

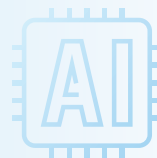
Powerwin

力盟科技集團有限公司
Powerwin Tech Group Limited

(Incorporated in the Cayman Islands with limited liability)
Stock code: 2405

2025

ANNUAL REPORT



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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Li Xiang (李翔)

Ms. Yu Lu (余璐)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Zhao Yan (趙焱)

Mr. Gong Peiyue (公佩鉞)

Mr. Li Kwok Tai James (李國泰)

AUDIT COMMITTEE

Mr. Li Kwok Tai James (李國泰) (*Chairman*)

Ms. Zhao Yan (趙焱)

Mr. Gong Peiyue (公佩鉞)

REMUNERATION COMMITTEE

Mr. Gong Peiyue (公佩鉞) (*Chairman*)

Ms. Yu Lu (余璐)

Ms. Zhao Yan (趙焱)

NOMINATION COMMITTEE

Mr. Li Xiang (李翔) (*Chairman*)

Ms. Zhao Yan (趙焱)

Mr. Gong Peiyue (公佩鉞)

JOINT COMPANY SECRETARIES

Ms. Yu Lu (余璐)

Ms. Wong Pui Kiu Ingrid (黃沛翹) *ACG, HKACG*
(appointed on June 26, 2025)

Ms. Lam Wing Chi (林穎芝) *ACG, HKACG*
(resigned on June 26, 2025)

AUTHORIZED REPRESENTATIVES

Ms. Yu Lu (余璐)

Ms. Wong Pui Kiu Ingrid (黃沛翹) *ACG, HKACG*
(appointed on June 26, 2025)

Ms. Lam Wing Chi (林穎芝) *ACG, HKACG*
(resigned on June 26, 2025)

AUDITOR

KPMG

Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

8th Floor, Prince's Building

10 Chater Road, Central

Hong Kong

HONG KONG LEGAL ADVISOR

Norton Rose Fulbright Hong Kong

38/F., Jardine House

1 Connaught Place, Central

Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Block E 21/F

Yuanyang International Center

Chaoyang District, Beijing

PRC

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 3709, West Tower

Shun Tak Centre

Sheung Wan

Hong Kong

CORPORATE INFORMATION

PRINCIPAL BANKERS

China Merchants Bank (Dongsihuan Sub-branch)

Block A, Yuanyang International Center
56 Dongsihuan Zhonglu
Chaoyang District, Beijing
PRC

DBS Bank (Hong Kong) Limited

G/F., The Center
99 Queen's Road Central
Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited

1/F, HSBC Centre Tower 2
1 Sham Mong Road
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited

P.O. Box 31119, Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

02405

COMPANY WEBSITE

www.empowerwin.com

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

I am pleased to present the business review and prospect of Powerwin Tech Group Limited and its subsidiaries for the year ended December 31, 2025.

RESULTS

In 2025, our Group recorded a gross billing of US\$175.2 million in 2025, representing a year-on-year decrease of 79.5% from US\$852.9 million in 2024. Our Group recorded revenue of US\$4.7 million, representing a decrease of 65.4% from US\$13.5 million in 2024. We recorded a loss for the year of US\$4.5 million in 2025 as compared with a profit for the year of US\$0.5 million in 2024. Basic loss per share for the year was US\$0.57 cents as compared to a basic earnings per share of US\$0.07 cents in 2024.

Our Group has adopted a prudent financial management approach towards its treasury policies to ensure healthy and safe key financial indicators.

Looking back over the past year, the global macroeconomic environment has been complex and severe with heightened uncertainty, exerting multiple pressures on the world economy and industry development. Affected by a confluence of external factors including profound adjustments in the international political landscape, persistent volatility in international trade policies, and the industry downturn cycle, the Group's operating performance was under considerable pressure, resulting in a loss for the year. This is an operational reality that we must objectively face and fully recognize, as well as a critical test for all employees to stand together and overcome difficulties.

Amid adversity, resilience and direction become even more pronounced. Faced with a complex and evolving external environment, the Group has stayed true to its original aspirations, resolutely implemented its established core development strategies, continuously focused on its core businesses, and steadily advanced its globalization and localization initiatives. Meanwhile, the Group continuously optimized its operating system, enhanced management efficiency, strengthened risk control, and consolidated its core competitiveness, so as to accumulate momentum for industry recovery and long-term development.

CHAIRMAN'S STATEMENT

We remain convinced that short-term volatilities and phased challenges are indispensable experiences in the course of corporate growth. Only by maintaining strategic focus and pursuing prudent and pragmatic operations can we navigate through industry cycles and seize long-term development opportunities. Looking ahead, the Group will continue to uphold the concept of sustainable development. Other than focus on its primary businesses by optimizing resource allocation, we shall devote extra efforts on technologies and innovation capabilities and advance high-quality development with solid steps, striving to create long-term value for shareholders, customers and employees.

APPRECIATION

On behalf of the Board of Directors, we wish to convey our sincere and profound appreciation to our shareholders, customers, and business partners for their unwavering support and trust in the Group. In addition, we would like to extend our special gratitude to our Board members, management team, and all employees whose dedication, resilience, and expertise underpin the foundation of our continued development and all achievements to date.

Li Xiang

Chairman, Chief Executive Officer and Executive Director

Hong Kong, March 26, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

Cross-border Online-shop SaaS Solutions

We provide cross-border online-shop SaaS solutions to customers through Powershopy, our proprietary SaaS platform launched in November 2021 which serves cross-border e-commerce merchants in China for the set-up, operation and digital marketing of their own standalone online shops as opposed to online shops operated on third-party e-commerce platforms. We generate revenue from cross-border online-shop SaaS solutions by charging our customers: (i) a fixed amount of a monthly subscription fee for the use of our platform; and/or (ii) a commission representing a pre-determined percentage of the gross merchandise volume generated by our customers through our Powershopy platform.

EMPLOYEES AND REMUNERATION POLICY

Our Group had 42 full-time employees as of December 31, 2025 (as of December 31, 2024: 69). Our staff cost, which is included in cost of sales, and the expenses of other staff in aggregate amounted to US\$3.4 million for the year ended December 31, 2025 (for the year ended December 31, 2024: US\$3.6 million). Employees' remuneration package includes salary, performance bonus and other welfare subsidies. The remuneration of employees is determined in accordance with our Group's remuneration policy, the employees' position, performance, company profitability, industry level and market environment. The remuneration committee of our Company is responsible for reviewing and making recommendations to the Directors on the structure concerning remuneration of the Directors and senior management, having regard to our Group's operating results, individual performance of the Directors and senior management and comparable market practices.

OUTLOOK

In the face of complex, dynamic, and continually evolving challenges, resilience has become our solid foundation — enabling us to withstand headwinds, adapt to changing conditions, and navigate through cycles. We will maintain strategic focus, concentrating on our long-term objectives, and remain steadfast even amid short-term pressures. By remaining agile and responsive, we endeavour to transform challenges into opportunities, leveraging our accumulated strengths to drive sustainable growth.

Adhering to our commitment to continuous evolution and innovation, we will continue to enhance our Adorado and Powershopy platforms. With the AI technologies flourishing with tremendous opportunities, we plan to increase our investment in AI technologies that will enable us to extend our expertise and generate new services that assist our customers further. This commitment will firmly guide us forward, ensuring that we remain aligned with the rapidly changing market environment and keep pace with the times.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue decreased by 65.4% to US\$4.7 million in 2025 from US\$13.5 million in 2024. This significant decline was primarily driven by global economic volatility and geopolitical uncertainties, which not only intensified market competition but also triggered shifts in consumer shopping habits, ultimately leading to a substantial cut in clients' digital advertising budgets.

Revenue from cross-border digital marketing services

- **Standardized digital marketing.** Revenue from standardized digital marketing services decreased by 72.6% to US\$1.5 million in 2025 from US\$5.6 million in 2024. This is primarily due to the Group's strategy to gradually lower the revenue contribution of its standardized digital marketing services, as evidenced by the disposal (the "**Disposal**") of Powerwin Media Group Co., Limited (the "**Disposed Subsidiary**"), a former subsidiary of the Company which was primarily engaged in providing standardized digital marketing service, in July 2025. For further details of the Disposal, please refer to the announcement and circular of the Company dated July 28, 2025 and August 15, 2025, respectively.
- **Customized digital marketing.** Revenue from customized digital marketing services decreased by 67.1% to US\$1.0 million in 2025 from US\$3.1 million in 2024, which was primarily attributable to massive reduction on clients' digital advertising budgets in response to the global economic volatility and geopolitical uncertainties.
- **SaaS-based digital marketing.** Revenue from SaaS-based digital marketing services decreased by 39.8% to US\$1.7 million in 2025 from US\$2.8 million in 2024, as a result of the Group's SaaS-based digital marketing customers reacting to the massive correction with the industry that driven a portion of customers out and other customers reducing their advertising budgets significantly to reposition themselves.

Revenue from cross-border online-shop SaaS solutions

Revenue from cross-border online-shop SaaS solutions decreased by 78.8% to US\$0.4 million in 2025 from US\$1.9 million in 2024, which was primarily due to the change of shopping habits and contraction of the markets, leading to a decrease in commission income received by the Group.

Cost of Sales

Our cost of sales decreased to US\$1.8 million in 2025 from US\$2.2 million in 2024, which was primarily attributable to the decrease in revenue and the Group's staff structure optimization on staff cost.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin

Our gross profit decreased by 74.5% to US\$2.9 million in 2025 from US\$11.3 million in 2024, as a result of rolling out certain promotional measures in response to the intensified competition within the industry. Our overall gross profit margin decreased to 61.7% in 2025 from 83.7% in 2024, which was mainly due to the roll out of the aforementioned promotional measures. Although the Group has optimized its cost structure that reduced its cost of sales, it did not offset the decrease in gross profit margin.

Marketing Expenses

Our marketing expenses decreased to US\$0.4 million in 2025 from US\$0.5 million in 2024, due to a decrease in staff cost as a result of the Group's staff structure optimization.

Administrative Expenses

Our administrative expenses increased to US\$4.4 million in 2025 from US\$4.1 million in 2024, due to extra cost in executing the staff optimization plan.

Expected Credit Losses on Trade Receivables

Our expected credit losses on trade receivables increased to US\$3.0 million in 2025 from US\$0.7 million in 2024, as a result of increasing bad debt provisions as the operational adjustments of certain customers have resulted in long collection period. The Group has proactively contacted the customers in writing and conducted regular personal visits in order to collect the outstanding funds.

Finance Costs

Our finance costs decreased to US\$2.0 million in 2025 from US\$6.0 million in 2024. This decrease was primarily due to the decrease in Group's gross billing for the year 2025 hence lessen the Group's need of bank loans.

Income Tax

We recorded an income tax credit of US\$0.7 million in 2025 as compared to income tax expense of US\$0.04 million in 2024. This resulted from the increase in deferred tax asset arising from the temporary deductible differences of credit loss allowance of trade receivables.

Our effective income tax rate was 13.3% and 6.4% in 2025 and 2024, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss for the Year

As a result of the foregoing, we recorded a loss for the year of US\$4.5 million in 2025 as compared to a profit of US\$0.5 million in 2024.

Trade Receivables

Our trade receivables decreased to US\$1.6 million as of December 31, 2025 from US\$228.9 million as of December 31, 2024, which was primarily due to the decrease in the Group's gross billing for the year ended December 31, 2025 as a result of the Disposal.

Trade and Other Payables

Our trade and other payables decreased to US\$3.0 million as of December 31, 2025 from US\$129.0 million as of December 31, 2024, as the Group no longer requires to make significant advance payment for certain of its customer in the course of offering standardized cross-border digital marketing services through the Disposed Subsidiary after the Disposal.

Bank Loans

We no longer have any bank loans as of December 31, 2025, as compared to that of US\$102.6 million as of December 31, 2024. The bank loans were previously used to maintain the standardized cross-border digital marketing services of the Group, which is predominantly provided through the Disposed Subsidiary, in order to make significant advance payment for certain of its customers. After the Disposal, the Group no longer has to deploy significant financial resources to maintain the standardized cross-border digital marketing service offering and therefore the Group no longer required bank loans in this regard.

Liquidity and Financial Resources

Our cash and cash equivalents were primarily denominated in U.S. dollars. As of December 31, 2024 and 2025, we had cash and cash equivalents of US\$34.4 million and US\$19.8 million, respectively. Such decrease was primarily attributable to the repayment of bank loans.

