang

Each Director is subject to retirement by rotation at least once in every three years in accordance with the Articles.

In accordance with Article 87 of the Articles, Mr. Yu Hui and Mr. Cai Jinliang shall retire from office as Directors by rotation and, being eligible, offer themselves for re-election at the 2026 AGM.

None of the Directors who are proposed for re-election at the 2026 AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

Each of the independent non-executive Director has provided his annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme (as defined below) as set out below, there was no other equity-linked agreement entered into by the Group during the year or subsisting at the end of the year.

SHARE OPTION SCHEME

The Company has adopted the share option scheme at the annual general meeting of the Company held on 26 May 2016 and amended its terms at the annual general meeting of the Company held on 23 June 2023 (the "Share Option Scheme"). The amendments are to conform with the amendments to the Listing Rules relating to share schemes of listed issuers which took effect from 1 January 2023.

The principal terms of the Share Option Scheme (as amended on 23 June 2023) are summarised as follows:

1. The purpose of the Share Option Scheme is to enable the Company to grant options to directors and employees of the Company and the subsidiaries on the basis of their past contribution and potential contribution to the development and growth of the Group.
2. The participants of the Share Option Scheme include only the full time or part time employees (including any directors) of the Company or its subsidiaries.
3. The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company shall not exceed 10% of the issued shares of the Company as at 26 May 2016, being the date of approval of the Share Option Scheme, which was 417,924,982 shares (the "Scheme Mandate Limit") and such limit might be refreshed by Shareholders at general meeting. Upon the share consolidation of every ten (10) issued and unissued shares of par value of HK\$0.01 each into one (1) consolidated share of par value of HK\$0.10 each becoming effective on 30 June 2016, the Scheme Mandate Limit has been adjusted to 41,792,498 shares. On 30 June 2021, the Scheme Mandate Limit was refreshed to 113,385,477 shares, representing 10% of the number of shares in issue as at the date of the annual general meeting held on 30 June 2021. The Scheme Mandate Limit was adjusted to 5,669,273 shares upon the effective of the capital reorganisation became effective on 25 March 2022. On 23 June 2023, the Scheme Mandate Limit was further refreshed to 20,407,818 shares, representing 10% of the number of shares in issue as at the date of the annual general meeting of the Company held on 23 June 2023.
4. The total number of options available for grant under the Scheme Mandate Limit at 1 January 2025 and 31 December 2025 was 20,407,818. As at the date of this report, the total number of shares available for issue under the Share Option Scheme is 20,407,818 shares, representing approximately 8.33% of the issued shares of the Company (excluding treasury shares).
5. Unless approved by the Shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the relevant class of the shares in issue. Unless approved by the Shareholders, any granted of awards to an independent non-executive Director or any of their associates in any 12-month period must not exceed 0.1% of the relevant class of the shares in issue.
6. The option may be exercised at any time during a period to be determined and notified by the Directors to each grantee and such period shall not exceed the period of 10 years from the date of grant.
7. The vesting period of the options granted under the Share Option Scheme shall not be shorter than 12 months from the date of acceptance of the offer. The Board may, however, at its absolute discretion, set any performance targets that must be achieved before the option can be exercised upon the grant of an option to a grantee.

DIRECTORS' REPORT

8. The offer of a grant of options may be accepted within 28 days after the date of making the offer and the grantee shall pay HK\$1.00 to the Company by the way of consideration for the grant.
9. The subscription price shall be determined by the Board in its absolute discretion but in any event shall be not less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.
10. Subject to earlier termination by the Company at general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption, i.e. 26 May 2016.

Details of the Share Option Scheme are set out in the circulars of the Company dated 25 April 2016 and 19 May 2023.

Details of the movement in the share options granted under the Share Option Scheme during the year ended 31 December 2025 are as follows:

Name of category of participants	Date of grant of share option	Exercise Period	Exercise Price (HK\$)	Outstanding as at 1 January 2025	Exercised/ cancelled during the year	Lapsed during the year	Outstanding as at 31 December 2025
Li Zhuoyang	1 September 2020	1 December 2020 to 31 August 2030	3.6356*	367,789	-	-	367,789
Employees in aggregate	1 September 2020	1 December 2020 to 31 August 2030	3.6356*	1,485,747	-	-	1,485,747
				1,853,536	-	-	1,853,536

The vesting period of the share options is from the date of grant up to 30 November 2020. These share options are vested to the grantees on 1 December 2020 and exercisable up to 31 August 2030.

* The exercise price of the share options has been adjusted from HK\$4.126 per share to HK\$3.6356 upon completion of the rights issue on 25 April 2023 to reflect the bonus element of the rights issue. Details are set out in the Company's announcement dated 24 April 2023.

As at 31 December 2025, the Company had 1,853,536 share options outstanding under the Share Option Scheme. Save as the Share Option Scheme, the Company does not have any other share scheme. The number of shares that may be issued in respect of the share options granted under the Share Option Scheme divided by the weighted average number of issued shares of the Company (excluding treasury shares) for the year ended 31 December 2025 was 0.75%. No share option was granted, lapsed, cancelled and exercised during the year ended 31 December 2025.

DIRECTORS' REPORT

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company or any of its subsidiaries was a party, and in which a Director of the Company had a material interest, whether directly or indirectly subsisted at the year-end or at any time during the year.

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.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31 December 2025, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code as set out in Appendix C3 to the Listing Rules, are set out below:

Name of Director	Capacity	Long Position/ Short Position	Number of underlying shares held (Approximate percentage in total number of issued shares)
Ms. Li Zhuoyang <i>(Note)</i>	Beneficial Owner	Long Position	367,789 (0.15%)

Note:

6,300,000 share options were granted to Ms. Li on 1 September 2020. Subsequent to the grant date, the number of share options was adjusted to (i) 6,481,413 to reflect the bonus element of rights issue completed on 18 May 2021; (ii) 324,070 upon the capital reorganisation became effective on 25 March 2022 and (iii) 367,789 to reflect the bonus element of rights issue completed on 25 April 2023 pursuant to the Share Option Scheme. Therefore, under Part XV of the SFO, Ms. Li is taken to be interested in the underlying shares that she is entitled to subscribe for subject to the exercise of and/or the validity period of the share options granted by virtue of SFO.

Save as disclosed above, none of the Directors, or chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations as defined in Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), as recorded in the register 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 as at 31 December 2025.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS INTERESTS IN SHARES

As at 31 December 2025, so far as is known to any Director or chief executive of the Company, the following persons (other than the Directors or chief executives of the Company) were recorded in the register of the Company required to be kept under section 336 of the SFO as having long positions of 5% or more or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

AGGREGATE INTEREST OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

Name of shareholder	Nature of interest	Long Position/ Short Position	Number of shares held (Approximate percentage in total number of issued shares)
Hong Tai International II LPF	Beneficial Owner	Long position	37,000,850 (15.11%)
Cheng Wing	Beneficial Owner	Long position	15,510,000 (6.33%)

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31 December 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 December 2025.

SUBSIDIARIES

Particulars of the subsidiaries of the Company as at 31 December 2025 are set out in note 13 to the consolidated financial statements.

BORROWINGS

Particulars of borrowings of the Group as at 31 December 2025 are set out in note 22 to the consolidated financial statements.

DIRECTORS' EMOLUMENTS

Details of the remuneration of the Directors for year ended 31 December 2025 are set out in note 7 to the consolidated financial statements.

DIRECTORS' REPORT

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) when the Report of the Board of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance (Chapter 622, Laws of Hong Kong).

MAJOR CUSTOMERS AND SUPPLIERS

Contracts with the Group's five largest suppliers combined by value, accounted for approximately 43.9% in value of total purchases during the year ended 31 December 2025, while contracts with the Group's largest supplier by value, accounted for approximately 15.8% in value of total purchases during the year ended 31 December 2025. Aggregate sales attributable to the Group's five largest customers were 34.5% of total revenue during the year ended 31 December 2025, while approximately 12.1% in value of total revenue attributable to the largest customer.

Save as disclosed above, none of the Directors, their associates or any other Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of related party transactions in the normal course of business are set out in note 27 to the consolidated financial statements. None of these related party transactions constitutes connected transactions or continuing connected transactions as defined under the Listing Rules. In particular, in respect of the related party transactions as referred in note 27(a) to the consolidated financial statements, the relevant counterparty of such related party transactions was only connected to an insignificant subsidiary as defined under Chapter 14A of the Listing Rules..

HUMAN RESOURCES AND STAFF REMUNERATION

The Group has a dedicated management team with extensive experience and extensive service, and has a technological talent team with high technological standard and abundant practicable experience. They are the force for the rapid growth and expansion of the Group since its establishment.

For the year ended 31 December 2025, total staff costs for the year was approximately RMB36,308,000 of which contributions to defined contribution retirement schemes were approximately RMB3,106,000. The Group has been able to retain and motivate outstanding technological and management talents through remuneration at a competitive level, as well as training and development plans.

The Company's subsidiaries in the PRC provide retirement, medical, employment injury, unemployment and maternity benefits to its employees in accordance with a state-managed social welfare scheme operated by the local government of the PRC, and the relevant PRC rules and regulations. At the same time, the employees of the Company's subsidiaries in the PRC are members of a long-term dormitory provident fund scheme operated by the local government of the PRC. According to the scheme, the Group provides dormitory provident fund to the employees in the PRC in accordance with the relevant PRC rules and regulations.

DIRECTORS' REPORT

Executive Directors and members of the senior management of the Group, being non-PRC citizens, may elect not to participate in the state-managed social welfare scheme operated by the local government of the PRC. If there is any change in the PRC rules and regulations with respect to the retirement scheme upon which the Group is required to contribute to the social welfare scheme for non-PRC citizens, the Group shall comply with such new rules and regulations within the time limit prescribed by the relevant authorities.

EMOLUMENT POLICY

The emoluments of the Directors are decided by the Board with reference to the recommendations of the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. The Company has adopted the Share Option Scheme as incentive to Directors and eligible employees. Details of the Share Option Scheme are set out in the section headed "Share Option Scheme" above and note 25 to the consolidated financial statements.

When determining the emoluments of the Directors, the experience, qualification and job specifications of the relevant Director will be considered.

PUBLIC FLOAT

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

TAX RELIEF AND EXEMPTION

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

AUDIT COMMITTEE

The Company established the Audit Committee on 18 December 2006 with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and to review the risk management and internal control systems of the Group. The Audit Committee comprises three independent non-executive Directors, Mr. Cai Jinliang (chairman), Mr. Chin Hon Siang and Mr. Chen Kwok Wang.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025.

DIRECTORS' REPORT

AUDITORS

The consolidated financial statements for the year ended 31 December 2025 have been audited by the Company's independent auditor, HLB Hodgson Impey Cheng Limited ("HLB"), Certified Public Accountants, who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of HLB as auditor of the Company will be proposed at the forthcoming annual general meeting.

HLB was appointed as the Company's independent auditor on 29 June 2024 to fill the casual vacancy following the resignation of BOFA CPA Limited on the same date. Save as disclosed, there was no other changes in auditor of the Company in any of the preceding three years.

