

SHANGHAI ABLE DIGITAL SCIENCE&TECH CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 02687



2025 ANNUAL REPORT



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Corporate Information

Board of directors

Executive Directors

Mr. WANG Hui
Mr. XI Puzhao
Ms. WANG Xin

Non-executive Directors

Ms. GE Xin
Mr. JIN Xingshen
Ms. WANG Ying

Independent non-executive Directors

Mr. YAU Ka Chi
Prof. LIU Ningrong
Prof. MA Xufei

Supervisors

Mr. LI Quansheng
Mr. HAN Yuze
Mr. WANG Jian

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Joint Company Secretaries

Ms. CAO Rui
Ms. YEUNG Siu Wai Kitty (ACG, HKACG)

Authorised Representatives

Mr. XI Puzhao
Ms. YEUNG Siu Wai Kitty (ACG, HKACG)

Audit Committee

Mr. YAU Ka Chi (Chairman)
Prof. LIU Ningrong
Prof. MA Xufei

Nomination Committee

Prof. LIU Ningrong (Chairman)
Prof. MA Xufei
Mr. WANG Hui

Remuneration Committee

Prof. MA Xufei (Chairman)
Prof. LIU Ningrong
Mr. WANG Hui

Legal Advisors

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As to PRC law:

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Compliance Advisor

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Auditor

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Certified Public Accountants and Registered Public
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H Share Registrar

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Hong Kong

Principal Bank

Shanghai Pudong Development Bank
Caohejing Branch

Stock code

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Company's website

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Chairman's Statement

Dear Shareholders,

I am greatly privileged to report to you on the Company's progress in 2025 and its outlooks.

First and foremost, I am delighted to inform you that the Company's overall business has developed soundly as expected. We have maintained three consecutive years of growth in both business revenue and profits. This growth is particularly commendable amid the overall economic downturn, showcasing the Company's steady growth capabilities in its operations. More gratifying than the growth in financial indicators is our progress in customer value innovation, AI R&D capabilities, and the depth of customer collaboration, all of which are crucial for future development.

By pursuing customer value innovation, we have expanded the coverage of our product portfolio, bringing about comprehensive growth

Over the years, we have continuously innovated in response to evolving talent development needs of universities, introducing more products tailored to various teaching and professional competency training scenarios. In the teaching content development business, we have launched a variety of new forms of intelligent course development services, continuing to drive growth in this regard. In the field of AI-empowered teaching, we have established a comprehensive product line, offering a full range of services in areas such as intelligent agents, SaaS services, and software solutions. Our teaching space product series have achieved breakthroughs by deepening their presence in the fields of disciplinary applications and industry-education integration. In operations, we have formed a competitive product portfolio configuration by relying on a diverse range of products within our product portfolio, driving comprehensive business growth.

Continuously increasing investment in AI to cultivate stronger momentum for growth

The Company has increased its investment in AI basic R&D for five consecutive years, achieving cumulative effects. We have accumulated strong R&D capabilities and practical experience in academic-specific large models, source graphs, and intelligent agent development, and have applied for multiple patents and software copyrights. In application product development, we have formulated a clear AI product development roadmap relying on our in-depth observation and understanding of various scenarios and overall construction in higher education teaching, professional competency development, industry-education integration, and science-education integration over the years. We are increasing our investment in AI R&D in areas such as AI-driven content production, professional competency development, industry-education integration, and science-education integration, empowering teachers and students and reducing the burden on them, teaching operations, quality evaluation, knowledge system construction, and training system reshaping. These investments have provided strong momentum for sustained corporate growth.

Resolutely deepening customer relationships, innovating and transforming alongside users to become partners for mutual growth

Over the past year, we have continued to expand our frontline service team and enhance our frontline service capabilities. We have empowered more teaching and research teams by virtue of technology and partnered with them in talent cultivation, teaching reform and disciplinary development and innovation. We have not only fulfilled our contractual obligations but also innovated alongside users and jointly applied for projects with them. We have cumulatively won one national-level first prize for teaching achievements and 15 provincial-level teaching achievement awards; dozens of projects we have served have been listed as typical application cases by the Ministry of Education.

On the whole, the growth over the past year has been visible, balanced, and healthy, laying a solid foundation for future development.

Looking ahead, we are full of confidence in the Company's business development in 2026. In this era of great transformation, society's expectations entrust us with a significant responsibility. Yet, it is also a fortunate era, as the AI technology revolution provides a powerful impetus for change.

AI is driving the integrated transformation of education, technology, and talent

We have observed that the core elements of talent cultivation and teaching, that is, teaching content, practical training, teaching scenarios, and professional training systems, are undergoing tremendous changes. AI is having a profound impact on higher education teaching, professional competency development, industry-education integration, and science-education integration, with many teaching, research and practical scenarios being reconstructed on the basis of AI. For the Company, it is crucial to capture opportunities arising from technological transformations, capitalize on the window of industry restructuring, and achieve effective operations. Meanwhile, by leveraging strong R&D capabilities, we should stay tuned to changes in demand and develop and deliver more well-suited products and services.

Looking ahead, moving into the future

In the four futures advocated by the Ministry of Education, namely, future classrooms, future teachers, future learning centers, and future schools, AI provides a new starting point for higher education teaching reform. These visions for the future need to be realized through continuous innovation. Our business capabilities and product services cover all the four future-oriented areas. By innovating alongside users, we aim to establish demonstration models of innovation that lead future development, drive industry progress, and simultaneously achieve rapid growth in the Company's business.

It's our conviction that the next few years will be a period of rapid development in educational digitization, as well as an era of profound transformation in teaching paradigms. We have the ability and determination to seize opportunities and make more splendid achievements.

Acknowledgments

On behalf of the Company's management team, I would like to extend our gratitude for the trust, understanding, and support provided by shareholders over the past year. Appreciate all our colleagues for their hard work and extend our profound gratitude to all our customers for their understanding, trust, and support. Let us continue to stand united, work hard, and strive forward!

Mr. WANG Hui

Chairman of the Board and executive Director

Hong Kong, 29 April 2026

Management Discussion and Analysis

Business Review

In 2025, the Company focused on the integration of education technology and artificial intelligence, achieving high-quality growth in both customer scale and operating revenue. The total number of customers increased to 1,797, representing a year-on-year increase of 3.4%. Total revenue reached RMB969 million, representing a year-on-year increase of 14.3%. Average revenue per customer increased to RMB539 thousand, up 10.5% year-on-year, highlighting the effectiveness of the Company's customer value development strategy.

Product innovation continues to upgrade the Company's growth momentum, with both core and emerging businesses advancing in tandem. The number of knowledge graph projects increased by 122.4% year-on-year, making it the core growth engine of the digital educational content services segment. Meanwhile, the agent-based business seized the opportunities arising from the rapid development of AI technologies, achieving a breakthrough from zero to scale with more than 500 projects during the year, establishing an important new pillar for the Company's future performance growth.

The implementation of a tiered customer operation strategy has delivered tangible results, with the value contribution from top-tier customers continuing to increase. Revenue from Lighthouse customers (universities under the "Project 985", "Project 211", and "Double First-Class Initiative", as well as vocational colleges nominated under the "Double High Plan") reached RMB301 million during the year, representing a year-on-year increase of 21.3%, with revenue per customer reaching RMB1.388 million, up 34.1% year-on-year. This demonstrates the Company's deep service capabilities and strong product recognition among leading institutions. The number of High-value Customers (customers with annual transaction amounts exceeding RMB1 million) increased to 281, representing a year-on-year increase of 16.6%, thereby establishing a solid foundation for the Company's long-term growth.

Our Services And Products

Our revenue is primarily generated from two categories of services and products: digital educational content services and products and digital teaching and learning environment services and products. The digitalization of higher education teaching includes both educational content digitization and teaching and learning environment digitalization, and we are well positioned to meet the diverse needs of higher education institutions in these areas.

Digital Educational Content Services and Products

The Company has deep expertise in the field of digital educational content and provides flexible and diversified services and products tailored to the varied needs of higher education institutions. These offerings cover 12 disciplines and 92 majors recognized by the Ministry of Education and remain the core pillar of the Company's revenue. In 2025, revenue from this segment accounted for 85.8% of total revenue, maintaining a consistently high proportion. Starting from the digital transformation of online courses, the Company has continuously iterated its technologies and services and has successively launched innovative products such as virtual simulation and knowledge graphs, helping customers create interactive and personalized teaching experiences. The coordinated development of multiple product lines has delivered notable results.

Management Discussion and Analysis

Among them, the AI knowledge graph business, which serves as the core growth engine of the segment, delivered particularly strong performance. The Company began forward-looking R&D deployment in 2021 and achieved commercialization in 2023, leveraging AI technologies such as natural language processing and serving a wide range of academic disciplines. In 2025, the number of delivered knowledge graphs reached 10,386, representing a 122.4% year-on-year increase compared with 2024, while the number of customers increased from 732 to 1,125. The digital course business, supported by a comprehensive end-to-end quality control system, served 1,217 customers in 2025 and delivered more than 9,200 courses, maintaining stable scale. The virtual simulation business, leveraging virtual reality (VR) and augmented reality (AR) technologies, achieved simultaneous growth in both customer numbers and delivery volume in 2025, realizing improvements in both scale and efficiency.

Digital Teaching and Learning Environment Services and Products

The Company provides a full suite of digital teaching and learning environment services and products, including AI Cloud LMS (Learning Management System) and digital classroom construction, helping higher education institutions build integrated online – offline teaching management platforms. These solutions enable efficient integration of teaching resources, precise delivery of teaching content, and enhanced interaction between teachers and students. In 2025, this segment accounted for 14.2% of total revenue, forming strong synergies with the content services segment.

Among these offerings, the Company's core AI innovation, Polymas Agent, deeply integrates natural language processing technology and is specifically designed to meet the needs of higher education institutions. It provides services such as personalized learning guidance and real-time Q&A, and seamlessly integrates with the Company's self-developed AI Cloud LMS system, lowering the barrier to adoption. In 2025, this business achieved a breakthrough from zero to scale, with more than 500 implemented projects, and steadily expanded market penetration by leveraging the base of 676 subscribing customers of the Cloud LMS system. Meanwhile, the digital classroom construction business provides comprehensive one-stop services covering multiple types of teaching spaces. In 2025, it served 43 customers, representing a 26.5% year-on-year increase, with simultaneous improvements in both the service system and customer recognition.

Technological And Service Advantages

Self-developed AI Large Model Core Engine: Our platform is powered by proprietary AI large model technology and has established a core engine with scalable capabilities and controllable processes, building comprehensive strengths across the data layer, algorithm layer, and evaluation layer. In terms of training data, we possess extensive high-quality subject data resources, including tens of thousands of specialized and general education courses across all disciplines accumulated through our proprietary platforms, hundreds of millions of teaching questions, billions of teaching Q&A records, and years of accumulated teaching and learning behavioral data. These massive datasets provide a solid knowledge foundation for model training. In terms of the training process, we have achieved full-process observability and evaluability, breaking away from the traditional “black-box” model approach and establishing a professional training framework that ensures every generated output is traceable, thereby addressing the “hallucination” issue associated with large models. At the same time, we strictly enforce data quality verification to ensure data validity and 100% coverage. Through a version comparison mechanism, we select higher-quality versions based on dimensions such as quality and structural completeness, enabling visualization and verification of model iteration results and ensuring the stability and reliability of model outputs.

Management Discussion and Analysis

Exclusive Industry Data Asset Barriers: Data represents the core barrier in the era of large model applications. Through years of platform accumulation, we have developed proprietary industry data in the field of higher education teaching that cannot be obtained through public networks. These teaching datasets are characterized by high levels of specialization, privacy, diversity, and structured attributes. They not only record knowledge itself but also embody teaching logic and expert experience, forming a data moat that is difficult to replicate. By deeply internalizing these unique datasets, our models are able to understand real higher education teaching scenarios and provide solutions that comply with industry standards and possess practical value, thereby significantly surpassing models trained solely on general internet data in terms of professional relevance.

Multi-dimensional Scenario-based Application System: Our platform possesses a systematic AI capability combining general-purpose and specialized functionalities that can be flexibly allocated and deployed, establishing a multi-dimensional, multi-modal, and full-scenario intelligent large model application system. First, our evaluation framework aligns with industry-specific requirements and incorporates key dimensions such as security, accuracy, programming capability, creativity, reasoning capability, language ability, and instruction adherence, ensuring content safety and logical rigor in sensitive scenarios. Second, our system supports discipline-specific matching. It dynamically aligns model capabilities or knowledge bases with all primary academic disciplines, automatically adapting to professional terminology and reasoning patterns to avoid cross-disciplinary knowledge confusion. Finally, our platform supports adaptation across different teaching scenarios and stages. It can flexibly adjust model strategies for diverse contexts such as knowledge content teaching, teaching administration management, internship and practical training support, professional competency training, and teaching evaluation and supervision. For example, it emphasizes operational logic in practical training scenarios and scoring standards in evaluation scenarios. This scenario-based scheduling capability enables deep integration between technology and business, maximizing the effectiveness of models in real workflows.

End-to-end Super Intelligent Agent Interaction System: We have built a comprehensive AI solution covering all teaching scenarios by integrating AI technologies with higher education through a “course – platform – institution” framework. The core support lies in the end-to-end super intelligent agent interaction system we have developed. Based on our underlying model and data advantages, this system establishes a dual-layer architecture consisting of a “Course Super Agent” and an “Institution Super Agent.” It not only engages in dialogue with teachers and students but also invokes platform tools to directly complete various tasks for teaching administrators, discipline leaders, frontline teachers, and students, forming a closed loop from knowledge services to task execution. At the interaction technology level, the system supports multimodal input and real-time video dialogue and integrates digital human technology to provide a human-like companion experience, enabling 24-hour on-demand responses. At the execution capability level, based on the MCP protocol, it can invoke professional tools and possesses complex task planning capabilities, enabling it to complete practical operations such as reservations, analysis, and inquiries, thereby enabling a human – machine collaborative working model. At the application scenario level, it provides comprehensive support across the entire teaching lifecycle, including but not limited to course and resource management, lesson preparation and preview tasks, classroom and live teaching, classroom teaching tool invocation, homework and exam grading, and discussions and Q&A related to teaching content. Through localized deployment, it also achieves deep integration with internal campus systems, enabling seamless cross-system integration while ensuring data privacy. Ultimately, this end-to-end system forms a complete digital teaching ecosystem.

Management Discussion and Analysis

Technology Implementation and Service Assurance: We have established hundreds of customer service and support centers across the country, forming a comprehensive and highly responsive on-campus service network. Relying on this high-density service network, we have accumulated extensive experience in large-scale technology deployment and operations and maintenance, while also establishing a full-chain service capability covering demand research, solution customization, technical deployment, and continuous iterative upgrades. From precise alignment of product functions and stable implementation of technological applications to subsequent optimization, iteration, and after-sales support, we are able to provide end-to-end professional assurance for customers across diverse scenarios. Through a standardized and refined service system, we ensure continuous optimization of the customer experience throughout the entire lifecycle, providing strong support for the efficient realization of technological value.

Future Outlook

After years of technological development and industry accumulation, we have emerged as an AI company in the higher education sector, boasting the broadest coverage of academic disciplines, the deepest penetration into instructional scenarios, and the most comprehensive service value chain and a leading market share. Looking ahead, the Company will remain firmly focused on the core track of artificial intelligence and the digitalization of higher education. Supported by its self-developed large model technology and driven by knowledge graphs and intelligent agents as core growth engines, the Company will continue to deepen technological innovation and strengthen its commercial competitiveness. At the same time, it will proactively assume responsibility for advancing the digitalization of education, promoting the coordinated growth of both commercial and social value, continuously empowering the high-quality development of higher education, and striving to become a digital solutions service provider widely recognized by the industry and society.

At the technology and research and development level, the Company will continue to increase investment in the iterative development of its fully self-developed large model “Polymas”, continuously optimizing the model’s multimodal interaction capabilities, scenario-based reasoning, and industry adaptability. It will further advance the upgrading and multi-dimensional expansion of the knowledge graph technology architecture, accelerate algorithmic innovation, scenario development, and functional enhancement of the intelligent agent business, and continuously strengthen its technological moat. Meanwhile, the Company will promote the deep integration of core technologies including large models, knowledge graphs, and intelligent agents, building a more competitive intelligent application system that integrates both general and specialized capabilities. Through technological innovation, the Company aims to drive technological upgrades and model innovation in the education digitalization industry and provide replicable technical pathways and practical experience for industry development.

At the product and business level, the Company will build on the large-scale expansion of the knowledge graph business to further increase its core contribution to digital educational content services, continuously amplifying the profitability driven by high-margin businesses. It will also seize the development opportunities of the intelligent agent business by accelerating its implementation and large-scale expansion across multiple scenarios, including teaching, research, and academic administration, positioning it as a core new pillar of the Company’s revenue growth. At the same time, based on the practical needs of higher education teaching, the Company will continue to refine product practicality and adaptability, providing strong support for universities to improve teaching efficiency and innovate talent cultivation models, enabling artificial intelligence technologies to be effectively applied in classrooms and serve both teachers and students.



Management Discussion and Analysis

At the market and customer level, the Company will continue to deepen its coverage and service upgrades for leading universities and key customers, further enhancing value per customer and strengthening partnership stickiness while leveraging the demonstration effect of benchmark customers. It will also intensify expansion and penetration among high-value customers, continuously increasing the base of high-value customers and raising their contribution to overall revenue, while steadily expanding the scale of key customers to achieve simultaneous growth in both the number of value customers and value per customer. Adhering to a long-term orientation and a customer-first philosophy, the Company will meet the digital transformation needs of various institutions through high-quality products and services, deepen customer engagement, and build a mutually beneficial and win-win cooperative ecosystem.

At the service and ecosystem level, the Company will leverage its nationwide, multi-dimensional on-campus service network to continuously enhance its full-chain service capabilities covering demand research, solution design, technology deployment, and iterative upgrades, ensuring efficient realization of technological value through standardized and refined service processes. At the same time, the Company will continue to deepen the “course – platform – institution” integrated model, promoting the deep integration of AI technologies across all teaching scenarios in higher education. It will further enhance the end-to-end super intelligent agent interaction system and build an open, collaborative, and symbiotic digital teaching ecosystem. The Company will also actively collaborate with industry partners and academic institutions to consolidate industry resources, jointly explore innovative directions and implementation pathways for the digitalization of education, and promote standardized and high-quality development of the higher education digitalization industry as a whole.

At the financial and operational level, while maintaining stable revenue growth, the Company will leverage the scale effects and high-margin characteristics of its core businesses to continuously optimize its overall gross margin and achieve steady profit growth. It will strengthen operational efficiency management, optimize accounts receivable management, and ensure adequate liquidity to support a virtuous cycle of research and development investment, business expansion, and profit growth. At the same time, through stable operational development, the Company aims to create long-term and sustainable value returns for shareholders while generating more employment and cooperation opportunities for the industry and fulfilling its corporate social responsibilities.

Looking ahead, the Company will continue to take technological innovation as its core driving force, remain customer-oriented, and assume industry responsibility as its mission. It will continue to deepen its presence in the field of higher education digitalization, actively explore innovative applications of artificial intelligence technologies in educational scenarios, and strive to become a leading domestic and internationally influential digital solutions service provider for higher education. In doing so, the Company aims not only to consolidate the foundation for its own development but also to inject sustained momentum into the digital transformation of higher education, contributing to the cultivation of high-quality talent and the high-quality development of the education sector.

Management Discussion and Analysis

Financial Review

During the Reporting Period, the Group achieved steady growth in operating results:

Revenue increased from RMB848.2 million in 2024 to RMB969.4 million in 2025, representing a year-on-year increase of 14.3%. Gross profit increased from RMB525.2 million in 2024 to RMB634.6 million in 2025, representing a year-on-year increase of 20.8%. Net profit increased from RMB105.1 million in 2024 to RMB130.2 million in 2025, representing a year-on-year increase of 23.9%.

Revenue Breakdown

Item	2025 (RMB'000)	2024 (RMB'000)	YoY Change (%)
Digital Educational Content Services and Products	831,272	709,964	17.1%
Digital Teaching and Learning Environment Services and Products	137,555	137,620	0.0%
Others	579	614	-5.7%
Total	969,406	848,198	14.3%

In 2025, the Company's revenue increased by RMB121.2 million compared with 2024, representing a year-on-year increase of 14.3%, demonstrating a stable growth trend. The key drivers of this revenue growth were mainly the digital educational content services and products business, driving continuous expansion in customer coverage and a sustained deepening of service engagement, as detailed below:

I. Product Dimensions

1) *Digital Educational Content Services and Products: Empowered by AI, emerging as the core growth engine*

In 2025, this business segment generated a revenue of RMB831.3 million, representing a year-on-year increase of 17.1% from 2024, acting as the absolute primary driver of the Company's overall revenue growth. This growth was fundamentally fueled by the deep, scenario-based application of artificial intelligence.

Notably, the knowledge graph products and services within this segment, empowered by both large models and AI agent technologies, have been deeply tailored to higher education teaching scenarios, thereby achieving scaled expansion, generating revenue of RMB573.5 million in 2025, representing a 68.5% year-on-year increase compared with 2024, and the proportion to the total revenue was increased to 59.2% from 40.1% in 2024. Leveraging its core technological barriers and strong adaptability to educational scenarios, the business achieved large-scale deployment and became a key driver of overall revenue growth.

Management Discussion and Analysis

2) *Digital Teaching and Learning Environment Services and Products: Focusing on the optimization of existing operations, with the business scale remaining stable*

In 2025, this business segment recorded a revenue of RMB137.6 million, remaining relatively stable compared to 2024. This was primarily because the Company's strategic resources were concentrated on the expansion of the teaching content business in 2025. Consequently, for this business segment, the primary focus was on maintaining the existing customer base and upgrading the service experience, thereby keeping the overall revenue scale steady this year.

Notably, AI Agents services and products within this business, positioned as the core innovative product of this segment, successfully completed the delivery of over 500 projects throughout the year through iterative algorithm optimization and deep engagement in vertical scenarios. By achieving deep synergy with the AI Cloud LMS, they precisely match the digital transformation needs of higher education institutions, thereby emerging as a crucial pillar for optimizing our business structure and driving future growth.

II. *Customer Dimensions*

1) *Deepening collaboration with lighthouse customers^(Note 1) highlights the Company's leading position in the field of AI applications and its capability in real-world scenario implementation*

Lighthouse customers serve as important benchmarks for the Company's revenue growth. In 2025, the average revenue per lighthouse client increased from RMB1.035 million in 2024 to RMB1.388 million, representing a year-on-year growth of 34.1%. This consistently validates the effectiveness and scalability of the Company's service model for top-tier customers, and fully demonstrates the substantial value of the Company's services and products, as well as its core competitiveness.

2) *Expansion of the high-value customers^(Note 2) base solidifies the core foundation for revenue growth and reinforces the value drivers behind it*

High-value customers are a critical driver of the Company's revenue growth. In 2025, the number of high-value customers increased from 241 to 281, representing a year-on-year growth of 16.6%. This further reinforces the core foundation of the Company's revenue growth and underscores its industry penetration and ability to unlock client value.

Note 1: Lighthouse customers refer to universities under the "Project 985", "Project 211" and "Double First-Class" initiatives, as well as higher vocational colleges nominated under the "Double High Plan".

Note 2: High-value customers refer to customers generating annual revenue of RMB1 million or more.

Management Discussion and Analysis

Cost of Sales

Our cost of sales increased by 3.7% from RMB323.0 million in 2024 to RMB334.8 million in 2025, primarily due to the expansion of our business, which led to an increase in the number of personnel responsible for production and delivery and their performance-based compensation, as well as increased procurement of goods.

Gross Profit and Gross Profit Margin

Item	2025 Gross Profit (RMB'000)	2025 Gross Profit Margin (%)	2024 Gross Profit (RMB'000)	2024 Gross Profit Margin (%)
Digital Educational Content Services and Products	526,600	63.3	434,766	61.2
Digital Teaching and Learning Environment Services and Products	107,634	78.2	89,969	65.4
Others	364	62.9	423	68.9
Total	634,598	65.5	525,158	61.9

Our overall gross profit increased by 20.8% from RMB525.2 million in 2024 to RMB634.6 million in 2025, and our overall gross profit margin increased from 61.9% in 2024 to 65.5% in 2025. The increase in gross profit margin was primarily attributable to the higher proportion of high-margin businesses, such as knowledge graphs and intelligent agents, in our revenue in 2025. Among these, the knowledge graph business saw its revenue contribution increase from 40.1% in 2024 to 59.2% in 2025, becoming the core engine driving the improvement in overall profitability. Going forward, we will continue to optimize the technological architecture of knowledge graphs and the commercialization pathways of other artificial intelligence-related services and products, further amplifying their positive impact on the Company's gross profit and gross profit margin.

Distribution and Selling Expenses

Our distribution and selling expenses increased by 13.5% from RMB215.7 million in 2024 to RMB244.9 million in 2025, primarily due to the Company's continued expansion of its sales team and ongoing efforts to deepen market penetration, which led to corresponding increases in staff compensation and business development-related expenses.

General and Administrative Expenses

Our general and administrative expenses increased by 15.5% from RMB68.6 million in 2024 to RMB79.2 million in 2025, primarily due to an increase in personnel and the corresponding rise in administrative expenses.

Management Discussion and Analysis

Research and Development Expenses

Our research and development expenses increased by 48.9% from RMB126.9 million in 2024 to RMB189.0 million in 2025. The significant increase in R&D expenses was mainly due to the allocation of resources to strategic development areas and the expansion of the R&D team, which resulted in higher employee-related expenses. The key areas of investment included:

- 1) Advancement of core technologies, focusing on the iterative upgrade of the fully self-developed large model “Polymas”;
- 2) Precise optimization of knowledge graphs and innovation in multimodal interaction algorithms, continuously strengthening the Company’s technological moat and enhancing its core competitiveness;
- 3) Breakthroughs in emerging businesses, with increased R&D investment in the intelligent agent business, particularly in key areas such as algorithm iteration, multi-scenario adaptation, and functional testing, along with related human resources and costs, to cultivate future profit growth drivers.
- 4) The Company will continue to focus on technological innovation as its primary development direction, strategically allocate R&D resources, and promote the deep integration of technological achievements with educational scenarios, thereby injecting strong momentum into the Company’s long-term development.

Net Profit

Our net profit increased by 23.9% from RMB105.1 million in 2024 to RMB130.2 million in 2025, primarily due to the following factors:

1) Expansion of high-margin core businesses driving overall gross margin improvement

The knowledge graph business continued to scale rapidly, generating RMB573.5 million in revenue in 2025, representing a 68.5% year-on-year increase. The increasing proportion of high-margin product revenue further improved the overall gross margin and amplified profit elasticity.

2) Improved cost-side efficiency, achieving cost reduction and efficiency enhancement

By leveraging AI technologies to optimize service processes, the Company reduced unit service costs. At the same time, the scale effect of core businesses improved the efficiency of fixed cost allocation, directly expanding the profit margin.

3) Conversion of technological R&D into profit drivers and accelerated commercialization

In 2025, R&D investment focused on key areas such as large model iteration and intelligent agent product optimization. Although R&D expenses increased, technological achievements were rapidly converted into scalable products and services, forming a virtuous cycle of “R&D investment – technological breakthroughs – profitability enhancement.”

Management Discussion and Analysis

4) Increased proportion of high-value customers amplifying profit elasticity

The number of customers with annual transaction values exceeding RMB1 million increased from 241 as of 31 December 2024 to 281 as of 31 December 2025, with their revenue contribution rising to 62.9%. High-value customers typically demonstrate high renewal rates, stable average transaction values, and relatively low service costs, and the increase in their proportion further optimized the Company's profit structure.

Adjusted Net Profit (Non-IFRS Measures)

To supplement our consolidated financial statements which are presented in accordance with IFRSs, we also use the adjusted net profit (a non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRSs. We believe that such non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items.

We define the adjusted net profit (a non-IFRS measure) as the net profit adjusted by adding back the following items: (i) share-based payment expenses included in the cost of sales, administrative expenses, research and development expenses, and selling and distribution expenses, which relate to share awards granted by us to participants of share incentive schemes, and are non-cash expenses ("Share-based payment"); (ii) listing expenses.

After adding back the share-based payment and listing expenses for the year, our adjusted net profit (a non-IFRS measure) for 2024 and 2025 amounted to RMB122.7 million and RMB148.5 million respectively. The table below reconciles adjusted net profit to net profit, the most directly comparable financial measure calculated and presented in accordance with International Financial Reporting Standards, for the reporting year.

Item	2025 (RMB'000)	2024 (RMB'000)	YoY Change (%)
Net profit	130,224	105,071	23.9%
Add:			
Share-based payment	3,578	3,252	
Listing expenses	14,654	14,364	
Adjusted net profit (Non-IFRS Measures)	148,456	122,687	21.0%

We believe that the adjusted net profit (a non-IFRS measure) provides useful information to investors and others to assist them in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of the non-IFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as substitute for analysis of, our results of operations or financial conditions as reported under IFRSs.

Management Discussion and Analysis

Liquidity and Financial Resources

As of 31 December 2025, our liquidity amounted to RMB414.7 million (including cash and cash equivalents and restricted cash), representing an increase of RMB179.8 million compared with RMB234.9 million as of 31 December 2024.

As of 31 December 2025, our borrowings amounted to RMB92.9 million, primarily consisting of short-term, guaranteed and unguaranteed bank borrowings obtained mainly to fund our working capital, representing an increase of RMB36.7 million compared with RMB56.2 million as of 31 December 2024.

We believe that, taking into account the Company's business development and expansion plans, our current level of liquidity is sufficient to support the funding required for our day-to-day operations.

Trade Receivables and Retention Money Receivables

Our trade receivables and retention money receivables increased by 54.8% from RMB345.5 million as of 31 December 2024 to RMB534.7 million as of 31 December 2025, primarily due to the growth of our business. Affected by the industry characteristics of the higher education sector, where project acceptance procedures and payment settlement cycles are relatively long, there is a periodic timing difference between the pace of payment collection and business growth, which has led to a corresponding increase in the scale of receivables as the business continues to develop.

Capital Structure

The Company's capital structure management focuses on ensuring funding for business development, optimizing the capital structure, controlling financial risks, and improving capital utilization efficiency. The Company coordinates its funding sources through diversified channels, including shareholder capital contributions, accumulated cash flows from operating activities, and bank borrowings, balancing capital liquidity and stability to provide solid financial support for the continuous development of its principal businesses and the implementation of its core strategies.

In 2025, the Company's funding sources primarily consisted of cash inflows generated from operating activities, supplemented by an appropriate level of bank borrowings. The structure of funding sources remained stable and sustainable. As of 31 December 2024 and 31 December 2025, the Company's cash and cash equivalents amounted to RMB230.2 million and RMB407.8 million, respectively, while its bank borrowings amounted to RMB56.2 million and RMB92.9 million, respectively. The gearing ratio (calculated by using total debt (including lease liabilities) divided by total equity and multiplied by 100%) was 16.4% and 10.8%, respectively. The Company maintains sufficient liquidity to cover short-term debt repayment needs as well as operating and investment funding requirements for the foreseeable future, and its liquidity risk remains controllable. Meanwhile, the Company's financial leverage level remains within a reasonable range, reflecting a relatively strong risk resilience.