Our net current assets decreased to US\$20.0 million as of December 31, 2025 from US\$23.9 million as of December 31, 2024. While our current liabilities as of December 31, 2025 has decreased, the decrease in cash and cash equivalents has eventually led to a decrease in our net current assets.

In 2025 and particularly before the Disposal, our major financing resources were bank loans. As of December 31, 2025, the Group no longer has any outstanding bank loans. As mentioned in the section headed "Bank Loans" above, after the Disposal, the Group no longer requires significant financial resources supported through bank loans to maintain its standardized cross-border service offerings.

MANAGEMENT DISCUSSION AND ANALYSIS

Final Dividend

The Board did not recommend any final dividend for year ended December 31, 2025 (for the year ended December 31, 2024: Nil). Please refer to the section headed "Dividend Policy" under the Corporate Governance Report on page 45 on this annual report for further details of the Company's dividend policy.

Gearing Ratio

Our gearing ratio, being calculated by dividing total borrowings (including other payables to the Disposed Subsidiary as described in "Pledge of Assets" below) by total equity as of the date indicated and multiplied by 100%, decreased to 7.4% as of December 31, 2025 from 340.8% as of December 31, 2024, primarily due to the decrease in the Group's borrowings.

Debt to Equity Ratio

Our debt to equity ratio was calculated by dividing total borrowings net of cash and cash equivalents by total equity as of the date indicated and multiplied by 100%, and the Group was in a net cash position as of December 31, 2025 (as of December 31, 2024: 226.5%) primarily due to the decrease in the Group's borrowings.

Contingent Liabilities

As of December 31, 2024 and 2025, we did not have any material contingent liabilities.

Pledge of Assets

Save as disclosed below, none of our Group's assets were pledged as of December 31, 2025.

As of December 31, 2025, a bank loan of US\$1,809,000 held by the Disposed Subsidiary were guaranteed by the Company and secured by a portion of financial assets measured at fair value through profit or loss. As of December 31, 2024, US\$2,212,000 were guaranteed by the Company and secured by financial assets measured at fair value through profit or loss. The Group and the Disposed Subsidiary entered into an agreement that the Disposed Subsidiary would assume responsibility for repaying the bank loans, and the Group would subsequently reimburse the Disposed Subsidiary. Consequently, the Group recorded the payable to the Disposed Subsidiary and derecognized bank loans of US\$1,857,000 on the date of the Disposal.

Treasury Policies

We have adopted a prudent financial management approach towards our treasury policies to ensure the liquidity requirements from daily operation as well as capital expenditures are met. Our Board closely monitors our liquidity positions, while surplus cash will be invested appropriately with the consideration of the credit risks, liquidity risks and market risks of the financial instruments.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Exchange Exposure

Our Group operates in Hong Kong with most of our monetary assets and liabilities and transactions principally denominated in U.S. dollars. We do not have significant exposure to foreign currency risks.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

On July 28, 2025, Able Best Investment Group Limited (the “**Vendor**”), a wholly owned subsidiary of the Company, and Chinalink International Development Limited (the “**Purchaser**”) entered into a sale and purchase agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the entire issued share capital of the Disposed Subsidiary, at a consideration of US\$1,950,000. The Disposal was completed on July 31, 2025 and the Disposed Subsidiary ceased to be a subsidiary of the Company. For further details of the Disposal, please refer to the announcement and circular of the Company dated July 28, 2025 and August 15, 2025, respectively.

Save as disclosed above, we did not have any significant investments or material acquisitions and disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2025. As of December 31, 2025, we did not have any plans for any material investments or capital assets.

DIRECTORS AND SENIOR MANAGEMENT

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Li Xiang (李翔), aged 53, founded our Group on August 26, 2013 and was appointed as a Director on June 7, 2019. He was appointed as the chairman of our Board, the chief executive officer of our Company and was redesignated as an executive Director on January 21, 2022. He is mainly responsible for the overall strategic and direction planning, business development and management of our Group. He is the chairman of the Nomination Committee. Mr. Li is the spouse of Ms. Yu, our executive Director and the deputy chief operating officer of our Company. Mr. Li currently holds directorships in a number of subsidiaries of our Group.

Mr. Li has over 27 years of business management and information technology-related experience. Prior to founding our Group, from 1997 to August 2009, Mr. Li served as the general sales manager of the Beijing Branch of Intel (China) Co., Ltd.* (英特爾 (中國) 有限公司北京分公司), a technology company specialized in chip-making. From September 2009 to July 2012, Mr. Li served as the greater China OEM general manager of Microsoft Corporation (China)* (微軟 (中國) 有限公司), a multinational technology company. Mr. Li is currently the director of Total Best, Wealth Express, Into One and Honest Beauty, all of which are our Controlling Shareholders.

Mr. Li received a bachelor’s degree in computer application from the Shenyang University of Technology in the PRC in July 1996. Mr. Li received a master’s degree in business administration from the China Europe International Business School in the PRC in September 2006.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Yu Lu (余璐), aged 45, was appointed as an executive Director and the deputy chief operating officer of our Company on January 21, 2022. She is also one of the joint company secretaries of our Company. She joined our Group on January 1, 2016. She is mainly responsible for the internal management of our Group and assisting the chief executive officer in the overall strategic and direction planning of our Group. She is a member of the Remuneration Committee. Ms. Yu is the spouse of Mr. Li, the chairman of our Board, the chief executive officer of our Company and our executive Director. Ms. Yu currently holds directorships in a number of subsidiaries of our Group.

Ms. Yu has over 16 years of sales and strategic planning experience. Prior to joining our Group, from March 2008 to June 2015, Ms. Yu last served as the channel account manager of Intel China Ltd.* (英特爾(中國)有限公司), a technology company specializing in chip-making. Ms. Yu is currently the director of Lucky Linkage, Common Excellence and Total Mice, all of which are our Controlling Shareholders.

Ms. Yu received a bachelor's degree in forestry from Shihezi University in the PRC in June 2003. Ms. Yu received a master's degree in business administration in finance from the Chinese University of Hong Kong in December 2011.

Independent Non-executive Directors

Ms. Zhao Yan (趙焱), aged 45, was appointed as our independent non-executive Director on March 3, 2023. Ms. Zhao is mainly responsible for supervising and providing independent judgment to our Board. She is also a member of the Audit Committee, Remuneration Committee and Nomination Committee.

Ms. Zhao has over 17 years of experience in the legal and finance field. Ms. Zhao worked as a solicitor in the Beijing headquarters of King & Wood Mallesons from July 2006 to May 2008, where she was responsible for advising clients on matters relating to corporate finance. From February 2009 to February 2011, Ms. Zhao worked as a lawyer in Beijing Dacheng Law Offices. Ms. Zhao was the managing director of the investment bank department of Caitong Securities Co., LTD. (財通證券股份有限公司), a securities company from February 2011 to January 2019. Ms. Zhao served as the senior partner of Zhengxin Law Firm from February 2019 to February 2023. Ms. Zhao has been serving as the senior partner of Beijing Zhongyun Law Firm since February 2023.

Ms. Zhao received a bachelor's degree in laws from Yanshan University in the PRC in July 2003. Ms. Zhao received a master's degree in litigation law from the China University of Political Science and Law in the PRC in June 2006. Ms. Zhao received a master's degree in business administration in finance from the Chinese University of Hong Kong in December 2011. Ms. Zhao received a doctoral degree of Professional Studies in Business program at the Gabelli School of Business, Fordham University in the United States in May 2024. Ms. Zhao is a qualified lawyer in the PRC and she also holds securities qualification in the PRC.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Li obtained a bachelor's degree in engineering from the University of Liverpool in the United Kingdom in July 1990; a master's degree in science from the Victoria University of Manchester in the United Kingdom in December 1991; and a bachelor of laws degree from the University of London in the United Kingdom in August 2005. Mr. Li has been a member of the American Institute of Certified Public Accountants since September 1999 and an associate member of the Hong Kong Institute of Certified Public Accountants since March 2000.

SENIOR MANAGEMENT

Mr. Fan Qiyao (范啟堯), aged 38, was appointed as our head of marketing, e-commerce, on January 21, 2022 and is responsible for the overall management of the sale and operation of the e-commerce business of our Group.

Prior to joining our Group, from August 2013 to January 2016, Mr. Fan served as the information maintenance officer of Deutsche Bahn AG, the national railway company of Germany, where he was responsible for the maintenance of the information system. Mr. Fan then worked in Beijing Social E-Commerce Co., Ltd. (北京搜秀電子商務有限公司), an internet e-commerce company. From July 2019 to August 2020, Mr. Fan served as the overseas advertisement deployment manager of Beijing Zhongtian Hexin Information Technology Co., Ltd.* (北京中天和信資訊技術有限公司), a technology development and consulting company.

Mr. Fan received a bachelor's degree in international finance and commerce from the Shanxi Agricultural University in the PRC in June 2011. Mr. Fan received a bachelor's degree in business management from the Anhalt University of Applied Sciences in Germany in June 2013. Mr. Fan received a master's degree in online communications from the Anhalt University of Applied Sciences in Germany in March 2019.

Mr. Cao Xin (曹鑫), aged 39, was appointed as our head of technology on January 21, 2022 and is responsible for providing technical support to business technology and the development and maintenance of products.

Prior to joining our Group, from October 2013 to December 2014, Mr. Cao worked for Zanbo Hengan Health Technology Development (Beijing) Co., Ltd.* (贊博恒安健康科技發展(北京)有限公司), formerly known as Beijing Ganmeng Technology Co., Ltd.* (北京甘蒙科技有限公司), an internet company hosting a website specializing in medical and healthcare education. From April 2016 to October 2017, Mr. Cao worked for Beijing Yiqilian Technology Co., Ltd.* (北京億起聯科技有限公司), a big data marketing company. Mr. Cao served as the technical director for Tianjin Xiakexing Technology Co., Ltd.* (天津俠客行科技有限公司), a big data marketing company, where he was responsible for software development, up to June 2018.

Mr. Cao completed his studies in a bachelor's degree in computer science and technology from the School of Distance Learning and Continuing Education of the Beijing Jiaotong University through distant learning in the PRC in July 2014.

REPORT OF DIRECTORS

Our Board is pleased to present its report together with the audited consolidated financial statements of our Group for the year ended December 31, 2025.

GENERAL INFORMATION

Our Company was incorporated in the Cayman Islands on June 7, 2019 as an exempted company with limited liability under the laws of the Cayman Islands. Our Shares were listed on the Main Board of the Stock Exchange on March 31, 2023.

PRINCIPAL ACTIVITIES

We are a cross-border digital marketing service provider in China. Over the years, we have been dedicated to empowering China-based marketers in user acquisition to better promote and connect themselves to customers worldwide while collaborating with major and well-known media publishers in helping them explore monetization opportunities. The activities of the subsidiaries of our Company during the year ended December 31, 2025 are set out in note 14 to the consolidated financial statements.

RESULTS

The results of our Group for the year ended December 31, 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 112 of this annual report.

FINAL DIVIDEND

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

There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

FINANCIAL SUMMARY

A summary of our Group's results, assets and liabilities for the last five financial years are set out on page 177 of this annual report.

REPORT OF DIRECTORS

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by our Group. Such factors are not exhaustive and therefore other risks and uncertainties may also exist.

- changes in China’s economic, political and social conditions, as well as government policies;
- changes in government policies and regulations;
- changes in the supply and demand for cross-border digital marketing services;
- the ability to generate sufficient liquidity internally and obtain external financing;
- the ability to adapt to new markets where our Group has no prior experience and in particular, whether our Group can adapt to the administrative, regulatory, cultural and tax environments in such markets;
- the ability to leverage our brand name and to compete successfully in new markets, particularly against the incumbent players in such markets who might have more resources and experience than our Group; and
- the ability to improve administrative, technical, operational and financial infrastructure.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as our Board and management are aware, our Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of our Group. During the year ended December 31, 2025, there was no material breach of, or non-compliance with, applicable laws and regulations by our Group.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Company’s shares were listed on the Main Board of the Stock Exchange on March 31, 2023 and the net proceeds raised from this initial public offering after deducting underwriting fees and commissions and other related listing expenses amounted to approximately HK\$96.8 million (the “**Net Proceeds**”).

REPORT OF DIRECTORS

Update on Expected Timeline for Use of Proceeds

As of December 31, 2025, the total unutilized Net Proceeds amounted to approximately HK\$54.5 million (the “Unutilized Net Proceeds”). Having considered the reasons set out in “Reasons for Change in Use of Proceeds” below, the Board has resolved to extend the expected timeline for full utilization of the Unutilized Net Proceeds to the end of 2028, in order to cater for the business needs of the Group and current market conditions. The actual utilization of Net Proceeds up to December 31, 2025 and the updated expected timeline for full utilization of the Unutilized Net Proceeds are stated below.