Save as disclosed above, there was no change in auditor during the past three years.

On behalf of the Board

Enterprise Development Holdings Limited

Yu Hui

Executive Director and Chief Executive Officer

Hong Kong, 23 March 2026

INDEPENDENT AUDITORS' REPORT



31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

To the Members of Enterprise Development Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Enterprise Development Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 77 to 146, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

INDEPENDENT AUDITORS' REPORT

KEY AUDIT MATTERS (cont'd)

Key audit matter identified in our audit is summarised as follows:

Key Audit Matter

How our audit addressed the Key Audit Matter

Recoverability of trade and other receivables and contract assets

Refer to notes 2(a), 18, 19 and 28 to the consolidated financial statements.

The carrying amount of the Group's trade and other receivables amounted to approximately RMB48,195,000 (excluding prepayment and net of allowance for credit losses of approximately RMB46,474,000) and contract assets amounted to approximately RMB5,248,000 (net of allowance for credit losses of approximately RMB37,000) respectively as at 31 December 2025.

We identified the expected credit loss ("ECL") for trade and other receivables and contract assets as a key audit matter due to the significance of the balances to the consolidated financial statements as a whole, combined with the significant degree of estimations by management of the Group in estimation of ECL for trade and other receivables and contract assets which may affect their carrying values.

As disclosed in note 28 to the consolidated financial statements, management assesses the ECL for trade and other receivables and contract assets by engaging a professional valuer based on an estimation on provision matrix, probability of default, loss given default and the exposure at default. The assessment of the estimation on provision matrix, probability of default and loss given default is based on historical data, financial capability of the individual debtors and forward-looking information.

Our procedures in relation to the recoverability of trade and other receivables and contract assets included:

- Obtaining an understanding of how management assesses the ECL for trade and other receivables and contract assets;
- Obtaining the aging of trade and other receivables and contract assets, reviewing their history of repayment and the management's assessment on the financial capability of the debtors;
- Evaluating management's basis and judgement in determining ECL allowance on trade and other receivables and contract assets;
- Assessing the competence, capabilities and objectivity of the professional valuer;
- Assessing recoverability of long-aged receivables and contract assets and checked to respective supporting; and
- Checking the mathematical accuracy of the calculation of the ECL.

INDEPENDENT AUDITORS' REPORT

OTHER INFORMATION IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors' report thereon (the "Other Information").

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

AUDITORS' 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 auditors' report that includes 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 HKSA's 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 HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITORS' REPORT

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' 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 director on the audit resulting in this independent auditors' report is Kwok Kin Leung (Practising Certificate Number: P05769).

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Hong Kong, 23 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	3(a)	3,858,546	408,585
Cost of sales		(3,709,894)	(362,571)
Gross profit		148,652	46,014
Other income, gains and losses, net	4	72,328	104,186
Distribution expenses		(28,081)	(21,921)
General and administrative expenses		(39,689)	(41,868)
Share of results of associates		64,585	–
Loss allowance on contract assets and trade and other receivables, net		(481)	(1,937)
Profit from operation		217,314	84,474
Finance costs	5(a)	(7,507)	(9,186)
Profit before taxation	5	209,807	75,288
Income tax expenses	6	(17,576)	(1,727)
Profit for the year		192,231	73,561
Attributable to:			
Equity shareholders of the Company		152,186	72,737
Non-controlling interests		40,045	824
Profit for the year		192,231	73,561
		RMB	RMB
Basic and diluted earnings per share	10	0.621	0.321

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
Profit for the year	192,231	73,561
Other comprehensive (expense)/income for the year (after tax)		
<i>Items that are or may be reclassified to profit or loss:</i>		
Exchange difference on translation of financial statements of overseas operations	(9,246)	5,230
	(9,246)	5,230
Total comprehensive income for the year	182,985	78,791
Attributable to:		
Equity shareholders of the Company	142,970	77,943
Non-controlling interests	40,015	848
Total comprehensive income for the year	182,985	78,791

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	11	1,905	1,897
Intangible assets	12	24,193	18,639
Right-of-use assets	14	5,550	2,437
Interests in associates	15	185,080	21,000
		216,728	43,973
Current assets			
Inventories	16	279,572	37,369
Financial assets at fair value through profit or loss ("FVTPL")	17	192,702	129,591
Contract assets	18	5,248	6,031
Trade and other receivables	19	519,988	182,543
Pledged bank deposits	20	89,738	–
Cash and cash equivalents	20	168,527	160,575
		1,255,775	516,109
Current liabilities			
Trade and other payables	21	157,683	45,379
Contract liabilities	18	482,770	56,958
Lease liabilities	14	1,854	1,234
Interest-bearing borrowings	22	134,734	32,252
Current taxation		17,557	1,824
		794,598	137,647
Net current assets		461,177	378,462
Total assets less current liabilities		677,905	422,435
Non-current liability			
Lease liabilities	14	3,795	1,310
NET ASSETS		674,110	421,125
Capital and reserves			
Share capital	24(a)	21,535	21,535
Reserves	24(b)	490,459	347,489
Total equity attributable to equity shareholders of the Company		511,994	369,024
Non-controlling interests		162,116	52,101
TOTAL EQUITY		674,110	421,125

These consolidated financial statements on pages 77 to 146 were approved and authorised for issue by the Board of Directors on 23 March 2026 and signed on its behalf by

Li Zhuoyang
Director

Yu Hui
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to the equity shareholders of the Company									
	Share capital	Share premium	Other reserve	Share-based payment reserve	PRC Statutory reserve	Exchange reserve	Accumulated losses	Sub-total	Non-Controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 24(a))	(Note 24(b)(i))	(Note 24(b)(ii))	(Note 24(b)(iii))	(Note 24(b)(iv))	(Note 24(b)(v))				
At 1 January 2024	17,752	644,093	(7,805)	2,291	8,483	24,444	(476,370)	212,888	51,253	264,141
Profit for the year	-	-	-	-	-	-	72,737	72,737	824	73,561
Other comprehensive income:										
<i>Items that are or may be reclassified to profit or loss:</i>										
Exchange difference on translation of financial statements of overseas operations	-	-	-	-	-	5,206	-	5,206	24	5,230
	-	-	-	-	-	5,206	-	5,206	24	5,230
Total comprehensive income for the year	-	-	-	-	-	5,206	72,737	77,943	848	78,791
Transactions with owners:										
<i>Contributions and distributions:</i>										
Placing of shares, net of expenses (note 24(a)(i))	3,783	74,410	-	-	-	-	-	78,193	-	78,193
Total transactions with owners	3,783	74,410	-	-	-	-	-	78,193	-	78,193
As at 31 December 2024 and 1 January 2025	21,535	718,503	(7,805)	2,291	8,483	29,650	(403,633)	369,024	52,101	421,125
Profit for the year	-	-	-	-	-	-	152,186	152,186	40,045	192,231
Other comprehensive income:										
<i>Items that are or may be reclassified to profit or loss:</i>										
Exchange difference on translation of financial statements of overseas operations	-	-	-	-	-	(9,216)	-	(9,216)	(30)	(9,246)
	-	-	-	-	-	(9,216)	-	(9,216)	(30)	(9,246)
Total comprehensive income for the year	-	-	-	-	-	(9,216)	152,186	142,970	40,015	182,985
Transactions with owners:										
Capital contributions from non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	70,000	70,000
Total transactions with owners	-	-	-	-	-	-	-	-	70,000	70,000
At 31 December 2025	21,535	718,503	(7,805)	2,291	8,483	20,434	(251,447)	511,994	162,116	674,110

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES			
Profit before taxation		209,807	75,288
Adjustments for:			
Amortisation of intangible assets	12	2,013	797
Depreciation of property, plant and equipment	11	641	636
Depreciation of right-of-use assets	14	1,655	2,552
Finance costs	5(a)	7,507	9,186
Fair value change on financial assets at FVTPL	4	(72,112)	(104,129)
Written-off on property, plant and equipment	11	–	3
Loss on disposal of property, plant and equipment	11	4	–
Increase in loss allowance on trade and other receivables		802	2,885
Decrease in loss allowance on contract assets		(321)	(948)
Dividend income	4	(785)	(383)
Interest income	4	(1,447)	(497)
Share of results of associates	15	(64,585)	–
Changes in working capital:			
Contract assets		1,104	17,853
Contract liabilities		426,910	51,150
Financial assets at FVTPL		3,332	7,620
Inventories		(244,007)	(36,650)
Trade and other payables		114,080	34,147
Trade and other receivables		(339,078)	(125,122)
Cash generated from/(used in) operating activities		45,520	(65,612)
Tax paid		(1,843)	(26)
Net cash generated from/(used in) operating activities		43,677	(65,638)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	11	(654)	(116)
Payment for intangible assets	12	(7,567)	(12,524)
Investment in associates	15	(120,556)	(21,000)
Proceed on disposal of an interests in an associate		21,000	–
Capital injection from non-controlling interests of a subsidiary		70,000	–
Placement of pledged bank deposit		(91,734)	–
Dividend received		785	383
Interest received		1,447	497
Net cash used in investing activities		(127,279)	(32,760)
FINANCING ACTIVITIES			
Proceeds from issue of placing shares, net of expenses	24	–	78,193
Proceeds from bank borrowings	22	123,000	20,000
Repayment of bank borrowings	22	(20,000)	(8,000)
Repayment of lease liabilities	20(b)	(1,662)	(2,542)
Finance costs paid	20(b)	(7,208)	(8,886)
Net cash generated from financing activities		94,130	78,765
Net increase/(decrease) in cash and cash equivalents		10,528	(19,633)
Cash and cash equivalents at 1 January		160,575	177,805
Effect of foreign exchange rate changes		(2,576)	2,403
Cash and cash equivalents at 31 December	20(a)	168,527	160,575

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES

Enterprise Development Holdings Limited (the “Company”) is a company incorporated in the Cayman Islands as an exempted company with limited liability on 20 April 2006 under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 11 January 2007.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Hong Kong Companies Ordinance (Cap.622). The measurement basis used in the preparation of the consolidated financial statements is the historical cost, except for financial assets at FVTPL (see note 1(f)), which are measured at fair value as explained in the material accounting policies set out below.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

The consolidated financial statements comprise the Company and its subsidiaries. The consolidated financial statements are presented in Renminbi (“RMB”), and rounded to the nearest thousand.