During the Reporting Period, the Company completed its initial public offering, raising net proceeds of approximately HK\$431.1 million, which further increased the scale of total equity and significantly strengthened the Company's capital base, providing adequate financial support for research and development investment and market expansion.

Management Discussion and Analysis

Going forward, the Company will continue to dynamically optimize its capital structure based on its business development strategy, changes in the market environment, and actual operational needs. On the one hand, it will continue to strengthen the management of operating cash flows and enhance internal capital accumulation to consolidate its capital foundation. On the other hand, it will prudently coordinate external financing channels and maintain an appropriate level of financial leverage to balance funding costs and capital returns. At the same time, the Company will strengthen regular monitoring and analysis of its capital structure to ensure alignment with its stage of development and business layout, thereby supporting long-term and stable operations.

Foreign Exchange Risk

The Company's functional currency is RMB. During the Reporting Period, the Company's operations were primarily conducted within the PRC. The Company has not currently established a foreign exchange hedging policy. However, management will continue to monitor foreign exchange-related risks and will consider implementing hedging arrangements for significant foreign exchange exposures when necessary.

Charges on Assets

As of 31 December 2025, the Group had no charges on assets.

Significant Investments

As of 31 December 2025, the Group did not hold any significant investments.

Future Plans for Significant Investments and Capital Assets

As of 31 December 2025, the Group did not have any plans for significant external investments or capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

From the Listing Date to the end of the Reporting Period, the Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

Contingent Liabilities

As of 31 December 2025, the Group had no contingent liabilities.

Brief Biographies of Directors, Supervisors and Senior Management

Directors

Executive Directors

Mr. WANG Hui (王暉), aged 53, is our chairman of the Board and an executive Director. Mr. Wang served as a chief executive officer responsible for strategy designing of our Company from April 2008 to August 2015. He was appointed as a Director in September 2015 and re-designated as an executive Director of our Company in April 2024.

Mr. Wang has extensive experience in the informatization and digitalization for the education industry. Prior to founding our Group, Mr. Wang co-established Shanghai Shanying in March 2003, a company primarily engaged in development, production and sales of voice teaching equipment. Mr. Wang served as a chief executive officer of Shanghai Shanying from March 2003 to March 2008.

Mr. Wang obtained his master's degree in business administration from China Europe International Business School (中歐國際工商學院) ("CEIBS") in the PRC in September 2010. Mr. Wang is the spouse of Ms. Ge Xin, who is a non-executive Director of the Company.

Mr. XI Puzhao (襲普照), aged 57, is an executive Director and a general manager of our Company. He was appointed as a Director in April 2008 and re-designated as an executive Director of our Company in April 2024. He has been the general manager responsible for daily management of our Company since April 2008. Mr. Xi currently holds directorship at several subsidiaries within our Group.

Mr. Xi served as the deputy general manager of Shanghai Shanying from March 2003 to March 2008 before joining our Group.

Mr. Xi obtained his bachelor's degree in computer science and engineering from Beihang University (北京航空航天大學) in the PRC in July 1992.

Ms. WANG Xin (王欣), aged 50, is an executive Director and has been the deputy general manager of our Company since April 2008. Ms. Wang was appointed as a Director in October 2016 and re-designated as an executive Director of our Company in April 2024.

Prior to joining our Group, from March 2003 to March 2008, Ms. Wang served as the financial manager of Shanghai Shanying.

Ms. Wang obtained a junior college diploma in accounting from Harbin Institute of Technology (哈爾濱工業大學) in PRC in July 1996.

Brief Biographies of Directors, Supervisors and Senior Management

Non-executive Directors

Ms. GE Xin (葛新), aged 54, is a non-executive Director. She was appointed as a Director in September 2015 and re-designated as a non-executive Director of our Company in April 2024.

Ms. Ge has over 21 years of experience in the education industry. In March 2018, Ms. Ge founded Shanghai Knowledge Digital Technology Co., Ltd. (上海知到知識數字科技有限公司), a digital corporate management solution provider, and has since then been serving as its executive director. Ms. Ge served as a management director responsible for overall operation of our Company from April 2008 to August 2015. From March 2003 to March 2008, she served as a management director of Shanghai Shanying.

Ms. Ge obtained a master's degree in business administration from Harbin Engineering University (哈爾濱工程大學) in July 2001 and an executive master's degree in business administration from The Hong Kong University of Science and Technology in Hong Kong in June 2012. Ms. Ge Xin is the spouse of Mr. Wang Hui, who is an executive Director of the Company.

Ms. WANG Ying (王穎), aged 48, is a non-executive Director of the Company. She was appointed as a Director in June 2022 and re-designated as a non-executive Director of our Company in April 2024.

Ms. Wang worked in Sohu.com Limited (a company listed on the NASDAQ with stock code: SOHU) from February 2006 to January 2021, with her last position as the senior vice president of the commercial platform division of Beijing Sogou Technology Development Co., Ltd. (北京搜狗科技發展有限公司), a then subsidiary of Sohu.com Limited. Ms. Wang has been working at Baidu, Inc. (a company listed on the NASDAQ and Hong Kong Stock Exchange under the stock code of BIDU and 9888, respectively) since January 2021 with her current position as the vice president of the Group.

Ms. Wang obtained her bachelor's degree in project management from University of Science and Technology Beijing (北京科技大學) in the PRC in July 1999 and completed the executive master of business administration programme at CEIBS in the PRC.

Mr. JIN Xingshen (金省深), aged 35, is a non-executive Director of our Company. He was appointed as a Director in December 2020 and re-designated as a non-executive Director of our Company in April 2024.

Mr. Jin has been an investment manager of Jinzhuo Hengbang, a subsidiary of Sina Corporation, since July 2019. From January 2017 to June 2019, he served as the senior auditor in Deloitte Touche Tohmatsu Accounting Certified Public Accountants LLP Beijing Branch.

Mr. Jin obtained his bachelor's degree in finance from Dongbei University of Finance and Economics (東北財經大學) in the PRC in July 2013. He obtained his master's degree in professional accounting from University of Adelaide in Australia in December 2014. Mr. Jin obtained his master's degree in finance from Royal Melbourne Institute of Technology in Australia in July 2016.

Brief Biographies of Directors, Supervisors and Senior Management

Independent Non-executive Directors

Mr. YAU Ka Chi (邱家賜), aged 68, is an independent non-executive Director of the Company.

Mr. Yau has extensive experience in areas including accounting and audit, initial public offering, merger and acquisition as well as management consulting. From August 1992 to September 2015, Mr. Yau worked at Ernst & Young with his last position as an audit partner.

Mr. Yau has been an independent non-executive director of China Power International Development Limited (中國電力國際發展有限公司) (a company listed on the Stock Exchange, stock code: 2380) since December 2016. He also served as an independent non-executive director of HBM Holdings Limited (和鉑醫藥控股有限公司) (a company listed on the Stock Exchange, stock code: 2142) from June 2021 to June 2024, an independent non-executive director of Yihai International Holding Ltd. (頤海國際控股有限公司) (a company listed on the Stock Exchange, stock code: 1579) from June 2016 to March 2024, an independent non-executive director of BetterLife Holding Limited (百得利控股有限公司) (a company listed on the Stock Exchange, stock code: 6909) from December 2020 to October 2023 and an independent non-executive director of China Mengniu Dairy Company Limited (中國蒙牛乳業有限公司) (a company listed on the Stock Exchange, stock code: 2319) from October 2016 to December 2021.

Mr. Yau obtained a professional diploma in company secretaryship and administration from The Hong Kong Polytechnic University. Mr. Yau has been an associate member of Hong Kong Institute of Certified Public Accountants since November 1992.

Prof. LIU Ningrong (劉寧榮), aged 61, is an independent non-executive Director of our Company.

Prof. Liu is a professor of Globalization and Business at City University of Hong Kong (香港城市大學). He was the associate vice-president (GBA Development) at The University of Hong Kong (HKU) (香港大學) and the founding director of HKU Institute for China Business. He joined HKU in 2000 and served in various positions successively, including assistant director of HKU Journalism and Media Studies Centre and deputy director of HKU School of Professional and Continuing Education (HKU SPACE).

Prof. Liu obtained his master's degree in Arts from Indiana University in the U.S. in February 1995 and doctorate degree in Education from University of Bristol in the United Kingdom in January 2007.

Brief Biographies of Directors, Supervisors and Senior Management

Prof. MA Xufei (馬旭飛), aged 53, is an independent non-executive Director of our Company.

Prof. Ma is an associate dean at the Faculty of Business Administration and a tenured full professor at the Department of Management of The Chinese University of Hong Kong (CUHK). He has been a professor in various universities since 2007, and served as a tenured full professor of the Shenzhen Institute of Economics and Management and the Shenzhen International Graduate School of Tsinghua University (“**Tsinghua**”) (清華大學), the vice chair of the department of innovation, entrepreneurship, and strategy at the School of Economics and Management of Tsinghua, a professor at City University of Hong Kong, the director of CUHK’s Center for Entrepreneurship from 2016 to 2018, the director of CUHK’s Center for International Business Studies in 2018, a tenured associate professor from 2013 to 2018 and an assistant professor at CUHK from 2007 to 2013.

Prof. Ma served as an independent director of Western Trust Co., Ltd. (西部信託有限公司) from 2015 to 2022, an independent director of Tubatu Group Co., Ltd. (土巴兔集團股份有限公司) from 2020 to 2022, and an independent non-executive director of Beijing Urban Construction Design & Development Group Co., Limited (北京城建設計發展集團股份有限公司) (a company listed on the Stock Exchange with Stock Code 1599) from December 2019 to June 2025, and has served as an independent non-executive director of Changzhou Bioregen Biomedical Co., Ltd. (常州百瑞吉生物醫藥股份有限公司) since June 2023, an independent director of Sunshine Global Circuits Co., Ltd. (深圳明陽電路科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300739) since December 2024, and an independent director of Western Securities Co., Ltd. (西部證券股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002673) since November 2025. He served as an independent non-executive director of CLSA Premium Limited, a company listed on the Stock Exchange (Stock Code: 6877), from April 2023 to March 2024.

Prof. Ma obtained his Bachelor’s degree in industrial foreign trade from Xi’an Jiaotong University (西安交通大學) in the PRC in July 1995, a Master’s degree in business administration from University of Saskatchewan in Canada in May 2003 and a doctorate degree in philosophy from National University of Singapore in Singapore in July 2007. Mr. Ma obtained the Certificate of Independent Director of listed companies from the Shenzhen Stock Exchange in August 2021.

Brief Biographies of Directors, Supervisors and Senior Management

Supervisors

Mr. LI Quansheng (李泉生), aged 63, is the chairman of the Supervisory Committee and a Supervisor of the Company. Mr. Li served as our Director from September 2015 to September 2020.

Mr. Li has nearly 20 years of experience in equity investment and corporate management. He founded Delta Capital in 2010 and has since been serving as the managing partner. He served as a director and the general manager of Delta Venture Investment Management (Suzhou) Co., Ltd. (三角洲創業投資管理(蘇州)有限公司) from October 2007 to February 2010. Prior to that, Mr. Li served as an executive president of Shanghai Dingjia Venture Capital Management Co., Ltd. (上海鼎嘉創業投資管理有限公司) from July 2005 to July 2007.

Mr. Li obtained his bachelor's degree in internal combustion engines of automobile series from Tsinghua University (清華大學) in the PRC in July 1985 and master's degree in mechanical engineering from Shanghai University of Technology (上海工業大學) in the PRC in May 1990. Mr. Li obtained the fund qualification certificate issued by the Asset Management Association of China (中國證券投資基金業協會) in June 2017.

Mr. HAN Yuze (韓宇澤), aged 61, is a Supervisor of the Company.

Mr. Han has extensive experience in equity investment and corporate management. Mr. Han has been the founding partner, the chairman and the general manager of NewMargin Ventures since November 2012. Mr. Han served as a director of Shanghai Emperor of Cleaning Hi-Tech Co., Ltd. (上海洗霸科技股份有限公司) (a company listed on Shanghai Stock Exchange, stock code: 603200) from June 2012 to April 2021 and a director of Xinjiang Western Animal Husbandry Co., Ltd. (新疆西部牧業股份有限公司) (a company listed on Shenzhen Stock Exchange, stock code: 300106) from December 2008 to August 2023. Mr. Han has been a director of Beijing Jingye Bearing Co., Ltd. (北京京冶軸承股份有限公司), a company quoted on the NEEQ until December 2019 (Stock Code: 833157) since April 2013.

Mr. Han obtained his bachelor's degree in finance from Shaanxi Institute of Finance and Economics (陝西財經學院) in the PRC in March 1999, a postgraduate diploma in management science and engineering from Dalian University of Technology (大連理工大學) in the PRC in April 2001, an executive master's degree in business administration degree from The Hong Kong University of Science and Technology (香港科技大學) in Hong Kong in May 2013, and his doctorate degree in business administration from Southwest International University (西南國際大學) in the U.S. in August 2003, and obtained a Doctor of Business Administration degree from the China Europe International Business School (Switzerland) (中歐國際工商學院(瑞士)) in March 2026.

Brief Biographies of Directors, Supervisors and Senior Management

Mr. WANG Jian (王健), aged 55, is a Supervisor of the Company. Mr. Wang currently holds directorship at several subsidiaries within our Group. Mr. Wang joined our Company in April 2008 and currently serves as the vice president of our Company.

Prior to joining our Group, Mr. Wang served as the manager of production department and the head of R&D department of Shanghai Shanying from March 2003 to March 2008.

Mr. Wang obtained his bachelor's degree in computer science and application from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in March 1997.

Senior Management

For details of the biographies of Mr. Wang Hui, Mr. Xi Puzhao and Ms. Wang Xin, please see “Directors – Executive Directors.”

Ms. CAO Rui (曹睿), aged 40, has served as the chief financial officer of our Company and secretary of the Board since August 2020.

Prior to joining our Company, Ms. Cao served as the head of investment and merger and acquisition department and the head of financial management analysis department of Shanghai YOOZOO Information Technology Co., Ltd. (上海游族信息技術有限公司) which is wholly owned by YOOZOO Interactive Co., Ltd. (游族網絡股份有限公司) (a company listed on the Shenzhen Stock Exchange, Stock Code: 002174) from April 2018 to July 2020. She worked at PricewaterhouseCoopers Consulting (Shenzhen) Co., Ltd. Shanghai Branch (普華永道諮詢(深圳)有限公司上海分公司) with her last position as a senior manager from May 2014 to April 2018, and worked at PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合伙)) with her last position as a senior auditor from September 2008 to April 2014.

Ms. Cao obtained her bachelor's degree in Business English from Shanghai University of Finance and Economics (上海財經大學) in the PRC in July 2008. She became a member (non-practicing) of the Shanghai Institute of Certified Public Accountants in December 2015.

Joint Company Secretaries

Ms. CAO Rui (曹睿), aged 40, is our chief financial officer and the secretary of the Board and a joint company secretary of our Company. Please see “Senior Management” for her biographical details.

Brief Biographies of Directors, Supervisors and Senior Management

Ms. YEUNG Siu Wai Kitty (楊小慧), aged 41, is a joint company secretary of our Company.

Ms. Yeung is a senior manager of company secretarial services of Tricor Services Limited (卓佳專業商務有限公司), which is a member of Vistra Group. Ms. Yeung has over 15 years of experience in the corporate secretarial field. Ms. Yang currently serves as the company secretary of Phancy Group Co., Ltd. (範式智能技術集團股份有限公司) (formerly known as Beijing Fourth Paradigm Technology Co., Ltd., a company listed on the Stock Exchange, with Stock Code 6682), and concurrently serves as the Joint Company Secretary of Deepexi Technology Co., Ltd. (滴普科技股份有限公司) (a company listed on the Stock Exchange, with Stock Code: 1384) and China Everbright Bank Company Limited (a company listed on the Stock Exchange, with Stock Code: 6818).

Ms. Yeung is a chartered secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute (香港公司治理公會) and The Chartered Governance Institute in the United Kingdom (英國特許公司治理公會). Ms. Yeung obtained a bachelor's degree in social science (Honours) in administration and public management from the City University of Hong Kong (香港城市大學) and a master's degree in corporate governance from Hong Kong Metropolitan University (香港都會大學) (formerly known as The Open University of Hong Kong 香港公開大學).

Changes in the Information of Directors and Supervisors and Senior Management

Changes in the information of the Company's Directors, Supervisors and Senior Management required to be disclosed under Rule 13.51B(1) of the Listing Rules are set out as follows:

1. Professor Liu Ningrong has been appointed as the Professor of Globalization and Business Education at City University of Hong Kong (香港城市大學) since September 2025, and has ceased to serve as the Associate Vice-President (Greater Bay Area Development) of The University of Hong Kong (香港大學).
2. Professor Ma Xufei has been appointed as an independent director of Western Securities Co., Ltd. (西部證券股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002673) since November 2025.

Save as disclosed above, there were no other changes in information of the Company's Directors, Supervisors and Senior Management required to be disclosed under Rule 13.51B(1) of the Listing Rules during the Reporting Period.

Corporate Governance Report

The Board of Directors of the Company is pleased to present this Corporate Governance Report (the “**Corporate Governance Report**”) in this Annual Report.

Culture

The Company is committed to ensuring the operation of its business in accordance with high ethical business standards, and we firmly believe that to achieve long-term business objectives, it is essential to act with integrity, transparency, and accountability. The Company holds that adhering to this philosophy will maximize returns for shareholders in the long run, while also benefiting employees, business partners, and the communities in which the Company operates.

Corporate governance is the process by which the Board of Directors guides the management of the Group in operating the business to ensure the achievement of business objectives. The Board of Directors is dedicated to maintaining and establishing sound corporate governance practices to ensure the following:

- Generating satisfactory and sustainable returns for shareholders;
- Safeguarding the interests of those who do business with the Company;
- Understanding and appropriately managing overall business risks;
- Providing high-quality products and services that satisfy customers; and
- Maintaining high ethical business standards.

Corporate Governance Practices

The Board of Directors of the Company is committed to maintaining high corporate governance standards.

The Board of Directors believes that sound corporate governance standards are crucial as they serve as a framework for protecting shareholders’ interests, enhancing corporate value, formulating business strategies and policies, and improving transparency and accountability within the Company.

The Company’s corporate governance practices are based on the principles as set out in Appendix C1 of the Listing Rules – Corporate Governance Code.

The Board of Directors is of the view that, as of 31 December 2025, except for Code Provision C.2.1 (as explained in the following paragraphs under “Chairman and Chief Executive Officer”) and B.3.5 (as explained below), the Company has complied with all the applicable code provisions of the Corporate Governance Code throughout the year.

According to code provision B.3.5 of the CG Code, an issuer should appoint at least one director of a different gender to the nomination committee. At present, the nomination committee of the Company (“**Nomination Committee**”) has not yet appointed any Director of a different gender. The Board will review the composition of the Nomination Committee and, where appropriate, consider following this arrangement.

To maintain a high standard of corporate governance, the Board will continuously review and monitor the Company’s corporate governance practices.

Corporate Governance Report

Model Code for Securities Transactions by Directors and Supervisors

The Company has formulated a code of conduct regarding securities transactions for its Directors, Supervisors, Senior Management and relevant employees (the “**Code of Conduct**”), which is no less stringent than the Model Code for securities transactions by directors of listed issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”). Upon inquiry, all Directors and Supervisors, confirmed that they have strictly complied with the Model Code and the Code of Conduct from the Listing Date to the end of the Reporting Period. The Group also has prepared written guidelines for relevant employees regarding securities transactions, which is no less stringent than the Model Code. The Company has not found any relevant employees violating the written guidelines.

Board of Directors

The Company is led by an effective Board of Directors. The Board bears the responsibility for leadership and oversight and is collectively responsible for guiding and supervising the affairs of the Company to promote its success. Directors make objective decisions that are in the best interests of the Company.

The Board possesses the skills, experience, and diverse perspectives necessary for the Company’s business. It conducts regular reviews of whether Directors have made contributions commensurate with their roles and responsibilities of the Board and have devoted sufficient time in fulfilling their responsibilities to the Company. The Board has a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors), enabling the Board to maintain an adequate level of independence to make independent judgments effectively.

Members of the Board of Directors

Our Board of Directors consists of 9 Directors, including 3 executive Directors, 3 non-executive Directors, and 3 independent non-executive Directors. As of 31 December 2025, and up to the date of this Annual Report, the composition of the Board members is as follows:

Executive Director

Mr. Wang Hui (王暉)
Mr. Xi Puzhao (襲普照)
Ms. Wang Xin (王欣)

Non-Executive Directors

Ms. Ge Xin (葛新)
Mr. Jin Xingshen (金省深)
Ms. Wang Ying (王穎)

Independent Non-Executive Directors

Mr. YAU Ka Chi (邱家賜)
Prof. Liu Ningrong (劉寧榮)
Prof. Ma Xufei (馬旭飛)

On 26 April 2024, Mr. Wang Hui, Mr. Xi Puzhao, and Ms. Wang Xin were appointed as executive Directors; Ms. Ge Xin, Mr. Jin Xingshen, and Ms. Wang Ying were appointed as non-executive Directors; Mr. YAU Ka Chi, Professor Liu Ningrong, and Professor Ma Xufei were appointed as independent non-executive Directors. All of them have obtained the legal opinion referred to in Rule 3.09D of the Listing Rules on 18 April 2024, and confirmed that they understood their responsibilities as directors of a listed issuer.

Biography of each Director is set out in the section titled “Brief Biographies of Directors, Supervisors and Senior Management” in this annual report.

Mr. Wang Hui and Ms. Ge Xin are spouses. Save as disclosed in the annual report, to the best knowledge of the Directors, none of them has any personal relationship (including financial, business, family or other material/relevant relationship(s)) with any other Directors and the chief executive of the Company.

Chairman and Chief Executive Officer

The roles of the chairman and chief executive should be separate and should not be performed by the same individual under code provision C.2.1 of the CG Code. Mr. Wang Hui is the Chairman and chief executive officer of the Company, who is also one of the founders of the Company and possesses extensive industry experience. The Board believes that, as Mr. Wang Hui has been leading the Group’s strategic planning and business development, this arrangement enables the Group to efficiently formulate effective plans and implement business decisions and strategies under strong and consistent leadership, which is beneficial to the overall business management and development of the Group.

Independent Non-Executive Directors

From the Listing Date to the end of the Reporting Period, the Board has fully complied with the relevant requirements of the Listing Rules by appointing three independent non-executive Directors (accounting for at least one-third of the Board members), and one of them has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received annual written confirmations from each independent non-executive Director regarding their independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company believes that all independent non-executive Directors are independent.

Corporate Governance Report

Board Independence Assessment Mechanism

The Company has established a Board independence assessment mechanism (the “**Mechanism**”) to define relevant processes and procedures to ensure independent views and input are available to the Board.

The Company has established a Nomination Committee with clearly defined terms of reference, which is responsible for reviewing and screening candidates for directorship, selecting nomination standards and procedures, and making recommendations to the Board on these matters. The Company has formulated and implemented a “Director Nomination Policy” as a key basis for identifying, screening, nominating, appointing, and reappointing Directors. Each independent non-executive Director shall, upon appointment and thereafter as required by applicable laws, regulations, and regulatory rules, confirm their independence in writing to the Company. The Nomination Committee shall review the structure, size, and composition of the Board at least annually. Where necessary, the Nomination Committee may engage intermediate bodies to provide professional advice to assist its decision-making, thereby ensuring that the Board obtains independent perspectives and maintains effective independent judgment.

The goal of the Mechanism is to enhance the effectiveness of the Board, maximize its strengths, and identify areas that require improvement or further development. The assessment process also clarifies the measures that the Company needs to take to maintain and improve Board performance, such as addressing the individual training and development needs of each Director.

In accordance with the Board independence assessment mechanism, the Board will conduct an annual independence review. The Board regularly reviews the implementation and effectiveness of the independence assessment mechanism and may make revisions to the Mechanism when necessary.

Appointment and Re-election of Directors

Pursuant to code provision B.2.2, each Director (including those appointed for a specific term) should be subject to retirement by rotation at least once every three years. According to the Company’s Articles of Association, “directors shall serve a term of office no longer than three years and are eligible for re-election upon the expiration of their terms. Prior to the expiration of the term of office of any director, directors may be removed by an ordinary resolution passed at a general meeting. The term of a director commences on the date of assumption of office and ends upon the expiration of the term of the current Board. If directors are not re-elected in a timely manner upon the expiration of their terms, the original directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company’s shares are listed, and these Articles of Association until the re-elected directors assume office.”

Corporate Governance Report

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its Committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place. All Directors (including independent non-executive Directors) provide valuable business experience, knowledge, and expertise in various fields to the Board, assisting it in operating efficiently and effectively. Independent non-executive Directors are responsible for ensuring that the Company maintains high standards of regulatory reporting and balancing the powers of the board, making effective independent judgments on corporate actions and operations. All directors have full and timely access to all information of the Company and may seek independent professional advice as required to fulfill their duties to the Company, with the relevant expenses borne by the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board has the authority to decide on all significant matters related to the Company's policy affairs, strategies and budgets, internal control and risk management, major transactions (especially those that may involve conflicts of interest), financial information, appointment of directors, and other major operations. Management is authorized to implement the Board's decisions and direct and coordinate the daily operations and management of the Company.

The Company has purchased liability insurance for Directors and senior officers to provide protection against any legal proceedings that Directors and Senior Management may face in the performance of their duties.

Corporate Governance Functions

The Board is responsible for fulfilling the functions set out in code provision A.2.1 of the Corporate Governance Code.

During the Reporting Period, the Board reviewed the Company's corporate governance policies and practices, the training and continuous professional development of Directors and Senior Management, the Company's policies and practices regarding compliance with legal and regulatory requirements, compliance with the Model Code, employee written guidelines, and the Corporate Governance Code, as well as the disclosures in this Corporate Governance Report.

Continuing Professional Development of Directors

Directors need to remain informed of regulatory developments and changes to effectively fulfill their duties and ensure that they make appropriate contributions to the Board in an informed manner.

Each newly appointed Director is provided with formal, comprehensive, and tailored induction guidance upon their first appointment to ensure a proper understanding of the Company's business and operations and full awareness of the director's duties and obligations under the Listing Rules and relevant laws.

Corporate Governance Report

Directors are required to participate in appropriate continuing professional training to enhance and acquire the latest knowledge and skills. The Company will arrange internal briefings for Directors when appropriate and provide them with documents on relevant topics. The Company encourages all Directors to attend relevant training courses, with the expenses borne by the Company.

As of 31 December 2025, all Directors have participated in training courses related to their respective duties as Directors and Senior Management. In addition, the Company has also provided Directors with relevant documents including legal and regulatory updates for their reference and study.

As of 31 December 2025, the directors have all obtained, in compliance with the Corporate Governance Code, a summary of the continuing professional development training records of Directors regarding their duties, regulations, and business development is as follows:

Directors	Training Type¹
Executive Directors	
Mr. Wang Hui (王暉)	A/B
Mr. Xi Puzhao (襲普照)	A/B
Ms. Wang Xin (王欣)	A/B
Non-executive Directors	
Ms. Ge Xin (葛新)	A/B
Mr. Jin Xingshen (金省深)	A/B
Ms. Wang Ying (王穎)	A/B
Independent Non-executive Directors	
Mr. YAU Ka Chi (邱家賜)	A/B
Prof. Liu Ningrong (劉寧榮)	A/B
Prof. Ma Xufei (馬旭飛)	A/B

Notes:

1. Types of Training

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

B: Reading relevant newsletters, newspapers, periodicals, magazines and relevant publications

Board Member Diversity Policy

The Company understands and firmly believes that the Board member diversity significantly contributes to enhancing the quality of the Company's performance. The Company regards promoting diversity at the Board level as a necessary element to support the achievement of strategic objectives and sustainable development. Since the Listing Date, the Board has formulated the Board Member Diversity Policy to ensure an appropriate balance of skills, experience, and diverse perspectives at the Board level, thereby enhancing the effectiveness of the Board.

The Company is committed to selecting the best candidates for each position based on diversity principles, including but not limited to gender, age, cultural background, and ethnicity. All appointments to the Board are made on merit, with all candidates assessed against appropriate criteria and due regard given to the benefits of Board member diversity.

As at the date of this annual report, an analysis on diversity of the Board's current composition based on the measurable objectives is set out as follows:

Gender

Male:	6 Directors
Female:	3 Directors

Age Groups

31–40:	1 Director
41–50:	2 Directors
51–60:	4 Directors
61–70:	2 Directors

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Member Diversity Policy. The Nomination Committee will review the Board Member Diversity Policy and the measurable objectives, as appropriate, to ensure the effectiveness of the Policy.

Corporate Governance Report

Employee (including Senior Management) Diversity

We aim to establish an inclusive and diverse workplace. We adhere to the principles of equal opportunity, diversity, and inclusion in all aspects of employment, including remuneration, recruitment, promotion, treatment, and benefits. The Company places great importance on gender diversity at all levels within the Group and has established a policy concerning the diversity of all employees (including Senior Management personnel). The following table sets out the gender ratio of all of our Group's employees (including the Senior Management) as of the date of this annual report:

	Female	Male
Board of Directors	33.33%	66.67%
Senior Management	50%	50%
Other Employees	53%	47%
All Employees	53%	47%

Nomination Policy

The Board has delegated its responsibilities and authority for selection of Directors to the Nomination Committee of the Company.

The Company has adopted Nomination Policy which sets out the objectives, selection criteria and nomination procedures for identifying and recommending candidates for appointment or reappointment of Directors.

The nomination procedures outlined in the Nomination Policy are as follows:

- (i) The Nomination Committee shall study the Company's needs for new directors in light of its development stage, business strategy, existing Board structure, and succession plan, and formulate written recommendations;
- (ii) The Nomination Committee may conduct a wide search for candidates through internal recommendations, management recommendations, director recommendations, shareholder nominations, external recruitment agencies, or other appropriate channels;
- (iii) The Nomination Committee shall collect information on candidates' occupations, educational backgrounds, professional titles, detailed work histories, all part-time positions held, potential conflicts of interest, and whether they have been subject to administrative penalties or regulatory sanctions, and verify their qualifications;
- (iv) Before including candidates on the recommendation list, the Nomination Committee shall obtain the consent of the candidates themselves. Candidates shall confirm in writing their acceptance of the nomination and undertake that the information disclosed is true, accurate, and complete, and that they will fulfill their duties as directors effectively upon election;
- (v) The Nomination Committee shall review, compare, and evaluate candidates. For independent non-executive directors, particular emphasis shall be placed on assessing their independence, time commitment, and contribution to the independent oversight function of the Board;

Corporate Governance Report

- (vi) After forming a clear opinion, the Nomination Committee shall submit recommendations for Director candidates and related materials to the Board of Directors. The Board shall review and, if necessary, submit them to the general meeting for consideration in accordance with the law;
- (vii) The Board of Directors shall not unreasonably disregard the Nomination Committee's recommendations for Director candidates without sufficient grounds or reliable evidence.