Intended use of Net Proceeds	Approximate percentage of Net Proceeds	Allocation of Net Proceeds <i>(HK\$ million)</i>	Unutilized amount of Net Proceeds as of January 1, 2025 <i>(HK\$ million)</i>	Utilized amount of Net Proceeds for the year ended December 31, 2025 <i>(HK\$ million)</i>	Unutilized amount of Net Proceeds as of December 31, 2025 <i>(HK\$ million)</i>	Expected timeline for full utilization of the Unutilized Net Proceeds
Strengthen the research and development capabilities of the Group	41.7%	40.3	11.2	3.5	7.7	end of 2028
Market the Group's cross-border online-shop SaaS solutions business	13.3%	12.9	12.9	–	12.9	end of 2028
Upgrade the Group's business and internal management systems to cater to its increasing business scale	10.0%	9.7	9.7	–	9.7	end of 2028
Strengthen the Group's capabilities in providing localized services in overseas countries and regions to meet customers' growing demand for overseas presence and expansion and deepen the Group's global footprint	15.0%	14.5	14.5	–	14.5	end of 2028
Pursue strategic cooperation or investment opportunities from upstream and downstream industry participants that will complement or enhance the Group's existing business and product functions and have synergy with the Group	10.0%	9.7	9.7	–	9.7	end of 2028
Working capital and general corporate purposes	10.0%	9.7	–	–	–	N/A
Total	100%	96.8	58.0	3.5	54.5	

REPORT OF DIRECTORS

REASONS FOR EXTENDING THE EXPECTED TIMELINE FOR USE OF PROCEEDS

Given the rapid evolution of artificial intelligence technologies and their transformative potential across industries, the Group plans to invest and develop services through new innovative solutions and technologies and additional time is required to explore opportunities that would provide a competitive edge to the Group's cross-border online-shop SaaS solutions business in the market. Furthermore, considering the geopolitical uncertainties and the Group's SaaS-based digital marketing customers have significantly reduced their advertising budgets, the Board is of the view that it would be prudent not to incur significant marketing expenses in marketing the Group's cross-border online-shop SaaS solutions under current market environment. As such, the Group has extended the expected timeline for strengthening the research and development capabilities of the Group and marketing the Group's cross-border online-shop SaaS solutions business to the end of 2028.

In light of prevailing global economic volatility, the Group has reviewed its existing business and internal management systems and the Group considers that the current systems satisfy its current operational requirements. Consequently, the Group has deferred the planned implementation of a new enterprise resource planning (ERP) system, while maintaining ongoing oversight of its research and development activities to ensure alignment with the Group's evolving business scale and operational requirements. As such, the Group has extended the expected timeline for upgrading the Group's business and internal management systems to the end of 2028.

The geopolitical uncertainties and varying regulatory environments across overseas jurisdictions impacted the Group's capabilities in providing overseas localized services. In order to mitigate operational risks, enhance the quality of its localized services and better align its overseas development, the Group has extended the expected timeline to strengthen the Group's capabilities in providing localized services in overseas countries and regions to meet customers' growing demand for overseas presence and expansion and deepen the Group's global footprint to the end of 2028.

The Group has been vigorously evaluating various investment projects as well as strategic partnerships. However, the Group has not yet identified suitable opportunities that align with the Group's long-term corporate vision and add value to the Group's product portfolios. As such, the Group has extended the expected timeline for pursuing strategic cooperation or investment opportunities from upstream and downstream industry participants that will complement or enhance the Group's existing business and product functions and have synergy with the Group to the end of 2028.

The Board considers that the extension of the expected timeline for full utilization of the Unutilized Net Proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its shareholders as a whole.

Save as disclosed above, the Company does not currently anticipate any other material changes to the use of the Unutilized Net Proceeds. The Board will continuously assess the plans for the use of the Unutilized Net Proceeds and may further revise or amend such plans where necessary to cope with the changing market environment and conditions, as well as business needs.

REPORT OF DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

Major customers

For the year ended December 31, 2025, our Group's sales to its five largest customers accounted for approximately 87.3% (2024: approximately 79.6%) of our Group's total revenue and our single largest customer accounted for approximately 42.3% (2024: approximately 33.1%) of our Group's total revenue.

Major suppliers

For the year ended December 31, 2025, our Group's five largest suppliers accounted for 90.2% (2024: 88.9%) of our Group's total purchases and our single largest supplier accounted for 22.9% (2024: 33.7%) of our Group's total purchase amount.

During the Reporting Period, none of the Directors or any of their close associates or any Shareholders which, to the best knowledge of our Directors, owns more than 5% of the number of issued Shares, had any interest in any of our Group's five largest customers and suppliers.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of our Group during the Reporting Period are set out in note 11 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of our Company during the Reporting Period are set out in note 24(b) to the consolidated financial statements.

DEBENTURES

Our Group did not issue any debentures during the Reporting Period.

RESERVES

Details of movements in the reserves of our Group during the Reporting Period are set out in the consolidated statement of changes in equity on page 115 of this annual report. Details of movements in the reserves of our Company during the Reporting Period are set out in note 24(d) to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As of December 31, 2025, the reserves of the Company available for distribution to Shareholders (comprising the share premium account and retained profits) amounted to approximately US\$9.4 million.

REPORT OF DIRECTORS

TAX RELIEF

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

BANK LOANS

As at December 31, 2025, the Group had no bank loans.

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report are:

Executive Directors

Mr. Li Xiang
Ms. Yu Lu

Independent Non-executive Directors

Ms. Zhao Yan
Mr. Gong Peiyue
Mr. Li Kwok Tai James

In accordance with article 26.4 of the Articles of Association, at every annual general meeting of our Company one-third of the Directors for the time being (or, if their number is not three or multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Accordingly, Ms. Yu Lu and Ms. Zhao Yan will retire and, being eligible, have offered themselves for re-election as Directors as the forthcoming AGM to be held on Tuesday, June 16, 2026.

Details of the Directors to be re-elected at the AGM will be set out in the circular to be despatched to the Shareholders.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of our Company are set out on pages 13 to 17 of this annual report.

REPORT OF DIRECTORS

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Our Company has received an annual confirmation of independence from each of the independent non-executive Directors and has reviewed the independence of each of the independent non-executive Directors pursuant to rule 3.13 of the Listing Rules and our Company considers such Directors to be independent during the Reporting Period.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has entered into a service agreement with our Company for a term of three years, which may be terminated by not less than three months' notice in writing served by either party on the other.

Each of the independent non-executive Directors has entered into a letter of appointment with our Company for a term of three years, which may be terminated by not less than three months' notice in writing served by either party on the other.

The appointments are subject to the provisions of retirement and rotation of Directors under the Articles of Association and the applicable Listing Rules.

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

None of the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of our Group to which our Company, or any of its subsidiaries or fellow subsidiaries was a party during the Reporting Period.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance was entered into between our Company or any of its subsidiaries and the controlling shareholders of our Company or any of its subsidiaries during the Reporting Period or subsisted at the end of the year and up to the date of this annual report, and no contract of significance for the provision of services to our Company or any of its subsidiaries by a controlling shareholder of our Company or any of its subsidiaries was entered into during the Reporting Period or subsisted at the end of the year and up to the date of this annual report.

REPORT OF DIRECTORS

MANAGEMENT CONTRACTS

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

EMPLOYEES AND REMUNERATION POLICY

Our Group had 42 full-time employees as of December 31, 2025 (as of December 31, 2024: 69). The total staff cost for the Reporting Period was approximately US\$3.4 million. Employees' remuneration package includes salary, performance bonus and other welfare subsidies. The remuneration of employees is determined in accordance with our Group's remuneration policy, the employees' position, performance, company profitability, industry level and market environment.

A remuneration committee was set up for reviewing and making recommendations to the Directors on the structure concerning remuneration of the Directors and senior management, having regard to our Group's operating results, individual performance of the directors and senior management and comparable market practices.

Details of the emoluments of the Directors and five highest paid individuals during the Reporting Period are set out in note 7 and note 8 to the consolidated financial statements, respectively.

PENSION AND EMPLOYEE BENEFITS SCHEME

Our Group only operate defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of our Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which our Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. Other than the monthly contributions, our Group has no further obligation for the payment of retirement and other post-retirement benefits of its employee.

During the Reporting Period, our Group had no forfeited contribution available to reduce its contribution to the pension schemes in future years.

CHANGE TO INFORMATION IN RESPECT OF DIRECTORS

Save as disclosed in this annual report, there was no change to information subsequent to September 25, 2025 (being the issue date of the interim report of the Company for the six months ended June 30, 2025) and up to the date of this annual report which is required to be disclosed pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) of the Listing Rules.

REPORT OF DIRECTORS

(ii) Interest in associated corporations of our Company

As of December 31, 2025, none of the Directors or the chief executive of our Company had an interest or short position in the shares, underlying shares and debentures of any of our Company's associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above, as of December 31, 2025, none of the Directors or the chief executive of our Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the Reporting Period was our Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, our Company or any other body corporate, and 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 our Company or any other body corporate or had exercised any such right.

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

As of December 31, 2025, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of our Company) had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by our Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares/ Underlying Shares	Approximately Percentage of Shareholding in our Company ⁽¹⁾	Long Position/Short Position/Lending Pool
Common Excellence	Beneficial owner ⁽²⁾	357,976,000	44.75%	Long Position
Total Mice	Interest in controlled corporation ⁽²⁾	357,976,000	44.75%	Long Position
Into One	Beneficial owner ⁽³⁾	80,000,000	10.00%	Long Position
Honest Beauty	Interest in controlled corporation ⁽³⁾	80,000,000	10.00%	Long Position
Wealth Express	Beneficial owner ⁽⁴⁾	90,000,000	11.25%	Long Position
Trustee	Trustee of the Tranquil Trust ⁽²⁾	357,976,000	44.75%	Long Position
	Trustee of the Imperial Trust ⁽³⁾	80,000,000	10.00%	Long Position

REPORT OF DIRECTORS

Notes:

- (1) The percentage of shareholding was calculated based on our Company's total number of issued shares as of December 31, 2025 (i.e. 800,000,000 Shares).
- (2) The Trustee, acting as the trustee of the Tranquil Trust, holds the entire issued share capital of Total Mice, which in turn holds the entire issued share capital of Common Excellence. The Tranquil Trust is a discretionary trust established by Ms. Yu (as the settlor) and the beneficiaries of which include Mr. Li and Ms. Yu's family members. Our Company is held directly by Common Excellence as to 44.75%. As such, Ms. Yu is deemed to be interested in the Shares held by Common Excellence for the purpose of the SFO.
- (3) The Trustee, acting as the trustee of the Imperial Trust, holds the entire issued share capital of Honest Beauty, which in turn holds the entire issued share capital of Into One. The Imperial Trust is a discretionary trust established by Mr. Li (as the settlor) and the beneficiaries of which include Ms. Yu and Mr. Li's family members. Our Company is held directly by Into One as to 10.00%. As such, Mr. Li is deemed to be interested in the Shares held by Into One for the purpose of the SFO.
- (4) Wealth Express is wholly owned by Mr. Li. Mr. Li is deemed to be, or taken to be, interested in all the Shares held by Total Best and Wealth Express for the purpose of the SFO.

Save as disclosed above, as of December 31, 2025, the Directors were not aware of any persons (who were not Directors or chief executive of our Company) who had an interest or short position in the Shares or underlying Shares of our Company which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

EQUITY-LINKED AGREEMENTS

There was no equity-linked agreement entered into by our Company or any of its subsidiaries during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither our Company nor any of its subsidiaries had purchased, sold or redeemed any of our Company's listed securities during the Reporting Period. As at December 31, 2025, the Group did not hold any treasury shares.

PRE-EMPTIVE RIGHTS

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

REPORT OF DIRECTORS

DEED OF NON-COMPETITION

Each of the Controlling Shareholders has unconditionally and irrevocably undertaken to our Company (for itself and as trustee for each of its subsidiaries) in the deed of non-competition dated March 6, 2023 (“**Deed of Non-Competition**”) that with effect from the Listing Date, he/she/it will not, and shall use their best endeavors to procure that his/her/its close associates (save for members of our Group) not to, directly or indirectly (including through any body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise) carry on, participate, hold, engage, acquire or operate, or provide any form of assistance to any person, firm or company (except in or through any members of our Group) to conduct any business which, directly or indirectly, competes or is likely to compete with the principal business of our Group in Hong Kong or such other places as our Group may conduct or carry on business from time to time including but not limited to the cross-border digital marketing business and the cross-border online-shop SaaS solutions business (the “**Restricted Activity**”), except where the Controlling Shareholders and their respective associates hold less than 5% of the total issued share capital of any company that engages in the Restricted Activity whose shares are listed on a recognized stock exchange provided that (i) there is a holder (together where appropriate, with its associates) with a larger shareholding in that company than the aggregate shareholding held by our Controlling Shareholders and/or their respective associates at all times; and (ii) the total number of the relevant Controlling Shareholders’ representatives on our Board of directors of that company is not significantly disproportionate in relation to their shareholding in that company.