(b) Changes in accounting policies

The IASB has issued an amendment to IFRS Accounting Standards that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group’s consolidated financial statements:

Amendments to IAS 21

Lack of exchangeability

The application of the amendments to this IFRS Accounting Standards did not have any impact on the amounts recognised in prior and current periods and are not expected to significantly affect the future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(c) New standards and amendment not yet adopted

The Group has not early applied the IFRS Accounting Standards which are not yet effective for the year ended 31 December 2025 and which have not been adopted in the consolidated financial statements. These include the following which may be relevant to the Group

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IAS 21	Translation to Hyperinflationary Presentation Currency ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³

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

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

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

Except for new and amendment IFRS Accounting Standards mentioned below, the directors do not anticipate that the adoption of the new and amendment IFRS Accounting Standards in future periods will have any material impact on the results of the Group.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some paragraphs from IAS 1 have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 *Earnings per Share*.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(d) Subsidiaries, non-controlling interests and loss of control

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The Group reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control mentioned. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets in subsidiaries are presented separating from the Group's equity therein.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(e) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for under the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(e) Interests in equity-accounted investees (cont'd)

The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(e) Interests in equity-accounted investees (cont'd)

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Acquisition of additional interests in associates or joint ventures

When the Group increases its ownership interest in an associate or a joint venture but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

(f) Other investments in equity securities

The Group's policies for investments in equity securities, other than investments in subsidiaries, are set out below:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(f) Other investments in equity securities (cont'd)

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVTPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments. These investments are subsequently accounted for as follows, depending on their classification.

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at fair value through other comprehensive income ("FVOCI") (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 1(w)(iii).

The Group's financial assets mandatorily measured at FVTPL include equity securities listed in Hong Kong and the United States.

(g) Property, plant and equipment

Items of property, plant and equipment are measured at historical cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values under the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Furniture, fixtures and equipment	3-5 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(h) Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, including customer relationships and contracts, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values under the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Firewall patents	10 years
Software patents	10 years
Customer relationships	4 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

(i) Leased assets

Leases are initially recognised as a right-of-use asset/interest in leasehold land and corresponding liability, where applicable, at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Interest in leasehold land is amortised on a straight-line basis over the lease term, except where the property is classified as an investment property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(i) Leased assets (cont'd)

Assets leased by the Group and the corresponding liabilities 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 payments that are based on an index or a rate; and
- payments of penalties for terminating the lease, if the lease term reflects the Group, as a lessee, exercising an option to terminate the lease.

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 can be determined, or the incremental borrowing rate of the respective entities. Right-of-use assets are measured at cost comprising the following:

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

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise equipment and small items of office furniture.

(j) Credit losses and impairment of assets

Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for expected credit losses (“ECLs”) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables);
- contract assets as defined in IFRS 15;

Financial assets measured at fair value, including equity securities measured at FVTPL, are not subject to the ECL assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(j) Credit losses and impairment of assets (cont'd)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments including loan receivables, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(j) Credit losses and impairment of assets (cont'd)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

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

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(j) Credit losses and impairment of assets (cont'd)

Significant increases in credit risk (cont'd)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 1(w)(iv) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of loss allowance in profit or loss in the period in which the recovery occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(k) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets;
- intangible assets; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to disposal, if measurable or VIU, if determinable.

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expense.

(m) Trade and other receivables (other than prepayment made to suppliers)

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(n) Prepayment made to suppliers

Prepayment made to suppliers are stated at cost less allowance for impairment losses.

(o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs.

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(q) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 1(w)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in note 1(j) and are reclassified to receivables when the right to the consideration has become unconditional (see note 1(m)). This usually occurs when the Group issues an invoice to the customer.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 1(w)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 1(m)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 1(w)).

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 1(j).

(s) Employee benefits

- (i) Salaries, annual bonuses, contributions to defined contribution retirement plans and the cost of nonmonetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to appropriate local retirement schemes pursuant to the relevant labour rules and regulations in the People's Republic of China (the "PRC") are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(t) Share-based payment transactions

Equity-settled transactions

The Group's employees, including directors, receive remuneration in the form of share-based payment transactions, whereby the employees rendered services in exchange for shares or rights over shares. The cost of such transactions with employees is measured by reference to the fair value of the equity instruments at the grant date. The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a reserve within equity. The fair value is determined using the binomial model, taking into account any market conditions and non-vesting conditions.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are to be fulfilled, ending on the date on which the entitlement of relevant employees to the award is no longer conditional on the satisfaction of any non-market vesting conditions ("vesting date"). During the vesting period, the number of share options that is expected to vest ultimately is reviewed. Any adjustment to the cumulative fair value recognised in prior periods is charged/credited to profit or loss for the year of the review, with a corresponding adjustment to the reserve within equity.

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

(u) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payables on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payables in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(u) Income tax (cont'd)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(u) Income tax (cont'd)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- In the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- In the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(v) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(w) Revenue and other revenue

Nature of goods or services

The Group's revenue from software business represents the sales of software license and other products, the provision of software maintenance services and other services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(w) Revenue and other revenue (cont'd)

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(w) Revenue and other revenue (cont'd)

Timing of revenue recognition (cont'd)

Sale of good is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Software maintenance services and other services are recognised over time when services are rendered.

For revenue recognised over time under IFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. The Group applies the output method as services completed to date over the life of the contract.

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably and on the following bases:

(i) *Sales of goods*

Revenue is recognised when the customer takes possession of and accepts the products.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(w) Revenue and other revenue (cont'd)

Timing of revenue recognition (cont'd)

(ii) *Software maintenance services and other services*

Software maintenance services and other services are provided in the form of fixed-price contracts. Sales of these services are recognised in the period the services are provided, using a straight-line basis over the term of contract. The deferred revenue is included in contract liabilities.

(iii) *Dividends*

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(iv) *Interest income*

Interest income is recognised as it accrues using the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

(x) Translation of foreign currencies

The functional currency of the Company and its subsidiaries in the PRC are Hong Kong dollars ("HK\$") and RMB respectively. For the purposes of presenting the consolidated financial statements, the Group adopted RMB as its presentation currency.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into functional currencies at the foreign exchange rates ruling at the end of each reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(x) Translation of foreign currencies (cont'd)

The results of operations outside the PRC are translated into RMB at the exchange rates approximating to the foreign exchange rates ruling at the dates of the transactions. Consolidated statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of operations outside the PRC, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(y) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(z) Related parties

For the purposes of the consolidated financial statements:

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(z) Related parties (cont'd)

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

2. ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Critical accounting judgements and estimates and assumptions

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

Critical accounting judgements and estimates and assumptions (cont'd)

(a) Loss allowance of contract assets, trade and other receivables

The Group estimates the loss allowances for contract assets, trade and other receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of the reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of contract assets, trade and other receivable and thus the loss allowance in the period in which such estimate is changed. The Group keeps assessing the ECL of contract assets, trade and other receivables during the expected lives.

(b) Investment in a subsidiary and interests in an associates

As referenced in Notes 13 and 15, the Group's wholly-owned subsidiary, Beijing Enterprise Edge Computing Technology Co. Ltd, entered into a Partnership Agreement with two other limited partners and invested in Beijing Qitong Fuyuan Enterprise Management Center (the "Limited Partnership" or "Qitong Fuyuan"). The Group maintains a 41.67% equity interest in Qitong Fuyuan, serves as the sole managing partner, and holds the management shares, thereby retaining control over the relevant activities of Qitong Fuyuan. Consequently, Qitong Fuyuan is accounted for as a subsidiary of the Group.

The Group participates in a investment through Qitong Fuyuan, which acts as a limited partner holding a 60% partnership interest in Hainan Yayi Winwin Technology Partnership (the "Limited Partnership" or "Hainan Yayi Partnership"). The general partner, Hainan Yayi Co-creation Technology Co., Ltd., holds a 15% partnership interest and is responsible for day-to-day management and investment decisions. The Directors believe that the Group exercises significant influence over Hainan Yayi Partnership through its voting rights and, accordingly, the investment is treated as an associate and accounted for using the equity method.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the sale of software licenses, hardware products and other products and the provision of integrated business software solutions.

The amount of each significant category of revenue within the scope of IFRS 15 recognised during the year is as follows:

	2025 RMB'000	2024 RMB'000
Software maintenance and other services	60,783	36,777
Sale of software license, hardware products and other products	3,797,763	371,808
	3,858,546	408,585

Disaggregation of revenue from contract with customers by timing of revenue recognition is as follows:

	2025 RMB'000	2024 RMB'000
Timing of revenue recognition		
At a point in time	3,797,763	371,808
Over time	60,783	36,777
	3,858,546	408,585

Disaggregation of revenue from contracts with customers by geographic market is disclosed in note 3(c) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

3. REVENUE AND SEGMENT REPORTING (cont'd)

(b) Segment reporting

The Group manages its businesses by divisions, which are mainly organised by business lines. In a manner consistent with the way in which information is reported internally to the Board for the purpose of resource allocation and performance assessment, the Group has presented the following one major reportable segment. No operating segments have been aggregated to form the following reportable segments.

Software and Hardware Business: Sale of software licenses, hardware products and other products and the provision of integrated business software solutions in the PRC

In addition, other unreportable segment (security trading and trading of fresh cassava) are aggregated and presented as "Others".

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Board monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of deferred tax assets and other corporate assets. Segment liabilities include trade payables and accruals attributable to the sales activities of the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit/(loss) is "adjusted profit/(loss) before taxation". Adjusted profit/(loss) before taxation is the Group's profits/(losses) before items not specifically attributed to individual segments, such as directors' and auditor's remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted profit/(loss) before taxation, the Board is provided with segment information concerning revenue, interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and additions to non-current segment assets used by the segments in their operations.

Segment revenue reported below represents revenue generated from external customers. There were no inter-segment sales in both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

3. REVENUE AND SEGMENT REPORTING (cont'd)

(b) Segment reporting (cont'd)

(i) Segment results, assets and liabilities (cont'd)

Information regarding the Group's major reportable segment as provided to the Board for the purposes of resource allocation and assessment performance for the years ended 31 December 2025 and 2024 is set out below:

	Software and Hardware Business		Others		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Revenue						
Revenue from external customers	3,858,546	407,756	-	829	3,858,546	408,585
Reportable segment revenue	3,858,546	407,756	-	829	3,858,546	408,585
Reportable segment profit						
Adjusted profit before taxation	140,233	6,086	81,276	80,499	221,509	86,585
Depreciation and amortisation	(3,782)	(2,813)	(220)	(433)	(4,002)	(3,246)
Fair value gain on financial assets at FVTPL						
– Realised gain on disposal of financial assets at FVTPL	-	-	62,480	99,138	62,480	99,138
– Unrealised gain on financial assets at FVTPL	-	-	9,632	4,991	9,632	4,991
Interest expenses	(1,897)	(466)	(5,309)	(8,387)	(7,206)	(8,853)
Interest income from bank deposits	19	22	18	273	37	295
Loss allowance on contract assets and trade and other receivables, net	(481)	(2,668)	-	731	(481)	(1,937)
Reportable segment assets	1,158,910	291,473	211,434	258,010	1,370,344	549,483
Additions to non-current segment assets during the year	132,356	35,350	1,209	93	133,565	35,443
Reportable segment liabilities	711,459	121,644	79,023	9,054	790,482	130,698

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

3. REVENUE AND SEGMENT REPORTING (cont'd)

(b) Segment reporting (cont'd)

(ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2025 RMB'000	2024 RMB'000
Revenue		
Reportable segment revenue	3,858,546	408,585
Profit before taxation		
Reportable segment profit derived from the Group's external customers	221,509	86,585
Unallocated head office and corporate expenses	(11,702)	(11,297)
Consolidated profit before taxation	209,807	75,288
	2025 RMB'000	2024 RMB'000
Assets		
Reportable segment assets	1,370,344	549,483
Unallocated head office and corporate assets	102,159	10,599
Consolidated total assets	1,472,503	560,082
Liabilities		
Reportable segment liabilities	790,482	130,698
Unallocated head office and corporate liabilities	7,911	8,259
Consolidated total liabilities	798,393	138,957

(c) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, intangible assets, right-of-use assets and interests in an associate ("Specified non-current assets"). The geographical location of customers is based on the location at which the services were provided, or the goods delivered. The geographical location of the Specified non-current assets is based on the physical location of the asset in the case of property, plant and equipment, and the location of the operation to which they are allocated in the case of intangible assets, right-of-use assets and interests in an associate.