The nomination principles and considerations outlined in the Nomination Policy are as follows:

- (i) Character, integrity, reputation, and conduct in fulfilling duties;
- (ii) Professional qualifications, industry experience, management capabilities, financial or accounting expertise, legal and regulatory experience, and alignment with the Company's business, strategic, and governance needs;
- (iii) Complementary role in enhancing the overall structure, size, and composition of the Board, including the balance between executive Directors, non-executive Directors, and independent non-executive Directors;
- (iv) Board diversity factors, including but not limited to gender, age, cultural and educational backgrounds, professional experience, international perspectives, and skill sets;
- (v) Compliance with applicable laws, regulations, the Company's Articles of Association, and Listing Rules regarding director qualifications; for independent non-executive Directors, full compliance with Listing Rules regarding independence is also required;
- (vi) Ability to devote sufficient time to fulfilling director duties and effectively participating in Board and committee work;
- (vii) Potential contributions to the Company's long-term development, succession planning, and corporate governance enhancement;
- (viii) Other factors deemed relevant to director selection by the Nomination Committee and/or the Board of Directors.

In accordance with the Nomination Policy and the Board Member Diversity Policy, nominations are made only upon rigorous nomination process to ensure that the Board possesses the necessary skills, experience, and knowledge aligned with the Company's strategy.

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

Corporate Governance Report

Board Committees

The Board delegates certain responsibilities to various committees. In accordance with relevant Chinese laws and regulations and the Corporate Governance Code set out in Appendix C1 to the Listing Rules, the Company has established three Board committees, namely the Audit Committee, the Remuneration Committee, and the Nomination Committee, to oversee specific areas of the Company's affairs.

All of the Company's Board committees have specific written terms of reference that clearly outline their powers and responsibilities. The terms of reference of the Board committees have been published on the Company's website and the Stock Exchange's website and are available for shareholders' inspection upon request.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. YAU Ka Chi, Prof. Liu Ningrong, and Prof. Ma Xufei. Mr. YAU Ka Chi serves as the Chairman of the Audit Committee and possesses the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The terms of reference of the Audit Committee are no less stringent than those prescribed by the Corporate Governance Code and comply with relevant Chinese laws and regulations.

The following matters shall be submitted to the Board of Directors for consideration after obtaining the approval of a majority of all members of the Audit Committee:

- (i) The job evaluation, appointment and replacement of the external auditor;
- (ii) Whether the Company's internal audit system has been effectively implemented and whether the Company's financial reports are comprehensive and truthful;
- (iii) Whether the financial reports and other information disclosed by the Company give an objective and true view, and whether the Company's significant related-party (connected) transactions comply with relevant laws, regulations, or the rules of the stock exchange where the Company's shares are listed;
- (iv) Evaluation of the work of the Company's finance and audit departments, including persons in charge;
- (v) Any special investigation, litigation, fraud and non-compliance incidents and other events with subject amount accounting for more than 10% of the latest audited net assets of the Company, which shall be reported to the Audit Committee. The Audit Committee shall report the same to the board of directors as appropriate; and
- (vi) Other relevant matters.

The Audit Committee has reviewed the audited annual results for the year ended 31 December 2025 and has raised no objection to the accounting policies and practices adopted by the Company.

Remuneration Committee

The Remuneration Committee consists of one executive Director and two independent non-executive Directors, including Prof. Ma Xufei, Mr. Wang Hui and Prof. Liu Ningrong. Prof. Ma Xufei serves as the Chairperson of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less stringent than those set out in the Corporate Governance Code and in compliance with the relevant laws and regulations of the PRC.

The main duties and powers of the Remuneration Committee include:

- (i) Formulate remuneration policies and structures, remuneration plans or schemes for Directors (including independent non-executive Directors) and Senior Management based on the main scope, responsibilities, and importance of their management positions, and make recommendations to the Board of Directors on establishing formal and transparent procedures for formulating remuneration policies. Remuneration plans or schemes mainly include but are not limited to performance evaluation criteria, procedures, and major reward and penalty schemes and systems;
- (ii) Review, formulate, and/or approve equity incentive plans for the Company's Directors (including independent non-executive directors), Supervisors, Senior Management, and other relevant individuals in accordance with relevant laws, administrative regulations, departmental rules, regulatory documents, and the listing rules of the stock exchange where the Company's shares are listed (including matters related to share plans as described in Chapter 17 of the Hong Kong Listing Rules);
- (iii) Be responsible for the management of equity plans, including but not limited to reviewing the eligibility, grant conditions, and exercise conditions of individuals under equity incentive plans;
- (iv) Review the performance of the Company's Directors (including independent non-executive Directors) and Senior Management and conduct annual performance evaluations;
- (v) Supervise the implementation of the remuneration system;
- (vi) Review and approve management's remuneration recommendations in line with the corporate objectives and targets set by the Board of Directors;
- (vii) Make recommendations to the Board of Directors on the overall performance evaluation and remuneration policies and structures for the Company's Directors and Senior Management, and on establishing formal and transparent procedures for formulating remuneration policies;



Corporate Governance Report

- (viii) Make recommendations to the Board of Directors on the individual remuneration packages of executive directors and Senior Management, including non-monetary benefits, pension rights, and compensation amounts (including compensation for loss or termination of office or appointment);
- (ix) Make recommendations to the Board of Directors on the remuneration of non-executive directors;
- (x) Consider remuneration paid by comparable companies, the time commitment and responsibilities required, and employment conditions for other positions within the Group;
- (xi) Review and approve compensation payable to executive Directors and Senior Management for loss or termination of office or appointment to ensure that such compensation is consistent with contractual terms; if not consistent, the compensation shall be fair and reasonable and not excessive;
- (xii) Review and approve compensation arrangements involving the dismissal or removal of Directors due to misconduct to ensure that such arrangements are consistent with contractual terms; if not consistent, the compensation shall be reasonable and appropriate;
- (xiii) Ensure that no Director or any of their associates (as defined in the Listing Rules) participates in determining their own remuneration;
- (xiv) Review the performance of the Company's Directors (including independent non-executive Directors) and Senior Management and conduct annual performance evaluations;
- (xv) Be responsible for supervising the implementation of the Company's remuneration and performance evaluation systems; and
- (xvi) Assume other duties as prescribed by laws, administrative regulations, departmental rules, regulatory documents, the listing rules of the stock exchange where the Company's shares are listed (including the relevant provisions of the Corporate Governance Code as set out in Appendix C1 of the Hong Kong Listing Rules (as amended from time to time)), the Company's Articles of Association, and any other authorities delegated by the Board of Directors within the scope of the Committee's responsibilities and report to the Board of Directors on matters within the Committee's responsibility (including decisions or recommendations made by the Committee).

Corporate Governance Report

In accordance with code provision E.1.5 of the Corporate Governance Code, the remuneration of the Senior Management of the Group by level during the Reporting Period is set out below:

Remuneration Level	Number of Individuals
RMB0 – RMB1,000,000	2
RMB1,000,001 – RMB2,000,000	1
RMB2,000,001 – RMB3,000,000	1

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and Senior Management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. Directors' remuneration will be adjusted from time to time, with reference to the ratio recommended by the Remuneration Committee. The Remuneration Committee of the Company will consider contents below to determine this ratio: (i) results of operations of the Group; and (ii) relevant directors' performance.

Nomination Committee

The Nomination Committee comprises three members, consisting of one executive Director and two independent non-executive Directors, namely Prof. Liu Ningrong, Mr. Wang Hui and Prof. Ma Xufei. Prof. Liu Ningrong serves as the Chairperson of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less stringent than those set out in the Corporate Governance Code and in compliance with the relevant laws and regulations of the PRC.

The primary duties of the Nomination Committee include, but not limited to:

- (i) Reviewing the structure, size, and composition (including skills, knowledge, and experience) of the Board of Directors at least annually, and making recommendations to the Board regarding any proposed changes to the Board to align with the Company's strategy, taking into account the Company's business activities, asset size, and shareholding structure; in considering the composition of the Board of Directors, ensuring that the Board of Directors has a balanced composition of executive and non-executive Directors (including independent non-executive Directors), and to consider the diversity of the Board of Directors from multiple aspects, including but not limited to the gender, age, cultural and educational background and professional experience of the directors; as well as to develop and review the Board diversity policy and disclose the policy or a summary of the policy in the corporate governance report;
- (ii) Studying the selection criteria and procedures for directors, managers, and other Senior Management personnel, and making recommendations to the Board;
- (iii) Extensively searching for qualified candidates for directors, managers, and other Senior Management positions, and selecting and nominating individuals for director positions or providing recommendations to the Board;

Corporate Governance Report

- (iv) Reviewing candidates for director positions (including independent non-executive Directors) and Senior Management positions and making written recommendations to the Board;
- (v) Making recommendations to the Board regarding the appointment or reappointment of Directors and succession planning for Directors (especially the Chairman) and the General Manager;
- (vi) Assessing the independence of independent non-executive Directors, reviewing annually the time commitment required of non-executive Directors (including independent non-executive Directors), and evaluating whether non-executive Directors (including independent non-executive Directors) have devoted sufficient time to fulfilling their duties through performance evaluations;
- (vii) Ensuring that non-executive directors receive formal appointment letters upon their appointment to the Board, clearly outlining the expectations regarding their time commitment, committee service, and participation beyond Board meetings; and
- (viii) Handling duties and authorities as stipulated by laws, administrative regulations, departmental rules, normative documents, the listing rules of the Stock Exchange where the Company's shares are listed, the Company's Articles of Association, other matters authorized by the Board, and reporting to the Board on matters within the scope of the Committee's duties and authorities (including decisions or recommendations made by the Committee).

When assessing the composition of the Board, the Nomination Committee considers the various aspects and factors related to Board diversity as outlined in the Board Member Diversity Policy adopted by the Company, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. The Nomination Committee discusses and agrees on quantifiable goals for achieving Board diversity (if necessary) and recommends the adoption of such goals by the Board.

Before identifying and selecting suitable candidates for director positions and making recommendations to the Board, the Nomination Committee considers the character, qualifications, experience, independence, time commitment, and other necessary conditions of the candidates in line with the Company's strategy and achieving Board diversity (as appropriate).

Corporate Governance Report

Attendance Records of Directors and Committee Members

The following table sets out the attendance records of each Director at Board and Board committee meetings, as well as the Company's general meeting during the Reporting Period:

Director Name	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
Mr. Wang Hui (王暉)	6/6	N/A	N/A	N/A	5/5
Mr. Xi Puzhao (龔普照)	6/6	N/A	N/A	N/A	5/5
Ms. Wang Xin (王欣)	6/6	N/A	N/A	N/A	5/5
Ms. Ge Xin (葛新)	6/6	N/A	N/A	N/A	5/5
Mr. Jin Xingshen (金省深)	6/6	N/A	N/A	N/A	5/5
Ms. Wang Ying (王穎)	6/6	N/A	N/A	N/A	5/5
Mr. YAU Ka Chi (邱家賜)	6/6	N/A	N/A	N/A	5/5
Prof. Liu Ningrong (劉寧榮)	6/6	N/A	N/A	N/A	5/5
Prof. Ma Xufei (馬旭飛)	6/6	N/A	N/A	N/A	5/5

Code provision C.5.1 of the Corporate Governance Code stipulates that board meetings should be held at least four times a year at approximately quarterly intervals, and it is expected that a majority of directors entitled to attend will actively participate in person or via electronic communication at regularly scheduled board meetings. During the Reporting Period, the Company had held six Board meetings. Since the Company was listed on the main board of the Stock Exchange on 8 December 2025, no meetings of the Audit Committee, Remuneration Committee, or Nomination Committee were held during the period from the Listing Date to 31 December 2025. On January 5, 2026, the meeting of the Audit Committee was held to approve the 2025 annual audit plan submitted by the auditor. The Company expects to convene corresponding committee meetings in accordance with the provisions of the Corporate Governance Code for each financial year.

Code provision C.2.7 of the Corporate Governance Code stipulates that the chairman shall hold at least one meeting with independent non-executive Directors annually without the presence of other Directors. Since the Company was listed on the main board of the Stock Exchange on 8 December 2025, no separate meetings between the Chairman and the independent non-executive Directors was held as of 31 December 2025.

Corporate Governance Report

Risk Management and Internal Control

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems 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.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems, and ensuring that such systems are reviewed annually for its effectiveness. The Board has reviewed the risk management and internal control systems for the year ended 31 December 2025 through the Audit Committee, and believes that such systems are effective and adequate. The Board also confirms that the Company has sufficient resources, qualified and experienced staff, and adequate training sessions and budgets, for its accounting, internal audit and financial reporting functions.

The Audit Committee assists the Board in its leadership role and oversees the design, implementation, and monitoring of the risk management and internal control systems.

The main features and operational processes of the Company's risk management and internal control system are described in detail as follows:

Risk identification: The Company adopts a systematic and continuous identification mechanism, comprehensively screens various risk factors that may adversely affect the Company's operation. The scope of identification covers, but is not limited to such key areas as the corporate governance structure, commercial bribery and unfair competition behaviors, data security and privacy protection, environmental, social and governance (ESG) control, improvement of the financial governance system, establishment of anti-fraud mechanisms, and prevention of improper benefit transfer.

Assessment of existing internal control points and measures: In respect of various risks identified above, the Company systematically sorts and assesses the existing prevention and control measures implemented by all departments, aiming to fully understand the coverage, design rationality and implementation basis of existing internal control points, and provide a basis for subsequent evaluation and optimization.

Evaluation on the effectiveness of internal control implementation: The Company adopts a combination of evaluation methods to conduct a prudent assessment on the operational effectiveness of its risk management and internal control systems. Specific evaluation methods include: reviewing relevant policy documents and process specifications, sampling and verifying business documents and approval records, interviewing responsible personnel of relevant positions, performing walk-through tests, and conducting on-site reviews. The evaluation is based on the framework of five elements of internal control, namely control environment, risk assessment, control activities, information and communication, and internal supervision, to ensure a comprehensive and systematic assessment framework.

Continuous optimization of risks and internal control measures: In response to risk points and internal control deficiencies identified during the evaluation process, the Company formulates and implements rectification and optimization measures in a timely manner. Meanwhile, in light of industry development trends, updates to relevant regulatory policies and the expansion of the Company's business scope, the Company will continuously improve its risk management system and internal control measures.

Corporate Governance Report

The Company has adopted a number of internal control policies, measures and procedures to reasonably ensure the achievement of certain objectives, including effective and efficient operation, reliable financial reporting and compliance with relevant laws and regulations.

The following is a summary of internal control policies, measures and procedures that the Company has implemented or plans to implement:

All departments/units regularly conduct internal control assessments to identify risks that may affect various aspects of the Group's business, including critical operational and financial processes, regulatory compliance, and information security. The Group also adopts and implements the insider information policies and procedures. Annual self-assessments are conducted to confirm whether each department/unit has properly complied with control policies.

Management coordinates with department heads to assess the likelihood of risk occurrence, provide rectification plans, and monitor risk management progress, reporting all findings and system effectiveness to the Audit Committee and the Board of Directors.

Management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems as of 31 December 2025.

The internal audit department conducts independent reviews of the adequacy and effectiveness of the risk management and internal control systems. The internal audit department reviews key issues related to accounting practices and all material controls and submits its findings and improvement recommendations to the Audit Committee.

The Company has established an anti-fraud management system to prevent internal corruption and bribery. The anti-fraud governing body is the Compliance Committee, under which the Compliance Department and the Business Audit Department are responsible for accepting reports, investigating relevant incidents, and following up on the results. The Company has established a reporting mechanism. Employees at all levels, as well as all parties who have direct or indirect economic relations with the Company, may file complaints or reports regarding actual or suspected fraud cases and violations of professional ethics through channels such as the reporting hotline, email, and mail correspondence. Major fraud incidents and fraudulent acts involving department heads (including those at the director level or above) are reported directly to the Board of Directors by the Compliance Committee under the Company's anti-fraud management system. Other fraud incidents are reported to the Compliance Committee under the established mechanism, with ongoing follow-up on the results. Employees found to have committed fraud after investigation will be subject to disciplinary actions in accordance with the Company's relevant regulations. If such acts are suspected of constituting a crime or violation of law, the Company will transfer the case to judicial authorities in accordance with the law. The Company continuously carries out anti-corruption and anti-bribery activities, fosters a corporate culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effective implementation of relevant measures.

Corporate Governance Report

The Company has established the information disclosure management system to provide general guidelines for Directors, Senior Management, and relevant employees, assisting in handling confidential information, monitoring disclosures, and responding to inquiries. Control procedures have been implemented to strictly prohibit unauthorized access and use of internal information. In addition, to strengthen the Company's mechanism for handling and publishing insider information, the Company has incorporated relevant policies and corresponding procedures for insider information into its information disclosure management system. The Company shall disclose information in a true, accurate, complete and timely manner, without false records, misleading statements or material omissions, and shall not fail to disclose the insider information due to disregard or negligence. Directors, Supervisors, Senior Management personnel of the Company and other staff who have access to information required to be disclosed by virtue of work owe a duty of confidentiality. The Company may require relevant insiders to sign confidentiality agreements according to actual circumstances. Prior to the legal disclosure of the insider information, no insider shall publicly disclose or leak such information, nor shall such person inform or implicitly convey the information to other unrelated persons. During work, relevant statements, financial data, discussion drafts, proposals, resolutions and intentional contracts shall be properly kept in accordance with relevant regulations. Unrelated persons shall not inquire about such insider information from insiders.

Directors' Responsibility for Preparing Financial Statements

The Directors understand their responsibility for preparing the Company's financial statements for the year ended 31 December 2025 and ensure the financial statements are prepared in accordance with legal requirements and applicable accounting standards. The Board also assures the financial statements are issued in a timely manner pursuant to legal and/or regulatory requirements.

The directors are not aware of any material uncertainties related to events or circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The statement of the Company's independent auditor regarding their reporting responsibilities on the financial statements is set out in this annual report "Independent Auditor's Report".

Auditor's Remuneration

An analysis of the remuneration paid by the Company to the Group's external auditor for audit services and non-audit services for the year ended 31 December 2025, is as follows:

Scope of Service	Amount Paid/ Payable RMB'000
Audit Services	2,050
Non-Audit Services	
– Tax Services	0
	2,050

Joint Company Secretaries

Ms. Cao Rui (the Company's Chief Financial Officer and Board Secretary) and Ms. Yeung Siu Wai Kitty have been appointed as the Company's Joint Company Secretaries. Ms. Yeung Siu Wai Kitty is a Senior Manager of Company Secretarial Services at Tricor Services Limited (a member of the Vistra Group) and assists Ms. Cao Rui in fulfilling her duties as the company's Company Secretary. Ms. Cao Rui is her primary contact in the Company.

The biographical details of Ms. Cao Rui and Ms. Yeung Siu Wai Kitty are set out in the "Brief Biographies of Directors, Supervisors, and Senior Management" section of this Report.

In accordance with the provisions of Rule 3.29 of the Listing Rules, Ms. Cao Rui and Ms. Yeung Siu Wai Kitty confirmed that they have received no less than 15 hours of relevant professional training during the Reporting Period.

Rights of Shareholders

To safeguard shareholders' interests and rights, the Company proposes separate resolutions on each material independent matter (including the election of individual directors) at general meetings. All resolutions proposed at general meetings will be voted on in accordance with the Listing Rules, and the voting results will be published on the Company's and the Stock Exchange's websites after the conclusion of the general meeting.

Convening Extraordinary General Meetings

The general meeting is classified as annual general meeting and extraordinary general meeting. The annual general meeting shall be convened once in each fiscal year and within six months from the end of previous fiscal year. In the event of any of the following circumstances, an extraordinary general meeting shall be convened within two months after the occurrence of such circumstances:

- The number of directors falls below the statutory minimum number required by the Company Law of the People's Republic of China or is less than two-thirds of the number specified in the Company's Articles of Association;
- The aggregate unrecovered losses of the Company amount to one-third of the Company's total share capital;
- Where shareholder(s), individually or jointly, holding more than 10% of the total shares carrying voting rights of the Company request(s) in writing;
- The Board considers it necessary;
- Where the Supervisory Committee proposes to call for such a meeting; or
- Other circumstances specified by laws, administrative regulations, departmental rules, regulatory rules of the Stock Exchange where the Company's shares are listed, or the Company's Articles of Association.

Corporate Governance Report

The general meeting shall be presided over by the Chairman of the Board. If the Chairman is unable to perform or fails to perform his/her duties, the Vice Chairman (if there are two or more Vice Chairmen in the Company, the Vice Chairman presiding shall be the one elected by a majority vote of the Directors) shall preside over the meeting. If the Vice Chairman is unable to perform or fails to perform his/her duties, a Director elected by a majority vote of the directors shall preside over the meeting. The Supervisory Committee is entitled to propose that the Board of Directors convene an extraordinary general meeting, and such proposal shall be made to the Board of Directors in written form. The shareholders who individually or jointly hold 10% or more of the Company's shares have the right to request an extraordinary general meeting and propose resolutions at the meeting. Such request shall be made in writing.

Submission of Proposals at the General Meeting

When convening a general meeting, the Board of Directors, the Supervisory Committee, and shareholders individually or jointly holding more than 1% of the Company's shares have the right to submit proposals to the Company. Shareholders individually or jointly holding more than 1% of the Company's shares may submit ad hoc proposals in writing to the Board of Directors 10 days prior to the convening of the general meeting. The ad hoc proposals shall have clear topics and specific resolution matters. The convener shall issue a supplementary notice of the general meeting within 2 days after receiving the proposals, announce the content of the ad hoc proposals, and submit them to the general meeting for deliberation; however, this shall not apply if the ad hoc proposals violate laws, administrative regulations, or the Company's Articles of Association, or if they do not fall within the scope of the general meeting's authority.

Making Inquiries to the Board of Directors

For any inquiries made to the Board of Directors, shareholders may send written inquiries to the Company. The Company generally does not handle oral or anonymous inquiries.

Contact Details

Shareholders may submit the aforementioned inquiries or requests through the following means:

Address: Room 901, 902, 903 and 904, Building 1, No. 1188, Qinzhou North Road, Shanghai City

Email: ir@able-elec.com

Please note that shareholders must submit and send the original of a formally signed written request, notice, statement, or inquiry (as the case may be) to the aforementioned address, providing their full names, contact details, and identity to facilitate the Company's response. Shareholder information may be disclosed in accordance with legal requirements.

Communication with Shareholders and Investors/Investor Relations

The Company believes that effective communication with shareholders is crucial for enhancing investor relations and improving investors' understanding of the Group's business performance and strategies. Therefore, the Company has established a website (www.able-elec.com) where the public can access relevant and up-to-date information, the latest developments regarding the Company's business operations and growth, financial information, corporate governance practices, and other data. The Company is committed to maintaining communication with shareholders, particularly through annual general meetings and other general meetings. At the annual general meeting, directors (or their designated representatives, as the case may be) may meet with shareholders and answer their questions.

Shareholder Communication Policy

The Company has formulated a shareholder communication policy to ensure proper responses to shareholders' opinions and concerns. The Board of Directors has reviewed the implementation and effectiveness of the shareholder communication policy and is satisfied with the results. The Company has established various channels to maintain ongoing dialogue with shareholders, as follows: the Company's annual general meeting and other general meetings that may be held. Meanwhile, all the disclosure documents submitted by the Company to the Stock Exchange of Hong Kong Limited, the Company's communication information and other company publications will be made public on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.able-elec.com).

Profit Distribution Policy

The Company has adopted a profit distribution policy in accordance with the Corporate Governance Code, emphasizing reasonable investment returns for investors while taking into account the Company's sustainable development, and maintaining continuity and stability. The Company may distribute profits in the form of cash, shares, or a combination of both, ensuring that profit distribution does not exceed the scope of accumulated distributable profits and does not impair the Company's ongoing operational capabilities. The Board of Directors of the Company may propose interim and special profit distributions based on the Company's profitability and capital requirements, subject to approval by the Company's general meeting. If the Company is profitable in the previous financial year and has positive accumulated distributable profits, and after meeting the Company's normal operational capital requirements, the Company shall distribute cash dividends. The Company currently does not have pre-determined dividend payout ratio. After taking into account the Company's results of operations for the year, future production and operation plans and other relevant factors, the Board of Directors may propose corresponding distribution plans, which will be implemented upon review and approval by the general meeting.

Major Changes to Constitutional Documents

Following deliberation and approval at the Second Extraordinary General Meeting in 2024 and the Ninth Meeting of the Second Session of the Board of Directors, the Company made several amendments to its Articles of Association on 24 November 2025. The latest version of the Articles of Association has also been published on the Company's website and the Stock Exchange's website.

Save as disclosed above, there were no changes to the Company's Articles of Association from the Listing Date to 31 December 2025.



Directors' Report

The Board of Directors of the Company is pleased to present this Directors' Report together with the audited consolidated financial statements of the Company for the year ended 31 December 2025.

Directors

The Directors serving during the year ended 31 December 2025 and up to the date of this annual report are as follows:

Executive Directors

Mr. WANG Hui (*Chairman*)

Mr. XI Puzhao

Ms. WANG Xin

Non-Executive Directors

Ms. GE Xin

Ms. WANG Ying

Mr. JIN Xingshen

Independent Non-Executive Directors

Mr. YAU Ka Chi

Prof. LIU Ningrong

Prof. MA Xufei

Principal Activities

The Company is a joint stock limited company incorporated in Shanghai under the Company Law of the PRC and listed on the Hong Kong Stock Exchange on 8 December 2025. We are a reputable digital teaching and learning solution provider for higher education institutions in China, committed to the provision, delivery and operation of digital educational content and digital teaching and learning environment services and products for higher education institutions. Our offerings cover all critical aspects from teaching, learning, practicing, testing and evaluating to administrating. We are committed to empowering higher education institutions, teachers and students by facilitating broad access to educational resources and enhancing the efficacy of educational outcomes.

The business operations of our Company's subsidiaries are detailed in the financial statements. There were no significant changes in the nature of our Company's principal activities during the year ended 31 December 2025. For further discussion and analysis of our principal activities, please refer to the "Management Discussion and Analysis" section of this annual report.

Business Review

A review of our Company's performance during the year, an analysis of key factors affecting our financial position, and an outlook for our Group's business are set out in the "Management Discussion and Analysis" section of this annual report, respectively.

Results

The operating results of the Group for the Reporting Period are set out in the “Management Discussion and Analysis” section of this annual report.

Risks and Uncertainties

Market competition and technological iteration risks: China’s higher education teaching and learning digitalization market remains in a stage of continuous innovation and development. Although we have accurately captured industry transformation opportunities and focused on optimizing and upgrading digital teaching content and environments to meet the evolving needs of teachers and students, we still face multiple risks that may adversely affect our business, financial condition, and operating results. In order to maintain competitiveness, we must closely follow industry trends and technological developments. However, the digitalization needs of higher education institutions continue to evolve in terms of content, formats, and methodologies, posing challenges for us in maintaining product relevance and adapting to new technologies, which requires continuous investment of resources. Our services and products must be compatible with various networks, devices, and software and hardware platforms and therefore require ongoing modifications and upgrades. If we fail to develop and launch relevant optimization features in a timely manner, or if research and development and delivery costs increase, customer demand may decline and customer satisfaction may decrease, which may further adversely affect our business prospects.

Network security and data compliance risks: The business model and operation of the Company are highly dependent on the IT system, involving core links such as the intelligent teaching platform and AI large models, as well as a large quantity of personal information of teachers and students and teaching data, which poses a risk of network security. In the event of malicious attacks, data leakage and other security incidents, it may lead to system disruptions, data loss, impacts on the service continuity and damage to the user trust, and trigger compliance liabilities, causing adverse impacts on the Company’s operating results.

Artificial intelligence regulation and industry reputation risks: The Chinese government has continuously strengthened the regulation of the artificial intelligence industry, and introduced multiple laws and regulations imposing strict requirements on AI technology research and development, data compliance, algorithm filing, etc. The Company’s core business involves the application of large AI models. Failure to meet regulatory standards may result in risks including rectification, service suspension, and administrative penalties, which may restrict the business implementation and expansion.

Financial Review

A discussion and analysis of key factors relating to our Company’s financial position during the year are set out in the “Management Discussion and Analysis” section of this annual report.

Directors' Report

Share Capital

Immediately before the global offering, the registered capital of our Company was RMB60,000,000, comprising 60,000,000 ordinary shares of nominal value of RMB1.00 each. Immediately following the completion of the Global Offering and the conversion of Domestic Unlisted Shares into H shares, the Company's total share capital is as follows:

Share Category	Number of Shares	Proportion of Total Share Capital of the Company
Unlisted Shares	4,713,900	7.07%
H Shares Converted from Domestic Unlisted Shares	55,286,100	82.93%
H Shares Issued in Global Offering	6,666,700	10.00%
Total	66,666,700	100.00%

Changes in the Company's share capital during the year are set out in Note 23 to the consolidated financial statements.

Subsidiaries

Details of the Company's subsidiaries are set out in Note 14 to the consolidated financial statements.

Final Dividend

Taking into full consideration the capital reserve requirements for the expansion of the Company's core business and the R&D of products and technologies, the Board has resolved not to recommend the payment of the final dividend for the year ended 31 December 2025, in order to further enhance financial stability, strengthen risk resistance, maintain sustainable operation and development and steady cash flow of the Company, and maximize long-term interests for shareholders.

Environmental Policies and Performance

The Company is committed to achieving environmental sustainability and integrating it into the daily operations of the Group. In addition to complying with all relevant environmental regulations and laws, the company has consistently encouraged practices such as water conservation, recycling of water, energy, and materials, which are incorporated into performance evaluations.

Further details of the Company's environmental policies and performance are set out in the "Environmental, Social and Governance Report" section of this annual report.

Legal Proceedings and Compliance

During the year ended 31 December 2025, there were no material violations of laws and regulations related to the Company's operations.

Use of Proceeds from Global Offering

H-shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date. After deducting the underwriting fees and related expenses, the net proceeds received from the Global Offering amounted to approximately HK\$431.1 million. The Company will utilise these net proceeds for the purposes specified in the section headed "Future Plans and Use of Proceeds" in the prospectus.

The table below shows the plans and actual usage of net proceeds from the Global Offering as of the end of the Reporting Period:

Purpose of Proceeds	Percentage of Total Net Proceeds (%)	Allocation of Net Proceeds (HK\$ million)	Net Proceeds Utilized (During the Reporting Period) (HK\$ million)	Unutilized Net Proceeds (As of December 31, 2025) (HK\$ million)	Expected Timeline for Use of Unutilized Proceeds
Research and Development	36.7	158.3	–	158.3	By the end of 2030
• Recruitment and cultivation of R&D personnel	29.0	125.1	–	125.1	By the end of 2030
• Improvement of R&D infrastructure	7.7	33.2	–	33.2	By the end of 2030
Enhancement of our customer service and support capabilities	31.8	137.2	–	137.2	By the end of 2030
• Employee recruitment	26.0	112.2	–	112.2	By the end of 2030
• Infrastructure	5.8	25	–	25	By the end of 2030
Establishment of knowledge graph construction centers	21.4	92.4	–	92.4	By the end of 2030
• Employee recruitment	19.0	82	–	82	By the end of 2030
• Infrastructure	2.4	10.4	–	10.4	By the end of 2030
Working capital and general corporate purposes	10.0	43.2	–	43.2	By the end of 2030
Total	100	431.1	–	431.1	

The Group has not utilised any listing proceeds from the Listing Date to the date of this annual report and will continue to utilise the remaining net proceeds progressively in accordance with the intended usage as set out in the Prospectus. The expected timeline for utilising the net proceeds from the Global Offering is based on the best estimates of future market conditions made by the Company and is subject to changes in accordance with our actual business operations.