Each of our Controlling Shareholders has further undertaken to our Company (for itself and as trustee for each of its subsidiaries) that among others, with effect from the Listing Date, in the event that any of them and/or any of their associates (except any members of our Group) is offered or becomes aware of any future business opportunity relating to the Restricted Activity (the “**Business Opportunity**”);

- (a) he/she/it shall within 10 days notify our Company of such Business Opportunity in writing and refer the same to our Company for consideration, and shall provide the relevant information to our Company in order to enable our Company to make an informed assessment of such opportunity and whether it is in the interest of our Company and our Shareholders as a whole to pursue such Business Opportunity, including but not limited to the nature of the Business Opportunity and the details of the relevant costs;
- (b) he/she/it shall not, and shall procure their associates (except any members of our Group) not to, invest or participate in any Business Opportunity, unless such Business Opportunity shall have been rejected by our Company and the principal terms of which our Controlling Shareholders or any of their associates invest or participate in are no more favourable than those made available to our Company; and
- (c) he/she/it may only engage in the Business Opportunity if (i) a notice is received by him/her/it from our Company confirming that the Business Opportunity is not accepted and/or does not constitute competition with the Restricted Activity (the “**Non-acceptance Notice**”); or (ii) the Non-acceptance Notice is not received by him/her/it within 30 days after the proposal of the Business Opportunity is received by our Company.

REPORT OF DIRECTORS

For details of the Deed of Non-Competition, please refer to the Prospectus.

During the Reporting Period, each of the Controlling Shareholders has made annual confirmation as to compliance of the Deed of Non-Competition.

The independent non-executive Directors have reviewed the Deed of Non-Competition and the status of compliance with the undertakings by the Controlling Shareholders. The independent non-executive Directors confirmed that they were not aware of any non-compliance of the non-competition undertakings under the Deed of Non-Competition, and are satisfied that such undertaking had been duly enforced and complied with during the Reporting Period.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of our Group.

RELATED PARTY TRANSACTIONS

None of the related party transactions as disclosed in note 26 to the consolidated financial statements constituted connected transactions or continuing connected transactions of our Company as defined in Chapter 14A of the Listing Rules for the year ended December 31, 2025.

DONATIONS

During the Reporting Period, we did not make any charitable and other donations.

SIGNIFICANT LEGAL PROCEEDINGS

During the Reporting Period, our Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against our Company.

REPORT OF DIRECTORS

PERMITTED INDEMNITY PROVISION

Under the Articles of Association, every Director or other officers of our Company acting in relation to any of the affairs of our Company shall be entitled to be indemnified out of the assets of our Company against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud or wilful default. Our Company has maintained appropriate directors' and officers' liability insurance in respect of relevant legal actions against the Directors and officers which was in force during the Reporting Period and up to the date of this annual report.

SUBSEQUENT EVENTS

There are no significant events subsequent to December 31, 2025 which would materially affect the Group's operating and financial performance as of the date of this annual report.

AUDIT COMMITTEE

The Audit Committee had, together with the management and external auditor of our Company (the "Auditor"), reviewed the accounting principles and policies adopted by our Group and the consolidated financial statements for the year ended December 31, 2025.

CORPORATE GOVERNANCE

Our Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by our Company is set out in the Corporate Governance Report on pages 33 to 50 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

As at December 31, 2025, the issued share capital of the Company was 800,000,000 ordinary Shares of US\$0.01 each. The Company has only one class of Shares and all Shares rank pari passu in all respects.

The minimum public float percentage threshold applicable to the Company is 25% of the total number of issued Shares (excluding treasury shares).

Based on information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the amount of public float as required under the Listing Rules for the year ended December 31, 2025 and up to the date of this annual report.

REPORT OF DIRECTORS

CLOSURE OF REGISTER OF MEMBERS

The register of members of our Company will be closed from Thursday, June 11, 2026 to Tuesday, June 16, 2026, both days inclusive, in order to determine the eligibility of the Shareholders to attend the AGM to be held on Tuesday, June 16, 2026, during which period no share transfers will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be Tuesday, June 16, 2026. In order to be eligible to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged for registration with our Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, June 10, 2026.

AUDITOR

KPMG was appointed as the Auditor for the year ended December 31, 2025. There was no change in Auditor for the preceding three years. The accompanying financial statements prepared in accordance with HKFRS Accounting Standards have been audited by KPMG.

On behalf of our Board

Li Xiang

Chairman, Chief Executive Officer and Executive Director

Hong Kong, March 26, 2026

CORPORATE GOVERNANCE REPORT

Mr. Li is the chairman of our Board and the chief executive officer of our Company. With extensive experience in business management, Mr. Li is responsible for the overall strategic and direction planning, business development and management of our Group and is instrumental to our growth and business expansion since our establishment. Our Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of our senior management and our Board, which comprises experienced and high-caliber individuals. Our Board will continue to review and consider splitting the roles of chairman of our Board and the chief executive officer of our Company at an appropriate time if necessary, taking into account the circumstances of our Group as a whole.

OUR BOARD

Responsibilities

Our Board is responsible for the overall leadership of our Group, oversees our Group's strategic decisions and monitors business and performance. To oversee particular aspects of our Company's affairs, our Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. Our Board has delegated to our Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations and have acted in the interests of our Company and the Shareholders at all times.

Our Company understands the importance of having liability insurance in respect of legal action against the Directors and has maintained appropriate directors' and officers' liability insurance in respect of relevant legal actions against the Directors and officers. The insurance coverage will be reviewed on an annual basis.

Board Composition

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

Executive Directors

Mr. Li Xiang (*Chairman and Chief Executive Officer*)

Ms. Yu Lu (*Deputy Chief Operating Officer*)

CORPORATE GOVERNANCE REPORT

Independent Non-executive Directors

Ms. Zhao Yan
Mr. Gong Peiyue
Mr. Li Kwok Tai James

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

The term of appointment of independent non-executive Directors are set out in “Report of Directors – Directors’ Service Contracts and Letters of Appointment” of this annual report.

During the Reporting Period and up to the date of this annual report, our Board has met at all times the requirements under rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

During the Reporting Period and up to the date of this annual report, our Company has also complied with rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of our Board.

Save as disclosed in the Directors’ biographies set out in “Directors and Senior Management” in this annual report, none of the Directors and senior management have any relationship (including financial, business, family or other material or relevant relationship) with any other Directors, senior management, president and chief executive.

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

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

CORPORATE GOVERNANCE REPORT

Independent Views and Input

In order to ensure independent views and input are available to our Board, our Board has developed the following mechanisms, including but not limited to:

- (i) at least one-third of Board members are independent non-executive Directors;
- (ii) every independent non-executive Director is appointed for a specific term and subject to retirement by rotation at least once every three years;
- (iii) independent non-executive Directors possess professional knowledge and broad experience;
- (iv) no independent non-executive Director has served our Company for more than nine years;
- (v) no independent non-executive Director holds more than six listed company directorships to make sure that each of independent non-executive Directors has sufficient time to make contributions to the Board;
- (vi) every independent non-executive Director has made an annual confirmation of his independence to our Company; and
- (vii) our Board, each of its Board committees or every Director is able to seek professional advice in appropriate circumstances at our Company's expenses.

The implementation and effectiveness of relevant mechanisms have been reviewed by our Board and will further be reviewed annually.

Board Diversity Policy

Our Company recognizes the benefits of having a diversified Board. Our Company has adopted a board diversity policy with the aim of achieving an appropriate level of diversity among Board members according to the circumstances of our Group from time to time. In summary, our board diversity policy sets out that when considering the nomination and appointment of a Director, with the assistance of our Nomination Committee, our Board would consider a range of diversity of perspectives, including but not limited to the skills, knowledge, professional experience and qualifications, cultural and educational background, age, gender and the potential contributions that the candidate is expected to bring to our Board, in order to better serve the needs and development of our Company. All Board appointments will be based on merits and candidates will be considered against objective criteria, having due regard to the benefits of diversity to our Board.

CORPORATE GOVERNANCE REPORT

The Directors have a balanced mix of experiences, including business management, finance, auditing and accounting experiences. They obtained degrees in various majors. With respect to gender diversity, our executive Director Ms. Yu and our independent non-executive Director Ms. Zhao Yan, having extensive experience in their respective fields, contribute to gender diversity of our Board. Our Company has taken and will continue to take steps to promote gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. The gender ratio in the workforce (including our senior management is approximately 1:1.5 (male : female). Taking into account our Group's business model and specific needs as well as the presence of two female Directors out of a total of five Board members, our Company considers that the composition of our Board satisfies our Board diversity policy and therefore our Company has not set any measurable objectives.

The Nomination Committee is responsible for ensuring the diversity of our Board members. The Nomination Committee is responsible for reviewing our board diversity policy and its implementation from time to time to ensure its continued effectiveness.

Induction and Continuous Professional Development

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

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of our Company have from time to time updated and provided written training materials relating to the roles, functions and duties of a Director.

During the Reporting Period, the Company has provided relevant reading materials including compliance manual, legal and regulatory updates and seminar handouts to the Directors for their reference and studying.

During the Reporting Period, the training records of the Directors have been provided to the Company and summarized as follows:

Directors	Type of trainings
Mr. Li Xiang	A/B
Ms. Yu Lu	A/B
Ms. Zhao Yan	A/B
Mr. Gong Peiyue	B
Mr. Li Kwok Tai James	A/B

Remarks:

- A: attending training sessions, including but not limited to, briefings, seminars, conferences and workshops.
- B: reading professional journals and updates relating to economy, general business, corporate governance or director's duties and responsibilities, etc.

CORPORATE GOVERNANCE REPORT

Board Meetings

Our Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

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

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

The attendance of each Director at the Board meetings and general meetings of the Company held during the Reporting Period is set out in the following table:

Directors	Number of meetings attended/ eligible to attend	
	Board meeting	AGM
Mr. Li Xiang	4/4	1/1
Ms. Yu Lu	4/4	1/1
Ms. Zhao Yan	4/4	1/1
Mr. Gong Peiyue	4/4	1/1
Mr. Li Kwok Tai James	4/4	1/1

Apart from regular Board meetings, the chairman of the Board also held one meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

Model Code for Securities Transactions

Our Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

Our Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of our Company in respect of their dealings in our Company's securities.

CORPORATE GOVERNANCE REPORT

Delegation by our Board

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

Corporate Governance Function

Our Board recognizes that corporate governance should be the collective responsibility of the Directors which includes:

- (a) to review and monitor our Company's policies and practices on compliance with legal and regulatory requirements;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;
- (d) to develop and review our Company's policies and practices on corporate governance and make recommendations to our Board and report to our Board on matters;
- (e) to review our Company's compliance with the CG Code and disclosure in the corporate governance report; and
- (f) to review and monitor our Company's compliance with our Company's whistleblowing policy.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

Audit Committee

The Audit Committee comprises three members and is chaired by an independent non-executive Director, Mr. Li Kwok Tai James, and consists of another two independent non-executive Directors, Ms. Zhao Yan and Mr. Gong Peiyue.

The principal duties of the Audit Committee include the following:

- (a) to be primarily responsible for making recommendations to our Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (c) to develop and implement policies on engaging an external auditor to supply non-audit services. For this purpose, an "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to our Board, identifying and making recommendations on any matters where action or improvement is needed; and
- (d) to monitor the integrity of our Company's financial statements, annual reports, accounts, half yearly reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them.

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

During the Reporting Period, the Audit Committee held two meetings to review the annual results of the Group for the year ended December 31, 2024, the interim results for the six months ended June 30, 2025 and to assist the Board in reviewing the financial reporting system, the effectiveness and operational evaluation of the risk management and internal control systems, as well as the corporate governance policies and practices of the Company.

The attendance of the Audit Committee members at the Audit Committee meetings held during the Reporting Period is set out in the following table:

Audit Committee members	Number of meetings attended/eligible to attend
Mr. Li Kwok Tai James	2/2
Ms. Zhao Yan	2/2
Mr. Gong Peiyue	2/2

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Nomination Committee comprises three members and is chaired by an executive Director, Mr. Li, and consists of two independent non-executive Directors, Ms. Zhao Yan and Mr. Gong Peiyue.