	Revenue from external customers		Specified non-current assets	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
The PRC	3,691,250	407,756	213,823	43,543
Thailand	–	829	–	–
Hong Kong	167,296	–	2,905	430
	3,858,546	408,585	216,728	43,973

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

3. REVENUE AND SEGMENT REPORTING (cont'd)

(d) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Customer A ¹	N/A ²	142,124
Customer B ¹	N/A ²	164,956
Customer C ¹	446,659	N/A ²

¹ Revenue from software and hardware business segment in PRC

² The corresponding revenue did not contribute over 10% of the total revenue of the Group

4. OTHER INCOME, GAINS AND LOSSES, NET

	2025 RMB'000	2024 RMB'000
Interest income from bank deposits	1,447	497
Dividend income	785	383
Exchange losses, net	(2,836)	(834)
Fair value gain on financial assets at FVTPL		
– Realised gain on disposal of financial assets at FVTPL	62,480	99,138
– Unrealised gain on financial assets at FVTPL	9,632	4,991
Others	820	11
	72,328	104,186

5. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging:

	2025 RMB'000	2024 RMB'000
(a) Finance costs		
Interest on interest-bearing borrowings	7,399	9,079
Interest on lease liabilities	108	107
	7,507	9,186
(b) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	33,203	29,574
Contributions to defined contribution retirement schemes (note 26)	3,106	2,728
	36,309	32,302
(c) Other items		
Auditors' remuneration		
– Audit services	764	737
– Non-audit services	469	230
Amortisation of intangible assets (note 12)	2,013	797
Depreciation of property, plant and equipment (note 11)	641	636
Depreciation of right-of-use assets (note 14)	1,655	2,552
Leases expenses of other premises under short-term leases and low-value assets (note 14)	1,388	739
Written-off on property, plant and equipment (note 11)	–	3
Loss on disposal of property, plant and equipment	4	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

6. INCOME TAX EXPENSES

- (i) Income tax expenses in the consolidated statement of profit or loss represents:

	2025 RMB'000	2024 RMB'000
Current tax – the PRC		
Provision for the year	17,709	1,727
Over-provision in respect of prior years	(133)	–
	17,576	1,727

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

The provision for the PRC income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC. The statutory income tax rate of its PRC subsidiaries is 25% for the years ended 31 December 2025 and 2024.

Beijing Orient LegendMaker Software Development Co., Ltd. is entitled to a preferential income tax rate of 15% for the years ended 31 December 2025 and 2024 as it was awarded high-technology status by the tax authority.

No provision of Hong Kong Profits Tax had been made as the Group's does not have assessable profit or incurred a loss for taxation purpose.

These tax rates were used to calculate the Group's deferred tax assets and liabilities as at 31 December 2025 and 2024.

- (ii) Reconciliation between income tax expenses and profit before taxation at applicable tax rates:

	2025 RMB'000	2024 RMB'000
Profit before taxation	209,807	75,288
Tax calculated at applicable tax rates of 25% (2024: 25%)	(52,452)	(18,822)
Tax effect of different tax rates of operations in other jurisdictions	5,931	5,852
Effect of non-deductible expenses	(2,112)	(2,074)
Effect of non-taxable income	27,149	17,409
Effect of tax concession	1,079	508
Effect of tax loss not recognised	(1,641)	(4,657)
Effect of temporary difference not recognised	1,217	57
Utilisation of tax losses previously not recognised	3,120	–
Over-provision in respect of prior years	133	–
Tax expenses	(17,576)	(1,727)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

7. DIRECTORS' REMUNERATION

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Year ended 31 December 2025			
	Directors' fees RMB'000	Salaries, allowance and benefits-in-kind RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive directors				
Ms. Li Zhuoyang	–	1,537	110	1,647
Mr. Yu Hui	–	1,766	–	1,766
Mr. Liang Liang (Appointed on 16 July 2024 and resigned with effect from 24 January 2025)	–	121	1	122
Independent non-executive directors				
Mr. Cai Jinliang	221	–	–	221
Mr. Chen Kwok Wang	221	–	–	221
Mr. Chin Hon Siang	221	–	–	221
	663	3,424	111	4,198

	Year ended 31 December 2024			
	Directors' fees RMB'000	Salaries, allowance and benefits-in-kind RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive directors				
Ms. Li Zhuoyang	–	1,525	110	1,635
Mr. Liu Yang (Appointed on 28 April 2023 and resigned with effect from 27 June 2024)	–	680	–	680
Mr. Yu Hui	–	1,769	–	1,769
Mr. Liang Liang (Appointed on 16 July 2024 and resigned with effect from 24 January 2025)	–	848	7	855
Independent non-executive directors				
Mr. Cai Jinliang	221	–	–	221
Mr. Chen Kwok Wang	221	–	–	221
Mr. Chin Hon Siang	221	–	–	221
	663	4,822	117	5,602

There were no amounts paid during the years ended 31 December 2025 and 2024 to the directors in connection with their retirement from employment with the Group, or inducement to join. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five individuals with the highest emoluments, two (2024: three) of them are directors. The aggregate of the emoluments in respect of the other three (2024: two) individuals are as follows:

	2025 RMB'000	2024 RMB'000
Basic salaries, allowances and other benefits	4,208	3,007
Retirement scheme contributions	260	7
	4,468	3,014
Number of senior managements	3	2

The emoluments of the three (2024: two) individuals with the highest emoluments are within the following bands:

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

There were no amounts paid to the five highest paid employees in connection with their retirement from employment with the Group, or inducement to join during the years ended 31 December 2025 and 2024.

9. DIVIDENDS

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

10. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the year ended 31 December 2025 is based on the profit attributable to ordinary equity shareholders of the Company of approximately RMB152,186,000 (2024: RMB72,737,000) and the weighted average of 244,888,185 (2024: 226,490,234) ordinary shares in issue during the year.

The computation of dilutive earnings per share does not assure the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares in both year ended 31 December 2025 and 2024. The diluted earnings per share equals the basic earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

11. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost:			
At 1 January 2024	1,384	3,221	4,605
Exchange adjustments	3	–	3
Additions	116	–	116
Written-off	(51)	–	(51)
At 31 December 2024 and 1 January 2025	1,452	3,221	4,673
Exchange adjustments	(6)	–	(6)
Additions	499	155	654
Disposal	(95)	–	(95)
At 31 December 2025	1,850	3,376	5,226
Accumulated depreciation:			
At 1 January 2024	(701)	(1,485)	(2,186)
Exchange adjustments	(2)	–	(2)
Charge for the year	(208)	(428)	(636)
Written-off	48	–	48
At 31 December 2024 and 1 January 2025	(863)	(1,913)	(2,776)
Exchange adjustments	5	–	5
Charge for the year	(210)	(431)	(641)
Disposal	91	–	91
At 31 December 2025	(977)	(2,344)	(3,321)
Net book value:			
At 31 December 2025	873	1,032	1,905
At 31 December 2024	589	1,308	1,897

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

12. INTANGIBLE ASSETS

	Customer relationships RMB'000	Customer contracts RMB'000	Trademarks RMB'000	Firewall patents RMB'000	Software patents RMB'000 (note (i))	Total RMB'000
Costs:						
At 1 January 2024	7,262	3,015	2,815	665	31,939	45,696
Additions	–	–	–	–	12,524	12,524
At 31 December 2024 and 1 January 2025	7,262	3,015	2,815	665	44,463	58,220
Additions	–	–	–	–	7,567	7,567
At 31 December 2025	7,262	3,015	2,815	665	52,030	65,787
Accumulated amortisation and impairment						
At 1 January 2024	(7,262)	(3,015)	(2,134)	(665)	(25,708)	(38,784)
Charge for the year	–	–	–	–	(797)	(797)
At 31 December 2024 and 1 January 2025	(7,262)	(3,015)	(2,134)	(665)	(26,505)	(39,581)
Charge for the year	–	–	–	–	(2,013)	(2,013)
At 31 December 2025	(7,262)	(3,015)	(2,134)	(665)	(28,518)	(41,594)
Net book value:						
At 31 December 2025	–	–	681	–	23,512	24,193
At 31 December 2024	–	–	681	–	17,958	18,639

Notes:

(i) Software patents

Software patents comprise staff costs which were costs capitalised in respect of development work carried out on internally generated intangible assets. The patents were designed and developed by the Group to assist the improvement of customer's computer system and expected to have useful economic life of 10 years. The management expected these software patents to contribute net cash inflows within the lifespan of these patents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

13. INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of subsidiaries	Place of incorporation/ establishment and operation	Percentage of equity interests held by the Company		Particulars of issued share capital/paid up capital	Principal activities
		Direct %	Indirect %		
Winsino Investments Limited	The BVI	100%	–	1 share of United States Dollars ("USD") 1	Investment holding
Smart Billion Enterprises Corporation	The BVI	100%	–	100 shares of USD1 each	Investment holding
Enterprise Development Investment Holdings Limited	Hong Kong	–	100%	100 shares of HK\$100	Investment holding
Enterprise Development (Hong Kong) Holdings Limited	Hong Kong	–	100%	1 share of HK\$1	Securities investment
Easy Talent Limited	Cayman Islands	–	60%	10 shares of USD1 each	Investment holding
Liang Hui Holdings Limited	The BVI	–	60%	1 share of USD1	Investment holding
Oriental Legend Maker Technology Ltd.	Hong Kong	–	60%	1 share of HK\$1	Investment holding
Beijing Orient LegendMaker Software Development Co., Ltd. ("Beijing OLM") (note (i) and (iii))	The PRC	10.46%	53.72%	RMB122,850,000	Provision of integrated business software and hardware solutions
Chengdu Orient LegendMaker Information Industry Co., Ltd. ("Chengdu OLM") (note (ii) and (iii))	The PRC	–	64.18%	RMB30,000,000	Provision of integrated business software and hardware solutions
Shanghai Orient LegendMaker Technology Co., Ltd. ("Shanghai OLM") (note (ii) and (iii))	The PRC	–	64.18%	RMB10,000,000	Provision of integrated business software and hardware solutions
Beijing Enterprise Edge Computing Technology Co., Limited (note (i) and (iii))	The PRC	–	100%	RMB32,851,000	Provision of integrated business software and hardware solutions
Shenzhen Enterprise Development Edge Computing (note (i) and (iii))	The PRC	–	51%	RMB20,000,000	Provision of integrated business software and hardware solutions
Beijing Qitong Fuyuan Enterprise Management Center (Limited Partnership) (note (i), (iii) and (v))	The PRC	–	41.67%	RMB120,000,000	Investment holding

Notes:

- (i) These entities are wholly foreign owned enterprises established in the PRC.
- (ii) These entities are limited liability companies established in the PRC.
- (iii) The English translation of the company names are for reference only. The official names of these companies are in Chinese.
- (iv) None of the subsidiaries had issued any debt securities during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

13. INVESTMENTS IN SUBSIDIARIES (cont'd)

Notes: (cont'd)

(v) Structured Entity

The Group maintains a 41.67% equity interest in Qitong Fuyuan, serves as the sole managing partner, and holds the management shares, thereby retaining control over the relevant activities of Qitong Fuyuan. Consequently, Qitong Fuyuan is accounted for as a subsidiary of the Group.