Directors' Report

Reserves

Details of movements in the reserves of the Company as of 31 December 2025 are set out in the consolidated statement of changes in equity and Note 24 to the financial statements, respectively.

Calculated in accordance with the applicable laws of China, the place where the Company was incorporated, the Company's distributable reserves as of 31 December 2025, were approximately RMB622,442 thousand.

Property, Plant and Equipment

Movements in the Company's property, plant, and equipment for the year ended 31 December 2025, are set out in Note 15 to the consolidated financial statements.

Major Customers and Suppliers

The percentages of sales amount and purchases amount attributable of the Company's major suppliers for the year ended 31 December 2025, are as follows:

Purchases

The largest supplier	27.16%
Total for the five largest suppliers	39.60%

Among the Company's five largest suppliers, none of the Company's directors, their close associates, or any shareholders (referring to shareholders who, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) have any interests in any other major suppliers mentioned above.

During the Reporting Period, the five largest customers of the Group accounted for less than 30% of the Group's total sales for the year. The directors did not consider that any customer had significant influence on the Group.

Equity-Linked Agreements

The Company did not enter into any equity-linked agreements during 2025, and no such agreement existed at the end of 2025.

Permitted Indemnity Provision

The Company has purchased appropriate liability insurance for its Directors and Senior Management. The permitted indemnity provisions for the benefit of the directors remain in effect and were in effect throughout the year ended 31 December 2025. Apart from this, the Company did not have any other effective permitted indemnity provisions during the Reporting Period and as of the date of approval of this annual report.

Debentures Issued

During the Reporting Period, the Company did not issue any corporate bonds.

Donations

For the year ended 31 December 2025, the Company made charitable and other donations totalling RMB180 thousand.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed for the year ended December 31, 2025.

Service Contracts of Directors and Supervisors

All directors and supervisors of the Company have entered into service contracts or appointment letters with the Company, respectively. The term of office of each service contract or appointment letter will terminate in accordance with its terms and conditions or upon the giving of not less than three months' prior written notice by either party to the other to terminate the appointment. According to Article 95 of the Company's Articles of Association, the term of office of Directors is three years, and Directors may be re-elected upon expiration of their term. Directors may be removed by an ordinary resolution of the general meeting before the expiration of their term. The term of office of Directors commences from the date of assumption of office and ends upon the expiration of the term of the current Board of Directors.

No Director or Supervisor has entered into a service contract that cannot be terminated by the Company within one year without payment of compensation (other than statutory compensation).

Confirmation of Independence

Each independent non-executive Director has provided a written confirmation confirming their independence from the Company in accordance with Rule 3.13 of the Listing Rules. After assessment, the Company considers each independent non-executive Director to be independent.

Directors' Interests in Competing Businesses

As of 31 December, 2025, each of our Directors (other than our independent non-executive Directors) confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.



Directors' Report

Arrangements for the Purchase of Shares or Debentures

Save as disclosed in this annual report, as of 31 December 2025, neither the Company, its holding company, nor any of its subsidiaries had entered into any arrangements that would enable directors to profit from the purchase of equity or debt securities (including debentures) of the Company or any other corporate body. None of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

Connected Transactions and Continuing Connected Transactions

The Company did not have any connected transactions and continuing connected transactions during the Reporting Period.

Transactions, Arrangements, or Material Contracts

No material transactions, arrangements, or contracts entered into by the Company or any of its subsidiaries in which the Company's Directors, Supervisors, or any entities connected with any Directors or Supervisors had a material interest (directly or indirectly) remained in effect at the end of the year or at any time during the year ended 31 December 2025.

Material Contracts with Controlling Shareholders

Save as disclosed in the annual report, no material contract was entered into between the Company or any subsidiary and the Controlling Shareholder or any subsidiary during the Reporting Period.

Purchase, Sale, or Redemption of the Company's Listed Securities

As of the date of this annual report, the Company's share capital consists of 66,666,700 ordinary shares, including 4,713,900 Domestic Unlisted Shares and 61,952,800 overseas listed H shares. The Company issued 61,952,800 H shares pursuant to the Global Offering, representing 92.93% of the total issued shares after listing.

Save for the Global Offering, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date to the date of this annual report. As of the end of the Reporting Period, the Company did not hold any treasury shares.

Employees, Training and Remuneration Policy

As of 31 December, 2025, the Company had a total of 2,728 employees. The Company's employee costs (including Directors' remuneration) for 2025 were approximately RMB650,269 thousand, and the total remuneration of the Company's Directors, Supervisors, and Senior Management for 2025 was approximately RMB7,047 thousand. Employee costs include basic salaries, bonuses, and employee benefits.

The Company values employee protection, talent development, and long-term incentives and provides statutory welfare benefits to employees in accordance with applicable Chinese laws and regulations, including pension insurance, maternity insurance, unemployment insurance, work-related injury insurance, medical insurance, and housing provident funds. The Company implements corresponding working hours and leave arrangements based on job responsibilities, business needs, and actual operating conditions and continuously improves relevant management mechanisms to support business development and enhance employees' work experience.

The Company continuously optimizes its remuneration and welfare management system, establishes a market-competitive and internally fair remuneration system based on job value, individual capabilities, performance, market levels, and the Company's operating conditions, and continuously improves its remuneration and incentive mechanisms in line with business objectives, employee contributions, and business development needs to attract, retain, and motivate talent. The Company has also implemented an employee incentive plan and plans to continue granting share incentives to employees in the future to motivate them to contribute to the company's growth and development. The Company continuously conducts training related to safety, compliance, and job performance and adheres to the principles of lawful compliance and fair employment.

Remuneration of Directors, Supervisors, and Senior Management

Details of the remuneration of the Directors, Supervisors and Senior Management are set out in Note 32 and Note 33 to the consolidated financial statements.

Five Highest Paid Employees

Details of the five highest-paid individuals are set out in Note 9 to the consolidated financial statements.

Relationship with Employees, Customers and Suppliers

The success of the Company relies on the support of important relations such as employees, suppliers and customers. The Company maintains a good relationship with its employees, customers and suppliers in order to ensure smooth business operation.

Directors' Report

Interests and Short Positions of Directors, Supervisors, and Chief Executive in Shares, Underlying Shares, and Debentures of the Company and Its Associated Corporations

As at 31 December 2025, the following directors, supervisors, and the chief executive of the Company held, or were deemed or regarded as holding, long or short positions in the shares, underlying shares, and debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance) that (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance; or (b) are required, pursuant to section 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein; or (c) are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange (for this purpose, the relevant provisions of the Securities and Futures Ordinance are to be construed as if they applied to supervisors) as follows:

Director, Supervisor, or Chief Executive	Position	Nature of Interest ⁽¹⁾	Number of Shares Held and Description	Approximate percentage of shareholding in the H Shares after the Global Offering ⁽⁷⁾ (%)	Approximate Percentage of Total Share Capital of the Company after Global Offering ⁽⁸⁾ (%)
Mr. Wang	Chairman of the Board and Executive Director	Beneficial Owner	14,353,020 H Shares	23.16%	21.53%
		Interest of Spouse ⁽²⁾	8,713,800 H Shares	14.06%	13.07%
Ms. Ge	Non-Executive Director	Beneficial owner	8,713,800 H Shares	14.06%	13.07%
		Interest of Spouse ⁽²⁾	14,353,020 H Shares	23.16%	21.53%
Mr. Xi Puzhao	Executive Director and General Manager	Beneficial Owner	1,281,060 H Shares	2.06%	1.92%
Ms. Wang Xin	Executive Director and Deputy General Manager	Beneficial Owner	709,920 H Shares	1.14%	1.06%
		Interest of Spouse ⁽³⁾	709,920 H Shares	1.14%	1.06%
		Interest in controlled corporation ⁽⁴⁾	282,420 H Shares	0.45%	0.42%
Mr. Li Quansheng	Supervisor	Interest in controlled corporation ⁽⁵⁾	2,042,580 H Shares	3.29%	3.06%
Mr. Han Yuze	Supervisor	Interest in controlled corporation ⁽⁶⁾	1,317,120 H Shares	2.12%	1.97%

Notes:

- (1) All listed interests are long positions.
- (2) Mr. Wang and Ms. Ge are spouses. Therefore, pursuant to Part XV of the Securities and Futures Ordinance, Mr. Wang and Ms. Ge are deemed to have interests in the shares held by each other.
- (3) Ms. Wang Xin and Mr. Zhang Bocheng are spouses. After the completion of the Global Offering and the Conversion of Domestic Unlisted Shares into H-Shares, Mr. Zhang Bocheng will hold 709,920 H-Shares of the Company. Pursuant to Part XV of the Securities and Futures Ordinance, Ms. Wang Xin is deemed to have an interest in the shares held by Mr. Zhang Bocheng.
- (4) Peixian Yingcui is controlled by Ms. Wang Xin as the general partner. After the completion of the Global Offering and the Conversion of Domestic Unlisted Shares into H-Shares, Peixian Yingcui will hold 282,420 H-Shares of the Company. Therefore, pursuant to Part XV of the Securities and Futures Ordinance, Ms. Wang Xin is deemed to have an interest in the shares held by Peixian Yingcui.
- (5) Datai Yueda and Yueda Taihe are both managed and controlled by a corporate fund manager, which is directly and indirectly owned 85% by a company controlled by Mr. Li Quansheng. Therefore, for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Li Quansheng is deemed to have an interest in the shares held by both Datai Yueda and Yueda Taihe.
- (6) Xinjiang Lianchuang and Shanghai Yongcang are both managed and controlled by corporate fund managers ultimately controlled by Mr. Han Yuze. Therefore, for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Han Yuze is deemed to have an interest in the shares held by both Xinjiang Lianchuang and Shanghai Yongcang.
- (7) Calculated based on the total number of 61,952,800 H Shares issued as of 31 December 2025.
- (8) Calculated based on the total number of 4,713,900 Domestic Unlisted Shares and 61,952,800 H Shares issued of the Company as of 31 December 2025.

Except as disclosed above, as of 31 December 2025, to the best knowledge of the directors, no director, supervisor, or chief executive of the Company held, or was deemed or regarded as holding, long or short positions in the shares, underlying shares, and debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance) that (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance; or (b) are required, pursuant to section 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein; or (c) are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange (for this purpose, the relevant provisions of the Securities and Futures Ordinance are to be construed as if they applied to supervisors).

Directors' Report

Interests and Short Positions of Significant Shareholders and Other Persons in Shares and Underlying Shares of the Company

As at 31 December 2025, to the best knowledge of the directors, the following persons (other than directors, supervisors, or the chief executive of the Company) held interests or short positions in the shares or underlying shares that are required to be disclosed to the Company and the Stock Exchange or registered in the register maintained by the Company pursuant to section 336 of the Securities and Futures Ordinance under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance:

Shareholders Name	Nature of Interest	Share Class	Number of Shares Held ⁽¹⁾	Percentage of Respective Share Capital Class ⁽⁴⁾	Percentage of Total Share Capital of the Company ⁽⁴⁾
Wang Yunning	Beneficial Owner	Domestic Unlisted Shares	4,713,900	100.00%	7.07%
		H Shares	1,286,100	2.07%	1.92%
Jinzhuo Hengbang Technology (Beijing) Co., Ltd. (金卓恒邦科技(北京)有限公司) ("Jinzhuo Hengbang")	Beneficial Owner ⁽²⁾	H Shares	10,735,800	17.32%	16.10%
Sina Technology (China) Co., Ltd.	Interest in Controlled Corporation ⁽²⁾	H Shares	10,735,800	17.32%	16.10%
Sina Hong Kong Limited	Interest in Controlled Corporation ⁽²⁾	H Shares	10,735,800	17.32%	16.10%
Sina Corporation	Interest in Controlled Corporation ⁽²⁾	H Shares	10,735,800	17.32%	16.10%
Charles Guowei CHAO	Interest in Controlled Corporation ⁽²⁾	H Shares	10,735,800	17.32%	16.10%
Dazi County Bairuixiang Venture Capital Management Co., Ltd. ("Bairuixiang VC")	Beneficial Owner ⁽³⁾	H Shares	6,038,520	9.74%	9.05%
Beijing Baidu Netcom Science Technology Co., Ltd. ("Baidu Netcom")	Interest in Controlled Corporation ⁽³⁾	H Shares	6,038,520	9.74%	9.05%
Baidu, Inc.	Interest in Controlled Corporation ⁽³⁾	H Shares	6,038,520	9.74%	9.05%

Notes:

- (1) All interests are long positions.
- (2) Jinzhuo Hengbang is controlled by Sina Technology (China) Co., Ltd., which is wholly owned by Sina Hong Kong Limited, which in turn is wholly owned by Sina Corporation, and Sina Corporation is ultimately owned 61.20% by Charles Guowei CHAO. Therefore, Sina Technology (China) Co., Ltd., Sina Hong Kong Limited, Sina Corporation, and Charles Guowei CHAO are all deemed to have interests in the shares of the Company held by Jinzhuo Hengbang.
- (3) Bairuixiang VC was wholly owned by Baidu Netcom (a consolidated affiliated entity of Baidu, Inc.). Therefore, Baidu Netcom and Baidu Inc. are each deemed to have interests in the shares of the Company held by Bairuixiang VC.
- (4) As at December 31 2025, the number of issued shares of the Company was 66,666,700 shares (comprising an aggregate of 4,713,900 domestic shares and 61,952,800 issued H shares), which has been used for calculating the approximate percentages.

Pursuant to section 336 of the Securities and Futures Ordinance, a shareholder is required to submit a disclosure of interest form if certain conditions are met. If a shareholder's shareholding in the Company changes, the shareholder is not required to notify the Company and the Stock Exchange unless certain conditions are met. Therefore, a shareholder's latest shareholding in the Company may differ from the shareholding submitted to the Stock Exchange.

Except as disclosed above, as of December 31, 2025, to the best knowledge of the directors, no person (other than directors, supervisors, or the chief executive of the Company) held interests or short positions in the shares or underlying shares that are required to be disclosed to the Company and the Stock Exchange or registered in the register maintained by the Company pursuant to section 336 of the Securities and Futures Ordinance under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association and the laws of the PRC which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Tax Relief

The Group is not aware of any tax relief available to any holders of the securities of the Company by reason of their holding of such securities.

Pension Schemes

In accordance with Chinese rules and regulations, employees of the Group participate in various defined-benefit contribution schemes organized by the relevant provincial and municipal governments in China. Under these schemes, the Group and its employees are required to make monthly contributions calculated as a certain percentage of the employees' wages, subject to a cap. Apart from the monthly contributions, the Group is not required to make any further payments for employees' pensions and other post-retirement benefits. The assets of these schemes are separate from the assets of the Group and are held by independent funds managed by the Chinese government. The Group's contributions to these schemes are expensed as incurred.

Directors' Report

Pre-IPO Employee Incentive Scheme

The Employee Incentive Scheme (“**Employee Incentive Scheme**”) was adopted by our Company in February 2016 and amended by a resolution of our Shareholders on July 30, 2021 and March 1, 2024, respectively. The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules, as the Employee Incentive Scheme does not involve the grant of new Shares or options over new Shares by our Company to subscribe for H Shares after the Listing. The following is a summary of the principal terms of the Employee Incentive Scheme.

As of the date of this Annual Report, the incentive shares under the Employee Incentive Scheme were held through six platforms, namely Shanghai Xuru Enterprise Management Consulting Partnership L.P. (上海許如企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Xuru**”), Shanghai Baxuan Enterprise Management Consulting Partnership L.P. (上海灞軒企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Baxuan**”), Shanghai Womiao Enterprise Management Consulting Partnership L.P. (上海喔淼企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Womiao**”), Shanghai Shuhuai Enterprise Management Consulting Partnership L.P. (上海黍懷企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Shuhuai**”), Shanghai Suishang Enterprise Management Consulting Partnership L.P. (上海遂商企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Suishang**”), and Peixian Yingcui Enterprise Management Consulting Partnership L.P. (沛縣穎萃企業管理合夥企業(有限合夥)) (“**Peixian Yingcui**”). The participants under the Employee Incentive Scheme would be granted partnership interest of the platforms (the “**Award**”), and become limited partners thereof and hence be indirectly interested in the incentive shares held by the relevant platform(s) in our Company.

(a) Purpose

The Company has adopted the Employee Incentive Scheme to incentivize our employees during the relevant period for their contribution or potential contribution to our Group.

(b) Participant under the Employee Incentive Scheme

Individuals eligible to participate in such Employee Incentive Schemes are the Directors, management and employees of our Group.

(c) Maximum Entitlement of each Participant

The Employee Incentive Scheme does not set a maximum entitlement of each participant. No shares under the employee incentive platform have been reserved for granting awards to future grantees pursuant to the employee incentive scheme. No further Awards are expected to be granted after Listing under the Employee Incentive Scheme.

(d) Administration

The Shareholders are responsible for reviewing and approving the Employee Incentive Scheme together with its amendment and termination. The Remuneration Committee is responsible for formulating and executing the Employee Incentive Scheme.

(e) Term and Lock-up

The Employee Incentive Scheme shall be valid and effective for a period commencing from the adoption date of the Employee Incentive Scheme, being February 2016, and until termination as resolved by the general meeting of the Shareholders. The Awards granted under the Employee Incentive Scheme shall be subject to a lockup period until listing of the Company, subject to applicable regulatory requirements. After the expiration of the lock-up period of the Employee Incentive Scheme, the participants are entitled to apply to the general partner for disposal of the incentive shares underlying the Awards.

(f) Number of Shares of Incentive Shares Granted

The number of Shares underlying the Awards granted the Employee Incentive Scheme is approximately 1,725,762, representing approximately 2.53% of Company's total issued share capital immediately upon the completion of the Global Offering.

(g) Withdrawal of the Awards

The participants may be required to withdraw from the Employee Incentive Scheme and transfer all of the partnership interests in the Employee Incentive Platform held by them to the eligible participants designated by the Remuneration Committee in accordance with the Employee Incentive Scheme, including but not limited to expiration or termination of the employment.

Directors' Report

Details of restricted shares granted under such Employee Incentive Schemes

No restricted shares have been granted under such Employee Incentive Schemes after our Company's listing. The movements of shares under the Employee Incentive Scheme during the Reporting Period are set out as below:

Name of the participants	Position held in our Group	Date of grant	Purchase price (Currency: RMB)	Unvested Awards as at 1 January 2025	Vesting period	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year	Unvested awards as of 31 December 2025
Connected Persons and Senior Management										
Ms. WANG Xin	executive Director	2019/02/27	15.18	81,712	2019/02/27–2025/12/08	-	81,712	-	-	-
		2019/02/27	15.18	7,242	2019/02/27–2025/12/08	-	7,242	-	-	-
		2021/12/30	15.18	3,747	2021/12/30–2025/12/08	-	3,747	-	-	-
		2020/08/25	32.66	4,593	2020/08/25–2025/12/08	-	4,593	-	-	-
		2020/08/07	1.77	1,412	2020/08/07–2025/12/08	-	1,412	-	-	-
Mr. WANG Jian	Supervisor	2016/02/26	15.19	56,498	2016/02/26–2025/12/08	-	56,498	-	-	-
		2019/02/27	15.19	9,875	2019/02/27–2025/12/08	-	9,875	-	-	-
		2022/08/12	15.19	19,756	2022/08/12–2025/12/08	-	19,756	-	-	-
Mr. XI Puzhao	executive Director and general manager	2016/02/26	15.19	6,803	2016/02/26–2025/12/08	-	6,803	-	-	-
		2019/02/27	15.19	13,171	2019/02/27–2025/12/08	-	13,171	-	-	-
Mr. ZHANG Bocheng	supervisor of Shanghai Zhidao	2017/12/20	15.19	66,101	2017/12/20–2025/12/08	-	66,101	-	-	-
Ms. CAO Rui	chief financial officer and secretary of the Board ^{note 1}	2020/08/07	15.18	237,069	2020/08/07–2025/12/08	-	237,069	-	-	-
		2020/08/07	15.18	26,341	2020/08/07–2025/12/08	-	26,341	-	-	-
		2020/08/07	1.77	281,008	2020/08/07–2025/12/08	-	281,008	-	-	-
Mr. WANG Jun	brother of Mr. Wang	2016/02/26	15.19	8,874	2016/02/26–2025/12/08	-	8,874	-	-	-
Subtotal		/	/	824,201	/	-	824,201	-	-	-

Directors' Report

Name of the participants	Position held in our Group	Date of grant	Purchase price (Currency: RMB)	Unvested Awards as at 1 January 2025	Vesting period	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year	Unvested awards as of 31 December 2025
<i>Five highest paid employees during the Reporting Period^{Note 1} (excluding the above Connected Persons and Senior Management)</i>		2016/02/26	15.18	7,395	2016/02/26–2025/12/08	-	7,395	-	-	-
		2019/02/27	15.18	6,586	2019/02/27–2025/12/08	-	6,586	-	-	-
		2020/08/21	32.66	6,124	2020/08/21–2025/12/08	-	6,124	-	-	-
		2020/08/22	32.66	3,062	2020/08/22–2025/12/08	-	3,062	-	-	-
		2021/07/12	15.18	19,757	2021/07/12–2025/12/08	-	19,757	-	-	-
		2021/08/31	15.18	1,458	2021/08/31–2025/12/08	-	1,458	-	-	-
		2021/09/14	15.18	17,452	2021/09/14–2025/12/08	-	17,452	-	-	-
		2022/8/12	15.18	62,561	2022/08/12–2025/12/08	-	62,561	-	-	-
		2023/05/06	15.18	39,512	2023/05/06–2025/12/08	-	39,512	-	-	-
		2024/03/25	32.66	9,493	2024/03/25–2025/12/08	-	9,493	-	-	-
Subtotal	/	/	/	173,399	/	-	173,399	-	-	-
Other employee participants		2016–2025	1.77–32.66	728,162	2016/02/26–2025/12/08	43,539	728,162	-	43,539	-
Total	/	/	/	1,725,762	/	43,539	1,725,762	-	43,539	-

Note 1: The five highest paid individuals of our Group include Ms. CAO Rui, a Senior Management of our Group.

For further details of the Pre-IPO Employee Incentive Scheme, please see our Company's Prospectus dated 28 November 2025 and Note 25 to the consolidated financial statements of this Report.



Directors' Report

Public Float

Based on the information that is publicly available to the Company and to the best knowledge of the directors, from the Listing Date to the date of this annual report, the Company complied with the minimum public float requirement under the Listing Rules, and maintained the public float of not less than 25% of its total issued share capital at all times.

Subsequent Events

On 9 March 2026, the Company was officially included in the list of eligible stocks for Southbound Trading under the Hong Kong Stock Connect.

Save as the subsequent events disclosed in the note 36 to the consolidated financial statements of this report, after due and careful consideration, our directors confirm that, there has not been any material adverse change in financial or trading position or prospects of the Company since 31 December 2025 to the date of this report.

Auditor

For the year ended 31 December 2025, PricewaterhouseCoopers Zhong Tian LLP served as the domestic auditor of the Company, and PricewaterhouseCoopers served as the international auditor. The financial statements contained in this annual report have been audited by PricewaterhouseCoopers. A resolution will be submitted to the forthcoming annual general meeting of the Company. There has been no change in the Company's auditor since the Listing Date.

By order of the Board
Shanghai Able Digital Science&Tech Co., Ltd.
Mr. WANG Hui
Chairman of the Board and executive Director

Shanghai, China
27 March 2026

Environmental, Social and Governance Report

About This Report

Shanghai Able Digital Science&Tech Co., Ltd. and all of its subsidiaries (collectively, “**Able Digital**”, the “**Group**”, or “**we**”) are pleased to publish our first Environmental, Social and Governance (“**ESG**”) Report (“**this Report**”). The Group pays close attention to and responds to stakeholders’ expectations, continuously explores sustainable development practices, and discloses in detail in this Report our efforts, performance, and achievements in ESG.

Reporting Scope

The reporting period of this Report covers January 1, 2025 to December 31, 2025 (the “**Reporting Period**”). The scope of disclosure includes information of Shanghai Able Digital Science&Tech Co., Ltd. and all of its subsidiaries, consistent with the Group’s 2025 Annual Report. The Group confirms that there are no false representations, misleading statements, or material omissions in this Report, and accepts full responsibility for the truthfulness, accuracy, and completeness of its contents.

Basis of Preparation

This Report has been prepared in accordance with Appendix C2 Environmental, Social and Governance Reporting Code (《環境、社會及管治報告守則》) to the Rules Governing the Listing of Securities (《證券上市規則》) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), with further reference to the International Sustainability Standards Board (ISSB)’s IFRS Sustainability Disclosure Standards No. 1 – General Requirements for Disclosure of Sustainability-related Financial Information (《國際財務報告可持續披露準則第1號—可持續相關財務資訊披露一般要求》) (“**S1**”) and IFRS Sustainability Disclosure Standards No. 2 – Climate-related Disclosures (《國際財務報告可持續披露準則第2號—氣候相關披露》) (“**S2**”), and strictly adheres to the principles of “Materiality”, “Quantitative”, “Balance”, and “Consistency”.

Requirement

Our Response

Materiality	When the Board of Directors (the “ Board ”) determines that ESG matters would have a significant impact on investors and other stakeholders, the enterprise should report on such matters.	During the preparation of this Report, we have identified key stakeholders and their ESG concerns, and have made targeted disclosures in this Report based on the relative materiality of these concerns.
Quantitative	Key performance indicators (KPIs) in respect of historical data should be measurable to enable assessment and validation of the effectiveness of ESG policies and management systems.	This Report has adopted a quantitative approach to present KPIs in the environmental and social aspects, and has provided explanations on the measurement standards, methods, assumptions, calculation tools, and sources of conversion factors used.

Environmental, Social and Governance Report

Requirement		Our Response
Balance	The ESG report should present the enterprise's performance in an unbiased manner, avoiding any selective disclosure, omission, or reporting format that might unduly influence the decision-making or judgment of the report readers.	This Report has disclosed relevant information objectively, ensuring that the content reflects our sustainable development performance during the Reporting Period in a fair and unbiased manner.
Consistency	Enterprises should use a consistent statistical disclosure method to ensure that ESG data is comparable and meaningful over time.	We will adopt a consistent statistical method in preparing ESG reports for subsequent years, and will provide explanations for any individual changes.

Report Publication

This Report is published in both Traditional Chinese and English. In case of any discrepancies, the Traditional Chinese version shall prevail. Stakeholders may access this Report on the Stock Exchange's website (www.hkexnews.hk) and the Group's official website (www.able-elec.com).

Contact Information

For any enquiries or feedback regarding this Report, please contact us via:

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Headquarters and Principal Place of Business	Rooms 901, 902, 903, 904, No. 1188, Qinzhou North Road, Xuhui District, Shanghai
Official Website	www.able-elec.com

Board Statement

The Board, as the highest responsible and decision-making body for the Group's ESG matters, attaches great importance to ESG management concepts, deeply integrates ESG into the Group's development strategy, closely monitors the Group's ESG performance, and continuously improves ESG management mechanisms.

The Board values stakeholders' demands and actively responds to their expectations. While ensuring the achievement of operational objectives, it leads Able Digital to effectively fulfill its corporate social responsibilities, create long-term value, and safeguard sustainable and high-quality development.

The Board and all directors confirm that this Report contains no false representations, misleading statements, or material omissions, and are responsible for the truthfulness, accuracy, and completeness of this Report. This Report provides a detailed disclosure of Able Digital's progress and achievements in ESG work in 2025 and was reviewed and approved at a Board meeting on March 27, 2026.

Environmental, Social and Governance Report

Sustainable Development Governance

ESG Governance Structure

Able Digital places great importance on sustainable development. By actively implementing and continuously formulating effective measures, the Group integrates ESG principles into all key aspects of its business operations, thereby laying a solid foundation for long-term business development and sustainable value creation, achieving sustainable growth and enhancing resilience in the transition to a low-carbon economy.

The Group has established a comprehensive ESG governance structure. The Board, as the highest responsible and decision-making body for ESG governance, assumes overall and collective responsibility for overseeing ESG matters, including but not limited to approving ESG and climate-related strategies and management approaches, overseeing ESG and climate-related policies and practices, implementing the management of ESG and climate-related risks and opportunities, and reviewing the progress of ESG and climate-related indicators and targets. For details of the Board, please refer to the “Corporate Governance Report” section of the Annual Report.

The Board has delegated responsibilities to an ESG Working Group comprising the CEO, CFO, and heads of relevant departments such as Legal, Human Resources, and Administration, to drive the planning and implementation of ESG and climate-related matters across the Group. Members of the ESG Working Group possess management knowledge in ESG-related areas, including employment and labor practices, occupational health and safety, product responsibility, and business ethics. The ESG Working Group reports to the Board at least twice a year on ESG and climate-related matters, providing recommendations and relevant information, including the development, implementation, and review of the Group’s ESG framework, management approaches, strategies, and measures, as well as the identification, assessment, prioritization, and management of material ESG and climate-related risks and opportunities.

We are committed to integrating ESG factors into business decision-making processes. The Group has formulated a group-level Environmental, Social and Governance Policy (《環境、社會及管治政策》), supplemented by a series of measures and initiatives that clearly define the actions and steps for implementing ESG practices, thereby further advancing our sustainable development agenda.

Environmental, Social and Governance Report

Stakeholder Engagement

Able Digital listens attentively to stakeholders' voices and is committed to building close and solid relationships. Through appropriate and effective communication channels, we understand and respond to stakeholders' concerns and feedback regarding the Group's ESG performance, which serve as an important reference for formulating our operational strategies and sustainable development plans.