The principal duties of the Nomination Committee include the following:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and to make recommendations on any proposed changes to our Board to complement our Company's corporate strategy;
- (b) to develop the criteria, process and procedures for identifying and assessing the qualifications of and evaluating candidates for directorship, including standards for determining Director independence and criteria for the evaluation of Director performance;
- (c) to identify individuals who are suitably qualified to become a member of our Board and to select or make recommendations to our Board on the selection of individuals nominated for directorships;
- (d) to make recommendations to our Board on the appointment or re-appointment of directors and succession planning for directors, in particular, the chairman of our Board and the chief executive of our Company; and
- (e) to develop a policy concerning diversity of Board members, and disclose the policy or a summary of the policy in the corporate governance report.
- (f) to review the time commitment of each Director for performance of their responsibilities and contribution to the Board.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to our Board for decision.

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

During the Reporting Period, one Nomination Committee meeting was held to (i) review the structure, size and composition of the Board, (ii) assess the independence of the independent non-executive Directors, (iii) consider the qualifications of the retiring Directors standing for re-election at the annual general meeting, and (iv) review the Board Diversity Policy and Director Nomination Policy. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained. The attendance of the Nomination Committee members at the Nomination Committee meetings held during the Reporting Period is set out in the following table:

Nomination Committee members	Number of meetings attended/ eligible to attend
Mr. Li Xiang	1/1
Ms. Zhao Yan	1/1
Mr. Gong Peiyue	1/1

CORPORATE GOVERNANCE REPORT

Director Nomination Policy

Our Board has adopted a nomination policy which sets out the selection criteria and process in relation to the selection, appointment and re-appointment of the Directors and aims to ensure that our Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to our Company's business.

The nomination policy sets out the factors for assessing the suitability and the potential contribution to our Board of a proposed candidate, including but not limited to the following:

- (a) character and integrity;
- (b) qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under our board diversity policy that are relevant to our Company's business and corporate strategy;
- (c) requirement for our Board to have independent non-executive directors in accordance with the Listing Rules and whether the candidate would be considered independence with reference to the independence criteria set out in Rule 3.13 of the Listing Rules;
- (d) potential contributions the candidate can bring to our Board in terms of qualifications, skills, experience, independence and gender diversity; and
- (e) the willingness and ability to devote adequate time to discharge duties as a member of our Board of our Company.

Nomination Procedure and Process

The nomination procedure and process adopted by the Nomination Committee to select and recommend candidates for directorship are as follows:

- (i) the Nomination Committee shall formulate a selection criteria list of candidates for directorship, the list will consider the Board's existing structure, scale, the Board Diversity Policy and the needs of talent groups and the Board, the candidates shall equip with the characteristics of coordinating with the expansion of the overall talent groups, experiences and expertise of the Board;
- (ii) our Company shall identify suitable candidates for directorship through various channels, including the recommendations from the Directors, the Shareholders, the management or external head hunting companies;
- (iii) the joint company secretaries of the Company must obtain the personal information of the nominated candidates in accordance with the regulations of rule 13.51(2) of the Listing Rules;

CORPORATE GOVERNANCE REPORT

- (iv) the Nomination Committee shall perform sufficient due diligence on the individual candidate for directorship and make recommendations to the Board for the consideration and approval;
- (v) to ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out the expectation in terms of time commitment, committee service and involvement outside meetings of the Board;
- (vi) in the context of re-appointment of any existing members of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at the annual general meeting;
- (vii) the Board shall have the final decision on matters related to the selection and appointment of directorship; and
- (viii) the Board shall recommend the retiring Director to stand for re-election at the annual general meeting in accordance with the recommendations from the Nomination Committee. The appointment of retiring Director is subject to the approval at the annual general meeting.

Remuneration Committee

The Remuneration Committee comprises three members and is chaired by an independent non-executive Director, Mr. Gong Peiyue, and consists of one executive Director, Ms. Yu, and one independent non-executive Director, Ms. Zhao Yan.

The principal duties of the Remuneration Committee include the following:

- (a) to make recommendations to our Board on our Company's policy and structure for the remuneration of all the directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives resolved by our Board from time to time;
- (c) to either: (i) determine, with delegated responsibility, the remuneration packages of executive directors and senior management; or (ii) make recommendations to our Board on the remuneration packages of executive directors and senior management, including benefits in kind, pension rights and compensation payments, and including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to our Board on the remuneration of non-executive directors of our Company;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in our Company;

CORPORATE GOVERNANCE REPORT

- (f) to consider the level of remuneration required to attract and retain directors to manage our Company successfully; to ensure that no director or any of his/her associates is involved in deciding his or her own remuneration. For the avoidance of doubt, members of the Remuneration Committee must not be involved in deciding his or her own remuneration;
- (g) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;
- (h) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (i) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- (j) to advise Shareholders on how to vote in respect of any service contracts of directors that require shareholders' approval in accordance with the Listing Rules, and as to whether the terms are fair and reasonable, and whether such contracts are in the interests of our Company and the Shareholders as a whole.

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

During the Reporting Period, one Remuneration Committee meeting was held to review the remuneration of directors and senior management of comparable companies and make recommendation to the Board on remuneration policy and the remuneration packages of all Directors and senior management members of the Company. The attendance of the Remuneration members at the Remuneration Committee meetings held during Reporting Period is set out in the following table:

Remuneration Committee members	Number of meetings attended/ eligible to attend
Mr. Gong Peiyue	1/1
Ms. Yu Lu	1/1
Ms. Zhao Yan	1/1

Remuneration of Directors and Senior Management

Our Directors and senior management of our Company receive compensation in the form of fees, salaries, contributions to pension schemes, other allowances, other benefits in kind and/or discretionary bonuses with reference to those paid by comparable companies, time commitment and performance of our Directors and senior management, as well as the performance of our Group.

CORPORATE GOVERNANCE REPORT

Our Group regularly reviews and determines the remuneration and compensation packages of our Directors and senior management by reference to, among other things, market level of remuneration and compensation paid by comparable companies, respective responsibilities of our Directors and senior management and performance of our Group.

The remuneration policy for independent non-executive Directors is to ensure that independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the independent non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board. Individual Directors and senior management have not been involved in deciding their own remuneration.

Details of the remuneration by band of the members of the senior management of our Company (excluding Director or chief executive of the Company), whose biographies are set out on pages 13 to 17 of this annual report, for the year ended December 31, 2025 are set out below:

Remuneration band	Number of individual
Nil – HK\$1,000,000	2

The remuneration of each Director and the chief executive are set out in note 7 to the consolidated financial statements.

For the Reporting Period, no emolument was paid by our Group to any Directors or any of the five highest paid individuals as inducement to join or upon joining our Group as compensation for loss of office.

For the Reporting Period, none of the Directors has waived or agreed to waive any emoluments.

DIVIDEND POLICY

Our Company considers stable and sustainable returns to the Shareholders to be its goal.

The declaration and payment of dividend is subject to the financial results, cash flow situation, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans of our Group, among other things, and will be at the sole discretion of our Board, subject to the approval of the Shareholders (if applicable).

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the year ended December 31, 2025 which give a true and fair view of the affairs of our Company and our Group and of our Group's results and cash flows.

Our Board has been provided such explanation and information as are necessary to enable our Board to carry out an informed assessment of our Company's financial statements, which are put to our Board for approval.

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

The statement by the auditor of our Company regarding their reporting responsibilities on the consolidated financial statements of our Company is set out in the Independent Auditor's Report on pages 106 to 111 of this annual report.

Internal audit function

Based on the risk-based approach, the internal audit department continuously review and monitor the adequacy and effectiveness of the risk control measures of every business unit of the Group and to examine if relevant measures have been implemented. The senior executives of the internal audit function will attend Audit Committee meeting to explain the results of the internal audit and responded to the questions of the members of the Audit Committee.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board is responsible for our Company's risk management and internal control systems and for reviewing their effectiveness at least annually. Such systems are designed to manage rather than eliminate risks of failure to achieve the business objectives of our Group and to only provide reasonable and not absolute assurance against material misstatement or loss.

During the Reporting Period, our Board supervised the design, implementation and monitoring of the risk management and internal control systems, and reviewed the adequacy and effectiveness of the risk management and internal control systems of our Group on an ongoing basis; such review covered all major control aspects of our Group, including financial, operational and compliance controls. Our Board is of the view that the risk management and internal control systems of our Company for the year ended December 31, 2025 is effective and adequate.

CORPORATE GOVERNANCE REPORT

Our Group's risk management and internal control systems covered each operation department, to ensure that our Group could effectively manage the key factors that might affect our Group in achieving its strategic objectives, such factors including events, accidents or behaviors with a material impact on our Group's reputation, assets, capital, profit or liquidity.

Our Company has adopted a consolidated set of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an on-going basis. Our audit committee and ultimately our Directors supervise the implementation of our risk management policies. Risks identified by our management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Group and reported to our Directors. We have adopted or will continue to adopt, among other things, the following principles:

- (a) establish an audit committee to review and supervise our financial reporting process and internal control system. Our audit committee consists of Mr. Li Kwok Tai James, chairman of the committee, Ms. Zhao Yan and Mr. Gong Peiyue. For the qualifications and experiences of these members, see "Directors and Senior Management";
- (b) adopt various policies to ensure the compliance with the Listing Rules, including but not limited to policies in respect of risk management, connected transactions and information disclosure;
- (c) appoint Ms. Yu and Wong Pui Kiu Ingrid as our joint company secretaries to ensure the compliance of our operation with applicable laws and regulations. For their biographical details, see "Directors and Senior Management";
- (d) engage external legal advisors to advise us on compliance with the Listing Rules and to ensure our compliance with relevant regulatory requirements and applicable laws, where necessary;
- (e) provide regular anti-corruption, anti-bribery, anti-money laundering and sanctions related compliance training for senior management and employees in order to enhance their knowledge of and compliance with applicable laws and regulations, our Company's anti-corruption policy, whistleblowing policy and other relevant policies; and
- (f) arrange our Directors and senior management to attend training seminars on the Listing Rules requirements and the responsibilities as directors and senior management of a Hong Kong-listed company.

CORPORATE GOVERNANCE REPORT

In accordance with the requirements of the SFO and the Listing Rules, our Group shall disclose to the public any insider information as soon as possible after such information comes to the attention of our Group, unless such information is within the scope under any safe harbours provision in the SFO. Our Group will ensure such information will be kept confidential before it is fully announced to the public. If our Group considers that the confidentiality required cannot be kept, or such information may have leaked already, such information will be disclosed to the public immediately. We also endeavour to ensure that the information contained in the announcement shall not be deceptive or misleading in all material aspects, and there are no other material matters the omission of which would make the information contained therein to be deceptive or misleading, such that the insider information disclosed can be made available to the public in an equal, timely and effective manner. In addition, if there is any significant risk events, the related information will be disclosed to appropriate authorities and personnel, so that appropriate decisions and measures can be made and implemented by our Group to deal with such risk events. Meanwhile, in order to further develop the risks management culture of the enterprise, as well as to enhance the risk awareness of our staff, our Group has already rolled out training programs to enhance the risk awareness of our staff, so that we can assure to maintain the balance between business expansion and risks management in our operation.

AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the Auditor to our Group during the Reporting Period was approximately as follows:

Type of Services	Amount US\$'000
Audit services	
– audit services on the financial statements of our Group for the Reporting Period	203
Non-audit services	
– non-audit service in relation to interim review and private letter on sufficiency of working capital	<u>123</u>
Total	<u>326</u>

CORPORATE GOVERNANCE REPORT

JOINT COMPANY SECRETARIES

Ms. Yu, executive Director, deputy chief operating officer and one of the joint company secretaries of our Company, is responsible for advising our Board on corporate governance matters and ensuring that our Board policies and procedures, as well as the applicable laws, rules and regulations are followed.

We have originally appointed Ms. Lam Wing Chi as one of the joint company secretary of our Company to assist Ms. Yu in discharging her duties as a joint company secretary for a period of three years commencing from the Listing Date (the **“Relevant Period”**). Following the resignation of Ms. Lam Wing Chi as one of the joint company secretary of our Company with effect from June 26, 2025, we have appointed Ms. Wong Pui Kiu Ingrid as another joint company secretary of our Company to assist Ms. Yu in discharging her duties as a joint company secretary, including compliance matters relating to the Listing Rules and other Hong Kong regulatory requirements for the remainder of the Relevant Period. For Ms. Wong’s biographic details, see “Directors and Senior Management” of this annual report. Ms. Yu is the primary contact of Ms. Wong in our Company.