The following table lists out the information relating to Beijing OLM, Chengdu OLM, Shanghai OLM, Shenzhen Enterprise Development Edge Computing Technology Co., Ltd. (“SZ Edge”) and Beijing Qitong Fuyuan Enterprise Management Center (Limited Partnership) (“Qitong Fuyuan”) the subsidiaries of the Group which has material non-controlling interests (“NCI”). The summarised financial information presented below represents the amounts before any inter-company elimination.

	Beijing OLM		Chengdu OLM		Shanghai OLM		SZ Edge		Qitong Fuyuan	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
NCI percentage	35.82%	35.82%	35.82%	35.82%	35.82%	35.82%	49%	-	58.33%	58.33%
Current assets	178,245	146,388	31,823	33,499	22,807	28,209	298,968	-	50	-
Non-current assets	55,164	70,159	13,610	13,601	985	168	-	-	182,712	-
Current liabilities	(126,712)	(125,922)	(1,387)	(1,484)	(10,704)	(11,410)	(298,959)	-	(50)	-
Non-current liabilities	(1,702)	(2)	-	-	(685)	-	-	-	-	-
Net assets	104,995	90,623	44,046	45,616	12,403	16,967	9	-	182,712	-
Carrying amounts of NCI	37,609	32,461	15,777	16,340	4,443	6,078	4	-	106,576	-
Revenue	51,538	186,189	69	432	10,651	10,273	21,706	-	-	-
Profit/(loss) for the year	16,171	5,026	(1,569)	(793)	(4,462)	(2,050)	9	-	62,711	-
Total comprehensive income/(expense)	16,171	5,026	(1,569)	(793)	(4,462)	(2,050)	9	-	62,711	-
Profit/(loss) allocated to NCI	5,792	1,800	(562)	(284)	(1,598)	(734)	4	-	36,579	-
Dividend paid to NCI	-	-	-	-	-	-	-	-	-	-
Cash flow generated from/ (used in) operating activities	2,562	(21,798)	54	(148)	246	1,472	502	-	62,761	-
Cash flow generated from/ (used in) investing activities	12,817	(33,576)	(15)	(2)	(16)	(7)	-	-	(62,711)	-
Cash flow generated from/ (used in) financing activities	4,122	10,889	-	-	530	(580)	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

	Motor vehicles	Office premises	Total
	RMB'000	RMB'000	RMB'000
As at 31 December 2025			
Carrying amount	–	5,550	5,550
As at 31 December 2024			
Carrying amount	313	2,124	2,437
For the year ended 31 December 2025			
Depreciation charge	308	1,347	1,655
For the year ended 31 December 2024			
Depreciation charge	738	1,814	2,552
		31 December 2025	31 December 2024
		RMB'000	RMB'000
Addition to right-of-use assets			
– Office premises		4,789	1,804

Lease liabilities

	31 December 2025	31 December 2024
	RMB'000	RMB'000
Current portion	1,854	1,234
Non-current portion	3,795	1,310

The Group's right-of-use assets represent the leases of various offices and motor vehicles. Rental contracts for the year ended 31 December 2025 are typically made for fixed periods of 1 year to 5 years (2024: fixed periods of 1 year to 5 years). Lease terms are negotiated on an individual basis and contain similar terms and conditions. The Group has applied incremental borrowing rate of 3.45%-5% (2024: 3.45%-5%) to the lease liabilities for the year ended 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group, except for short-term leases and low-value assets. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Restrictions or covenants

Most of the leases impose a restriction that, unless the approval is obtained from the lessor, the right-of-use asset can only be used by the Group and the Group is prohibited from selling or pledging the underlying assets.

For leases of properties, the Group is required to keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

The Group has recognised the following amounts for the year:

	2025 RMB'000	2024 RMB'000
Lease payments		
Short-term leases	1,353	709
Low-value assets	35	30
Expenses recognised in profit or loss	1,388	739
Lease payments (note 20 (b)):		
Interest on lease liabilities	108	107
Repayment of lease liabilities	1,662	2,542
Total cash outflow for leases	3,158	3,388

15. INTERESTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Cost of investment in associates	120,556	21,000
Share of post acquisition profits	64,585	–
Exchange adjustment	(61)	–
	185,080	21,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

15. INTERESTS IN ASSOCIATES (cont'd)

Note:

- (a) In December 2024, Beijing Orient LegendMaker Software Development Co., Ltd., an indirect wholly-owned subsidiary of the Company, invested 15% equity interests in 北京龍騰海達科技發展有限公司 (“北京龍騰”). The principal activity of 北京龍騰 is provision of integrated business software and hardware solutions. The Group has invested in 北京龍騰 to expand market penetration in PRC's enterprise sector, leveraging its expertise in cloud-based platforms and AI-driven tools to enhance operational efficiency for their customers. The Directors considered the Group can exercise significant influence over 北京龍騰 through voting rights and therefore treated as an associate and applied equity method to account for the investment. Due to the delay of the expectation timeline of the projects, the Group withdrawn the projects during the year ended 31 December 2025 and disposed the entire interests in 北京龍騰. No gain/(loss) recognised on the disposal of the associate.
- (b) In April 2025, Enterprise Development (Hong Kong) Holdings Limited an indirect wholly-owned subsidiary of the Company, invested 34% equity interests in Jade Summit Venture Limited (“Jade Summit”). The principal activity of Jade Summit is provision of asset management services. The Directors considered the Group can exercise significant influence over Jade Summit through voting rights and therefore treated as an associate and applied equity method to account for the investment.
- (c) The Group's wholly-owned subsidiary Beijing Enterprise Edge Computing Technology Co. Ltd, entered into the Partnership Agreement with two other limited partners, namely Nanjing Jinming Yanhe Industrial Investment Management Partnership and Jianlu Chengfang (Shenzhen) Investment Co., Ltd., invested in Qitong Fuyuan. The Group holds 41.67% of the total investment in Qitong Fuyuan and act as the general partner.

The Group participates in this investment through its indirect wholly-owned subsidiary, Qitong Fuyuan, which acts as a limited partner holding 60% of the partnership interests in Hainan Yayi Winwin Technology Partnership (Limited Partnership)* (海南雅億共贏科技合夥企業 (有限合夥)) (“Hainan Yayi Partnership”), amounting to RMB120,000,000. The general partner, Hainan Yayi Co-creation Technology Co., Ltd., holds 15% of the partnership interests and is responsible for the day-to-day management and investment decisions. The Directors considered the Group exercises significant influence over Hainan Yayi Partnership through voting rights and therefore treated as an associate and applied equity method to account for the investment. Hainan Yayi Partnership was established to identify and invest in corporations engaged in medical research and experimental development, cell technology research and development, artificial intelligence medical care, and related biomedical industries. The Hainan Yayi Partnership primary investment is a 14.16% equity interest in a Shenzhen Stock Exchange-listed company (stock code: 002898) operating in the biomedical sector, acquired for a consideration of RMB199 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

15. INTERESTS IN ASSOCIATES (cont'd)

Particulars of the associate of the Group at the end of the reporting period are set out as follows:

Name of entity	Country of incorporation registration	Principal place of business	Proportion of ownership interest				Issued and full paid share capital/Registered share capital		Principal activity
			Group' effective interest		Held by subsidiaries		2025	2024	
			2025	2024	2025	2024	2025	2024	
Jade Summit Venture Limited ("Jade Summit")	The BVI	Hong Kong	34%	N/A	34%	N/A	HK\$390,000	N/A	Provision of asset management services
Hainan Yayi Partnership	The PRC	The PRC	25%	N/A	60%	N/A	RMB200,000,000/ RMB200,000,000	N/A	Investment holding

	Jade Summit		Hainan Yayi Partnership	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December				
Current assets	5,961	N/A	339,521	N/A
Non-current assets	–	N/A	–	N/A
Current liabilities	75	N/A	–	N/A
Non-current liabilities	–	N/A	35,002	N/A
Net assets	5,886	N/A	304,519	N/A
	Jade Summit		Hainan Yayi Partnership	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended 31 December				
Revenue	7,014	N/A	–	N/A
Profit for the year	5,511	N/A	104,520	N/A
Total comprehensive income	5,511	N/A	104,520	N/A
Share of profit	1,874	N/A	62,711	N/A

Reconciliation of the above summarised financial information to the carrying amounts of the investment in associates recognised in the consolidated financial statements:

	Jade Summit	
	2025	2024
	RMB'000	RMB'000
Net assets of the associate	5,886	N/A
Proportion of the Group's ownership investment in the associate	34%	N/A
The Group's share of net assets of the associate	2,001	N/A
Goodwill	382	N/A
Exchange adjustment	(14)	N/A
Carrying amount of the Group's interest in Jade Summit	2,369	N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

15. INTERESTS IN ASSOCIATES (cont'd)

	Hainan Yayi Partnership	
	2025 RMB'000	2024 RMB'000
Net assets of the associate	304,519	N/A
Proportion of the Group's ownership investment in the associate	60%	N/A
The Group's share of net assets of the associate	182,711	N/A
Carrying amount of the Group's interest in Hainan Yayi Partnership	182,711	N/A

16. INVENTORIES

	2025 RMB'000	2024 RMB'000
Finished goods	279,572	37,369

17. FINANCIAL ASSETS AT FVTPL

	2025 RMB'000	2024 RMB'000
Equity securities listed in Hong Kong (Note (i))	441	375
Equity securities listed in the United States (Note (i))	110,391	129,216
Equity securities unlisted in PRC (Note (iii))	60,000	–
	170,832	129,591
Tokenised Notes (Note (ii))	21,870	–
	192,702	129,591

Note:

- (i) The fair value of listed equity securities is based on quoted market prices in active markets at the end of the reporting period.

During the year ended 31 December 2025, a fair value gain on listed equity securities of RMB71,433,000 (2024: RMB104,129,000) was recognised in profit or loss.