Stakeholder Type	Key Concerns	Communication Channels	Responses and Feedback
Shareholders and Investors	<ul style="list-style-type: none"> • Sustainable and stable investment returns • Timely information disclosure • Compliant corporate operations 	<ul style="list-style-type: none"> • Public reports and announcements • General meetings • Roadshows/conference calls/meetings • Media communication mechanisms • Press conferences • Securities market requirements • Telephone/email/website enquiries • Investor visits 	<ul style="list-style-type: none"> • Issue notices and resolutions of annual general meetings as required • Disclose Group information in a timely manner • Publish announcements and periodic reports in accordance with regulatory requirements • Respond to investor enquiries via email/telephone and receive on-site investor visits
Employees	<ul style="list-style-type: none"> • Training and career development • Remuneration and benefits • Health and safety 	<ul style="list-style-type: none"> • Direct communication • Performance appraisal • Physical examinations • Training programs • Employee opinion surveys • Safety management 	<ul style="list-style-type: none"> • Provide a healthy and safe working environment • Establish fair and transparent promotion and performance appraisal mechanisms • Organize employee activities

Environmental, Social and Governance Report

Stakeholder Type	Key Concerns	Communication Channels	Responses and Feedback
Suppliers	<ul style="list-style-type: none"> Standardized supplier management and procurement processes Timely contract execution Corporate credibility 	<ul style="list-style-type: none"> Order/contract execution Direct communication Supplier management systems 	<ul style="list-style-type: none"> Fulfil contractual obligations Maintain long-term cooperation with high-quality suppliers Make payments on time Ensure services and products comply with quality and safety standards Maintain comprehensive supplier management records
Government and Regulatory Authorities	<ul style="list-style-type: none"> Compliant corporate operations Lawful tax payment 	<ul style="list-style-type: none"> Statutory reporting Participation in government meetings Government projects Information disclosure 	<ul style="list-style-type: none"> Strict compliance with laws and regulations Monitor changes in regulatory requirements Strengthen safety management
Financial Institutions	<ul style="list-style-type: none"> Sound corporate creditworthiness Stable financial position Track record Stable corporate growth 	<ul style="list-style-type: none"> Financial reports and announcements Site visits Direct communication 	<ul style="list-style-type: none"> Repay loans on time Maintain good business relationships
Community/Public	<ul style="list-style-type: none"> Contribution to society and communities Employment promotion 	<ul style="list-style-type: none"> Community services Charitable activities News and announcements Information disclosure 	<ul style="list-style-type: none"> Actively fulfill corporate social responsibilities Provide employment opportunities through stable operations

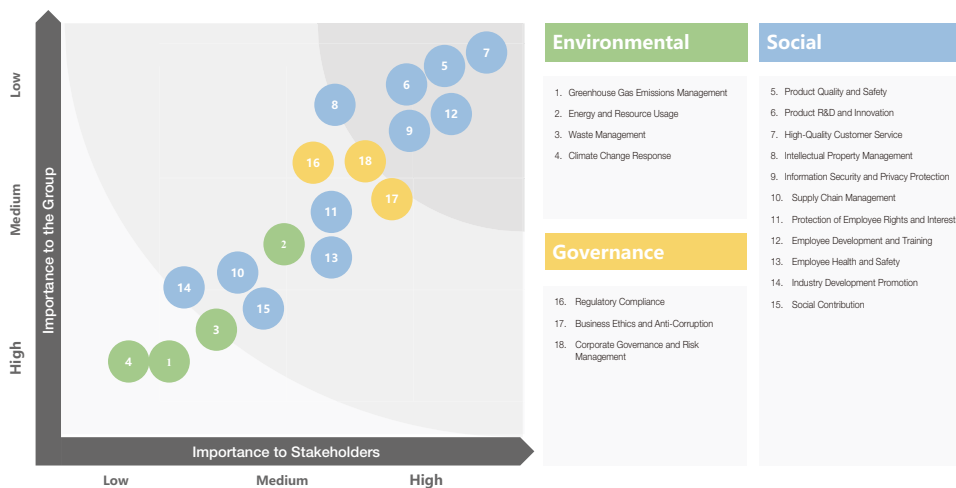
Environmental, Social and Governance Report

Materiality Assessment of ESG Issues

Able Digital has identified 18 key ESG issues by referencing the United Nations Sustainable Development Goals, exchange requirements, investor concerns, domestic and international policies, as well as integrating stakeholders' views and the Company's overall strategy. Through systematic research and analysis, we assess the level of concern of internal and external stakeholders regarding various ESG issues and rank their importance.

Our process for determining material ESG issues is as follows:

Identification of Material Issues	Taking into account the Group's operating locations, business activities, business relationships, and development plans, and with reference to domestic and international ESG disclosure standards and capital market concerns, we further identify ESG material issues to confirm those most relevant to the Company's business activities and of greatest concern to stakeholders.
Assessment and Prioritization	Through methods such as internal and external stakeholder questionnaires, we assess ESG issues from two dimensions – "importance to the Group" and "importance to stakeholders" – to determine priorities and develop a materiality matrix based on the results.
Validation of Assessment Results	To ensure the accuracy, validity, and relevance of the assessment results, the ESG Working Group reviews and examines the materiality assessment outcomes, with the final results presented in the materiality matrix.



Based on the above analysis, the Group will continue to improve its ESG performance to meet the diverse expectations of stakeholders, implement mitigation measures to address risks faced by the Group, and provide feedback to stakeholders.

Environmental, Social and Governance Report

Fulfilment of Product Responsibility

Product and Service Management

The Group is a well-known provider of digital teaching solutions for higher education institutions in China, committed to delivering and operating digital education content and digital teaching environment services and products. By promoting the wide distribution of educational resources and enhancing teaching outcomes, the Group serves higher education institutions, teachers, and students.

To ensure product quality and safety, the Group strictly complies with relevant laws and regulations on product quality and safety in the countries and regions where it operates, including the Law of the People's Republic of China on Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) and the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》). During the Reporting Period, the Group did not receive any reports or complaints regarding serious violations of product quality and safety-related laws and regulations.

We have obtained ISO 9001 Quality Management System certification and ISO 20000 Information Technology Service Management System certification. In accordance with their management approaches and requirements, we have established a comprehensive quality management system. Based on our operational practices, we have formulated internal policies such as the Course Quality Inspection Management System (《課程質檢管理制度》) and the Product Delivery Management System (《產品交付管理制度》), which define the fundamental requirements and implementation standards for quality management, and specify quality requirements and review procedures for educational content on the credit course sharing platform, thereby continuously enhancing our quality management standards.



Environmental, Social and Governance Report

Quality Assurance

We are committed to providing customers with high-quality and safe products and services. As a provider of digital teaching solutions for higher education, we offer a wide range of services and products to help higher education institutions across China improve the quality and efficiency of their teaching processes through digitalization. The digitalization of higher education includes both digital teaching content and digital teaching environments. Our services and products in these two areas are closely integrated to enable the creation and delivery of high-quality digital educational content, interactive and immersive online and offline teaching environments, and the effective management of educational resources and learning activities.

In terms of digital teaching content services and products, we provide course digitalization services by developing interactive and engaging digital teaching content tailored to clients' teaching requirements, thereby helping them transform traditional classroom teaching models. We have established a number of quality control rules and procedures covering the entire digitalization process, including design and planning, scriptwriting, video recording, editing, and review. By continuously improving and optimizing these quality control processes, we ensure a smooth transition from traditional teaching methods to digital teaching methods, thereby enhancing the teaching experience for both instructors and students. We also provide knowledge graph construction services, utilizing advanced AI technologies to map multiple relationships among knowledge points, enabling clients to create and customize individual disciplines based on their needs and objectives. Throughout the course digitalization process and the generation of digital products, we maintain close communication with clients to ensure that our deliverables fully meet their requirements. We also conduct quality assurance testing to ensure that course content complies with the technical standards and requirements of clients' systems.

In terms of digital teaching environment services and products, we provide higher education institutions with self-developed AI-supported, cloud-native, and integrated LMS (Learning Management System) solutions to help them manage and create simpler and more interconnected teaching processes, connect on-campus teaching facilities, monitor teaching quality and outcomes, and optimize operational efficiency and resource allocation. We also offer digital classroom development by embedding technology into teaching hardware to help clients better manage teaching environments. We have established a comprehensive delivery process covering consultation and design, identification of required technologies, hardware and software, as well as training and delivery. This process includes on-site assessment, customized solutions, installation and deployment, and testing and commissioning to ensure that product quality meets standards and client requirements. We also provide professional after-sales services and technical support to deliver a seamless and worry-free experience, helping clients achieve their teaching objectives and vision.

Environmental, Social and Governance Report

Product Innovation

The Group places great importance on product and technological innovation and research and development. We have established a professional in-house R&D team to continuously advance technology development and maintenance. Leveraging our strong technical capabilities, we drive business growth. Combined with our experience in the application of AI technologies in higher education digitalization, we are able to develop new services and products using AI technologies to address pain points across various teaching scenarios, continuously enrich our technology matrix, and build modular applications. We are committed to strengthening our core capabilities and leveraging our experience to develop a comprehensive solutions matrix to meet the diverse needs of customers while improving the learning experience of end users. By serving an increasing number of higher education institutions and continuously researching AI technology applications, we are able to gain a more accurate understanding of the varying needs across different disciplines and fields within these institutions, effectively improve and optimize our technologies, and correspondingly update and upgrade our services and products.

Customer Service

To uphold our customer-centric values and strong commitment to ensuring customer satisfaction, we have established a nationwide network of customer service and support centers, strategically distributed to provide convenient services and efficiently meet customer needs. Our customer service and support centers are staffed with diverse professional technical personnel who provide timely professional support and assistance to customers, respond promptly and effectively to customer requests, and deliver a seamless service experience. Among them, sales personnel are responsible for providing pre-sales consultation and negotiating commercial terms to ensure customer requirements are met; course consultants are responsible for introducing product portfolios and designing customized solution plans aligned with specific educational objectives; video engineers are responsible for course video filming and editing; regional managers oversee the entire delivery process to ensure effective execution of services and products; and technical support personnel are on standby to handle and resolve any IT-related issues, ensuring smooth and uninterrupted operation of products.

After-sales Handling and Product Recall

Our customer service and support centers provide timely communication and after-sales services to ensure that any enquiries or concerns related to customer service and support – before purchase, during project delivery, and after purchase – are addressed promptly, thereby ensuring full customer satisfaction. We are committed to collecting feedback from the production process and have established relevant customer complaint handling procedures to ensure that complaints are received, followed up, investigated, handled, and resolved in a timely, efficient, and effective manner, with feedback provided to our product and service teams for continuous improvement, enhancement, and optimization.

Environmental, Social and Governance Report

We provide warranties for our products and services to enhance customer experience and build and maintain long-term and stable cooperative relationships. In accordance with warranty terms, we generally provide a warranty period of one to three years for our digital teaching content services and products, covering general technical issues, error rectification, and multiple revisions of teaching content for individual projects. In assessing whether a request falls within the scope of warranty, we typically consider factors including contractual terms and the workload involved.

During the Reporting Period, the Group did not receive any complaints related to its products and services.

In addition, as the Group's products and services are primarily information-based services, product recall procedures are currently not applicable. In the future, we will further refine relevant systems and management processes based on the substance of the Group's business and its operational conditions.

Protection of Intellectual Property Rights

We respect and protect intellectual property rights and implement comprehensive management and protection of patents, trademarks, and copyrights, while actively carrying out intellectual property rights protection efforts to safeguard the legitimate interests of the Group. We strictly comply with relevant laws and regulations in the jurisdictions where we operate, including the Patent Law of the People's Republic of China (《中華人民共和國專利法》) and the Trademark Law of the People's Republic of China (《中華人民共和國商標法》).

We continuously strengthen the protection of intellectual property rights and have established internal policies such as the Trademark Management Measures (《商標管理辦法》), Copyright Management Measures (《著作權管理辦法》), and Patent Management Measures (《專利管理辦法》). Dedicated teams are assigned to carry out intellectual property management, formulate annual intellectual property registration schedules, regularly report on the progress of intellectual property registrations, and engage professional intellectual property service providers to comprehensively manage intellectual property.

As of the end of the Reporting Period, the Group had obtained 125 registered trademarks, 16 granted patents, and 488 granted software copyrights. During the Reporting Period, the Group did not receive any reports or complaints regarding serious violations of intellectual property-related laws and regulations.

Advertising and Marketing

The Group promotes and sells all services and products through the internet and strictly complies with relevant laws and regulations, including the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》). We have also established relevant policies such as the Content Publication Management System (《內容發佈管理制度》), which specify content requirements and approval procedures for publication to ensure the authenticity and reliability of our promotional materials. We ensure that all materials undergo comprehensive review prior to publication to ensure compliance and prevent false or misleading information.

During the Reporting Period, the Group did not receive any reports or complaints regarding serious violations of advertising and marketing-related laws and regulations.

Environmental, Social and Governance Report

Information Security and Privacy Protection

The Group places great importance on information security and privacy protection and regards them as one of its top priorities. We strictly comply with relevant laws and regulations on privacy protection and information security in the countries and regions where we operate, including the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) and the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》). During the Reporting Period, the Group did not receive any reports or complaints regarding serious violations of privacy protection and information security-related laws and regulations.

We have obtained ISO 27001 Information Security Management System certification and have formulated and continuously improved internal policies, procedures, and measures such as the Information Security Management System (《信息安全管理制度》), covering key areas including data management, operation and maintenance procedures, and access control for business systems. We ensure that the collection, use, storage, transmission, and dissemination of data comply with all applicable laws and regulations, and continuously optimize data governance to protect the interests of customers, employees, and other third parties.



For deep synthesis algorithms involved in our products and services, we comply with relevant requirements under the Provisions on the Administration of Deep Synthesis of Internet-Based Information Services (《互聯網信息服務深度合成管理規定》), the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services (《互聯網信息服務算法推薦管理規定》), and the Interim Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》). We have completed filings with the Cyberspace Administration of China and the registration of generative artificial intelligence services, and have implemented multiple measures, including content review mechanisms, user service agreements specifying usage rules, personal information processing privacy policies, labeling of AI-generated content, complaint handling procedures, and algorithm security management systems.

Environmental, Social and Governance Report

With respect to information usage, we obtain prior consent from information owners and adopt publicly available standard data usage and privacy policies. We undertake to manage and use user data in accordance with applicable laws and use reasonable efforts to prevent unauthorized access, damage, or loss of personal information. Unless prior explicit consent is obtained, we do not share or transfer any information or data processed by us to any party. Without user consent, we do not disclose user data to any third party, unless such disclosure is compelled by court or administrative orders. We have established strict internal rules and procedures to prevent illegal and/or unauthorized data transmission.

We implement robust application and infrastructure security controls to prevent, detect, and respond to information security threats. Standardized operating procedures have been established to address any potential cyberattacks or data breach incidents. We closely monitor user data flows on terminals and promptly issue alerts upon detection of any anomalies. We engage third-party cybersecurity companies to identify vulnerabilities in our systems and assess their security. Dedicated personnel are assigned to oversee data security, and tools for monitoring cyberattacks are deployed. We conduct regular system vulnerability scans and have established an emergency response plan for information security incidents. In the event of any issues, we will promptly take measures to adjust or upgrade systems and mitigate any potential risks that may compromise our system security.

In addition, we enter into confidentiality agreements with employees, clearly stipulating their legal obligations not to share, distribute, or sell confidential information to any party. Upon cessation or termination of employment, we require employees to return all confidential information in their possession and make it clear that they remain obligated to keep such information confidential. In the event of a breach of confidentiality obligations or other misconduct leading to the leakage of confidential information, we will pursue legal liabilities in accordance with the law and take legal actions to safeguard our rights and interests.

Responsible Supply Chain

The Group is committed to working with partners to build harmonious and stable cooperative relationships and a sustainable business ecosystem, achieving complementary advantages, mutual benefits, and ultimately win-win outcomes. We maintain good cooperative relationships with suppliers, mutually sharing the latest market development information and sales data of products to better coordinate and adjust procurement and sales plans, thereby establishing a resilient, transparent, and fair sustainable supply chain.

Our major suppliers mainly include cloud service providers, audiovisual hardware suppliers, and information technology service providers. We have established standardized procedures such as the Procurement and Supplier Management System (《採購及供應商管理制度》) to select and review suppliers. Potential suppliers are evaluated through a selection process, and those that pass are included in the list of qualified suppliers. Based on business needs at different stages, we select appropriate qualified suppliers for different services and products, comprehensively assess the pricing and quality provided by existing suppliers, compare them with alternative suppliers in the market, and adjust supplier selection accordingly. We clearly define supplier cooperation agreements and relevant terms, specifying deliverables, fees, pricing and delivery, payment, credit terms, and termination, to safeguard the rights and obligations of both parties.

Environmental, Social and Governance Report

We have established supply chain ESG risk management policies and a supplier code of conduct, which set out our expectations for sustainable development, including but not limited to employment practices, health and safety, and environmental protection. ESG considerations are incorporated into our criteria for selecting new suppliers and conducting regular supplier evaluations, including but not limited to environmental management, fair labor practices, and business ethics practices. On-site inspections may also be conducted when necessary to ensure compliance with our sustainability requirements.

To promote environmentally friendly services, we have formulated relevant green procurement policies and implemented various measures, including but not limited to prioritizing the procurement of energy-efficient products and encouraging suppliers to adopt environmentally friendly products and services.

Anti-corruption

The Group consistently regards integrity and honesty as the foundation of its sustainable development and has established a comprehensive, multi-level risk prevention and control system for integrity. We adhere to high standards of business ethics and strictly prohibit bribery, extortion, fraud, money laundering, and any other unethical conduct. The Group strictly complies with applicable laws and regulations in the countries and regions where it operates, including the Anti-Corruption Law of the People's Republic of China (《中華人民共和國反腐敗法》) and the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》). During the Reporting Period, the Group did not record any cases of corruption, extortion, fraud, or money laundering.

We implement compliance management across all aspects of operations and employee activities and have established accountability mechanisms for violations of laws, regulations, and internal policies by the Board and employees. In addition, we continuously review the implementation of our risk management policies and measures to ensure their effectiveness and adequacy. We have formulated internal policies such as the Internal Control System for Anti-Money Laundering and Counter-Terrorist Financing (《反洗錢和反恐怖融資內部控制制度》), the Anti-fraud Management System (《反舞弊管理制度》), and the Internal Audit System (《內部審計制度》), which clearly define the execution, implementation, and handling procedures for relevant work.

We have established an Employee Handbook (《員工手冊》), which sets out internal rules and guidelines on basic workplace conduct, professional ethics, confidentiality, negligence, anti-bribery, and anti-corruption, clearly defining behavioral red lines. New employees are required to study the Integrity Practice Management System for Employees (《企業員工廉潔從業管理制度》) upon onboarding to foster correct values and professional ethics awareness. In procurement, we have also established a Supplier Code of Conduct (《供應商行為守則》), encouraging partners to build their own anti-corruption systems and entering into Business Integrity Agreements (《商業誠信協議書》) with them.

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The Group has established reporting channels for bribery, extortion, fraud, money laundering, and other unethical conduct, with the Board responsible for overseeing the implementation of whistleblowing procedures. We protect whistleblowers' information and strictly prohibit retaliation and information leakage. Where necessary, legal actions will be taken to pursue accountability. Internal and external parties may report misconduct or incidents involving violations of professional ethics by the Group and its personnel via channels such as email (legal@able-elec.com).

In addition, we also attach great importance to fostering an anti-corruption culture and raising the related awareness. We continuously conduct anti-corruption, anti-bribery and anti-fraud education and inspection to ensure the effective implementation of the related work.

Building a Harmonious Workplace

Able Digital recognizes that employees are the cornerstone of business development. We continuously optimize our talent management mechanisms and are committed to creating a fair, just, harmonious, inclusive, and supportive workplace environment. We have established a comprehensive system for safeguarding employee rights and a well-developed career development pathway to fully unlock employees' potential, enabling mutual growth with our employees.

Employee Rights and Interests Protection

The Group strictly complies with relevant laws and regulations, including the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), and comprehensively safeguards employment rights through various measures. During the Reporting Period, the Group did not receive any reports or complaints regarding violations of employment-related laws and regulations.

The Group has established a series of employee management systems in accordance with national and local laws and regulations. The Employee Handbook sets out detailed provisions on compensation and benefits, attendance, leave, rewards and penalties, and other management rules, standardizing employee-related matters such as onboarding, personnel systems, daily conduct, and expense reimbursement, thereby providing comprehensive guidance to employees.

The Group recruits employees in accordance with the law and has formulated systems such as the Recruitment Management Measures (《招聘管理辦法》) and the Personnel Recruitment and Separation Management System (《人員招錄與離職管理制度》), fulfilling contractual obligations relating to the conclusion, modification, termination, or cessation of labor contracts with all employees. Labor contracts are executed in accordance with national laws, regulations, and relevant internal policies. Employment relationships become effective only upon mutual agreement between the Group and employees and the voluntary signing of labor contracts.

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The Group ensures that employees are provided with all statutory social insurance and statutory leave. Social insurance is paid for all employees, and supplementary benefits such as transportation, meal, and travel allowances are provided to enhance employee engagement, job satisfaction, and continuous career development. We also advocate a work-life balance by organizing diverse and engaging festive activities, sports events, and team-building activities to support employees' physical and mental well-being, foster a harmonious and supportive working environment, encourage enthusiasm for both work and life, and cultivate a sense of collective honor and team integration.

We strictly formulate employee separation (including resignation and dismissal) management systems and procedures in accordance with labor contracts and applicable laws and regulations in the countries and regions where we operate to safeguard employees' rights. Exit interviews are conducted with departing employees to understand the reasons for departure and gather their suggestions for the Group.

Indicators	As of December 31, 2025	
	Number of Employees (persons)	Turnover Rate (%)
Total Employees	2,728	35.67%
Employee Distribution by Gender		
Male	1,294	40.49%
Female	1,434	31.31%
Employee Distribution by Age		
30 and below	1,440	39.58%
30–50	1,280	31.33%
51 and above	8	25.00%
Employee Distribution by Position Level		
Senior Management	4	0.00%
Middle Management	28	7.14%
General Staff	2,696	36.02%
Employee Distribution by Employment Type		
Full-time	2,728	35.67%
Employee Distribution by Region		
Mainland China	2,728	35.67%

Note: Turnover rate = (number of employees who left during the Reporting Period/number of employees at the end of the Reporting Period) × 100%

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Diversity

During the Reporting Period, the Group complied with relevant laws and regulations that have a significant impact on its employment practices, including but not limited to the Special Provisions on Labor Protection for Female Employees (《女職工勞動保護特別規定》) and the Law of the People's Republic of China on the Protection of Women's Rights and Interests (《中華人民共和國婦女權益保障法》). We support workforce diversity and equal development and are committed to eliminating any form of discrimination and harassment in the workplace. All recruitment and promotion decisions are based on objective criteria, such as business needs, individual qualifications, experience, and performance. Under all circumstances, any form of discrimination is strictly prohibited, including discrimination based on age, gender, marital status, pregnancy, family status, disability, race, nationality, or religion. By adopting employment principles such as equal pay for equal work and equal opportunities regardless of gender, we actively safeguard the rights of all employees.

We uphold the principle of equal employment, actively promote diversity and inclusion, provide fair and equal opportunities, and foster an inclusive culture. Employees from different backgrounds are given equal development opportunities regardless of religion, nationality, marital status, gender, age, or disability, with full respect for each individual's unique attributes. During the Reporting Period, the Group did not record any employment discrimination incidents.

Labor Compliance

The Group strictly complies with relevant conventions of the International Labour Organization and applicable laws and regulations in the countries and regions where it operates, including the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》). During the recruitment process, we verify employees' valid identity documents to ensure that all employees are at least 18 years of age and are legally employable. Employment contracts clearly require that all personal information provided by candidates must be true and reliable; in the event of any falsification, the Group may terminate the employment relationship in accordance with its rules and regulations. Since its establishment, the Group has never employed any child labor. If any risk or hidden concern relating to child labor is identified, we will immediately cease such employment, contact the parents or guardians, and arrange for the individual to be returned to their place of residence and placed under the care of their parents or guardians as soon as possible.

The Group strictly complies with relevant laws and regulations, including the Labor Law of the People's Republic of China, in respect of labor willingness, working hours, and related matters. We prohibit any form of forced or compulsory labor, including intimidation, threats, or fraud, and respect employees' legal rights to freely choose employment and resignation. We do not violate employees' free will through practices such as withholding identification documents or deducting wages.

During the Reporting Period, the Group did not identify any cases of child labor or forced labor.

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Occupational Health and Safety

The Group is committed to providing employees with a safe and comfortable working environment. We strictly comply with occupational health and safety-related laws and regulations in the countries and regions where we operate, including but not limited to the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》). During the Reporting Period, the Group did not receive any reports or complaints regarding serious violations of occupational health and safety-related laws and regulations. We have established a series of occupational health and safety management systems and have obtained ISO 45001 Occupational Health and Safety Management System certification.



Maintaining a safe and healthy workplace is a top priority for the Group. Through the formulation and implementation of health and safety policies and measures, we strive to safeguard the health and safety of employees at all levels. We have established a system for recording and handling incidents, clearly identifying responsible parties and handling incidents in accordance with procedures stipulated by applicable laws and regulations. We conduct regular safety inspections and ad hoc checks of workplaces, facilities, and equipment, and promptly take corrective measures for any identified hazards.

In addition, we encourage employees to pay attention to occupational health and safety, including potential risks such as eye strain and cervical strain caused by prolonged computer use and sedentary work, and to adopt a balanced work-rest approach. Employees are required to actively participate in the identification and remediation of workplace hazards. For employees who violate relevant regulations or compromise workplace safety, we impose appropriate disciplinary measures in accordance with internal policies and conduct ongoing supervision. To continuously strengthen occupational health and safety management and enhance employee awareness, the Group organizes safety training and fire drills annually to build an effective environment, health, and safety management system.

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In the past three years, the Group has not recorded any work-related fatalities. In 2023, there was one work-related injury incident, resulting in 154 lost workdays. In 2024 and 2025, the Group recorded no work-related injury incidents or lost workdays due to work-related injuries.

Talent Development Planning

The Group attaches great importance to employee growth and development and encourages employees to enhance their personal value by providing professional development opportunities, organically integrating corporate capabilities with individual development. We encourage all employees to pursue excellence in their respective fields, serve as role models for their colleagues, and continuously improve their work performance. The Group has also implemented an employee incentive scheme and plans to continue granting share-based incentives to employees in the future, thereby encouraging them to contribute to the Group's growth and development.

To implement the Group's talent development strategy, improve the talent cultivation mechanism, and establish a stable and sustainable talent pipeline, the Group has developed a talent development framework and supporting systems. Based on employee categories and job functions, we provide personalized training programs to maximize employees' potential and support their career development.

Onboarding Training	Helps new employees clarify their job responsibilities and work objectives, enabling them to quickly understand the Group's business and culture, adapt to their roles, and integrate into the team.
Enhancement Training	Enhances the professional capabilities, technical skills, overall competencies, management capabilities, and personal interests of existing employees, increases their self-value, and builds a reserve of core talent for the Group.

The Group continuously organizes both internal and external training. For internal training, we utilize internal training resources to conduct employee experience-sharing and exchange activities related to professional knowledge and job skills, such as sharing training materials and holding departmental sharing sessions. For external training, we encourage employees to participate in professional external training programs and seminars to enhance their technical expertise. Each year, we formulate an annual training plan based on strategic planning and departmental needs and actively organize training outcome sharing sessions to promote mutual learning and self-improvement among employees.

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Indicators	2025	
	Percentage of Trained Employees (%)	Average Training Hours per Trained Employee (hours)
Trained Employees	100.00%	24.91
Distribution of Trained Employees by Gender		
Male	100.00%	25.34
Female	100.00%	24.53
Distribution of Trained Employees by Position Level		
Senior Management	100.00%	15.00
Middle Management	100.00%	19.92
General Staff	100.00%	24.98

Note: Percentage of trained employees = (number of employees trained during the Reporting Period/number of employees at the end of the Reporting Period) × 100%

Practicing Green Operations

Able Digital strictly complies with relevant environmental laws and regulations, including the Environmental Protection Law of the People's Republic of China(《中華人民共和國環境保護法》), the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), and the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》). We integrate green and low-carbon sustainable development concepts into our development strategy, establish a comprehensive environmental management system, and continuously fulfill our environmental commitments. We have obtained ISO 14001 Environmental Management System certification.



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As the Group's principal business does not involve large-scale manufacturing processes, no corresponding pollutant emissions are generated. During the Reporting Period, the Group did not receive any reports or complaints regarding serious violations of environmental laws and regulations, nor were there any material environmental non-compliance incidents or administrative penalties imposed for environmental violations.

Emissions Management

Air Emissions

Air emissions generated from the Group's operations primarily arise from fuel consumption by vehicles. We continuously explore various measures to minimize air emissions from our operations. In terms of vehicle selection, we strictly select vehicles that meet motor vehicle emission standards and continuously promote the use of new energy vehicles. In terms of vehicle management, we implement routine maintenance and servicing, and strengthen supervision and inspection. In terms of vehicle dispatch, we adopt centralized vehicle scheduling management, comprehensively consider business travel needs, reduce unnecessary vehicle use, and encourage employees to adopt carpooling, centralized travel arrangements, and public transportation. Through these measures, we effectively reduce fuel consumption and air emissions, thereby promoting environmental protection and sustainable operations.

Indicators	Unit	2025
Nitrogen Oxides (NOx)	kg	0.81
Sulphur Oxides (SOx)	kg	0.02
Particulate Matter (PM)	kg	0.06

Note: Calculation methods and emission factors are sourced from the Technical Guidelines for the Compilation of Air Pollutant Emission Inventory for Road Motor Vehicles (Trial) (《道路機動車大氣污染物排放清單編製技術指南(試行)》).

Greenhouse Gases

Greenhouse gas (GHG) emissions generated from the Group's operations mainly include direct GHG emissions from fuel consumption by vehicles, indirect GHG emissions from purchased electricity, and value chain GHG emissions from waste disposal. We actively promote energy conservation, carbon reduction, and waste minimization initiatives. By optimizing energy consumption structures, improving equipment energy efficiency, promoting energy-saving technologies and green office practices, we reduce energy consumption and carbon emissions. At the same time, we strengthen source reduction of waste, resource recycling and reuse, and classified management to reduce GHG emissions arising from waste generation and disposal, thereby continuously advancing low-carbon and green operations.

Indicators	Unit	2025
Direct GHG Emissions (Scope 1)	tCO ₂ e	4.29
Indirect GHG Emissions (Scope 2)	tCO ₂ e	340.51
Total GHG Emissions (Scope 1 + 2)	tCO ₂ e	344.80
GHG Emission Intensity (Scope 1 + 2)	tCO ₂ e/m ² of floor area	0.04
Value Chain GHG Emissions (Scope 3)	tCO ₂ e	0.10

Note: Calculation methods and emission factors are sourced from How to Prepare an ESG Report – ESG Reporting Guide (《如何編備環境、社會及管治報告環境、社會及管治匯報指南》).

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Waste

Due to the nature of the Group's business and operations, there is no significant impact on the environment and natural resources. The Group complies with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes and relevant regulations to identify hazardous and non-hazardous waste generated from its operations. Hazardous waste generated by the Group mainly arises from used lamps in office premises and end-of-life electronic products. Our non-hazardous waste mainly includes domestic waste, discarded office supplies, and waste paper generated in office premises. We have implemented relevant policies and measures, including centralized procurement and unified allocation of office supplies to avoid over-purchasing and accumulation; prioritizing office supplies made from recyclable and renewable materials; encouraging employees to use reusable office supplies such as refillable pens and notebooks with replaceable pages; promoting recycling through waste classification and centralized collection of recyclable items; advocating paperless office practices, with online transmission used except for necessary documents; implementing double-sided printing and copying to reduce paper consumption; and encouraging the use of reusable tableware and packaging to promote low-carbon environmental protection concepts. Our hazardous and non-hazardous waste are centrally collected by property management of office premises and transported to qualified professional disposal service providers.