For the Reporting Period, each of Ms. Yu, Ms. Lam Wing Chi and Ms. Wong Pui Kiu Ingrid has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

Our Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of our Group’s business, performance and strategies. Our Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The AGM of our Company provides opportunity for the Shareholders to communicate directly with the Directors. The Chairman of our Company and the chairmen of our Board committees of our Company will attend the AGM to answer Shareholders’ questions. The Auditor will also attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor’s report, the accounting policies and auditor independence.

To promote effective communication, our Company adopts a shareholders’ communication policy which aims at establishing a two-way relationship and communication between our Company and the Shareholders and maintains a website of our Company at www.empowerwin.com, where up-to-date information on our Company’s business operations and developments, financial information, corporate governance practices and other information are available for public access. During the Reporting Period, the Board has reviewed the implementation of the shareholders’ communication policy and considers its implementation as effective.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Introduction

The Group is a leading cross-border digital marketing service provider in China. Over the years, we have been dedicated to empowering China-based marketers in user acquisition to better promote and connect themselves to customers worldwide while collaborating with major and well-known media publishers in helping them explore monetisation opportunities. Depending on marketers' needs and the depths of our services, our cross-border digital marketing services can be categorised into three service types, namely: standardised digital marketing services, customised digital marketing services, and SaaS-based digital marketing services. We also provide cross-border online-shop SaaS solutions which enable cross-border e-commerce merchants to build, operate, manage and market their own standalone online shops.

Going forward, we will continue to optimise and upgrade our Adorado SaaS and Powershopy platforms, expand marketer coverage, broaden sales channels, and enhance brand reputation, establish our global business network and strengthen our capabilities to provide localisation services in overseas markets and selectively seek opportunities for strategic cooperation and investment.

We are fully committed to safeguarding the environment, being socially responsible, and maintaining stringent and impartial corporate governance and internal control in our daily operations. This report aims to disclose the Group's commitments, approach, and performance in sustainable development to its stakeholders.

About this Report

The Group is pleased to release its fourth ESG Report (the "**Report**"). The Report aims to disclose the sustainability strategies and management approaches of the Group, and to highlight the performance of various aspects of ESG to its stakeholders, thereby promoting its sustainable development and planning. The Report has been uploaded to the Group's website (www.empowerwin.com) and the website of the Stock Exchange for public inspection. The Report is in both Chinese and English. If there is any inconsistency, please refer to the English version.

Reporting Scope and Period

The Report sets out the Group's policies, measures, and performance in ESG aspects during the period from January 1, 2025 to December 31, 2025 (hereinafter, the "Reporting Period") in detail.

Unless otherwise stated, the content of the Report mainly covers the ESG performance and related information of Powerwin Tech Group Limited and its subsidiaries. Through reporting to our stakeholders, the Group discloses its measures and performance on sustainable development issues transparently and openly. We believe that summarising and disclosing the Group's performance to stakeholders can enhance our transparency and further improve our sustainable development performance. Overall, there are no material changes to the reporting scope of the year compared to the Group's 2024 ESG Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting Guidelines and Principles

The Report has been prepared in compliance with the disclosure requirements of the “ESG Reporting Guide” (the “**Guide**”) set out in Appendix C2 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) issued by the Stock Exchange and has fully adhered to the reporting principles in the Guide, which materiality, quantitative, balance and consistency are the basic principles for report preparation. The application of relevant reporting principles is as follows:

Materiality	The Group communicates with major stakeholders on a regular basis and has conducted an annual materiality assessment survey to identify and evaluate ESG issues that are important to the Group and relevant stakeholders, so as to determine the reporting content and make focused disclosure.
Quantitative	In accordance with the Guide, the Group has recorded and collected data on various ESG key performance indicators (“ KPIs ”) where feasible and disclosed relevant quantitative information and historical data in the Report for comparison and evaluation. In addition, the standards, methods, assumptions, calculation tools, and references adopted by each KPI have been properly indicated in the Report.
Balance	Following the principle of impartiality, the Report has disclosed both achievements and challenges of the Group in aspects of environment, society, and governance in a truthful and comprehensive manner, for readers to evaluate relevant performance objectively and fairly.
Consistency	The Report has been prepared according to consistent standards, and the reporting scope, data statistics, and reporting methods are basically the same as the 2024 ESG Report, to ensure the comparability of the reports. Meanwhile, the Group has included corresponding explanations for any inconsistencies (if any) with previous reports.

The Report has complied with the “Mandatory Disclosure Requirements” and the “comply or explain” provisions set out in the Guide. Except for provisions that the Group considers not applicable to its business operations or provide partial disclosure, relevant explanations have been given in the corresponding sections. The data and information contained in the Report are mainly from internal documents and statistical data of the Group, and the content of the Report has been reviewed and confirmed by the board of directors (“**Board of Directors**” or “**Board**”) of the Company.

Approval

The Report was approved by the Board of Directors on 26 March 2026 upon confirmation from the management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholders' Feedback

The Group attaches great importance to stakeholders' opinions and aims to further improve its sustainability performance in the future. The Group therefore welcomes all parties to provide comments or suggestions on the Report and its sustainability performance. Please share your views with us via email: ir@empowerwin.com.

The Statement of the Board of Directors

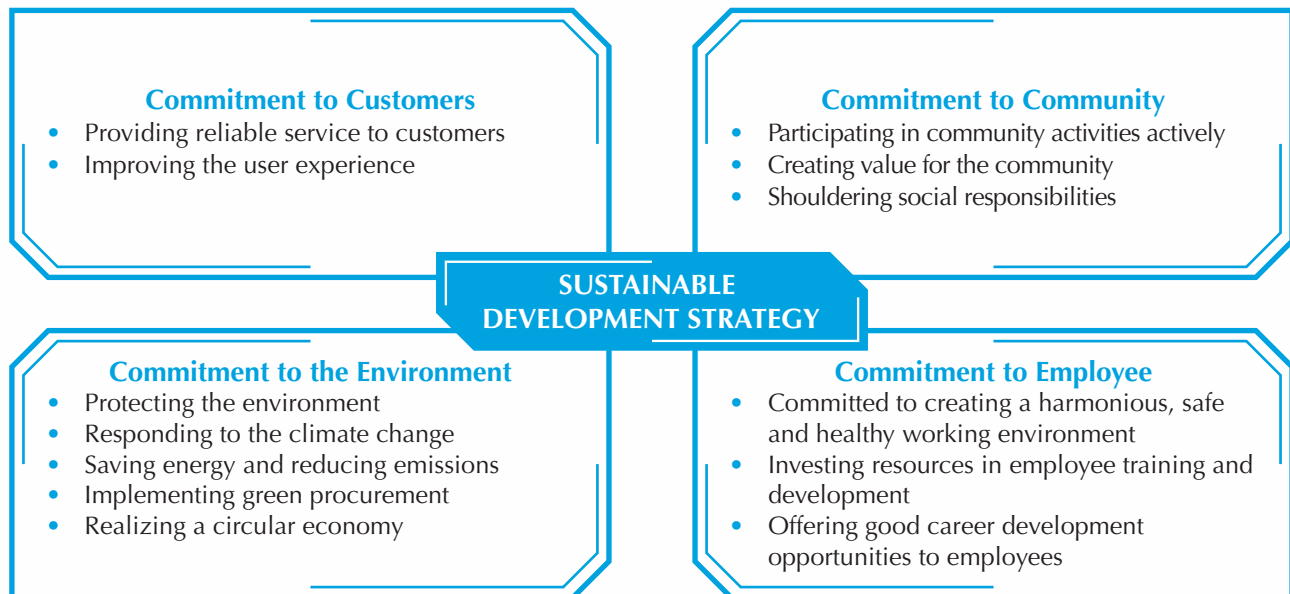
The Group understands that the leadership and participation of the Board are crucial to the implementation of sustainable development strategies. Therefore, the Board shoulders the responsibility of leading and supervising ESG-related matters and is responsible for leading the Group to seize the opportunities and respond to the risks brought by sustainable development. The Board annually decides on and monitors ESG policies and strategies, including the approval and consideration of ESG-related goals, progress review of the goals, evaluation, prioritisation of the materiality, etc. At the same time, the Board has approved the establishment of an ESG task force for the Group and authorised it to monitor and implement various ESG-related matters, to further improve the effectiveness of sustainable development governance. We have been striving to integrate the concept of sustainable development with the Group's overall strategy, policies, and business plans, to further guide the Group in its pursuit of value chain excellence while achieving its sustainability vision.

The Group's Future Development and Commitments

We regard our commitment to the environment, employees, customers, and communities as the four strategic pillars of the Group's sustainable development and formulate corresponding ESG management policies and work plans. The Group insists on communicating and cooperating closely with all stakeholders including our employees, shareholders and investors, suppliers, customers government departments, and communities in a candid, open, and responsible manner. At the same time, we continue to pay attention to the market development trends and the expectations of all sectors of society, and constantly review and adjust our ESG strategies, policies and measures so that we can quickly respond to various new opportunities and risks and further promote our sustainable development process.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's Future Development and Commitments (Continued)



Sustainability Governance Structure

To realise its sustainable development vision, the Group is committed to integrating sustainability concepts into our daily business operation through a comprehensive sustainability governance structure. The Group has a two-level sustainability governance structure, which is composed of the Board of Directors and the ESG Working Group, to improve communication between the decision-making and execution levels, allowing thorough integration of corporate governance, environmental management, and social responsibility concepts into its daily operations. To enhance its corporate governance standard, the Group has also actively promoted Board diversity and adopted the “Board Diversity Policy”. When selecting members of the Board of Directors, the balance of different genders, ages, backgrounds, professional knowledge, etc. will be fully considered. With the diverse skills, experience, and perspectives of members, its decision-making capabilities for sustainable development can be advanced.

Furthermore, in response to the global issue of climate change, as a responsible corporate citizen, the Group fully supports this vision and has integrated climate change related initiatives into the overall ESG governance of the Group. The Board of Directors regularly receives reports from the ESG Working Group and participates in the timely identification and assessment of ESG (including climate change) related risks and opportunities. The Board also reviews and evaluates the progress of annual ESG (including climate change) related targets to ensure the overall strategy of the Group remains consistent with sustainable development goals.

For a comprehensive overview of our board composition and governance practices, please refer to the Corporate Governance Report within this annual disclosure.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Board of Directors

As the highest governance body of the Group, the Board of Directors assumes overall responsibility for ESG and climate-related matters. Their roles and responsibilities include:

- Regularly review and renew sustainable development strategies, ESG management, and performance to ensure the effective implementation of relevant policies
- Monitor and manage ESG-related risks and opportunities
- Review the progress of ESG-related work and goals
- Supervise and approve the Group's ESG matters and reports

ESG Working Group

The ESG Working Group is authorised by the Board of Directors and composed of the Group's senior management, heads of functional departments, heads of branch divisions, and company secretary. It assists in coordinating and supervising ESG work and reports to the Board of Directors regularly. Their roles and responsibilities include:

- Set and implement relevant policies and measures following the Board's guidelines on ESG matters in each department
- Assist the Board of Directors in identifying, assessing, and managing ESG-related risks, and provide advice on formulating policies, goals, and work plans
- Regularly report ESG work performance to the Board of Directors to help review and improve the Group's sustainable development strategy and management
- Collect and manage ESG-related data and information, assist in the preparation of annual ESG reports and disclosure of related information

Risk Management

The effectiveness of risk management is critical to the long-term growth sustainability of the Group's business. Effective ESG management helps us respond to various sustainable development risks and opportunities in a timely and effective manner. The Group has established a comprehensive ESG management system and adopts a top-down management method, to consistently identify and evaluate the risks associated with its business operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

At the Group level, the Board is responsible for maintaining and reviewing the effectiveness of the Group's risk management and internal control systems. Corresponding management and control measures are implemented based on the severity of these risks. The Group has taken steps to mitigate the impacts of these risks in a timely manner, demonstrating its commitment to sustainable and responsible operations. Moreover, the Group has set up the Audit Committee, Remuneration Committee, and Nomination Committee under the supervision of the Board to conduct annual assessments on the existing and potential risks faced by the Group as a whole, review the effectiveness and suitability of the Group's internal control system, and give full play to the supporting role of laws, auditing, and discipline supervision, to ensure legal and compliant operations of the Group. In addition, the Group has also established an internal audit department, which is responsible for the construction, operation, and maintenance of the Group's risk prevention and control system.

We have incorporated ESG risks into the Company's risk assessment and management system. The response measures are set out in the corresponding sections of this report. The Board has also engaged an external advisor about ESG matters. These measures shall ensure the sustainable and responsible growth and operation of the Group.