As at 31 December 2025, the Group has pledged equity securities with an amount of approximately RMB69,916,000 (2024: Nil) to secure the Group's amounts due to broker under trade and other payables.

- (ii) During the year ended 31 December 2025, the Group subscribed for Series 2025-01 Fixed Rate Secured Tokenised Notes issued by Digital Drachma Investment Holding Limited, a Cayman Islands special purpose vehicle. The investment is classified as a financial asset at fair value through profit or loss. The principal amount of the tokenised note amount to USD3,000,000 with coupon rate 6%, matured by approximately 24 months from 4 August 2025 to 14 August 2027. Interest income is recognized using the effective interest method at 7.67%.

During the year ended 31 December 2025, a fair value gain on tokenised note of RMB679,000 (2024: Nil) was recognised in profit or loss.

Subsequent to the reporting period, on 10 March 2026, the Group received an early redemption notice from the issuer regarding the accelerated redemption and repayment of the notes. The issuer had scheduled to repay the principal and accrued interest. Accordingly, the notes were reclassified to other receivables as at the date of the early redemption notice.

- (iii) a) During the year ended 31 December 2025, the Group invested RMB30,000,000 in 北京青圭數擎科技有限公司 (Beijing Qinggui Shuqing Technology Co., Ltd. ("Beijing Qinggui")), representing a 12% equity interest therein. Beijing Qinggui is principally engaged in the proposed development of high-technology artificial intelligence data platform solutions. As Beijing Qinggui was newly established during November 2025 and had not yet commenced substantive business operations, no realised or unrealised gains or losses were recognised for the year ended 31 December 2025.
- b) During the year ended 31 December 2025, the Group invested RMB30,000,000 in 北京星軌算法科技有限公司 (Beijing Xingyi Algorithm Technology Co., Ltd. ("Beijing Xingyi")), representing a 15% equity interest therein. Beijing Xingyi is principally engaged in the research and development of artificial intelligence theory and algorithm-based software technologies. As Beijing Xingyi was newly established during November 2025 and had not yet commenced substantive business operations, no realised or unrealised gains or losses were recognised for the year ended 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

18. CONTRACT ASSETS AND LIABILITIES

	Note	2025 RMB'000	2024 RMB'000
Contract assets	(a)	5,285	6,389
Less: Allowance for credit losses		(37)	(358)
		5,248	6,031
Contract liabilities	(b)	482,770	56,958

Notes:

- (a) The contract assets are primarily related to the Group's right to consideration for Software and hardware Business because the rights are conditional upon the Group's fulfilment of certain future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

The increase in contract assets in 2025 was the result of the increase in the provision of maintenance and other services towards the end of the year.

At 31 December 2025, the contract assets that are expected to be settled within 12 months are RMB5,285,000 (2024: RMB6,389,000).

- (b) Movements in contract liabilities:

	2025 RMB'000	2024 RMB'000
Balance at 1 January	56,958	4,809
Decrease in contract liabilities as a result of recognising revenue or other income during the year that was included in the contract liabilities at the beginning of the year	(55,869)	(4,809)
Increase in contract liabilities excluding amounts recognised as revenue during the year	482,779	55,959
Exchange adjustments	(1,098)	999
Balance at 31 December	482,770	56,958

At 31 December 2025, the contract liabilities that are expected to be settled within 12 months are RMB482,770,000 (2024: RMB56,958,000).

The increase in contract liabilities in the current year was mainly due to increase in advance from customers for sale of hardware products and other products.

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Year ended 31 December 2025

19. TRADE AND OTHER RECEIVABLES

	Note	2025 RMB'000	2024 RMB'000
Trade receivables, net of loss allowance	(a)	20,627	18,929
Prepayments made to suppliers, net of impairment	(b)	471,793	159,019
Deposits and other receivables, net of loss allowance	(c)	27,568	4,595
		499,361	163,614
		519,988	182,543

All of the trade and other receivables are expected to be recovered within one year.

Notes:

- (a) As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 month	18,277	17,829
Over 1 month but less than 3 months	145	282
Over 3 months but less than 1 year	416	231
Over 1 year but less than 2 years	1,789	587
	20,627	18,929

Trade receivables are generally due within 90 (2024: 90) days from the date of billing. Further details of the Group's credit policy are set out in note 28(a) to these consolidated financial statements.

- (b) These prepayments are unsecured, interest-free and will be used to offset against future purchases from suppliers.

In respect of prepayments made to suppliers, individual credit evaluations are performed on all suppliers requiring prepayment over a certain amount which is refundable in nature. These evaluations focus on the suppliers' past history and take into account information specific to the suppliers as well as pertaining to the economic environment in which the suppliers operate.

- (c) Further details of the Group's credit policy are set out in note 28(a) to these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

20. CASH AND CASH EQUIVALENTS/PLEDGED BANK DEPOSITS AND OTHER CASH FLOW INFORMATION

(a) An analysis of the balance of cash and cash equivalents:

	2025 RMB'000	2024 RMB'000
Cash on hand	23	41
Deposits on demand	168,504	160,534
Cash and bank deposits (note(i))	168,527	160,575

Note:

- (i) Included in cash and bank deposits were approximately RMB80,532,000 (2024: approximately RMB56,810,000) placed in financial institutions in the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

As at 31 December 2025, pledged bank deposits amounting to approximately RMB89,738,000 carried at fixed interest rate of 3.8% (2024: Nil) have been pledged to secure bank borrowings and are therefore classified as current assets.

(b) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities RMB'000 (Note 14)	Interest-bearing borrowing and other overdrafts RMB'000 (Note 22)	Total RMB'000
At 1 January 2024	3,247	19,816	23,063
Change from financing cash flows:			
Proceeds from new interest-bearing borrowings	–	20,000	20,000
Repayment of interest-bearing borrowings	–	(8,000)	(8,000)
Repayment of lease liabilities	(2,542)	–	(2,542)
Interest expenses paid	(107)	(8,779)	(8,886)
Total changes from financing cash flows	(2,649)	3,221	572
Other changes:			
Finance costs	107	8,779	8,886
New lease liabilities	1,804	–	1,804
Exchange adjustments	35	436	471
Total other changes	1,946	9,215	11,161
At 31 December 2024	2,544	32,252	34,796

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

20. CASH AND CASH EQUIVALENTS/PLEDGED BANK DEPOSITS AND OTHER CASH FLOW INFORMATION (cont'd)

(b) Reconciliation of liabilities arising from financing activities: (cont'd)

	Lease liabilities RMB'000 (Note 14)	Interest-bearing borrowing and other overdrafts RMB'000 (Note 22)	Total RMB'000
At 1 January 2025	2,544	32,252	34,796
Change from financing cash flows:			
Proceeds from new interest-bearing borrowings	-	123,000	123,000
Repayment of interest-bearing borrowings	-	(20,000)	(20,000)
Repayment of lease liabilities	(1,662)	-	(1,662)
Interest expenses paid	(108)	(7,100)	(7,208)
Total changes from financing cash flows	(1,770)	95,900	94,130
Other changes:			
Finance costs	108	7,100	7,208
New lease liabilities	4,789	-	4,789
Exchange adjustments	(22)	(518)	(540)
Total other changes	4,875	6,582	11,457
At 31 December 2025	5,649	134,734	140,383

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

21. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	56,671	25,897
Non-trade payables and accrued expenses	25,698	19,235
Amounts due to broker (note 17 (i))	73,936	–
Other tax payables	1,378	247
	157,683	45,379

As at 31 December 2025, included in the Group's trade payables with aggregate amount of approximately RMB29,172,000 related to the payable to the Group's non-controlling interests.

The credit period of trade payables is normally within 90 (2024: 90) days. As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 month or on demand	33,272	17,671
Over 1 month to 3 months	8,456	–
Over 3 months to 6 months	5,577	130
Over 6 months to 1 year	5,671	7,988
Over 1 year	3,695	108
	56,671	25,897

22. INTEREST-BEARING BORROWINGS

	Notes	2025 RMB'000	2024 RMB'000
Loan from a third party, unsecured and unguaranteed	(a)	4,500	4,698
Loan from a former fellow subsidiary, unsecured and unguaranteed	(b)	7,234	7,554
Loans from banks, unsecured and guaranteed	(c)	41,000	20,000
Loans from banks, secured and guaranteed	(d)	82,000	–
		134,734	32,252

The amounts were repayable as follows:

	2025 RMB'000	2024 RMB'000
Within one year	134,734	32,252

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

22. INTEREST-BEARING BORROWINGS (cont'd)

Notes:

- (a) At 31 December 2025, the loan from a third party is denominated in HK\$, unsecured and unguaranteed, carried fixed interest rate of 6.5% (2024: 6.5%) per annum and is repayable within one year.
- (b) At 31 December 2025, the loan from a former fellow subsidiary is denominated in HK\$, unsecured and unguaranteed, carried fixed interest rate of 10% (2024: 10%) per annum.
- (c) At 31 December 2025, the loans from banks are denominated in RMB, approximately RMB20,000,000 (2024: approximately RMB10,000,000) were unsecured and are guaranteed by a director and approximately RMB21,000,000 (2024: approximately RMB10,000,000) were unsecured and are guaranteed by third parties, carried fixed interest rate from 2.15% to 3.2% (2024: 2.7% to 3.6%) respectively per annum and are repayable within one year.
- (d) At 31 December 2025, the loans from banks are denominated in RMB, secured by the Group's pledged bank deposits amounted to approximately RMB89,738,000 and guaranteed by independent third party, carried fixed interest rate from 3% to 3.2% per annum and are repayable within one year.

23. DEFERRED TAXATION

(a) Deferred tax assets not recognised

	2025 RMB'000	2024 RMB'000
Before multiplied by the applicable tax rates:		
Deductible temporary differences	78,336	83,202
Tax losses	65,212	79,358
At end of the reporting period	143,548	162,560

No deferred tax asset has been recognised due to the unpredictability of future profit streams. Deductible temporary differences do not expire under current tax legislation. The expiry dates of unrecognised tax losses are as follows:

	2025 RMB'000	2024 RMB'000
Tax loss without expiry date	38,880	47,487
Tax losses expiring on 31 December 2024	–	2,452
Tax losses expiring on 31 December 2025	–	7,339
Tax losses expiring on 31 December 2026	7,725	9,412
Tax losses expiring on 31 December 2027	3,315	3,315
Tax losses expiring on 31 December 2028	6,613	6,613
Tax losses expiring on 31 December 2029	2,740	2,740
Tax losses expiring on 31 December 2030	5,939	–
	65,212	79,358

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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24. SHARE CAPITAL AND RESERVES

(a) Share capital

	2025		2024	
	Number of shares	Amount HK\$	Number of shares	Amount HK\$
Authorised:				
Ordinary shares of HK\$0.1 each				
At 1 January and 31 December	10,000,000,000	1,000,000,000	10,000,000,000	1,000,000,000
Issued and fully paid:				
Ordinary shares of HK\$0.1 each				
At 1 January	244,888,185	24,488,818	204,078,185	20,407,818
Issue of placing shares (note (i))	–	–	40,810,000	4,081,000
At 31 December	244,888,185	24,488,818	244,888,185	24,488,818
		RMB equivalent		RMB equivalent
		21,535,274		21,535,274

Notes:

- (i) On 13 June 2024, the Company allotted 40,810,000 ordinary shares of HK\$0.1 each in the capital by way of placing at a placing price HK\$2.09 per share. The Company raised approximately RMB78,193,000 (equivalent to approximately HK\$84,347,000) (net of expenses).