In addition, we strengthen the inspection and maintenance of office equipment and facilities to prevent equipment failure and damage that may lead to unnecessary waste generation, thereby reducing waste at the source and further minimizing environmental pollution. We also enhance education and training for relevant personnel and standardize their work behavior to eliminate waste caused by human error.

Indicators	Unit	2025
Hazardous Waste	kg	871.90
Hazardous Waste Intensity	kg/m ² of floor area	0.11
Non-hazardous Waste	kg	3,401.39
Non-hazardous Waste Intensity	kg/m ² of floor area	0.41

Energy and Resource Use

Energy consumption of the Group mainly includes the use of unleaded gasoline for vehicles and electricity consumption in office premises, while resource consumption mainly includes water and paper usage in office premises. In terms of electricity consumption, we prioritize the procurement of energy-efficient lighting equipment and electrical appliances, reasonably set air-conditioning temperatures and operating hours, and require employees to switch off electrical equipment such as computers, printers, and photocopiers when leaving the office. In terms of water usage, our water supply is sourced from the municipal water supply network, and there are currently no issues in sourcing suitable water. The Group continuously promotes water-saving measures, sets up water-saving signage, installs water-saving devices, and actively encourages employees to conserve water.

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In addition, due to the nature of the Group's business and operations, packaging materials are not involved. We adhere to the principle of reducing resource consumption and pollutant emissions at the source and prioritize the use of degradable materials and other environmentally friendly materials that meet national quality standards.

Indicators	Unit	2025
Total Energy Consumption	MWh	634.54
– Purchased Electricity	MWh	619.11
– Unleaded Gasoline	MWh	15.44
Energy Consumption Intensity	MWh/m ² of floor area	0.08
Water Consumption	m ³	199.01
Water Consumption Intensity	m ³ /m ² of floor area	0.02

Climate Change Response

Able Digital aligns with the global trend of sustainable development and strictly complies with the requirements of Part D "Climate-related Disclosures" under the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange. With reference to the ISSB S2 requirements, we continuously monitor the impacts of climate change. Through clarifying governance responsibilities, enhancing strategic guidance, optimizing risk management processes, and formulating and monitoring targets and indicators, we further strengthen the Group's resilience and capability to respond to climate-related risks and opportunities.

Governance

The Board of Able Digital, as the highest decision-making body for corporate governance, bears ultimate responsibility for climate-related matters. To ensure the effective implementation of ESG management, the Board has appointed the ESG Working Group to take full responsibility for overseeing and guiding ESG and climate-related strategies. Key responsibilities include, but are not limited to, identifying, assessing, and establishing management systems for climate-related risks, as well as continuously monitoring and reviewing the formulation and progress of climate-related targets, and reporting to the Board at least biennially. For details, please refer to the section "ESG Governance Structure."

The Group has incorporated ESG and climate-related matters into key decision-making considerations and included "climate change response" as a material issue in its annual materiality assessment for ongoing evaluation. We ensure that our ESG governance structure possesses the necessary experience and capabilities, and we engage external experts to provide climate-related training, supporting the ESG governance structure in acquiring the professional knowledge required to fulfill its climate-related governance responsibilities.

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Strategy

Able Digital continuously monitors changes in the external environment and dynamically reviews and updates its climate strategy. We have identified a series of climate-related risks and opportunities with significant financial impacts and have formulated targeted response measures to mitigate their negative effects. From short-term (within 3 years), medium-term (3–5 years), and long-term (over 5 years) perspectives, we assess their direct or indirect financial impacts on the Company.

In light of the Stock Exchange’s relief arrangements (including reasonable information relief, capability relief, and financial impact relief), this Report does not disclose detailed information on financial impacts and climate-related scenario analysis for the time being, and instead focuses on qualitative descriptions. In addition, we have not yet finalized climate-related transition plans. The Group is committed to continuously enhancing its capabilities and will progressively improve disclosures in future reports.

Risk Category	Impact on the Group	Time Horizon	Financial Impact	Response Measures
Physical Risks				
Acute Risks	Natural disasters or extreme weather events such as typhoons, floods, and droughts may cause power and water outages, disrupting daily operations and threatening employee safety.	Short-term	Increased operating costs	<ul style="list-style-type: none"> The Group continuously monitors weather warnings issued by the meteorological authorities and sends alert information to local employees in advance of extreme weather conditions; Regularly inspect workplace safety conditions, identify risks related to water and electricity usage, and deploy backup power and disaster recovery systems to ensure the safety of core operations and data; Establish risk monitoring, emergency response plans, and regular drill mechanisms to effectively mitigate the impact of physical climate risks on sustainable development.
Chronic Risks	Global warming leading to glacier melting and sea-level rise may affect business operations.	Long-term	Increased operating costs	<ul style="list-style-type: none"> Continuously monitor global warming trends and promote energy conservation, carbon reduction, and green operations to reduce GHG emissions and enhance climate resilience; Optimize office location selection by considering the impact of chronic risks in operating regions.

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Risk Category	Impact on the Group	Time Horizon	Financial Impact	Response Measures
Transition Risks				
Policy and Regulatory Risks	With the enhancement of laws, regulations, and regulatory requirements, as well as the introduction of policies related to energy conservation and emission reduction, enterprises are facing stricter compliance and information disclosure requirements.	Medium- to long-term	Increased compliance costs	<ul style="list-style-type: none"> Strengthen communication and exchanges with regulatory authorities and agencies, promptly understand and strictly comply with changes in relevant regulatory laws and regulations, and ensure operational compliance; Continuously monitor national regulations and policy developments related to sustainable development and climate change, and disclose any compliance progress in subsequent reports; Continue to implement energy-saving and emission reduction measures to lower GHG emissions.
Technology Risks	Against the backdrop of global climate change adaptation and mitigation, the transition to green and low-carbon technologies has become mainstream, and enterprises are facing pressures such as low-carbon technology transformation and the procurement of environmentally friendly and energy-saving equipment.	Medium-term	Increased operating costs	<ul style="list-style-type: none"> Continue to promote R&D and innovation, monitor market trends, apply new technologies such as cloud services and artificial intelligence, attract talent, and upgrade product technologies; Monitor technological developments, timely replace energy-saving and environmentally friendly equipment that meets energy consumption requirements and enhances efficiency, to reduce unnecessary energy consumption.
Market Risks	With the growing prevalence of green and sustainable policies, focus on energy conservation and emission reduction will extend to the value chain, increasing demand for green supply chains.	Long-term	Increased procurement costs	<ul style="list-style-type: none"> Continue to explore green procurement approaches and adopt green technologies to maintain core competitiveness through advanced technologies and innovative solutions; Integrate ESG requirements into supplier selection and evaluation, with emphasis on energy conservation and emission reduction.
Reputational Risks	Poor performance and negative news in environmental protection and climate change may affect the company's reputation; Corporate ESG performance has grown in significance for capital markets and investors, with potential implications for the Company's access to finance.	Long-term	Increased operating costs and financing costs	<ul style="list-style-type: none"> Monitor disclosure requirements related to sustainable development and climate change, and optimize external communication channels for corporate social responsibility while ensuring compliance; Continuously implement measures to reduce carbon emissions, disclose and promote the Group's ESG contributions to the public, and advocate for carbon reduction initiatives; Actively fulfill corporate social responsibilities to further enhance brand image.

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Opportunity Category	Impact on the Group	Time Horizon	Financial Impact	Response Measures
Technological Opportunities	Application of new technologies such as cloud services and artificial intelligence can improve product quality and operational efficiency, enhance energy efficiency, and reduce energy costs in operations.	Long-term	Reduced operating costs	<ul style="list-style-type: none"> Continue R&D and innovation, explore applications of new technologies in online product operations and office process optimization to improve efficiency; Replace energy-saving and environmentally friendly equipment and continuously implement energy conservation and emission reduction measures in daily operations to reduce costs.
Reputational Opportunities	Active participation in social welfare initiatives and the integration of ESG concepts into products and services can enhance corporate reputation and strengthen market competitiveness.	Long-term	Increased revenue	<ul style="list-style-type: none"> Pay attention to community needs, maintain stable operations, provide employment opportunities, and become an employer of choice; Focus on global sustainable development, carry out public welfare initiatives, fulfill corporate social responsibilities, and build a positive corporate image.

Risk Management

Able Digital has established a comprehensive risk management system. The Board is responsible for assessing and determining the nature and extent of risks that the Group is willing to accept in pursuing its strategic objectives, and reviewing the effectiveness of the risk management and internal control systems. It provides guidance where necessary, while retaining ultimate responsibility for overseeing the Group's risk management activities. The management of the Group is responsible for designing, implementing and monitoring the risk management and internal control systems, and provides regular management reports to the Board on their effectiveness. The Audit Committee of the Group oversees the Group's financial reporting systems, risk management and internal control systems, ensures the effective conduct of internal and external audit work, and reviews and monitors their performance. The Group has established a Business Audit Department to conduct analysis and independent assessments of the Group's risk management and internal control systems. All departments and business units of the Group implement the basic risk management processes and refine control design as required. We have formulated and implemented the Risk Management Policy (《風險管理制度》), clearly defining risk management procedures and continuously strengthening our risk management capabilities.

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Risk Identification	Through extensive and continuous collection of internal and external initial information related to the Group's risk management, including historical data and forward-looking projections, we avoid information gaps and comprehensively identify risks across all dimensions of the Group's operations. Climate change risks are also identified based on the characteristics of our principal business, industry features, and the climatic conditions of the regions in which we operate.
Risk Assessment	Based on the Group's risk management philosophy and risk tolerance, we establish relevant objectives and consider various factors that may hinder the achievement of these objectives, impede value creation, or erode existing value, in order to conduct a comprehensive assessment of identified risks.
Risk Response	In line with the principles of aligning operational strategies with risk strategies and balancing risk control with operational efficiency and effectiveness, we formulate full-process control measures covering all relevant management and business processes for major risks. For other risks, key process steps are designated as control points, and corresponding control measures are implemented.
Risk Monitoring and Improvement	We have established risk management information communication channels connecting all levels of the Group to ensure timely, accurate, and complete information exchange, thereby laying the foundation for risk monitoring and improvement. Relevant departments and business units are required to conduct regular self-assessments of risk management, promptly identify deficiencies, and implement improvements. The Business Review Department conducts regular or ad hoc evaluations of whether relevant departments and business units carry out risk management in accordance with applicable requirements and assesses their effectiveness, with evaluation reports submitted directly to the Audit Committee.

Metrics and Targets

Able Digital actively supports China's "30-60" carbon peak and carbon neutrality goals as well as international standards such as the Paris Agreement (《巴黎協定》). With reference to our historical environmental performance, expected business scale, and anticipated future measures, we have established clear climate-related targets. We have set emission reduction targets for Scope 1 and Scope 2 GHG emission intensity (tCO₂e/m² of floor area) and energy consumption intensity (MWh/m² of floor area), aiming to reduce them by 18% and 25%, respectively, by 2030 using 2021 as the base year.

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In promoting the transition to a green economy, we not only focus on advancing hard targets such as energy conservation and emission reduction, but also place strong emphasis on enhancing “soft capabilities” such as employees’ environmental awareness and competence. During the Reporting Period, we did not incur any capital expenditure on energy conservation and emission reduction. Going forward, we will further reduce carbon emissions in operations by implementing energy conservation and emission reduction strategies and promoting green office practices.

In light of the Stock Exchange’s relief arrangements (including reasonable information relief, capability relief, and commercial sensitivity relief), this Report does not disclose cross-industry indicators or industry-specific indicators for the time being. Furthermore, we have comprehensively assessed the environmental impact of the Group’s business and operations. As metrics such as energy consumption and greenhouse gas emissions are at relatively low levels, we have not yet implemented internal carbon pricing or incorporated it into decision-making. Given that the Group’s greenhouse gas targets are still being developed, we will continue to refine relevant implementation strategies and integrate ESG performance into our compensation policy in 2026. The Group is committed to continuously enhancing its capabilities and will progressively improve disclosures in future reports.

Social Responsibility

The Group is committed to being a responsible global corporate citizen. We pay close attention to the impact of our operations on various stakeholders and strive to manage our conduct to contribute to society. The Group maintains close engagement with communities through public initiatives and participation in educational donation activities, while ensuring that our business development strategy takes into account and benefits community interests.

The “MOOCs for the West 2.0” initiative is a public-interest educational campaign championed by the Department of Higher Education under China’s Ministry of Education. It represents a pivotal effort in the new era to leverage the new nationwide whole-of-system strength for advancing higher-quality equity in education. As a co-initiator of this campaign, we aim to promote more balanced access to educational resources and enhance the quality of higher education in central and western China through the sharing of technologies, platforms, and educational resources.

During the Reporting Period, we advanced three types of westward outreach activities: programs under the “Smart Academic Disciplines” framework, “Smart Westward Projects” carried out by teaching and research offices, and “Smart Westward Activities” led by individual teachers. Among these, 50 Smart Curriculum & Teaching Research Westward Projects were implemented, engaging 232 teaching and research offices and 926 teachers. Moreover, 308 synchronous courses and 372 teaching and research activities were delivered, benefiting more than 15,000 students in western China. We facilitated the introduction of 212 high-quality courses into over 130 universities in western China. This effort has significantly extended the reach of premium educational resources to these institutions, thereby fostering deeper academic exchange and practical collaboration between eastern and western universities.



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We have continuously launched the “Teachers’ Talk” live-stream series on the Wisdom Tree platform, aimed at enhancing the digital teaching capabilities of university faculty. Each session features an expert delivering in-depth insights and engaging in real-time interactive Q&A with participants. During the Reporting Period, we conducted a total of 81 hours of “Teachers’ Talk” live-stream sessions, focusing on award-winning courses by outstanding university lecturers, analyzing innovative teaching concepts and practical approaches, supporting personalized teaching and high-quality talent development, and promoting the advancement of higher education.

During the Reporting Period, in collaboration with the office of academic affairs, academic department and undergraduate school of more than 70 universities throughout the country, we jointly launched the first session of “Zhihuishu Cup” National Smart Course Innovation Competition. The competition attracted nearly 400 universities from 30 provinces, cities and autonomous regions to participate and collected more than 1,500 excellent smart course works, continuously promoting the cooperation and exchanges among universities nationwide, thus making contributions to the improvement of the educational standard.

In addition, we pay close attention to the development of higher education institutions. During the Reporting Period, we donated RMB180,000 to universities, continuously supporting improvements in learning, research, and living environments, enhancing the overall educational capabilities and competitiveness of higher education institutions, and contributing to the sustainable development of the education sector.

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Appendix – Index to the Environmental, Social and Governance Reporting Code

Subject Area/Aspect	Description	Relevant Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	A1 Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions Management
KPI	A1.1 The types of emissions and respective emissions data.	Emissions Management
	A1.3 Total hazardous waste produced and intensity.	Emissions Management
	A1.4 Total non-hazardous waste produced and intensity.	Emissions Management
	A1.5 Description of emission target(s) set and steps taken to achieve them.	Emissions Management
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions Management
Aspect A2: Use of Resources		
General Disclosure	A2 Policies on the efficient use of resources, including energy, water, and other raw materials.	Energy and Resource Use
KPI	A2.1 Direct and/or indirect energy consumption by type in total and intensity.	Energy and Resource Use
	A2.2 Total water consumption and intensity.	Energy and Resource Use
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy and Resource Use
	A2.4 Description of whether there are any issues in sourcing water that is fit for purpose, and the water efficiency target(s) set and steps taken to achieve them.	Energy and Resource Use
	A2.5 Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Energy and Resource Use
Aspect A3: The Environment and Natural Resources		
General Disclosure	A3 Policies on minimizing the issuer's significant impacts on the environment and natural resources.	The Group's operations do not have a 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

Subject Area/Aspect	Description	Relevant Section
B. Social		
Aspect B1: Employment		
General Disclosure	B1 Information on: (a) 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.	Employee Rights and Interests Protection
KPI	B1.1 Total workforce by gender, employment type (e.g., full-time or part-time), age group, and geographical region.	Employee Rights and Interests Protection
	B1.2 Employee turnover rate by gender, age group, and geographical region.	Employee Rights and Interests Protection
Aspect B2: Health and Safety		
General Disclosure	B2 Information on: (a) 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.	Occupational Health and Safety
KPI	B2.1 Number and rate of work-related fatalities in each of the past three years (including the reporting year).	Occupational Health and Safety
	B2.2 Lost days due to work injury.	Occupational Health and Safety
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
Aspect B3: Development and Training		
General Disclosure	B3 Policies on improving employees' knowledge and skills for discharging duties. Description of training activities.	Talent Development Planning
KPI	B3.1 Percentage of employees trained by gender and employee category.	Talent Development Planning
	B3.2 Average training hours completed per employee by gender and employee category.	Talent Development Planning
Aspect B4: Labour Standards		
General Disclosure	B4 Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labor Compliance
KPI	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Labor Compliance
	B4.2 Description of steps taken to eliminate such practices when discovered.	Labor Compliance

Environmental, Social and Governance Report

Subject Area/Aspect	Description	Relevant Section
Aspect B5: Supply Chain Management		
General Disclosure	B5 Policies on managing environmental and social risks of the supply chain.	Responsible Supply Chain
KPI	B5.1 Number of suppliers by geographical region.	Responsible Supply Chain
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where such practices are being implemented, and how they are implemented and monitored.	Responsible Supply Chain
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Supply Chain
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Supply Chain
Aspect B6: Product Responsibility		
General Disclosure	B6 Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress.	Product and Service Management
KPI	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product and Service Management
	B6.2 Number of products and service-related complaints received and how they are addressed.	Product and Service Management
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Product and Service Management
	B6.4 Description of quality assurance processes and recall procedures.	Product and Service Management
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product and Service Management
Aspect B7: Anti-corruption		
General Disclosure	B7 Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing bribery, extortion, fraud, and money laundering.	Anti-corruption
KPI	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
	B7.3 Description of anti-corruption training provided to directors and staff.	Anti-corruption

Environmental, Social and Governance Report

Subject Area/Aspect	Description	Relevant Section
Aspect B8: Community Investment		
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 community interests.	Social Responsibility
KPI	B8.1 Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Social Responsibility
	B8.2 Resources contributed (e.g., money or time) to the focus area.	Social Responsibility
Section D: Climate-Related Disclosures		
Governance	19(a) The governance body(s) (which can include a board, committee or other equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: <ul style="list-style-type: none"> (i) How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and (iv) How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies. 	Climate Change Response
	19(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: <ul style="list-style-type: none"> (i) Whether the role is delegated to a specific management-level position or management level committee and how oversight is exercised over that position or committee; and (ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions. 	Climate Change Response

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Subject Area/Aspect	Description	Relevant Section
Strategy	<p>20 An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <ul style="list-style-type: none"> (a) Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. 	Climate Change Response
	<p>21 An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; (b) A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). 	Climate Change Response

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Subject Area/Aspect	Description	Relevant Section
22(a)	<p>An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: Information about how the issuer has responded to, and plans to respond to, climate related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <ul style="list-style-type: none"> (i) Current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) Current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) Any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; (iv) How the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40. 	Climate Change Response
22(b)	<p>The issuer shall disclose information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	Climate Change Response
23.	<p>An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	Climate Change Response
24	<p>An issuer shall disclose qualitative and quantitative information about:</p> <ul style="list-style-type: none"> (a) How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. 	<p>Qualitative: Climate Change Response Quantitative: Financial Impact Exemption Applied</p>

Environmental, Social and Governance Report

Subject Area/Aspect	Description	Relevant Section
25(a)	<p>The issuer shall provide qualitative and quantitative disclosures about: How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:</p> <ul style="list-style-type: none"> (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy. 	<p>Qualitative: Climate Change Response Quantitative: Financial Impact Exemption Applied</p>
25(b)	<p>The issuer shall provide qualitative and quantitative disclosures about: How the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	<p>Financial Impact Exemption Applied</p>
26(a)	<p>An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: The issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p> <ul style="list-style-type: none"> (i) The implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) The significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and (iii) The issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term. 	<p>Capability Exemption Applied</p>

Environmental, Social and Governance Report

Subject Area/Aspect	Description	Relevant Section
26(b)	<p>An issuer shall disclose how and when the climate-related scenario analysis was carried out, including:</p> <ul style="list-style-type: none"> (i) Information about the inputs used, including: <ul style="list-style-type: none"> 1) Which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; 2) Whether the analysis included a diverse range of climate-related scenarios; 3) Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; 4) Whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; 5) Why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; 6) Time horizons the issuer used in the analysis; and 7) What scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis); (ii) The key assumptions the issuer made in the analysis; and (iii) The reporting period in which the climate-related scenario analysis was carried out. 	Capability Exemption Applied
Risk Management	<p>27(a) An issuer shall disclose information about: The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p> <ul style="list-style-type: none"> (i) The inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) How the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) Whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) How the issuer monitors climate-related risks; and (vi) Whether and how the issuer has changed the processes it uses compared with the previous reporting period. 	Climate Change Response

Environmental, Social and Governance Report

Subject Area/Aspect	Description	Relevant Section
Metrics and Targets	27(b) The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	Climate Change Response
	27(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Climate Change Response
	28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as: <ul style="list-style-type: none"> (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions. 	Emissions Management
	29. An issuer shall: <ul style="list-style-type: none"> (a) Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) Disclose the approach it uses to measure its greenhouse gas emissions including: (i) The measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) The reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) Any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). 	Emissions Management
	30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable Data Exemption Applied

Environmental, Social and Governance Report

Subject Area/Aspect	Description	Relevant Section
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable Data Exemption Applied
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable Data Exemption Applied
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate Change Response
34.	<p>An issuer shall disclose:</p> <p>(a) An explanation of whether and how the issuer is applying a carbon price in decision making (for example, investment decisions, transfer pricing, and scenario analysis); and</p> <p>(b) The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p>	The Group has not implemented internal carbon pricing during the Reporting Period.
35.	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group has not incorporated such factors into remuneration policies during the Reporting Period.
36.	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Climate Change Response

Environmental, Social and Governance Report

Subject Area/Aspect	Description	Relevant Section
37.	<p>An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) The metric used to set the target; (b) The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) The part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) The period over which the target applies; (e) The base period from which progress is measured; (f) Milestones or interim targets (if any); (g) If the target is quantitative, whether the target is an absolute target or an intensity target; and (h) How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. 	Climate Change Response
38.	<p>An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including</p> <ul style="list-style-type: none"> (a) Whether the target and the methodology for setting the target has been validated by a third party; (b) The issuer's processes for reviewing the target; (c) The metrics used to monitor progress towards reaching the target; and (d) Any revisions to the target and an explanation for those revisions. 	Climate Change Response
39.	<p>An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.</p>	Climate Change Response

Environmental, Social and Governance Report

Subject Area/Aspect	Description	Relevant Section
40.	<p>For each greenhouse gas emission targets disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <ul style="list-style-type: none"> (a) Which greenhouse gases are covered by the target; (b) Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) Whether the target was derived using a sectoral decarbonisation approach; and (e) The issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: <ul style="list-style-type: none"> (i) The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) Which third-party scheme(s) will verify or certify the carbon credits; (iii) The type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) Any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). 	Climate Change Response
41.	<p>When preparing disclosures in accordance with paragraphs 21–26 and 37–38, the issuer shall refer to: (i) Cross-industry metrics (see paragraphs 28–35); and (ii) Industry-specific metrics (see paragraph 36), and consider their applicability.</p>	Reasonable Data Exemption Applied

Independent Auditor's Report

To the Shareholders of Shanghai Able Digital Science&Tech Co., Ltd.

(incorporated in The People's Republic of China with limited liability)

Opinion

What we have audited

The consolidated financial statements of Shanghai Able Digital Science&Tech Co., Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”), which are set out on pages 109 to 177, comprise:

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

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards 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 International Standards on Auditing (“**ISAs**”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independent Auditor's Report

Key Audit Matters

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

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

- Revenue recognition – revenue recognised at a point in time
- Impairment assessment of trade receivables and retention money receivables

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>1. Revenue recognition – revenue recognised at a point in time</p> <p>Refer to note 5 to the consolidated financial statements.</p> <p>During the year ended 31 December 2025, the Group recognised RMB936.89 million in revenue at a point in time. The revenue recognised at a point in time primarily came from sales of (i) Digital educational content services and products, including digital courses, knowledge graphs, virtual simulation products and other related products; and (ii) Digital teaching and learning environment services and products, including digital classroom environment services and products and customized Learning Management System (“LMS”) services and products.</p> <p>Revenue is recognised when or as the control of the products or services is transferred to a customer. Majority of the Group’s revenue was recognised at a point in time, when services and products are inspected and accepted by the customers.</p> <p>We focused on this area because significant audit resources were devoted to this area due to the large volume of revenue transactions during the year.</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none">– We obtained an understanding of the management’s internal control and assessment process in relation to revenue recognition;– We evaluated and tested, on a sample basis, the key controls in relation to revenue recognised at a point in time;– We inspected sales contracts, on a sample basis, to identify terms and conditions relating to the timing of transfer of control of goods and services, and assessed the Group’s revenue recognition policies with reference to the requirements of the prevailing accounting standards;– We tested revenue transactions during the year, on a sample basis, by checking to the key terms of sales contracts and the relevant supporting documents, including customers’ acceptance notes and invoice to customers;– We tested sales transactions recorded before and after the balance sheet date, on a sample basis, by tracing to the supporting documents, including the relevant customers’ acceptance notes, to assess whether revenue was recognised in the correct reporting period; and– We sent confirmations to customers to confirm the trade receivable balances as at the year end date.

Based on the procedures performed, we found that the Group’s revenue tested was supported by the evidences obtained.

Independent Auditor's Report

Key Audit Matters (continued)

Key Audit Matter

How our audit addressed the Key Audit Matter

2. Impairment assessment of trade receivables and retention money receivables

We have performed the following procedures to address this key audit matter:

Refer to notes 3.1(b), 11 and 19 to the consolidated financial statements.

As at 31 December 2025, the Group recorded gross balance of trade receivables and retention money receivables of RMB578.02 million, and a corresponding allowance for expected credit loss ("ECL") of RMB43.28 million, and an impairment loss of RMB 9.17 million was recognised in profit or loss for the year ended 31 December 2025.

The loss allowances for trade receivables and retention money receivables reflected management's best estimate to determine the ECL at the balance sheet date under IFRS 9.

The Group applied a simplified approach to determine the loss allowances by first grouping trade receivables and retention money receivables based on their nature and risk characteristics and then analysing their aging information before further incorporating forward-looking adjustment factors. These factors reflected the management's forecast of macroeconomic factors in different scenarios as this affects the debtors' abilities to settle the receivables.

We focused on this area due to the magnitude of the balance of trade receivables and retention money receivables and the complexity of estimates and management's judgements involved in the assessment of ECL.

– We obtained an understanding of the management's internal control and assessment process in relation to impairment of trade receivables and retention money receivables, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;

– We evaluated and tested, on a sample basis, the key controls in relation to impairment of trade receivables and retention money receivables;

– We assessed the appropriateness of the ECL provision methodologies and model adopted by management;

– We tested, on a sample basis, the accuracy of the key data inputs used by management in the impairment assessment including the aging schedules of trade receivables and retention money receivables;

– We assessed the reasonableness of the assumptions adopted in the ECL model including loss rates by considering the payment profiles of customers and the corresponding historical credit losses;

– We evaluated the appropriateness of forward looking information applied with reference to market data and our industry knowledge including multiple economic scenarios, such as China's CPI and the Fixed Asset Investment Price Index, with the involvement of our internal experts;

– We tested the mathematical accuracy of the calculation of expected credit loss rates and the expected credit loss provision; and

– We also assessed the adequacy of the disclosures related to impairment of trade receivables and retention money receivables.

Based on the procedures performed, we found that the estimates and management's judgements applied by the Group in the impairment assessment of trade receivables and retention money receivables were supported by the evidence obtained.



Independent Auditor's Report

Other Information

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

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

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

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

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

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

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

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

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

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

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is TAO Hong.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 27 March 2026

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	5	969,406	848,198
Cost of sales	8	(334,808)	(323,040)
Gross profit		634,598	525,158
Distribution and selling expenses	8	(244,858)	(215,721)
General and administrative expenses	8	(79,240)	(68,622)
Research and development expenses	8	(189,040)	(126,923)
Net impairment losses on financial assets	11	(7,752)	(14,024)
Other income	6	13,291	8,619
Other (losses)/gains – net	7	(732)	241
Operating profit		126,267	108,728
Finance income	10	195	635
Finance costs	10	(4,397)	(2,765)
Finance costs – net		(4,202)	(2,130)
Profit before income tax		122,065	106,598
Income tax credit/(expense)	12	8,159	(1,527)
Profit for the year		130,224	105,071
Profit and total comprehensive income, attributable to owners of the Company		130,224	105,071
Earnings per share attributable to the owners of the Company (in RMB)			
Basic and diluted earnings per share	13	2.15	1.75

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

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2025

		As at 31 December	
	Note	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	9,228	15,024
Right-of-use assets	16	18,266	24,632
Deferred income tax assets	17	39,455	29,185
Retention money receivables	19	11,411	7,612
		78,360	76,453
Current assets			
Inventories	18	49,472	27,873
Trade receivables and retention money receivables	19	523,326	337,916
Other current assets	20	83,914	67,345
Financial assets at fair value through profit or loss	21	203,313	48,028
Restricted cash	22	6,910	4,721
Cash and cash equivalents	22	407,831	230,172
		1,274,766	716,055
Total assets		1,353,126	792,508
EQUITY			
Share capital	23	66,667	60,000
Reserves	24	622,442	231,346
Retained earnings		335,532	207,523
Total equity		1,024,641	498,869

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2025

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	16	5,752	8,157
Current liabilities			
Trade payables	28	11,294	11,084
Other payables and accruals	29	103,936	87,126
Borrowings	27	92,937	56,240
Lease liabilities	16	11,497	17,593
Contract liabilities	5	103,069	113,439
		322,733	285,482
Total liabilities		328,485	293,639
Total equity and liabilities		1,353,126	792,508

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 109 to 177 were approved by the Board of Directors of the Company on 27 March 2026 and were signed on its behalf by:

Mr. Xi Puzhao
Director

Ms. Cao Rui
Chief Financial Officer

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Attributable to owners of the Company			Total equity RMB'000
		Share capital RMB'000	Reserves RMB'000	Retained earnings RMB'000	
Balance at 1 January 2024		60,000	216,569	113,977	390,546
Comprehensive income					
Profit for the year		–	–	105,071	105,071
		60,000	216,569	219,048	495,617
Transactions with equity holders:					
Share-based payment	25	–	3,252	–	3,252
Appropriation to statutory reserve	24	–	11,525	(11,525)	–
		–	14,777	(11,525)	3,252
Balance at 31 December 2024		60,000	231,346	207,523	498,869
Balance at 1 January 2025		60,000	231,346	207,523	498,869
Comprehensive income					
Profit for the year		–	–	130,224	130,224
		–	–	130,224	130,224
Transactions with equity holders:					
Issuance of ordinary shares upon global offering	23	6,667	385,303	–	391,970
Share-based payment	25	–	3,578	–	3,578
Appropriation to statutory reserve	24	–	2,215	(2,215)	–
		6,667	391,096	(2,215)	395,548
Balance at 31 December 2025		66,667	622,442	335,532	1,024,641

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash used in operations	30(a)	(62,105)	(10,161)
Interest received from cash at banks	10	195	635
Income tax paid		(2,111)	–
Net cash used in operating activities		(64,021)	(9,526)
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,805)	(9,744)
Purchase of financial assets at fair value through profit or loss	3.3(c)	(355,412)	(68,000)
Proceeds from disposals of financial assets at fair value through profit or loss	3.3(c)	198,453	140,561
Net cash (used in)/generated from investing activities		(160,764)	62,817
Cash flows from financing activities			
Proceeds from issuance of ordinary shares upon global offering	23	391,971	–
Proceeds from borrowings	30(b)	189,792	99,980
Repayments of borrowings	30(b)	(152,922)	(43,980)
Principal payments of lease liabilities	30(b)	(21,803)	(17,484)
Interests paid for lease liabilities	30(b)	(966)	(1,246)
Interest paid for borrowings	30(b)	(2,966)	(1,279)
Payment of listing expenses		(24)	(852)
Net cash generated from financing activities		403,082	35,139
Net increase in cash and cash equivalents		178,297	88,430
Cash and cash equivalents at the beginning of the year		230,172	141,742
Effects of exchange rate changes on cash and cash equivalents		(638)	–
Cash and cash equivalents at the end of the year	22	407,831	230,172

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

Shanghai Able Digital Science&Tech Co., Ltd. (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on 7 April 2008 as a limited liability company under the Company Law of the PRC. The address of the Company’s registered and business office is Room 901–904 Building 1, No. 1188 North Qinzhou Road, Xuhui District, Shanghai, PRC.