Task Management

The Board is responsible for approving the Group's ESG-related targets and reviewing the progress of their achievement; the ESG Working Group is responsible for formulating the relevant targets and work plans, overseeing the progress of implementation, and reviewing their effectiveness. In the future, the Group will aim to promote its experience and set up environmental-related targets on more campuses to promote ecological protection.

Compliance Management

Complying with all applicable laws and regulations is the basic requirement of the Group in its operations and is also a reflection of its social responsibility. We understand that violations of laws and regulations will have various impacts on the Group. Impacts may include damage to the ability to operate a business, damage to public image and credibility, as well as legal penalties and litigation. Therefore, we have developed and implemented a series of policies and systems to strengthen compliance management and ensure that business activities comply with all relevant legal and regulatory requirements. The Board of Directors and the Audit Committee are responsible for reviewing and evaluating the internal control system.

During the Reporting Period, the Group had no cases of violations of laws and regulations related to various ESG aspects, and there were no corruption lawsuits filed against the Group or its employees.

For details on the Group's corporate governance practices including risk and compliance management, please refer to the section headed "Corporate Governance Report" of the Group's 2025 annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder Engagement and Materiality

The Group attaches great importance to establishing and maintaining two-way communication with stakeholders and strives to understand and respond to the concerns and expectations of various stakeholders to maintain close cooperation. Through a diversified and highly transparent communication platform, we regularly collect valuable opinions and suggestions from different stakeholders so that we can make corresponding improvements and adjustments in business management and sustainable development strategies to enhance ESG governance levels and performance.

Major Stakeholder	Communication Channels	Focus on issues	The Group's response and measures
Shareholders/ Investors	<ul style="list-style-type: none"> – Annual general meetings and other general meetings – Annual reports and interim reports – Corporate communications (such as letters/circulars and meeting notices) – Results announcements – Investor meetings – Interviews – Investor relations emails 	<ul style="list-style-type: none"> – Protection of shareholders' rights and interests – Accurate and timely disclosure of information – Enhancement of corporate governance – Risk management and control – Development of the Group's business and prospects – Formulation of business and financial strategies 	<ul style="list-style-type: none"> – Convene annual general meetings and special general meetings – Improve transparency of information disclosure – Strengthen risk management and control – Promote sustainable development of the Group
Employees	<ul style="list-style-type: none"> – Emails, memorandums, and notices – Performance appraisals – Interviews – Seminars/workshops/speeches – Staff intranet – Regular training 	<ul style="list-style-type: none"> – Protection of employee benefits and rights – Provision of competitive salary and welfare – Ensurance of labour protection at the workplace – Promotion of employee development and training – Encouragement of employee involvement and policy democracy – Cultivation of corporate culture – Support for personal physical and mental health 	<ul style="list-style-type: none"> – Follow labor standards – Provide competitive salary and benefits – Implement health and safety management system – Improve career development and training system – Host employee events – Establish a smooth and transparent communication mechanism to understand employees' opinions

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder Engagement and Materiality (Continued)

Major Stakeholder	Communication Channels	Focus on issues	The Group's response and measures
Customers	<ul style="list-style-type: none"> – Daily operations/communications – Telephone – Video conferences – Emails – Service brochure – Satisfaction survey 	<ul style="list-style-type: none"> – Customer service – Transparent and reliable information – Data security and customer privacy management – Customer service and complaint handling 	<ul style="list-style-type: none"> – Respond quickly to customer needs – Strengthen quality management – Upgrade information and network security systems
Suppliers/Partners	<ul style="list-style-type: none"> – Management procedures for suppliers – Supplier evaluation mechanism – Video conferences – Regular on-site research and investigation – Mobile communication applications (such as WeChat) 	<ul style="list-style-type: none"> – Supply chain management and sustainable development – Protection of suppliers' rights and interests – the Code of Business Conduct – Anti-corruption and anti-fraud 	<ul style="list-style-type: none"> – Implement supplier admission and delisting mechanism – Conduct supplier training – Strengthen cooperation and communication – Commitment to operate with integrity
Government	<ul style="list-style-type: none"> – Report disclosure – Regulatory information submission – Forum exchange activities – Meetings and discussions with government authorities 	<ul style="list-style-type: none"> – Compliance with laws and regulations – Ensurance of workplace safety and health – Adherence to national policies 	<ul style="list-style-type: none"> – Ensure operations and legal compliance – Implement workplace safety measures
Community	<ul style="list-style-type: none"> – Site visit – Community activity – Social media – Public welfare activities 	<ul style="list-style-type: none"> – Creation of economic benefits and promotion of employment – Provision of welfare for the community – Protection of the environment and natural resources 	<ul style="list-style-type: none"> – Participate in community construction and services – Organise volunteer activities and encourage employees to actively participate

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality Assessment

To promote its sustainable development, the Group regularly understands stakeholders' opinions and concerns on ESG matters through materiality assessment. During the Reporting Period, the Group continued to engage an independent sustainability consultant to conduct a materiality assessment. By inviting both internal and external stakeholders to participate in a questionnaire survey, the assessment followed a structured three-step process: identification, prioritisation, and verification.

Based on the survey results, the Group has confirmed the materiality and impact of each sustainability issue on its sustainable development and determined the disclosure focus of the Report. Moreover, the Group will prioritise enhancing ESG management of relevant issues and integrate these considerations into future strategic planning and risk management adjustments.

- | | |
|------------------|---|
| 1 Identification | <ul style="list-style-type: none"> • Referring to the "Guidelines", reporting trends and industry practices, and screening based on the group's internal situation, 24 ESG issues closely related to the group's business were identified. |
| 2 Prioritisation | <ul style="list-style-type: none"> • Invite internal and external stakeholders to participate in an online survey to rate the importance of ESG issues. • Collect scores on two dimensions of each ESG issue, including the impact on the Group's corporate value (financial importance) and the Group's impact on the economy, environment, and society (impact importance), to determine the overall importance of each ESG issue. • Develop a materiality matrix and priority list of ESG issues. |
| 3 Verification | <ul style="list-style-type: none"> • After the assessment results are reviewed and confirmed by the Board of Directors and senior management, the Group will make targeted responses and focused reports. |

The stakeholder questionnaire survey of the Reporting Period was conducted online, 42 valid responses were received in total. Combining the impact of the issues on the Group's corporate value and the Group's impact on the economy, environment, and society, the following matrix shows the overall importance level of the 24 ESG issues, covering three aspects of "Environment", "Society", and "Governance" to compile the questionnaire. We identified five ESG issues after analysing the importance of the issues to the Group's operations and stakeholders, considering the industry background, development status, and strategic planning. The five ESG issues, including "Innovation and Technology", "Risk Management", "Data Security and Customer Privacy Management", "Intellectual Property Protection", "Business Ethics and Integrity", located on the upper right side of the materiality matrix curve are regarded as "important issues", and the Group will make targeted responses on relevant issues. At the same time, we will prioritise strengthening ESG management work on these issues and incorporate them into the Group's future strategic planning and risk management considerations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality Assessment (Continued)

MATERIALITY OF DIFFERENT TOPICS FROM STAKEHOLDER ENGAGEMENT



- ▲ Environment**
- 1 Air Emissions
 - 2 Greenhouse Gas Emissions
 - 3 Waste Management
 - 4 Energy Consumption
 - 5 Water Usage
 - 6 Raw Materials Consumption
 - 7 Climate Change and Resilience
 - 8 Product Lifecycle Management

- ▲ Society**
- 9 Employment Practices
 - 10 Employee Participation
 - 11 Diversity and Equal Opportunities
 - 12 Development and Training
 - 13 Occupational Health and Safety
 - 14 Labour Management
 - 15 Quality and Safety of Products and services
 - 16 Customer Engagement
 - 17 Data Security and Customer Privacy Management
 - 18 Responsible Marketing and Labelling
 - 19 Responsible Supply Chain Management
 - 20 Community Engagement and Investment

- ▲ Governance**
- 21 Business Ethics and Integrity
 - 22 Risk Management
 - 23 Intellectual Property Protection
 - 24 Innovation and Technology

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality Assessment (Continued)

We firmly believe that the opinions of stakeholders have an important impact on the Group's achievement of sustainable development goals. Further understanding and respecting the views and needs of stakeholders will enable the Group to make better decisions and plans. In the future, the Group will continue to strive to establish and maintain positive interactions with stakeholders through diversified, transparent, and effective communication channels, optimise sustainable development strategies, and make us more successful in the pursuit of sustainable development.

A. COMMITMENT TO ENVIRONMENT

In its daily operations, the Group strictly abides by environmental laws and regulations of the place where we have operations and strives to minimise the negative impact on the environment and climate. The Group primarily conducts its operations through offices and training centers. We believe that the Group's business operations have little direct impact on emissions, use of resources, environment and natural resources, and climate change. Nevertheless, the Group recognises environmental protection as a critical component of its corporate responsibility. We are firmly committed to advancing corporate social responsibility (CSR) and sustainable development, ensuring that these principles are seamlessly integrated into all key facets of our business operations. We attach great importance to environmental protection and strictly abide by the Environmental Protection Law of the PRC, the Law of the PRC on Conserving Energy, and other laws and regulations.

During our business development, the Group actively embraces the principles of energy conservation and environmental protection by implementing a range of targeted measures. We are committed to advancing clean, efficient, and sustainable practices across our operations. To this end, we have established internal policies focused on conserving energy, water, paper, and other vital resources, while also reducing greenhouse gas (GHG) emissions and air pollutants from vehicles. Additionally, we actively promote and support environmental initiatives, including climate change mitigation, and strive to enhance employee awareness and engagement in environmental protection efforts.

We will systematically evaluate and monitor the progress of our environmental protection initiatives, closely tracking emission sources and identifying further opportunities for energy conservation and emission reduction. By establishing and refining relevant policies, we aim to ensure the efficient and responsible use of resources, thereby minimising our environmental footprint. Below are some of the key initiatives we have undertaken in support of environmental protection.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A1. Emissions

The Group is principally engaged in digital marketing and online shop SaaS solutions which does not directly generate a large amount of waste gas and greenhouse gas emissions nor discharge into water or land, such as nitrogen oxides, sulfur oxides, and respiratory suspended particles.

The Group discloses greenhouse gas emission data for our primary operations in China. Generally, the Group adopts the operational control approach to define the organizational boundary for reporting unless otherwise specified.

The Group calculates its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). The Group also refers to the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) to identify Scope 3 greenhouse gas emissions among the fifteen Scope 3 categories. The Group has identified and disclosed three Scope 3 categories relevant to our business. Other categories are excluded as they are either not relevant to our business or the data is not material for quantification.

Our carbon footprints mainly come from the use of electricity and water in offices, the use of office materials, the waste generated from operations, and business trips. We have implemented environmental protection measures with energy management, water resource management, and waste reduction, to minimise the impact on the environment and natural resources. The Group has established internal guidelines to enhance employees' awareness to reduce emissions in our daily operational processes, consistently improve production methods and efficiency, and ensure that waste is properly handled and treated. We evaluate our electricity consumption in accordance with relevant regulations and policies and endeavour to proactively conserve energy in response to the government's initiatives.

During the Reporting Period, the Group did not note any cases of material non-compliance relating to air and greenhouse gas emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste as required by the applicable laws and regulations that had a significant impact on the Group.