(b) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by the Companies Act of the Cayman Islands.

(ii) Other reserve

The application of the other reserve is set up to deal with the changes in ownership interests in subsidiaries that do not result in a loss of control. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised in equity.

(iii) Share-based payment reserve

The share-based payment reserve comprises the fair value at the grant date of unexercised share options granted to and other share-based payment transactions with employees of the Group and is dealt with in accordance with the accounting policy as set out in note 1(t) to these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

24. SHARE CAPITAL AND RESERVES (cont'd)

(b) Nature and purpose of reserves (cont'd)

(iv) PRC statutory reserve

Transfers from retained profits to general reserve fund were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors.

The general reserve fund can be used to reduce previous year's losses, if any, and may be converted into paid-up capital provided that the balance of the general reserve fund after such conversion is not less than 25% of the PRC subsidiary's registered capital.

Each PRC wholly owned subsidiary is required to transfer a minimum of 10% of its net profit, as determined in accordance with the PRC accounting rules and regulations, to the general reserve fund until the reserve balance reaches 50% of its registered capital. The transfer to this fund must be made before distribution of dividends to equity shareholders.

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from the hedges of the net investment in their foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 1(x).

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, the Group defines net debt as interest-bearing borrowings less cash and capital is defined as the total equity. As at 31 December 2024 and 2025, the Group had cash in excess of interest-bearing borrowings. It is the management's intention to restrict the ratio below 50% in the long run. To achieve this end, the Group may adjust the amount of dividends to be paid to shareholders, issue new shares or raise new debts.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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25. SHARE OPTION

(a) Share option scheme

On 26 May 2016, with approval by the shareholders, the Company adopted a new share option scheme (the "Scheme") for a period of 10 years to replace the share option scheme approved on 18 December 2006 that would otherwise expire on 17 December 2016. The Company amended its terms at the 2023 AGM held on 23 June 2023. The amendments are to conform with the amendments to the Listing Rules related to share schemes of listed issuers which took effect from 1 January 2023.

Under the Scheme (as amended on 23 June 2023), the Company may grant options to directors and employees of the Company and the subsidiaries on the basis of their past contribution and potential contribution to the development and growth of the Group. The options will expire either after 10 years from the date of grant or upon the termination or the issuance of termination notice of the relevant grantee's employment with the Group.

The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the shares in issue at the date of the passing of the relevant ordinary resolution. If any option is to be granted to connected person(s), it must be approved by independent non-executive directors or independent shareholders as the case may be.

Unless approved by the shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the relevant class of the shares in issue. Unless approved by the shareholders, any grant of option to an independent non-executive director or any of their associates in any 12-month period must not exceed 0.1% of the relevant class of the shares in issue.

The options granted may be accepted by a participant within 28 days from the date of such offer. A consideration of HK\$1 is payable on acceptance of the offer of grant of an option. The exercise period of the share options granted is determinable by the directors of the Company and ends on a date which is not later than 10 years from the date of offer of the share options. The vesting period of the options granted under the Scheme shall not be shorter than 12 months from the date of acceptance of the offer. The Board may, however, at its absolute discretion, set any performance targets that must be achieved before the option can be exercised upon the grant of an option to a grantee.

The subscription price for shares payable on exercise of share options granted under the Scheme shall be a price determined by the directors of the Company, but shall in any event not be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant.

Subject to earlier termination by the Company at general meeting, the Scheme shall be valid and effective for a period of 10 years from the date of its adoption, i.e. 26 May 2016.

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Year ended 31 December 2025

25. SHARE OPTION (cont'd)

(b) Movement in share option granted:

The following table discloses movements of the Company's share options held by directors and employees of the Group:

Name of category of participant	Date of grant	Exercise period	Exercise price at 1 January 2025 HK\$	Year ended 31 December 2025			Exercise price at 31 December 2025 HK\$
				Outstanding at 1 January 2025	Adjustment	Outstanding at 31 December 2025	
Directors in aggregate	1 September 2020	1 December 2020 to 31 August 2030	3.6356	367,789	-	367,789	3.6356
Employees in aggregate	1 September 2020	1 December 2020 to 31 August 2030	3.6356	1,485,747	-	1,485,747	3.6356
				1,853,536	-	1,853,536	

Name of category of participant	Date of grant	Exercise period	Exercise price at 1 January 2024 HK\$	Year ended 31 December 2024			Exercise price at 31 December 2024 HK\$
				Outstanding at 1 January 2024	Adjustment	Outstanding at 31 December 2024	
Directors in aggregate	1 September 2020	1 December 2020 to 31 August 2030	3.6356	367,789	-	367,789	3.6356
Employees in aggregate	1 September 2020	1 December 2020 to 31 August 2030	3.6356	1,485,747	-	1,485,747	3.6356
				1,853,536	-	1,853,536	

No share options were exercised for the years ended 31 December 2025 and 2024. As at 31 December 2025 and 2024, all share options were exercisable.

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Year ended 31 December 2025

26. RETIREMENT BENEFITS

As stipulated by the regulations of the PRC, the Group's subsidiaries in the PRC participate in basic defined contribution retirement schemes organised by the respective municipal governments under which they are governed. The contribution rates of the PRC subsidiaries employees administered by various municipal governments are ranged from 8% to 21% (2024: 11% to 21%).

All employees are entitled to retirement benefits equal to a fixed proportion of their salaries and benefits in kind prevailing at their normal retirement ages.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The Group has no other material obligation for the payment of retirement benefits associated with this scheme beyond the contributions described above.

27. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties.

(a) Transaction

Name of related party	Relationship	Nature of transaction	2025 RMB'000	2024 RMB'000
山西世紀智算科技有限公司	Non-controlling interests of a subsidiary	Purchase of materials	58,653	-

(b) Remuneration to key management personnel

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	9,510	8,935
Post-employment benefits	544	367
	10,054	9,302

The remuneration to key management personnel includes directors whose remuneration is detailed in note 7 to the consolidated financial statements.

(c) Outstanding balances with related party

Details of outstanding balances with related party of the Group at the end of reporting period are set out in note 21.

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Year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group's major financial instruments include financial assets at FVTPL, trade and other receivables, pledged bank deposits, cash and cash equivalents, lease liabilities, interest-bearing borrowings, trade and other payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit, liquidity, interest rate, foreign currency and equity price risks arises in the normal course of the Group's business.

The Group's exposure to those risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation. The Group's credit risk is primarily attributable to trade and other receivables, contract assets and cash and cash equivalents. Management has a credit policy in place and the exposures to these credit risks are monitored on an on-going basis.

The Group assesses on a forward-looking basis the ECL associated with financial assets carried at amortised cost. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group assesses the ECL for trade receivables and contract assets based on a simplified approach. The Group adopts a "three-stage" model for impairment based on changes in credit quality since initial recognition, to estimate the expected credit losses for financial assets measured at amortised cost (except for trade receivables and contract assets, which apply simplified approach).

The key definition of the three stages are summarised below:

- Stage 1: For financial instruments with no significant increase in credit risk after initial recognition or that have low credit risk at the reporting date, the expected credit losses are recognised at an amount equal to the portions of lifetime expected credit losses that result from default events possible within the next 12 months;
- Stage 2: For financial instruments with significant increase in credit risk since initial recognition, but there is no objective evidence of impairment, lifetime expected credit losses are recognised and interest revenue is calculated on the gross carrying amount of the asset;
- Stage 3: For financial instruments in default at the end of the reporting period, lifetime expected credit losses are recognised and interest revenue is calculated on the net carrying amount of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(a) Credit risk (cont'd)

The Group is subject to credit risk exposure according to their relevant credit risk classification:

Gross carrying amount	Simplified approach RMB'000	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000
As at 31 December 2025				
Bank deposits	–	168,504	–	–
Pledged bank deposits	–	89,738	–	–
Contract assets	5,285	–	–	–
Trade and other receivables excluding deposits and prepayments	38,178	–	18,678	25,604
	43,463	258,242	18,678	25,604

Gross carrying amount	Simplified approach RMB'000	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000
As at 31 December 2024				
Bank deposits	–	160,534	–	–
Contract assets	6,389	–	–	–
Trade and other receivables excluding deposits and prepayments	37,964	–	4,438	25,804
	44,353	160,534	4,438	25,804

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(a) Credit risk (cont'd)

The following tables present the movement in the gross amount and the loss allowance for other receivables during the year:

	Stage 1		Stage 2		Stage 3		Total	
	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	-	-	4,438	833	25,804	25,804	30,242	26,637
New assets originated or purchased	15,437	-	-	-	-	-	15,437	-
Payments and assets derecognised	-	-	(939)	-	(458)	-	(1,397)	-
Transfers to Stage 2	(15,437)	-	15,437	-	-	-	-	-
Transfers to Stage 3	-	-	(258)	(2)	258	2	-	-
Credit quality related changes	-	-	-	2,488	-	(202)	-	2,286
At 31 December 2025	-	-	18,678	3,319	25,604	25,604	44,282	28,923
Total ECL charged to profit and loss account for the year								2,286

	Stage 1		Stage 2		Stage 3		Total	
	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL	Gross amount	ECL
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	-	-	30,322	5,385	34,328	34,308	64,650	39,693
New assets originated or purchased	1,968	-	-	-	-	-	1,968	-
Payments and assets derecognised	-	-	(26,836)	-	(403)	-	(27,239)	-
Transfers to Stage 2	(1,968)	-	1,968	-	-	-	-	-
Transfers to Stage 3	-	-	(1,062)	(57)	1,062	57	-	-
Credit quality related changes	-	-	-	(4,507)	-	622	-	(3,885)
Write-offs	-	-	-	-	(9,339)	(9,339)	(9,339)	(9,339)
Exchange adjustment	-	-	46	12	156	156	202	168
At 31 December 2024	-	-	4,438	833	25,804	25,804	30,242	26,637
Total ECL credited to profit and loss account for the year								(3,885)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(a) Credit risk (cont'd)

Cash and cash equivalents

It is expected that there is no significant credit risk associated with the cash and cash equivalents as they are placed with major banks which are located in the PRC and Hong Kong, which the management believes are of high credit quality.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the consolidation statement of financial position after deducting any expected credit loss allowance. The Group does not provide any guarantees which would expose the Group to credit risk.

Trade and other receivables and contract assets

In respect of trade receivables and contract assets, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Customers of Software and Hardware Business are usually required to settle the payment based on the agreed schedule in according to the sales contract. Customers with balances overdue are normally requested to settle all outstanding balances before further service is provided. Normally, the Group does not obtain collateral from its customers.