The Company and its subsidiaries (together, “**the Group**”) are principally engaged in the provision of services and products relating to: (i) digital educational content services and products; and (ii) digital teaching and learning environment services and products in the PRC.

Mr. Wang Hui and his wife, Ms. Ge Xin, are the ultimate controlling shareholders of the Company as at the date of this report.

On 8 December 2025, the Company successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited.

These consolidated financial statements were approved for issue by the Board of Directors on 27 March 2026.

2. Basis of preparation

(i) Compliance with IFRS Accounting Standards and Hong Kong Companies Ordinance Cap.622 (“**HKCO**”)

The consolidated financial statements of the Group have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“**IASB**”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the certain financial assets that are measured at fair value.

(iii) New and amended standards adopted by the Group

The Group has applied the following standards, amendments and interpretation for the first time for its annual reporting period commencing 1 January 2025:

Standards and amendments	Effective for accounting periods beginning on or after
IAS 21 (Amendment) ‘Lack of exchangeability’	1 January 2025
Amendments to Illustrative Examples on IFRS 7, IAS 1, IAS 8, IAS 36 and IAS 37 – Disclosures about Uncertainties in the Financial Statements	1 January 2025

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

2. Basis of preparation (continued)

(iv) New and amended standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below.

Standards and amendments	Effective for annual periods beginning on or after
IFRS 9 (Amendment) and IFRS 7 (Amendment) 'Amendments to the classification and measurement of financial instruments'	1 January 2026
IFRS 9 (Amendment) and IFRS 7 (Amendment) 'Contracts referencing nature-dependent electricity'	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 'Presentation and disclosure in financial statements'	1 January 2027
IFRS 19 'Subsidiaries without public accountability: disclosures'	1 January 2027
IAS 21 (Amendments) Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 10 (Amendment) and IAS 28 (Amendment) 'Sales or contribution of assets between an investor and its associate or joint venture'	To be determined

The Group has already commenced an assessment of the impact of these new and amended standards and has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on the financial performance and positions of the Group when they become effective except as described below.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of income; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of comprehensive income and consolidated statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of IFRS 18 on the consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group does not use any derivative financial instruments to hedge certain risk exposures during the reporting period.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Company and its primary subsidiaries were incorporated in the PRC and considered RMB as their functional currency.

The Group is primarily exposed to changes in RMB/HKD exchange rates. As at 31 December 2025, if HKD strengthened/weakened by 10% against RMB, with all other variables held constant, profit before income tax for the year then ended would have been approximately RMB39,030,000 higher/lower (year ended 31 December 2024: RMB nil lower/higher) as a result of foreign exchange gains/losses on translation of HKD denominated cash and cash equivalents as well as financial assets at fair value through profit or loss ("FVPL").

(ii) Cash flow and fair value interest rate risk

Except for cash and cash equivalents and restricted cash, the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose us to cash flow interest-rate risk. Borrowings obtained at fixed rates expose us to fair value interest-rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 27. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the reporting period.

As at 31 December 2025, if the Group's interest rates on borrowings obtained at variable rates had been 50 basis points higher/lower, profit before income tax for the year then ended would have been approximately RMB600,000 lower/higher (year ended 31 December 2024: RMB280,000 higher/lower).

(iii) Price risk

The Group has no exposure to equity securities price risk.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, trade receivables, retention money receivables and other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

Risk management

To manage this risk, cash and cash equivalents, restricted cash, time deposits and financial assets at FVPL are mainly placed with state-owned or reputable financial institutions in Mainland China and reputable financial institutions outside of Chinese Mainland.

To manage risk arising from trade receivables and retention money receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. Trade receivables and retention money receivables have been grouped based on shared credit risk characteristics and aging to measure the expected credit losses. Trade receivables and retention money receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables and retention money receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents and restricted cash;
- trade receivables and retention money receivables; and
- other receivables.

(i) Cash and cash equivalents and restricted cash

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions in Mainland China. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

(ii) Trade receivables and retention money receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and retention money receivables. To measure the expected credit losses, trade receivables and retention money receivables have been grouped based on shared credit risk characteristics and aging.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the China's Consumer Price Index ("CPI") and the Fixed Asset Investment Price Index to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2025 and 2024 was determined as follows for trade receivables and retention money receivables:

As at 31 December 2025	Within 6 months	6 months – 1 year	1–2 years	2- 3 years	Above 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Expected loss rate	1.14%	4.70%	9.89%	23.95%	63.46%	
Gross amount	335,647	70,740	108,175	37,581	25,872	578,015
Loss allowance	(3,834)	(3,324)	(10,702)	(9,000)	(16,418)	(43,278)

As at 31 December 2024	Within 6 months	6 months – 1 year	1–2 years	2- 3 years	Above 3 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Expected loss rate	1.35%	4.39%	14.51%	45.29%	88.14%	
Gross amount	242,118	43,073	61,619	20,820	12,010	379,640
Loss allowance	(3,264)	(1,889)	(8,943)	(9,430)	(10,586)	(34,112)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

- (ii) Trade receivables and retention money receivables (continued)

The loss allowances for trade receivables and retention money receivables as at the years ended 31 December 2025 and 2024 reconcile to the opening loss allowances as follows:

	Trade receivables and retention money receivables	
	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Opening loss allowance as at 1 January	(34,112)	(20,260)
Impairment losses recognized – net (Note 11)	(9,166)	(13,852)
Closing loss allowance as at 31 December	(43,278)	(34,112)

Trade receivables and retention money receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

(iii) Other receivables

Other receivables mainly include deposits, advance to staff and others. All of the Group's financial assets at amortized cost are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition as described in Note 38.7.

Other receivables are written off when there is no reasonable expectation of recovery.

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

The loss allowances for other receivables as at the years ended 31 December 2025 and 2024 reconcile to the opening loss allowances as follows:

	Other receivables	
	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Opening loss allowance as at 1 January	(1,710)	(1,538)
Impairment reversal/(losses) recognized – net (Note 11)	1,414	(172)
Closing loss allowance as at 31 December	(296)	(1,710)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivatives	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total RMB'000	Carrying amount liabilities RMB'000
As at 31 December 2025					
Trade payables (Note 28)	11,294	-	-	11,294	11,294
Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables) (Note 29)	9,962	-	-	9,962	9,962
Borrowings (Note 27)	94,011	-	-	94,011	94,011
Lease liabilities	11,969	4,889	1,017	17,875	17,249
Total	127,236	4,889	1,017	133,142	132,516

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

Maturities of financial liabilities (continued)

Non-derivatives	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total RMB'000	Carrying amount liabilities RMB'000
As at 31 December 2024					
Trade payables (Note 28)	11,084	–	–	11,084	11,084
Other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables) (Note 29)	2,170	–	–	2,170	2170
Borrowings (Note 27)	57,721	–	–	57,721	56,240
Lease liabilities	18,270	6,753	2,478	27,501	25,750
Total	89,245	6,753	2,478	98,476	95,244

3.2 Capital management

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

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low. As a result, capital risk is not significant for the Group and measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management (continued)

3.2 Capital management (continued)

The Group monitors capital using a gearing ratio, which is total liabilities divided by total assets. The gearing ratios of the Group as at 31 December 2025 and 2024 were as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Total liabilities	328,485	293,639
Total assets	1,353,126	792,508
Gearing ratio	24.28%	37.05%

The decrease in the Group's gearing ratio as at 31 December 2025 was due to the increase in total assets due to proceeds from issuance of shares upon global offering.

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the statement of financial position. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management (continued)

3.3 Fair value estimation (continued)

(a) Fair value hierarchy (continued)

The following table presents the Group's assets that are measured at fair value as at 31 December 2025 and 2024:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2025				
Assets				
Financial assets at FVPL (Note 21)	-	-	203,313	203,313
As at 31 December 2024				
Assets				
Financial assets at FVPL (Note 21)	-	-	48,028	48,028

(b) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Discounted cash flow analysis, has been used to determine fair value for the remaining financial instruments.

There were no changes in valuation techniques during the reporting period.

The fair value of trade receivables and retention money receivables, other receivables, restricted cash and cash and cash equivalents approximated their carrying amounts.

The fair value of trade payables, other payables and accruals (excluding salaries and welfare payables and VAT and other taxes payables), borrowings and lease liabilities approximated their carrying amounts.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management (continued)

3.3 Fair value estimation (continued)

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 31 December 2025 and 2024:

	Financial assets at FVPL RMB'000
As at 1 January 2024	120,014
Acquisitions	68,000
Disposals	(140,561)
Fair value changes (Note 7)	575
As at 31 December 2024	48,028
As at 1 January 2025	48,028
Acquisitions	355,412
Disposals	(198,453)
Fair value changes (Note 7)	(1,674)
As at 31 December 2025	203,313

- (d) There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the reporting period.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Financial risk management (continued)

3.3 Fair value estimation (continued)

(e) Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

As at 31 December 2025

Description	Fair value RMB'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Wealth management products	203,313	Expected rate of return	3.50%–3.95%	The higher the expected rate of return, the higher the fair value

As at 31 December 2024

Description	Fair value RMB'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Wealth management products	48,028	Expected rate of return	0.85%–2.05%	The higher the expected rate of return, the higher the fair value

As at 31 December 2025, if the expected rate of return had been 100 basis points higher/lower, the fair value of financial assets at FVPL would have been approximately RMB111,353 higher/lower (31 December 2024: RMB14,466 higher/lower).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Critical accounting estimates and judgements

The preparation of these consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. 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.

(a) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1(b).

(b) Recognition of share-based payment expenses

As disclosed in Note 25, certain restricted share units ("RSUs") were granted to the Group's employees. These transactions resulted in the recognition of share-based payment expenses. The fair value of RSUs at the grant date was determined by reference to the fair value of the underlying ordinary shares on the dates of grant, which were valued by the third-party independent valuer using discounted cash flow method ("DCF method"). Significant estimate on assumptions, such as revenue growth rate, after-tax discount rate and terminal growth rate, are made based on management's best estimates.

(c) Estimation of the fair value of financial assets at fair value through profit or loss

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value are disclosed in Note 3.3.

(d) Income taxes and deferred taxations

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgments are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group recognizes deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred income tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

5. Revenue and segment information

(a) Description of segments and principal activities

During the reporting period, the Group is principally engaged in the provision of the following products and services: (i) digital educational content services and products and; (ii) digital teaching and learning environment services and products in the PRC. The executive directors of the Company review the operating results of the business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one business segment which is used to make strategic decisions.

Geographical information

The Group's principal market, majority of revenue, operating profit and non-current assets are derived from/located in the PRC. Accordingly, no geographical segment information is presented.

(b) Revenue during the reporting period

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Digital educational content services and products	831,272	709,964
Digital teaching and learning environment services and products	137,555	137,620
Others	579	614
	969,406	848,198

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At a point in time	936,891	805,258
Over time	32,515	42,940
	969,406	848,198

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5. Revenue and segment information (continued)

(c) Contract liabilities

The Group recognized the following contract liabilities related to contracts with customers:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contract liabilities		
Current contract liabilities	103,069	113,439

Revenue recognized in relation to contract liabilities

The following table shows how much of the Group's revenue recognized during the reporting periods relates to carried-forward contract liabilities.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue recognized that was included in the contract liabilities balance at the beginning of the year	90,314	103,092

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying products or services are yet to be provided.

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FOR THE YEAR ENDED 31 DECEMBER 2025

5. Revenue and segment information (continued)

(d) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations of the Group as at 31 December 2025 and 2024:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Aggregate amount of unsatisfied performance obligations	392,417	360,712

Management expects that 85.3% (31 December 2024: 85.1%) of the transaction price allocated to the unsatisfied contracts as at 31 December, 2025 will be recognized as revenue within one year. The remaining 14.7% (31 December 2024: 14.9%) will be recognized over one year.

(e) Information about major customers

During the reporting periods, none of the customers contributed over 10% of the total revenue of the Group.

(f) Revenue recognition policy

Revenue is recognized when or as the control of the products or services is transferred to a customer. A customer is the party that contracts with the Group to purchase products or services which are the output of the Group's ordinary activities in exchange for consideration.

A contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to the customer, and it should be presented separately. A contract asset becomes a receivable when receipt of the consideration is conditional only on the passage of time. Warranty is provided to customers in conjunction with both (i) digital educational content services and products and (ii) digital teaching and learning environment services and products, and generally lasts no more than three years after the control of the services and products are transferred to the customers. Final portion of the contract price are recognised as retention money receivables, which would be paid after the warranty period expires.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group recognises a contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer products or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The revenue is measured at the transaction price agreed in the contract.

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FOR THE YEAR ENDED 31 DECEMBER 2025

5. Revenue and segment information (continued)

(f) Revenue recognition policy (continued)

The accounting policies for the Group's principal revenue sources are as follows:

(i) *Digital educational content services and products*

The Group develops and produces digital course development, knowledge graph development and virtual simulation development services and products and generates revenue from sales of digital courses, knowledge graph products, virtual simulation products and other related products.

The revenue for sales of services and products mentioned above is recognized at a point in time when the control of the services and products mentioned above are transferred to the customer. Specifically, sales are recognized when the services and products have been transferred to the customers in accordance with the sales contract and the customers have inspected and accepted the services and products.

(ii) *Digital teaching and learning environment services and products*

The Group develops and produces learning environment services and products, including: (i) digital classroom environment services and products to assist higher education institutions with designing and building digital classrooms to offer more immersive and engaging learning experiences for their students; (ii) configurable, artificial intelligence ("AI") enabled, cloud-native and highly integrated Learning Management System ("LMS") for higher education institutions to assist them with managing and creating simpler and better connected teaching and learning processes.

For (i), the revenue is recognized at a point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the services and products has been transferred to the customer, generally upon the acceptance of the services and products.

For (ii), LMS services and products include standard LMS, allowing customers conveniently access to the system through both personal computers and mobile devices, and customized LMS with development of both management application system and teaching application system.

Revenue of standard LMS services and products is recognized ratably over the contract term. Revenue of customized LMS services and products is recognized at a point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the services and products has been transferred to the customer, generally upon the acceptance of the services and products.

Notes to the Consolidated Financial Statements

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6. Other income

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Government grants	13,291	8,619

There are no unfulfilled conditions or other contingencies attaching to the grants recognized.

7. Other (losses)/gains – net

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net fair value (losses)/gains on financial assets at FVPL (Note 21)	(1,674)	575
Net gains on disposals of right-of-use assets	909	–
Others	33	(334)
	(732)	241

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

8. Expenses by nature

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Changes in inventories of work in progress	(10,158)	(11,131)
Purchased goods used	8,496	23,769
Employee benefit expenses (Note 9)	650,269	534,504
Travel expenses	33,154	31,095
Depreciation of property, plant and equipment (Note 15)	9,600	11,663
Depreciation of right-of-use assets (Notes 16)	20,577	19,101
Network service fees	26,123	18,744
Digital content editing fees	23,449	21,432
Marketing expenses	19,823	19,663
Listing expenses	14,654	14,364
Legal, consulting and other service fees	6,300	8,449
Short-term leases (Note 16(b))	1,006	1,870
Auditor's remuneration		
– Audit services	2,050	8
Others	42,603	40,775
	847,946	734,306

9. Employee benefit expenses

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses	536,730	454,915
Pension obligations, housing funds, medical insurances and other social insurances (a)	86,765	66,583
Other employee benefits	23,196	9,754
Share-based payment expenses (Note 25)	3,578	3,252
	650,269	534,504

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9. Employee benefit expenses (continued)

(a) Pension obligations, housing funds, medical insurances and other social insurances

Full time employees of the Group in the PRC are members of a state-managed retirement benefit schemes operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs, subject to certain ceiling, as determined by local government authority to the pension obligations, housing funds, medical insurances and other social insurances to fund the benefits. The Group's liabilities in respect of benefits schemes are limited to the contributions payable in each year.

No forfeited contributions were utilized during the reporting period to offset the Group's contribution to the abovementioned retirement benefit schemes.

(b) Five highest paid employees

The five individuals whose emoluments were the highest in the Group for each of the years ended 31 December 2025 include nil (2024: 1) director. The emoluments payable to the remaining 5 (2024: 4) highest paid individuals in 2025 are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses	10,040	6,914
Pension obligations, housing funds, medical insurances and other social insurances	531	388
Share-based payment expenses	1,969	1,805
	12,540	9,107

The remaining highest paid individuals fell within the following bands:

Emolument bands (in HK dollar)	Year ended 31 December	
	2025	2024
1,500,001–2,000,000	2	1
2,000,001–2,500,000	–	1
2,500,001–3,000,000	2	1
3,000,001–3,500,000	–	1
4,500,001–5,000,000	1	–
	5	4

Notes to the Consolidated Financial Statements

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10. Finance costs

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Finance income		
Interest income from cash at banks	195	635
Foreign exchange Loss	(638)	–
	(443)	635
Finance costs		
Interest expenses on lease liabilities (Note 16)	(966)	(1,246)
Interest expenses on borrowings	(2,793)	(1,519)
	(3,759)	(2,765)
Finance costs – net	(4,202)	(2,130)

11. Net impairment losses on financial assets

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Impairment losses – net:		
Trade receivables and retention money receivables	(9,166)	(13,852)
– other receivables	1,414	(172)
	(7,752)	(14,024)

12. Income tax (credit)/expense

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax expense	2,111	1
Deferred income tax (credit)/expense (Note 17)	(10,270)	1,526
	(8,159)	1,527

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12. Income tax (credit)/expense (continued)

Income tax on profits assessable has been calculated at the rates of tax prevailing in the jurisdictions in which relevant entities operate.

PRC corporate income tax (“PRC CIT”)

Pursuant to the PRC tax laws and regulations, the Company and its subsidiaries in the PRC are subject to PRC corporate income tax at the applicable tax rate of 25% on their taxable profits during the Track Record Period, except as disclosed below.

The Company was qualified as a High and New Technology Enterprise (“**HNTE**”) in 2019 and was therefore entitled to a preferential corporate income tax rate of 15% for three years commencing 2019. The Company renewed its HNTE status in every three years intervals, in 2022 and 2025, and therefore continues to be entitled to the preferential corporate income tax rate of 15% in 2025 for a three year term. In addition, Shanghai Zhuoyue Ruixin Network Technology Co., Ltd., a subsidiary of the Group, was recognized as an HNTE in 2024 for a three-year term.

In accordance with the policies promulgated by the State Taxation Administration of the PRC, enterprises engaged in research and development activities may claim an additional tax deduction of 75% of the eligible research and development expenses (“**super deduction**”) in determining their taxable profits for the year commencing 2018. With effect from 1 October 2022, the additional deduction ratio had been increased to 100%.

As of 31 December 2025, the Group’s subsidiaries, Shanghai Tingri Technology Co., Ltd., Xinjiang Zhihui Tongfu Technology Co., Ltd. and Shanghai Wenjing Education Technology Co., Ltd., retained their status as Small and Micro-Profit Enterprises.

Pursuant to the Announcement on Policies for Reducing and Exempting Value-Added Tax for Small-Scale VAT Payers issued by the State Taxation Administration of the People’s Republic of China (Caishui [2019] No. 13, Caishui [2022] No. 13 and Caishui [2023] No. 6), the corporate income tax of Small and Micro-Profit Enterprises is calculated as follows:

- (i) for the portion of annual taxable income not exceeding RMB1,000,000, 25% of such income is included in taxable income, and corporate income tax is paid at a preferential tax rate of 20%; and
- (ii) for the portion of annual taxable income exceeding RMB1,000,000 but not exceeding RMB3,000,000, 50% of such income is included in taxable income, and corporate income tax is paid at a tax rate of 20%.

Such preferential tax treatment applied throughout the Track Record Period.

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FOR THE YEAR ENDED 31 DECEMBER 2025

12. Income tax (credit)/expense (continued)

PRC corporate income tax (“PRC CIT”) (continued)

The difference between the actual income tax expense charged to the consolidated statement of comprehensive income and the amounts which would result from applying the enacted tax rates to profit before income tax can be reconciled as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before income tax	122,065	106,598
Income tax expenses calculated at applicable tax rates	30,517	26,650
Tax effects of preferential tax rate	(11,390)	(9,239)
Super deduction of research and development expenses	(27,431)	(17,097)
Expenses not deductible for tax purposes	2,963	5,212
Previously unrecognized tax losses and deductible temporary differences recognized as deferred tax assets	(2,632)	(1,411)
Others	(186)	(2,588)
	(8,159)	1,527

13. Earnings per share

Basic earnings per share for the years ended 31 December 2024 and 2025 are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares in issue during the year.

The Company did not have any potential ordinary shares outstanding during the reporting period. Diluted earnings per share is equal to basic earnings per share.

	Year ended 31 December	
	2025	2024
Profit attributable to owners of the Company (RMB'000)	130,224	105,071
Weighted average number of ordinary shares in issue	60,438,358	60,000,000
Basic and diluted earnings per share (expressed in RMB per share)	2.15	1.75

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14. Subsidiaries

(a) Subsidiaries of the Company

The Group's principal subsidiaries at 31 December 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business of each entity.

Name of entity	Date of incorporation	Place of incorporation/operation	Registered share capital	Ownership interest held by the Group As at 31 December		Principal activities	Note
				2025	2024		
Directly held:							
Shanghai Zhihui Zhidao Network Technology Co., Ltd. 上海智慧知到網絡科技有限公司	22 July 2020	Shanghai, China	RMB20,000,000	100%	100%	Sales of products and services	
Shanghai Zhuoyue Ruixin Network Technology Co., Ltd. 上海卓越睿新網絡科技有限公司	01 June 2021	Shanghai, China	RMB5,000,000	100%	100%	Sales of products and services	
Shanghai Zhunshi Network Technology Co., Ltd. 上海諍實網絡科技有限公司	03 June 2021	Shanghai, China	RMB5,000,000	100%	100%	Sales of products and services	
Shanghai Wenjing Education Technology Co., Ltd. 上海文菁教育科技有限公司	28 October 2020	Shanghai, China	RMB5,000,000	100%	100%	Sales of products and services	
Xinjiang Zhihui Tongtu Technology Co., Ltd. 新疆智慧同富科技有限公司	07 October 2023	Xinjiang, China	RMB1,000,000	100%	100%	Sales of products and services	
Shanghai Tingri Technology Co., Ltd. 上海霆日科技有限公司	30 October 2023	Shanghai, China	RMB1,000,000	100%	100%	Sales of products and services	
Zhihuishu Network (Shanghai) Digital Technology Co., Ltd. 智慧樹網(上海)數碼科技有限公司	08 December 2022	Shanghai, China	RMB10,000,000	100%	100%	Sales of products and services	
Shandong Xiangjun Technology Services Co., Ltd. 山東祥鈞科技服務有限公司	27 September 2023	Shandong, China	RMB3,000,000	100%	100%	Sales of products and services	
Sichuan Zaxiang Technology Co., Ltd. 四川載祥科技有限公司	26 September 2023	Sichuan, China	RMB1,000,000	100%	100%	Sales of products and services	
Yunnan Weiye Yifang technology Co., Ltd. 雲南維擘翊行科技有限公司	19 September 2023	Yunnan, China	RMB1,000,000	100%	100%	Sales of products and services	
Gansu Century Huaxin Information Technology Co., Ltd. 甘肅世紀華鑫信息科技有限公司	18 October 2023	Gansu, China	RMB1,000,000	NA	100%	Sales of products and services	(i)

(i) This subsidiary was deregistered on April 18, 2025.

** The Company and all of its subsidiaries are limited liability companies.

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15. Property, plant and equipment

	Vehicles RMB'000	Electronic equipment and others RMB'000	Construction in progress ("CIP") RMB'000	Leasehold improvements RMB'000	Total RMB'000
Year ended 31 December 2024					
Opening net book amount	–	10,759	515	5,669	16,943
Additions	999	6,175	2,570	–	9,744
Transfers	–	–	(2,864)	2,864	–
Depreciation charge (Note 8)	(278)	(7,424)	–	(3,961)	(11,663)
Closing net book amount	721	9,510	221	4,572	15,024
As at 31 December 2024					
Cost	999	52,988	221	35,296	89,504
Accumulated depreciation	(278)	(43,478)	–	(30,724)	(74,480)
Net book amount	721	9,510	221	4,572	15,024
Year ended 31 December 2025					
Opening net book amount	721	9,510	221	4,572	15,024
Additions	–	2,073	1,725	6	3,804
Transfers	–	–	(1,129)	1,129	–
Depreciation charge (Note 8)	(333)	(6,048)	–	(3,219)	(9,600)
Closing net book amount	388	5,535	817	2,488	9,228
As at 31 December 2025					
Cost	999	55,061	817	36,431	93,308
Accumulated depreciation	(611)	(49,526)	–	(33,943)	(84,080)
Net book amount	388	5,535	817	2,488	9,228

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15. Property, plant and equipment (continued)

(a) Depreciation expenses

Depreciation expenses have been charged to the consolidated statements of comprehensive income as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Cost of sales	4,255	3,427
Distribution and selling expenses	3,599	6,274
General and administrative expenses	653	1,248
Research and development expenses	1,093	714
	9,600	11,663

(b) Depreciation methods and useful lives

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives as follows:

Vehicles	5 years
Electronic equipment and others	3 years
Leasehold improvements	Estimated useful lives or remaining lease terms, whichever is shorter

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 38.4).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognized within "other gains – net" included in the consolidated statements of comprehensive income.

Notes to the Consolidated Financial Statements

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16. Leases

(a) Amounts recognized in the consolidated statements of financial position of the Group

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Right-of-use assets		
Buildings and warehouses	18,266	24,632
Lease liabilities		
Current lease liabilities	(11,497)	(17,593)
Non-current lease liabilities	(5,752)	(8,157)
	(17,249)	(25,750)

Additions to the right-of-use assets during the years ended 31 December 2025 was approximately RMB19,707,000 (2024: RMB17,133,000).

(b) Amounts recognized in the consolidated statements of comprehensive income

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Depreciation charge of right-of-use assets (Notes 8)		
– Cost of sales	3,970	6,449
– Distribution and selling expenses	5,538	4,467
– General and administrative expenses	11,069	8,185
	20,577	19,101
Interest expense (Note 10)	966	1,246
Expense relating to short-term leases (included in cost of sales, distribution and selling expenses, general and administrative expenses, research and development expenses) (Note 8)	1,006	1,870
	22,549	22,217

The total cash outflows for leases payments for the years ended 31 December 2025 was approximately RMB23,775,000 (2024: RMB20,600,000).

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16. Leases (continued)

(c) The Group's leasing activities and how they are accounted for

The Group leases various buildings and warehouses. Rental contracts are typically made for fixed periods of one year to four years but may have extension options as described in (d) below.

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

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

To determine the incremental borrowing rate, the Group:

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

If a readily observable amortizing loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

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

Payments associated with short-term leases of building are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

See Note 38.18 for the other accounting policies relevant to leases.

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16. Leases (continued)

(d) Extension and termination options

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

17. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to the same tax authority.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Total deferred income tax assets (a)	42,195	32,880
Net-off with deferred income tax liabilities (b)	(2,740)	(3,695)
Net deferred income tax assets	39,455	29,185

The movement in net deferred income tax is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net deferred income tax assets:		
As at 1 January	29,185	30,711
Credited/(charged) to income tax expense (Note 12)	10,270	(1,526)
As at 31 December	39,455	29,185

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17. Deferred income tax (continued)

The analysis of deferred income tax assets and liabilities is as follows:

(a) Deferred income tax assets

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
The balance comprises temporary differences attributable to:		
Tax losses	33,178	23,674
Lease liabilities	2,587	3,863
Loss allowance for financial assets	6,430	5,343
Total deferred income tax assets	42,195	32,880

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

Movement	Deductible	Loss allowance	Lease	Total
	tax losses	for financial assets	liabilities	
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	27,516	3,270	3,915	34,701
(Charged)/credited to profit or loss	(3,842)	2,073	(52)	(1,821)
As at 31 December 2024 and 1 January 2025	23,674	5,343	3,863	32,880
Credited/(charged) to profit or loss	9,504	1,087	(1,276)	9,315
As at 31 December 2025	33,178	6,430	2,587	42,195

Deferred income tax assets are recognized to the extent that the realization of the related tax benefit through the future taxable profits is probable. Deferred income tax assets have not been recognized in respect of the following items:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Tax losses	–	6,298

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

17. Deferred income tax (continued)

(a) Deferred income tax assets (continued)

Deductible losses that are not recognized for deferred income tax assets will expire as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
2028	–	55
2029	–	6,243
	–	6,298

(b) Deferred income tax liabilities

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
The balance comprises temporary differences attributable to:		
Right-of-use assets	(2,740)	(3,695)
Net-off with deferred income tax assets	2,740	3,695
Net deferred income tax liabilities	–	–

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

Movement	Right-of-use assets
	RMB'000
As at 1 January 2024	(3,990)
Credited to profit or loss	295
As at 31 December 2024 and 1 January 2025	(3,695)
Credited to profit or loss	955
As at 31 December 2025	(2,740)

Notes to the Consolidated Financial Statements

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18. Inventories

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Purchased goods	14,651	3,210
Work in progress	34,821	24,663
	49,472	27,873
Less: allowance for impairment of inventories	—	—
	49,472	27,873

Purchased goods primarily consist of products that are ready for sale or in transit to fulfill customer orders.

Work-in-progress primarily consist of labor cost incurred mainly for the production of educational content digitalization product.