The Group measures loss allowances on trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

Expected credit loss rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

In respect of loan receivables and other receivables, management makes periodic individual assessment on the recoverability of receivables based on historical settlement records, past experience and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there have been a significant increase in credit risk of these amounts since initial recognition. The Group measures loss allowance at an amount equals to lifetime ECLs by considering the probability of default and loss given default rates of other debtors with similar credit risk with reference to the research by external credit rating companies, such as Moody's and Standard and Poor.

The expected credit loss rates of all receivables are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables. The Group has identified the GDP and CPI of the countries to be the most relevant factors and accordingly adjusts the loss rates based on expected changes in these factors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(a) Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

Trade receivables

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2025 and 2024:

	Expected credit loss rate %	Gross carrying amount RMB'000	Loss Allowance RMB'000
As at 31 December 2025			
Current (not past due)	0.70	18,552	130
Less than 3 months past due	31.91	893	285
Over 3 months to 1 year past due	52.77	3,381	1,784
Over 1 year to 2 years past due	100	493	493
Over 2 years past due	100	14,859	14,859
		38,178	17,551
As at 31 December 2024			
Current (not past due)	5.61	19,187	1,076
Less than 3 months past due	51.96	716	372
Over 3 months to 1 year past due	83.99	2,960	2,486
Over 1 year to 2 years past due	100.00	269	269
Over 2 years past due	100.00	14,832	14,832
		37,964	19,035

The Group does not hold any collateral over trade receivables as at 31 December 2025 and 2024.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	19,035	12,265
(Decrease)/increase in expected credit loss allowance for the year	(1,484)	6,770
At 31 December	17,551	19,035

As at 31 December 2025, the Group has recognised an allowance for credit losses on trade receivables amounted to approximately RMB17,551,000 (2024: approximately RMB19,035,000), of which approximately RMB1,484,000 (2024: approximately RMB6,770,000 was impaired) was reversal during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(a) Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

Loan receivables

Movements in the loss allowance account in respect of loan receivables during the year are as follows:

	2024 RMB'000
At 1 January	9,902
Exchange adjustments	168
Decrease in expected credit loss allowance for the year	(731)
Amount written off	(9,339)
At 31 December	–

During the year ended 31 December 2024, the Group determined to write-off approximately RMB9,339,000 due to the Group did not plan to renew the money lender license since then.

Contract assets

The movement in the loss allowance of contract assets during the year is as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	358	1,306
Decrease in expected credit loss allowance for the year	(321)	(948)
At 31 December	37	358

As at 31 December 2025, the Group has recognised an allowance for credit losses on contract assets amounted to approximately RMB37,000 (2024: approximately RMB358,000), of which approximately RMB321,000 (2024: approximately RMB948,000) was reversal during the year.

An analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(a) Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

Deposits and other receivables

The movement in the loss allowance account in respect of deposits and other receivables during the year is as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	26,637	29,791
Increase/(decrease) in expected credit loss allowance for the year	2,286	(3,154)
At 31 December	28,923	26,637

As at 31 December 2025, the Group has recognised an allowance for credit losses on deposits and other receivables amounted to approximately RMB28,923,000 (2024: approximately RMB26,637,000) of which approximately RMB2,286,000 (2024: approximately RMB3,154,000 was reversal) was impaired during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(b) Liquidity risk

The individual subsidiaries within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Contractual maturities of financial liabilities

The maturity profile of the Group's non-derivative financial liabilities at end of the reporting period, based on contractual discounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates at end of the reporting period) are summarised below:

	Effective weighted average interest rate%	Carrying Amount RMB'000	Contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 5 years RMB'000
As at 31 December 2025					
Non-derivative financial liabilities					
Interest-bearing borrowings	3.46%	134,734	139,396	139,396	–
Lease liabilities	3.63%	5,649	5,977	2,024	3,953
Trade and other payables		157,683	157,683	157,683	–
		298,066	303,056	299,103	3,953
	Effective weighted average interest rate%	Carrying Amount RMB'000	Contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 5 years RMB'000
As at 31 December 2024					
Non-derivative financial liabilities					
Interest-bearing borrowings	5.24%	32,252	33,942	33,942	–
Lease liabilities	4.02%	2,544	2,704	1,304	1,400
Trade and other payables		45,379	45,379	45,379	–
		80,175	82,025	80,625	1,400

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Other than bank balances with variable interest rate, the Group has no other significant interest-bearing assets. Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

The Group's interest rate risk arises primarily from cash and cash equivalents and interest-bearing borrowings issued at variable rates and at fixed rates which expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

(i) Interest rate profile

The interest rate profile of the Group's interest-bearing financial instruments at the end of each reporting period is as follows:

	2025		2024	
	Effective weighted average interest rates % (annual)	RMB'000	Effective weighted average interest rates % (annual)	RMB'000
Fixed rate instruments				
Interest-bearing borrowings	3.46	(134,734)	5.24	(32,252)

(ii) Sensitivity analysis

The directors of the Company consider the Group's exposure to future cash flow interest rate risk is minimal taking into account no variable interest-bearing borrowing as at 31 December 2025 and 31 December 2024. Accordingly, no sensitivity analysis on interest rate risk is presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(d) Foreign currency risk

The loan from a third party and former fellow subsidiary at aggregate amounted to approximately RMB11,734,000 (2024: RMB12,252,000) is denominated in Hong Kong Dollars ("HKD") which are different from the functional currency of the Group entities, i.e. RMB, which expose the Group to currency risk. The Group currently does not use any derivative contracts to hedge against its exposure to currency risk. The management manages its foreign currency risk by monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2025, if RMB had weakened/strengthened by 5% against HKD and USD with all other variables held constant, the Group's profit after tax for the year would have been approximately RMB587,000 lower/higher, arising mainly as a result of the foreign exchange differences on borrowings denominated in HKD. Differences resulting from the translation of the financial statements of foreign operations into the group's presentation currency are excluded.

At 31 December 2024, if RMB had weakened/strengthened by 5% against HKD and USD with all other variables held constant, the Group's loss after tax for the year would have been approximately RMB612,000 higher/lower, arising mainly as a result of the foreign exchange differences on borrowings denominated in HKD. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

(e) Equity price risk

The Group is exposed to equity price risk arising from financial assets at FVTPL. The sensitivity analysis has been determined based on the exposure to equity price risk.

At end of the reporting period, if the fair value had been 38% (2024: 52%) higher or lower while all other variables were held constant, the Group's net profit before tax would increase or decrease by RMB42,116,000 (2024: RMB67,387,000) as a result of changes in fair value of investments. The Group's sensitivity to equity price has changed significantly during the year mainly due to more volatile price fluctuation.

The sensitivity analysis has been determined assuming that the reasonably possible changes in the equity prices or other relevant risk variables had occurred at end of the reporting period and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the Group's investments would change in accordance with the historical correlation with the equity prices or the relevant risk variables, and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant equity price or the relevant risk variables over the period until the end of the next annual reporting period.

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent equity price risk because the exposure at the end of each reporting period does not reflect the exposure during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

(a) Assets measured at fair value

	31 December 2025 RMB'000	Level 1 RMB'000	Level 2 RMB'000	(Note) Level 3 RMB'000
Financial assets at FVTPL				
– Listed equity securities	110,832	110,832	–	–
– Unlisted equity securities	60,000	–	–	60,000
– Tokenised note	21,870	–	–	21,870

	31 December 2024 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Financial assets at FVTPL				
– Listed equity securities	129,591	129,591	–	–

During the years ended 31 December 2025 and 2024, there was no transfer between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(f) Fair value measurement (cont'd)

(i) Financial assets and liabilities measured at fair value (cont'd)

Fair value hierarchy (cont'd)

(a) Assets measured at fair value (cont'd)

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages independent qualified valuers to perform the valuation. The Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Below is a summary of the valuation technique used and the key inputs to the valuation of level 3 instruments.

	Valuation technique	Significant unobservable inputs	2025	2024
Financial assets				
Equity instrument at FVTPL				
Unlisted equity securities	Net asset value	N/A	N/A	–
Tokenised notes	Income approach	Discount rate <i>(Note(i))</i>	5.32%	–

Note:

- (i) A slight increase in the discount rate used in isolation would result in a slight decrease in the fair value measurement of the tokenised notes, and vice versa. A 1% increase/decrease in the discount rate holding all other variables constant would decrease/increase the carrying amount of the tokenised notes by RMB332,000 and RMB332,000 respectively.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2025 and 2024.

(g) Financial instruments by category

The carrying amounts of each of the categories of financial instruments at each of the reporting date are as follows:

	2025 RMB'000	2024 RMB'000
Financial assets		
– Financial assets measured at amortised cost	305,330	183,109
– Financial assets at FVTPL	192,702	129,591
Financial liabilities		
– Financial liabilities measured at amortised cost	296,688	79,926

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

29. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND RESERVES

(a) Company-level statement of financial position

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Investments in subsidiaries		12,861	12,861
Due from subsidiaries	29(c)	125,713	129,067
		138,574	141,928
Current assets			
Due from subsidiaries	29(d)	142,328	156,573
Deposits and other receivables		136	–
Bank balances and cash		728	9,245
		143,192	165,818
Current liabilities			
Other payables and accrued expenses		3,412	3,234
Interest-bearing borrowings		4,500	4,698
		7,912	7,932
Net current assets		135,280	157,886
NET ASSETS		273,854	299,814
Equity and reserves			
Share capital	24(a)	21,535	21,535
Reserves	29(b)	252,319	278,279
TOTAL EQUITY		273,854	299,814

This statement of financial position was approved and authorised for issue by the Board of Directors on 23 March 2026 and signed on its behalf by

Li Zhuoyang
Director

Yu Hui
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

29. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND RESERVES (cont'd)

(b) Company-level reserves

Details of the changes in the Company's individual components of reserves between the beginning and the end of the year are set out below:

	Share premium RMB'000	Exchange reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	644,093	37,551	2,291	(474,104)	209,831
Loss for the year	-	-	-	(14,663)	(14,663)
Other comprehensive income:					
<i>Exchange difference on translation of financial statements</i>	-	8,701	-	-	8,701
Total comprehensive income/ (expense) for the year	-	8,701	-	(14,663)	(5,962)
Transactions with owners:					
<i>Contributions and distributions:</i>					
Issue of placing shares, net of expenses (note 24(a)(i))	74,410	-	-	-	74,410
Total transactions with owners	74,410	-	-	-	74,410
At 31 December 2024 and 1 January 2025	718,503	46,252	2,291	(488,767)	278,279
Loss for the year	-	-	-	(14,137)	(14,137)
Other comprehensive expense:					
<i>Exchange difference on translation of financial statements</i>	-	(11,823)	-	-	(11,823)
Total comprehensive expense for the year	-	(11,823)	-	(14,137)	(25,960)
At 31 December 2025	718,503	34,429	2,291	(502,904)	252,319

(c) The amounts due from subsidiaries are unsecured, non-interest bearing and the settlement of which is neither planned nor likely to occur in the foreseeable future.

(d) The amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demands.