Provision for inventories is recognized for the amount by which the carrying amount of the inventories exceeds the net recoverable amount, and is recorded in cost of sales in the consolidated statements of comprehensive income. No provision for inventories is recognized for the years ended 31 December 2025 and 2024.

The cost of inventories recognized as cost of sales for the year ended 31 December 2025 amounted to RMB42,197,000 (2024: RMB26,217,000).

19. Trade receivables and retention money receivable

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables	566,008	371,076
Retention money receivables	12,007	8,564
	578,015	379,640
Less: provision for impairment	(43,278)	(34,112)
	534,737	345,528

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

19. Trade receivables and retention money receivable (continued)

As at 31 December 2025 and 2024, the aging analysis of the trade receivables and retention money receivables based on date of revenue recognition is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 6 months	335,647	242,118
6 months – 1 year	70,740	43,073
1–2 years	108,175	61,619
2–3 years	37,581	20,820
Above 3 years	25,872	12,010
Total	578,015	379,640

Trade receivables and retention money receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 1 year and therefore classified as current except for non-current retention money which are due for settlement after one year. Trade receivables and retention money receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables and retention money receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1(b) for a description of the Group's impairment policies.

The Group applies the simplified approach under IFRS 9, which requires lifetime expected losses to be recognized from initial recognition of the assets. Information about the impairment of trade receivables and retention money receivables and the Group's exposure to credit risk is described in Note 3.1(b).

As of 31 December 2025 and 2024, the Group's trade receivables and retention money receivables are denominated in RMB and their carrying amounts approximated their fair values as at the balance sheet dates.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

20. Other current assets

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Other receivables		
– Deposits	57,728	51,815
– Advance to staff	11,844	9,650
– Others	7,746	708
	77,318	62,173
Less: allowance for credit losses	(296)	(1,710)
	77,022	60,463
Prepayments		
– Prepaid expenses	4,917	5,973
– Prepaid listing expenses	–	909
Input VAT to be deducted	1,975	–
Total other current assets	83,914	67,345

As at 31 December 2025 and 2024, the Group's other receivables and prepayments were mainly denominated in RMB and their carrying amounts approximated their fair values as at the balance sheet dates.

Input VAT to be deducted are mainly input VAT arisen from the acquisition of property, plant and equipment, intangible assets and materials.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

21. Financial assets at fair value through profit or loss

(a) Classification of financial assets at FVPL

The Group classifies the following as financial assets at FVPL:

- debt investments that do not qualify for measurement at either amortized cost or fair value through other comprehensive income (FVOCI).

The Group's financial assets measured at FVPL include the following:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Investments in wealth management products	203,313	48,028

The principal and return of the Group's wealth management products are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, the wealth management products issued by banks and financial institutions are measured at FVPL.

Information about the Group's exposure to financial risk and information about the methods and assumptions used in determining fair value of these financial assets at FVPL are set out in Note 3.3.

(b) Amounts recognized in profit or loss

During the year, the following net fair value gains were recognized in the consolidated statements of comprehensive income:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net fair value gains on financial assets at FVPL recognized in other gains – net (Note 7)		
– realized	453	560
– unrealized	(2,127)	15
	(1,674)	575

Notes to the Consolidated Financial Statements

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22. Cash and cash equivalents and restricted cash

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Restricted cash	6,910	4,721
Cash at banks and in hand	407,831	230,172
	414,741	234,893

As at 31 December 2025 and 2024, the Group's restricted cash was mainly deposits at bank held for issue of letters of guarantee.

(a) Cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB	227,663	234,893
HKD	187,078	–
	414,741	234,893

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

23. Share capital

The Group

A summary of movements in the Company's issued and fully paid share capital is as follows:

	Number of shares	Share capital RMB'000
As at 1 January 2024, 31 December 2024 and 1 January 2025	60,000,000	60,000
Issuance of ordinary shares upon global offering	6,666,700	6,667
As at 31 December 2025	66,666,700	66,667

On 8 December 2025, the Company issued 6,666,700 ordinary shares of par value of RMB1.00 at the issue price of HK\$67.50 per share pursuant to the global offering and listing of the Company's shares on the Hong Kong Stocks Exchange, generating net issue proceeds amounting to HK\$431,084,000 (equivalent to approximately RMB391,971,000), being gross proceeds of HK\$450,002,000 (equivalent to approximately RMB409,388,000 net of listing expenses). The net issue proceeds of RMB391,971,000 were credited to share capital and share premium account in the amounts of RMB6,667,000 and RMB385,303,000, respectively.

24. Reserves

The following table shows a breakdown of reserves and their movements during the respective years. A description of the nature and purpose of each reserve is provided below the table.

	Capital reserve RMB'000	Share-based payment reserves RMB'000	Statutory surplus reserve RMB'000	Total RMB'000
As at 1 January 2024	180,932	16,044	19,593	216,569
Share-based payment (Note 25)	–	3,252	–	3,252
Appropriation to statutory reserves	–	–	11,525	11,525
As at 31 December 2024	180,932	19,296	31,118	231,346

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

24. Reserves (continued)

	Capital reserve	Share-based payment reserves	Statutory surplus reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025	180,932	19,296	31,118	231,346
Issuance of ordinary shares upon global offering (Notes 23)	385,303	-	-	385,303
Share-based payment (Note 25)	-	3,578	-	3,578
Appropriation to statutory reserves	-	-	2,215	2,215
As at 31 December 2025	566,235	22,874	33,333	622,442

25. Share-based payment

Shanghai Xuru Enterprise Management Consulting Partnership L.P. 上海許如企業管理諮詢合夥企業(有限合夥) (“**Shanghai Xuru**”), Shanghai Baxuan Enterprise Management Consulting Partnership L.P. 上海灞軒企業管理諮詢合夥企業(有限合夥) (“**Shanghai Baxuan**”), Shanghai Womiao Enterprise Management Consulting Partnership L.P. 上海喔淼企業管理諮詢合夥企業(有限合夥) (“**Shanghai Womiao**”), Shanghai Shuhuai Enterprise Management Consulting Partnership L.P. 上海黍懷企業管理諮詢合夥企業(有限合夥) (“**Shanghai Shuhuai**”), Shanghai Suishang Enterprise Management Consulting Partnership L.P. 上海遂商企業管理諮詢合夥企業(有限合夥) (“**Shanghai Suishang**”), and Peixian Yingcui Enterprise Management Consulting Partnership L.P. 沛縣穎萃企業管理合夥企業(有限合夥) (“**Peixian Yingcui**”) were incorporated in the PRC under the Partnership Enterprise Law of the PRC as vehicles to hold the ordinary shares for the Company’s employees under the share award (“**restricted shares**”) schemes of the Company.

From 1 January 2025 to 31 December 2025, 43,539 RSUs were granted to the Grantees at a consideration of RMB32.66 per share as rewards for their services, full time devotion and professional expertise to the Group.

All the RSUs granted are vested upon IPO. If an employee ceased to be employed by the Group within this period, the awarded shares would be forfeited, and purchased back by Ms. Wang Xin (王欣) at the price of the consideration paid by the respective grantee plus interest thereon as set out in the contract.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

25. Share-based payment (continued)

(a) Share award schemes

Set out below are the movement in the number of awarded RSUs under the share award schemes:

	Number of restricted shares units	Weighted average grant date fair value RMB
As at 1 January 2024	1,725,762	13.64
Granted	41,126	14.72
Forfeited	(41,126)	4.03
As at 31 December 2024	1,725,762	13.80
As at 1 January 2025	1,725,762	13.80
Granted	43,539	23.40
Forfeited	(43,539)	4.64
As at 31 December 2025	1,725,762	14.02

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25. Share-based payment (continued)

(b) Fair value of shares granted

The fair value of RSUs at the grant dates was determined by reference to the fair value of the underlying ordinary shares on the dates of grant, which were valued by the third-party independent valuer using discounted cash flow (“**DCF**”) method. The DCF method involves applying appropriate discount rate, to discount the future cash flow forecast to present value. Key assumptions are set as below:

	Year ended 31 December	
	2025	2024
Fair value of underlying ordinary shares (RMB per share)	43.50	43.50
Revenue growth rate	12.83%	12.83%
After-tax discount rate	10.90%	10.90%
Terminal growth rate	2.00%	2.00%

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognized during the reporting period as part of employee benefit expense were as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Share-based payment expenses	3,578	3,252

Notes to the Consolidated Financial Statements

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26. Financial instruments by category

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
Financial assets			
Financial assets at amortized cost:			
– Trade receivables and retention money receivables	19	534,737	345,528
– Other receivables	20	77,022	60,463
– Cash and cash equivalents	22	407,831	230,172
– Restricted cash	22	6,910	4,721
Financial assets at FVPL	21	203,313	48,028
		1,229,813	688,912
Financial liabilities			
Financial liabilities at amortized cost:			
– Trade payables	28	11,294	11,084
– Other payables and accruals (excluding salary and welfare payables, and VAT and tax payables)	29	9,962	2,170
– Borrowings	27	92,937	56,240
– Lease liabilities	16	17,249	25,750
		131,442	95,244

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

27. Borrowings

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current		
– Short-term bank borrowings, unsecured	92,937	56,240

As at 31 December 2025 the Group's bank borrowings were denominated in RMB with an weighted average effective interest rates of 2.52% (2024: 2.96%) per annum. As at 31 December 2025 and 2024, the Group's borrowings were short-term, guaranteed and unguaranteed bank borrowings obtained mainly to fund our working capital. The guaranteed bank borrowings were guaranteed by the Group's subsidiary, Shanghai Zhihui Zhidao Network Technology Co., Ltd.

28. Trade payables

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables		
– payables for purchase of inventories and services	11,294	11,084

The carrying amounts of trade payables of the Group were denominated in RMB and approximated their fair values due to their short-term maturity in nature.

The aging analysis of the trade payables based on purchase date at the end of each reporting period is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	10,090	8,978
Over 1 year	1,204	2,106
	11,294	11,084

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

29. Other payables and accruals

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and welfare payables	55,861	49,532
VAT and other taxes payables	38,113	35,424
Payable for listing expenses	9,823	1,693
Other	139	477
	103,936	87,126

As of 31 December 2025 and 2024, the Group's other payables and accruals were mainly denominated in RMB and the carrying amounts approximated their fair values as at the balance sheet dates.

30. Cash flow information

(a) Cash (used in)/generated from operations

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before income tax	122,065	106,598
Adjustments for:		
Depreciation of property, plant and equipment (Note 15)	9,600	11,663
Depreciation of right-of-use assets (Note 16)	20,577	19,101
Impairment losses on financial assets (Note 11)	7,752	14,024
Finance costs (Note 10)	3,555	2,130
Share-based payment (Note 25)	3,578	3,252
Fair value change of financial assets and liabilities at fair value through loss (Note 7)	1,674	(575)
Losses from foreign exchange	638	–
Gains on disposal of right-of-use assets	(909)	–
	168,530	156,193
Increase in trade receivables and retention money receivables	(198,375)	(144,746)
Increase in other current assets	(16,066)	(9,570)
Increase in inventories	(21,599)	(12,728)
(Increase)/decrease in restricted cash	(2,189)	835
Decrease in contract liabilities	(10,370)	(11,059)
Increase in trade and other payables	18,909	10,914
Cash used in operations	(61,160)	(10,161)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

30. Cash flow information (continued)

(b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cash and cash equivalents	407,831	230,172
Restricted cash	6,910	4,721
Financial assets at fair value through profit or loss	203,313	48,028
Borrowings	(92,937)	(56,240)
Lease liabilities	(17,249)	(25,750)
Net cash	507,868	200,931
Cash and financial assets at fair value through profit or loss	618,054	282,921
Gross debt – fixed interest rates	(110,186)	(81,990)
Net cash	507,868	200,931

Notes to the Consolidated Financial Statements

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30. Cash flow information (continued)

(b) Net debt reconciliation (continued)

	Borrowings	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2024	–	26,101	26,101
Cash flows	54,721	(18,730)	35,991
New leases entered	–	17,133	17,133
Interest expenses (Note 10)	1,519	1,246	2,765
As at 31 December 2024	56,240	25,750	81,990
As at 1 January 2025	56,240	25,750	81,990
Cash flows	33,904	(22,769)	11,135
New leases entered	–	13,302	13,302
Interest expenses (Note 10)	2,793	966	3,759
As at 31 December 2025	92,937	17,249	110,186

(c) Major non-cash transactions

Major non-cash investing and financing activities were additions to right-of-use assets in respect of buildings and warehouses as disclosed Note 16.

31. Capital commitments

No significant capital expenditure contracted for at the end of the reporting period but not recognized as liabilities.

32. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control or significant influence.

Members of key management of the Group and their close family members are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

32. Related party transactions (continued)

(a) Names and transactions with related parties

The Group has no transactions or balances with the companies that are related parties of the Group during the year ended 31 December 2025 and 2024.

(b) Key management compensation

Key management includes directors (executive and non-executive) and the senior management of the Group. The compensation paid or payable to key management for employee services to the Group is shown below:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Wages, salaries and bonuses	4,898	6,373
Pension obligations, housing funds, medical insurances and other social insurances	724	696
Share-based payment expenses	1,425	1,853
	7,047	8,922

The wages and welfare disclosed above include RMB692,000 (2024: RMB541,000) to the key management personnel which were unpaid as at 31 December 2025 and are included in other payables (Note 30). The share-based payment provided to key management personnel are restricted shares (Note 25).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

33. Benefits and interests of directors and supervisors

(a) Directors and supervisors' emoluments

The remuneration paid or payable to the directors and supervisors of the Company (including emoluments for services as employee/directors/supervisors of the group entities prior to becoming the directors of the Company) during the years ended 31 December 2025 and 2024 was as follows.

Name	Year ended 31 December 2025							Total RMB'000
	Wages, salaries RMB'000	Bonuses RMB'000	Social insurances RMB'000	Pension	Share-	Other		
				obligations- defined contribution plans RMB'000	based payment expenses RMB'000	employee benefits RMB'000		
Name of chairman:								
Mr. Wang Hui	1,200	-	74	71	-	-	1,345	
Name of executive directors								
Mr. Xi Puzhao	555	-	74	71	10	-	710	
Ms. Wang Xin	664	-	74	71	76	-	885	
Ms. Wang Ying	-	-	-	-	-	-	-	
Mr. Jin Xingshen	-	-	-	-	-	-	-	
Ms. Ge Xin	-	-	-	-	-	-	-	
Name of independent non-executive directors								
Mr. Yau Ka Chi (i)	271	-	-	-	-	-	271	
Mr. Liu Ningrong (i)	276	-	-	-	-	-	276	
Mr. Ma Xufei (i)	276	-	-	-	-	-	276	
	3,242	-	222	213	86	-	3,763	
Name of supervisors:								
Mr. Wang Jian	577	-	72	70	78	-	797	
Mr. Li Quansheng	-	-	-	-	-	-	-	
Mr. Han Yuze	-	-	-	-	-	-	-	
	577	-	72	70	78	-	797	

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33. Benefits and interests of directors and supervisors (continued)

(a) Directors and supervisors' emoluments (continued)

Year ended 31 December 2024

Name	Wages, salaries RMB'000	Bonuses RMB'000	Social insurances RMB'000	Pension obligations- defined contribution plans RMB'000	Share- based payment expenses RMB'000	Other employee benefits RMB'000	Total RMB'000
Name of chairman:							
Mr. Wang Hui	2,209	-	72	68	-	-	2,349
Name of executive directors							
Mr. Xi Puzhao	614	-	72	68	22	-	776
Ms. Wang Xin	729	-	72	68	49	-	918
Ms. Wang Ying	-	-	-	-	-	-	-
Mr. Jin Xingshen	-	-	-	-	-	-	-
Ms. Ge Xin	-	-	-	-	-	-	-
Name of independent non-executive directors							
Mr. Liu Jie (ii)	-	-	-	-	-	-	-
Ms. Cao Zhoutao (ii)	-	-	-	-	-	-	-
Mr. Wang Fanghua (ii)	-	-	-	-	-	-	-
Mr. Yau Ka Chi (i)	278	-	-	-	-	-	278
Mr. Ma Xufei (i)	278	-	-	-	-	-	278
Mr. Liu Ningrong (i)	278	-	-	-	-	-	278
	4,386	-	216	204	71	-	4,877
Name of supervisors:							
Mr. Wang Jian	632	-	70	66	206	-	974
Mr. Li Quansheng	-	-	-	-	-	-	-
Mr. Han Yuze	-	-	-	-	-	-	-
	632	-	70	66	206	-	974

(i) Appointed on 26 April 2024

(ii) Retired on 26 April 2024

Notes to the Consolidated Financial Statements

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33. Benefits and interests of directors and supervisors (continued)

(b) Directors' and supervisors' retirement benefits

There were no retirement benefits paid to or receivable by any Directors/Supervisors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertakings during the reporting period.

(c) Directors' and supervisors' termination benefits

There were no termination benefits paid to or receivable by any Directors/Supervisors during the reporting period.

(d) Consideration provided to third parties for making available directors' and supervisors' services

No payment was made to the former employer of Directors/Supervisors for making available the services of them as a Director of the Company during the reporting period.

(e) Information about loans, quasi-loans and other dealings in favour of directors and supervisors'

There were no loans, quasi-loans and other dealings entered into between the Group and the directors/supervisors and in favour of the directors/supervisors during the reporting period.

(f) Directors' and supervisors' material interests in transactions, arrangements or contracts

There are no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director/supervisors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the reporting period.

The Group did not pay any directors/supervisors any remuneration to attract them to join the Group or any bonuses after they joined the Group during the Reporting Period. No directors/supervisors waived any remuneration during the Reporting Period.

34. Dividends

The board of directors do not recommend the declaration of dividend by the Company for the years ended 31 December 2025. (2024: nil)

35. Contingencies

As at 31 December 2025, there were no significant contingencies for the Group (2024:nil).

36. Subsequent events

There are no material subsequent events undertaken by or impacted on the Company or the Group subsequent to 31 December 2025 and up the date of this report.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

37. The Statements of Financial Position of the Company

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		9,211	15,024
Right-of-use assets		12,625	24,632
Investments in subsidiaries		500	500
Deferred income tax assets		22,284	23,925
Retention money receivables		4,839	5,062
		49,459	69,143
Current assets			
Inventories		47,463	27,873
Trade receivables and retention money receivables		499,575	285,433
Other receivables and prepayments		91,381	66,663
Financial assets at fair value through profit or loss		203,313	48,028
Restricted cash		3,102	2,244
Cash and cash equivalents		363,363	203,383
		1,208,197	633,624
Total assets		1,257,656	702,767
EQUITY			
Equity attributable to owners of the Company			
Share capital		66,667	60,000
Reserves	37(a)	620,442	231,346
Retained earnings		342,675	224,696
Total equity		1,031,784	516,042

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

37. The Statements of Financial Position of the Company (continued)

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		4,882	8,157
Current liabilities			
Trade payables		8,427	10,804
Other payables and accruals		82,462	62,538
Borrowings		92,937	56,240
Lease liabilities		6,702	17,593
Contract liabilities		30,462	31,393
		220,990	178,568
Total liabilities		225,872	186,725
Total equity and liabilities		1,257,656	702,767

The statement of financial position of the Company was approved by the Board of Directors of the Company on 27 March 2026 and was signed on its behalf by:

Mr. Xi Puzhao
Director

Ms. Cao Rui
Chief Financial Officer

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

37. The Statements of Financial Position of the Company (continued)

(a) Reserves

The following table shows a breakdown of reserves and their movements during the respective years. A description of the nature and purpose of each reserve is provided below the table.

	Capital reserve	Share-based payment reserves	Statutory surplus reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	180,932	16,044	19,593	216,569
Share-based payment (Note 25)	–	3,252	–	3,252
Appropriation to statutory reserves	–	–	11,525	11,525
As at 31 December 2024	180,932	19,296	31,118	231,346

	Capital reserve	Share-based payment reserves	Statutory surplus reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025	180,932	19,296	31,118	231,346
Issuance of ordinary shares upon global offering	385,303	–	–	385,303
Share-based payment (Note 25)	–	3,578	–	3,578
Appropriation to statutory reserves	–	–	2,215	2,215
As at 31 December 2025	566,235	22,874	33,333	622,442

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Summary of other potential material accounting policies

38.1 Principles of consolidation and equity accounting

The principal accounting policies applied in the preparation of the Consolidated Financial Information are set out below. These policies have been consistently applied throughout the reporting period, unless otherwise stated.

(a) *Subsidiaries*

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

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

38.2 Separate financial statements

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

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

38.3 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The Company and its primary subsidiaries are incorporated in the PRC and consider RMB as their functional currency. The Group determined to present its Consolidated Financial Information in RMB.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Summary of other potential material accounting policies (continued)

38.4 Property, plant and equipment

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Construction in progress represents unfinished construction and equipment under construction or pending for installation and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

38.5 Research and development ("R&D")

Research expenditure is recognized as an expense as incurred. Costs incurred on research and development projects are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the research and development project so that it will be available for us;
- management intends to complete the research and development project and use or sell it;
- there is an ability to use or sell the research and development project;
- it can be demonstrated how the research and development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the research and development project are available; and
- the expenditure attributable to the research and development project during its development can be reliably measured.

Directly attributable costs which are eligible to be capitalized as part of the research and development project may include employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred.

Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Summary of other potential material accounting policies (continued)

38.6 Impairment of non-financial assets

Property, plant and equipment and right-of-use assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable by considering whether any of the following impairment indicators were present: (i) greater than expected declines in asset values as a result of the passage of time or normal use; (ii) significant adverse changes in the technological, market, economic or legal environment impacting the entity or the market to which the asset is dedicated; (iii) changes in market interest rates or other market rates of return that are likely to significantly affect the discount rate used in the impairment assessment; (iv) carrying amount of net assets of the entity exceeding its market capitalization; (v) evidence of obsolescence or physical damage to an asset; (vi) significant adverse changes impacting the manner in which an asset is used or is expected to be used; (vii) internal reporting indicating the economic performance of an asset is, or will be, worse than expected; and (viii) actual or forecast net cash outflows or operating profits or losses may be significantly worse than expected. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

38.7 Financial assets

(a) Classification

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

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortized cost.

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

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

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Summary of other potential material accounting policies (continued)

38.7 Financial assets (continued)

(b) Recognition and derecognition

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

(c) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "other gains – net". Impairment losses are presented as separate line item in the consolidated statements of comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "other gains – net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains – net" and impairment expenses are presented as separate line item in the consolidated statements of comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within in "other gains – net" in the period in which it arises.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Summary of other potential material accounting policies (continued)

38.7 Financial assets (continued)

(d) Impairment

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

For cash and cash equivalents and restricted cash, the expected credit loss risk is considered immaterial.

For trade receivables and retention money receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables and retention money receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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

38.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position where the entity currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

38.9 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

38.10 Inventories

Work-in-progress and purchased goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Summary of other potential material accounting policies (continued)

38.11 Share capital

Ordinary shares are classified as equity.

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

38.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

38.13 Borrowings

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

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

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

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Summary of other potential material accounting policies (continued)

38.14 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

38.15 Current and deferred income tax

The income tax expense or credit for the year is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) *Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Information. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Summary of other potential material accounting policies (continued)

38.15 Current and deferred income tax (continued)

(b) *Deferred income tax (continued)*

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred income tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

38.16 Employee benefits

(a) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(b) *Pension obligations*

In accordance with the rules and regulations in the PRC, the employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to certain ceiling. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group's contributions to these plans are expensed as incurred.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Summary of other potential material accounting policies (continued)

38.16 Employee benefits (continued)

(c) *Housing funds, medical insurances and other social insurances*

The employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period.

(d) *Bonus plan*

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(e) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

38.17 Share-based payment

The Group operates an equity-settled share-based payment plan, under which the Group receives services from eligible employees as consideration for equity instruments of the Company. The fair value of the employee services received in exchange for the grant of equity instruments is recognized as an expense on the Consolidated Financial Information. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Summary of other potential material accounting policies (continued)

38.17 Share-based payment (continued)

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period.

38.18 Leases

Lease as lessee

Leases are initially recognized as a right-of-use asset and corresponding liability at the date when the leased asset is available for use by the Group. Each lease payment is allocated between the principal 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.

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

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

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

38. Summary of other potential material accounting policies (continued)

38.19 Earnings/(Loss) per share

(a) *Basic earnings/(loss) per share*

Basic earnings/(loss) per share is calculated by dividing:

- the profit/(loss) attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury stock.

(b) *Diluted earnings/(loss) per share*

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

38.20 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

38.21 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets, see Note 7.

Interest income on financial assets at amortized cost calculated using the effective interest method is recognized in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10. Any other interest income is included in other income.

Five-Year Financial Summary

	As at 31 December				2025
	2021	2022	2023	2024	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	416,854	400,111	652,964	848,198	969,406
Cost of Sales	(203,849)	(223,566)	(256,621)	(323,040)	(334,808)
Gross profit	213,005	176,545	396,343	525,158	634,598
Distribution and selling expenses	(110,939)	(128,934)	(167,702)	(215,721)	(244,858)
General and administrative expenses	(38,575)	(39,400)	(44,393)	(68,622)	(79,240)
Research and development expense	(69,328)	(98,136)	(101,075)	(126,923)	(189,040)
Profit before income tax	35,899	(79,073)	86,634	106,598	122,065
Profit and total comprehensive income, attributable to owners of the Company	33,740	(59,110)	81,421	105,071	130,224
Current assets	528,455	483,858	544,619	716,055	1,274,766
Non-current assets	70,500	81,603	83,822	76,453	78,360
Total assets	598,955	565,461	628,441	792,508	1,353,126
Current liabilities	224,761	252,277	226,297	285,482	322,733
Non-current liabilities	15,128	10,360	11,598	8,157	5,752
Total liabilities	239,889	262,637	237,895	293,639	328,485
Total equity	359,066	302,824	390,546	498,869	1,024,641
Total equity and liabilities	598,955	565,461	628,441	792,508	1,353,126

Definitions and Glossary

In this Annual Report, unless the context otherwise requires, the following terms shall have the meanings set forth below:

“AI”	artificial intelligence
“Articles of Association”	the articles of association of the Company (as amended, supplemented or otherwise modified from time to time)
“Bairuixiang VC”	Dazi County Bairuixiang Venture Capital Management Co., Ltd. (達孜縣百瑞翔創業投資管理有限責任公司), a limited liability company established under the laws of the PRC on 9 May 2017 and one of our Pre-IPO Investors
“Board”	the board of directors of our Company
“Chengmai Xinri”	Chengmai Xinri Investment Management Center (Limited Partnership) (澄邁新日投資管理中心(有限合夥)), a limited partnership established under the laws of the PRC on 20 October 2015 and one of our Pre-IPO Investors
“China” or “PRC”	the People’s Republic of China, which, for the purposes of this report, excludes the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Datai Yueda”	Jiangsu Datai Yueda Big Data Venture Capital Fund (Limited Partnership) (江蘇達泰悅達大數據創業投資基金(有限合夥)), a limited partnership established under the laws of the PRC on 29 January 2015 and one of our Pre-IPO Investors
“Director(s)”	the director(s) of our Company
“Domestic Unlisted Shares”	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are not listed on any stock exchange

Definitions and Glossary

“Double First-Class Initiative”	a higher education development and sponsorship scheme of the Chinese central government, initiated in 2015, which includes all universities nominated under the Project 985 and Project 211
“Double High Plan”	a higher education development and sponsorship scheme of the Ministry of Education and the Ministry of Finance of the PRC, initiated in 2019
“Guangzhou Chengheng”	Guangzhou Chengheng Investment Partnership (Limited Partnership) (廣州誠亨投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 6 July 2020 and one of our Pre-IPO Investors
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Jinzhuo Hengbang”	Jinzhuo Hengbang Technology (Beijing) Co., Ltd. (金卓恒邦科技(北京)有限公司), a limited liability company established under the laws of the PRC on 12 February 2004 and one of our Pre-IPO Investors
“Listing Date”	8 December 2025
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“LMS”	learning management system
“Mr. Wang”	Mr. WANG Hui (王暉), one of our founders, the chairman of the Board and an executive Director and one of our Controlling Shareholders. Mr. Wang and Ms. Ge are spouses
“Ms. Ge”	Ms. GE Xin (葛新), one of our founders, a non-executive Director and one of our Controlling Shareholders. Mr. Wang and Ms. Ge are spouses
“our Company” or “Company”	Shanghai Able Digital Science & Tech Co., Ltd. (上海卓越睿新數碼科技股份有限公司)
“our Group” or “Group”	our Company and its subsidiaries
“Peixian Yingcui”	Peixian Yingcui Enterprise Management Partnership (Limited Partnership) (沛縣穎萃企業管理合夥企業(有限合夥)) was established in the PRC as a limited partnership on August 14, 2020 and one of our shareholding platforms

Definitions and Glossary

“Project 211”	a higher education development and sponsorship scheme of the Chinese central government for preparing approximately 100 universities for the 21st century, initiated in November 1995
“Project 985”	a higher education development and sponsorship scheme of the Chinese central government for creating world-class higher education institutions, initiated in May 1998
“prospectus”	the prospectus published by the Company on 28 November 2025
“RMB”	or “yuan” Renminbi, the lawful currency of the PRC
“Reporting Period”	the year ended 31 December 2025
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Senior Management”	the senior management personnel of our Company
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of our Share(s)
“Shanghai Shanying”	Shanghai Shanying Culture Communication Co., Ltd. (上海杉盈文化傳播有限公司), formerly known as Shanghai Zhuoyue Ruixin Electronics Co., Ltd. (上海卓越睿新電子有限公司), a limited liability company established under the laws of the PRC on March 25, 2003
“Shanghai Zhidao”	Shanghai Zhihui Zhidao Network Technology Co., Ltd. (上海智慧知到網絡科技有限公司), a limited liability company established under the laws of the PRC on July 22, 2020 and a wholly-owned subsidiary of our Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto it in section 15 of the Companies Ordinance
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Supervisor(s)”	the supervisor(s) of our Company
“Supervisory Committee”	the supervisory committee



Definitions and Glossary

“United States” or the “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“Xinjiang Lianchuang”	Xinjiang Production and Construction Group Lianchuang Equity Investment Limited Partnership (新疆生產建設兵團聯創股權投資有限合夥企業), a limited partnership established under the laws of the PRC on 1 July 2011 and one of our Pre-IPO Investors
“Yueda Taihe”	Jiangsu Yueda Taihe Equity Investment Fund Center (Limited Partnership) (江蘇悅達泰和股權投資基金中心(有限合夥)), a limited partnership established under the laws of the PRC on 10 April 2012 and one of our Pre-IPO Investors
“Zhihuishu Network”	Zhihuishu Network (Shanghai) Digital Technology Co., Ltd. (智慧樹網(上海)數碼科技有限公司), a limited liability company established under the laws of the PRC on December 8, 2022 and a wholly-owned subsidiary of our Company
“ZhongYe ZhiYuan”	Shanghai ZhongYe ZhiYuan Venture Capital Partnership (Limited Partnership) (上海中葉至源創業投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 16 January 2018 and one of our Pre-IPO Investors
“%”	per cent