The Group has not yet incorporated internal carbon pricing into our decision-making processes. Considering that the introduction of internal carbon pricing is a long-term undertaking, The Group will conduct an assessment and study of its feasibility when the timing is appropriate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT

A1. Emissions

A1.1 Air Emissions

During the Reporting Period, the Group consumed petrol from our business operations. The following table presents details of air emissions figures in 2025 and 2024:

The type of emissions	2025		2024	
	Emission (g)	Intensity (g/Thousand USD in revenue)	Emission (g)	Intensity (g/Thousand USD in revenue)
Total Sox emissions	0.75	0.0002	0.79	0.00006
Total NOx emissions	336.15	0.072	358.56	0.027
Total PM emissions tons	24.75	0.005	26.40	0.002

A1.2 Greenhouse Gas Emissions

During the Reporting Period, 37.63 tonnes (2024: 39.57 tonnes) of carbon dioxide equivalent (tCO₂e) greenhouse gases (“GHG”, mainly carbon dioxide, methane, and nitrous oxide) were emitted from the Group’s operations. The Group’s GHG emissions are generated indirectly mainly from purchased electricity and water consumption during operation, landfill, paper consumption, emissions from air travel of employees for business trips, etc. The calculation of GHG includes Scope 1, 2 and 3.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A1. Emissions (Continued)

A1.2 Greenhouse Gas Emissions (Continued)

Scope of GHG	Emission Sources	2025		2024	
		Emission (in tCO ₂ e)	Total Emission (in %)	Emission (in tCO ₂ e)	Total Emission (in %)
Scope 1 Direct Emissions	Combustion of fuel in stationary and mobile sources, release of refrigerants from the operation of equipment and Systems	1.36	3.61	1.44	3.63
Scope 2 Energy Indirect Emission	Purchased electricity	32.69	86.88	34.51	87.23
Scope 3 Other Indirect Emissions	Paper waste disposal	0.42	1.11	0.57	1.44
	Business air travels	3.16	8.40	3.04	7.70
Total		37.63	100.00	39.57	100.00

The overall intensity was 8.08 kg CO₂e per thousand USD in revenue. We endeavor to reduce the intensity of carbon emission by 3% of our current discharge for the next five years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A1. Emissions (Continued)

A1.2 Greenhouse Gas Emissions (Continued)

Scope 3 Emissions from Third-party Server Services

We utilise an increasing amount of third-party cloud storage and server services to operate, in particular, our cross-border online-shop SaaS solutions business. Energy consumption has become a major component of the environmental footprint of a data center. Emissions from suppliers, such as our server service providers, are counted as scope 3 emissions in ESG disclosures, which tends to be reported voluntarily to avoid double counting.

To address our indirect environmental impact through third-party server service providers, we intend to enhance our ESG practices by actively evaluating the carbon footprint of these providers. Environmental performance will be integrated as a key criterion in our assessment process, ensuring that our partners demonstrate robust capabilities in sustainable operations and a commitment to ongoing efforts to minimise their environmental impact. When screening server service providers in the future, low carbon will be our top priority criteria with evaluation metrics emphasising environmental impact, energy and resource utilisation, use of renewable energy and other innovative means for producing a smaller carbon footprint.

A1.3 Hazardous Waste

Due to the nature of our business, we do not generate any hazardous waste during our operations.

A1.4 Non-hazardous Waste

Due to the business nature, the emission of noise, exhaust gas waste, water waste and packaging materials are immaterial. To reduce the impact of our disposal of non-hazardous waste on the environment, we monitor our waste discharge level on a regular basis. Proper guidelines are provided to our employees on waste classification and disposal. We aim to maintain a 100% compliance rate in relation to waste disposal. The Group's operations generated approximately 372.00 kg (2024: 375.00 kg) of non-hazardous waste, which mainly included everyday non-hazardous waste, and other paper waste.

The intensity was 65.79 g of non-hazardous waste per thousand USD in revenue.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A1. Emissions (Continued)

A1.5 Measures to Mitigate Emissions

The Group always advocates the concept of “green and sustainability” and is committed to making progress towards sustainable low-carbon operations and attempts to minimise resource consumption in daily operations. Currently, we formulate internal environment policies to reduce the impacts on the environment arising from our operations.

During the Reporting Period, the Group has taken the following resources-saving measures during its operations:

- The administrative department of the Group assesses and reports figures of consumption to the management team regularly. If there is any deviation, the Group will investigate the cause and take appropriate corrective measures.
- Reducing the use of electronic light when the natural lighting is sufficient;
- Not using air-conditioners when the natural room temperature is suitable for office work;
- Switching off lights and powers for electronic devices when not used;
- Turning off air-conditioners, computers, and other electronic equipment during non-working hours to enhance our staff’s awareness of the efficient use of electricity and the importance of energy conservation and reduction of GHG emissions;
- Reducing the use of disposable products including wooden chopsticks, paper cups, paper towels, and advocating for proper waste separation;
- Nominated five staff as responsible personnel, each of them being responsible for daily overseeing the implementation of relevant measures to save energy and reduce carbon emissions within their designated areas; and

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A1. Emissions (Continued)

A1.5 Measures to Mitigate Emissions (Continued)

- Adoption of the internal policy to encourage paperless operation to reduce the use of paper and carbon emissions;
- Adoption of various online systems to support our daily business operations;
- Target to deepen the degree of paperless operation by further developing our business and internal management systems such as customer relationship management (CRM) systems to include more functions to be realised through them.

During the Reporting Period, there were no breaches or violations of the PRC environmental laws and regulations applicable to our business operations that would have a material and adverse effect on our business, results of operations, or financial condition.

A1.6 Waste Reduction and Initiatives

The Group understands the importance of good waste management practices and strictly complies with the Law of the PRC on the Prevention and Control of Solid Waste Pollution, the Law of the PRC on Prevention and Control of Atmospheric Pollution, the Law of the PRC on Prevention and Control of Water Pollution, the Integrated Wastewater Discharge Standard, and other relevant environmental laws and regulations.

The Group's operations involve the generation of general garbage, paper, and other non-hazardous waste. Through the specification of the management system, we reasonably classify, collect, store, and process all non-hazardous waste. To achieve the waste reduction goals of recycling, reducing waste, and saving costs, the Group advocates waste reduction at the source, strengthens the management and control of production units based on the principle of waste minimisation, and reduces unnecessary waste generation.

Non-hazardous waste is collected and handled by the administration department. Paper is used for daily office operations such as document printing and deliverable packaging. Paper-saving initiatives are encouraged among employees, such as adopting double-sided printing and printing with single-sided paper. We also encourage using electronic documents for document issuance and notification for promoting a paperless office. The Group tries to recycle paper used whenever possible to reduce waste disposed of at landfills.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A1. Emissions (Continued)

A1.6 Waste Reduction and Initiatives (Continued)

In the Reporting Period, the Group has set annual targets for the solid waste discharge of the Group, which were mainly focused on reducing waste discharge and demonstrating improvement. The Group will continue to refine and improve waste discharge strategies, to sustainably balance business growth and environmental protection. In 2025, we used around 17,500 pieces (2024: 24,000pieces) of paper in total, which represented a decrease of 27.08% in paper usage compared with prior year. We have set the target to reduce the number of pieces of paper by around 5% per year over the next three years.

A2. Use of Resources

The Group advocates efficient energy management to reduce our carbon footprint and promote the reasonable consumption and conservation of energy, as well as to enhance the overall efficiency of energy consumption. In accordance with relevant laws including the Law of the PRC on Energy Conservation (《中華人民共和國節約能源法》) and the Energy Policy, we have formulated various energy reduction systems and established administration policies, continuously reduce energy consumption and improving energy efficiency by optimising energy structure and applying advanced energy management technologies. We endeavor to reduce negative impacts on the environment through our commitment to energy saving and sustainable development. We also encourage to minimise its use of business travel.

A2.1 Energy Consumption

A total of 58,103.69 kWh (2024: 61,357.80 kWh) of energy was consumed by the Group for its operations during the Reporting Period. The Energy consumption intensity is 12.48 kWh (2024: 4.56 kWh) per thousand USD in revenue. Electricity was the major source of energy for the Group, consuming 53,584.00 kWh (2024: 56,572.25 kWh) for computers and office equipment necessary for its daily operations. The rest of the Group's energy source was petrol used for fueling its vehicles, and 510 liters (2024: 540 liters) of petrol were consumed, which is equivalent to 4,519.69 kWh of energy (2024: 4,785.56 kWh).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A1. Emissions (Continued)

A2.2 Energy Use Efficiency Initiatives

We advocate the principles of green energy conservation and making good use of resources and are committed to optimising the use of resources and minimising carbon emissions throughout our business. During the Reporting Period, the Group has set annual targets and taken various measures to reduce its electricity and energy consumption during operation. We formulate relevant energy-saving policies and measures to reflect our emphasis on energy efficiency. Power consumption of the Group is primarily generated by the lighting, air conditioning, and other equipment in the offices. For electronic devices, we choose models with high energy efficiency certification and power-saving modes, such as computers and printers that can automatically enter the standby or sleep mode when idling. We also procure electronic devices that can accommodate multiple servers, such as printing facilities with multi-functional printing and copying devices and avoid using a single server with higher capacity to save electricity. In the future, the Group will strive to keep on improving consumption efficiency, to balance business growth and environmental protection. We endeavor to reduce the intensity of carbon emission by 5% of our current discharge for the next five years.

A2.3 Water Use Efficiency Initiatives

The Group adheres strongly to the regulations regarding water pollution control. We obtain our domestic water supply from our property buildings and ensure that it meets the necessary standards. Due to the nature of our business, the wastewater we produced during the Reporting Period was immaterial. Nevertheless, we have implemented the following measures:

- Regularly inspect pipes and fixtures for leaks and fix them promptly to prevent water loss.
- Encourage the employees and the customers to adopt water-saving habits, such as turning off taps when not in use, using water efficiently during cleaning processes, and reporting any water leaks or issues promptly.
- Recycle water resources under suitable conditions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A3. The Environment and Natural Resources

We advocate the concept of “green and sustainability” and are committed to making progress towards a sustainable future by proactively addressing carbon emissions, waste management, energy, and water use. We formulate internal environmental policies to reduce the impacts on the environment arising from our operations.

A3.1 Significant Impacts of Activities on the Environment

The Group’s full-link cross-border marketing service and online shop SaaS solutions do not have significant impacts on the environment and natural resources. The Group has established internal policies to reduce its consumption of resources, minimise business travel and encourage online meetings. The Group is also committed to purchasing from qualified suppliers who follow national environmental rules and regulations.

To encourage responsible energy consumption and conservation, thereby improving overall energy efficiency, we are committed to implementing effective energy management practices to minimise our carbon footprint. In accordance with relevant laws including the Law of the PRC on Energy Conservation and the Energy Policy (《中華人民共和國節約能源法》), we have formulated various energy reduction systems and established administration policies, continuously reducing energy consumption and improving energy efficiency by optimising energy structure and applying advanced energy management technologies. In addition, we also endeavor to reduce negative impacts on the environment through our commitment to energy saving and sustainable development. We encourage online communications within the Group and with its business partners to reduce carbon emissions resulting from business travel.

In alignment with the Carbon Neutrality initiatives in mainland China, the Group is dedicated to continuously enhancing and optimising resource efficiency strategies, ensuring a harmonious balance between business development and environmental sustainability. Through these measures, the Group aims to achieve a general reduction of 1% in overall emission intensity in the upcoming three years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change

Under the challenges of global climate change, economies and societies are facing unprecedented impacts. Mainland China is actively responding to this global issue by promoting a green economic transition and implementing stringent energy consumption targets to move towards “Carbon Peaking” and “Carbon Neutrality”. As a responsible corporate citizen, the Group fully supports this vision. The Group contributes to the achievement of the “Dual Carbon” goals through a comprehensive low-carbon operational strategy. The Group continuously optimizes our operational processes, strive to reduce our environmental footprint, and establish a robust internal policy framework to ensure that all production bases adhere to the highest standards in emissions management and resource utilization.

A4.1 Governance

The Group’s climate-related matters and issues are guided, reviewed, and monitored by the Board of Directors. The Board has authorized the ESG Working Group to execute specific tasks. For details on the management structure and specific responsibilities, please refer to the “Sustainability Governance Structure” section of this report. To avoid duplication, this section provides supplementary disclosure on climate governance in accordance with the requirements of Paragraph 19 of Part D of the Guide, including the Board’s oversight of climate-related risks and opportunities, the role of management, performance metrics and related monitoring measures.

To enhance the Board’s professional knowledge and decision-making capabilities regarding climate issues and to strengthen climate governance, Board members participate in at least one ESG-focused training session annually. This reinforces their awareness of responsibility and commitment to promoting sustainable development.

In assessing whether the Board collectively possesses the appropriate skills and competencies to oversee climate-related risks and opportunities, the Board periodically reviews its knowledge requirements through structured self-assessments and discussions during routine meetings. These reviews enable the Board and senior management to identify areas where additional climate-related expertise may be beneficial. Where gaps are identified, the Group arranges external briefings, industry updates, or ESG-specific training for directors and senior management. This ensures continued alignment with evolving regulatory expectations and climate-related developments, with relevant expertise incorporated into Board appointments and succession planning where necessary.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

A4.1 Governance (Continued)

The Board has delegated the day-to-day management of climate-related risks and opportunities to the ESG Working Group. This group is responsible for executing climate and energy-related initiatives and collaborating with external consultants to assess climate risks and opportunities. Furthermore, the ESG Working Group facilitates cross-departmental coordination and communication to ensure that climate risk management at the Group level is both comprehensive and effective. The ESG Working Group provides updates on climate-related risks, opportunities, and progress during regular management meetings and periodic reporting to the Board. Climate-related matters are reported to the Board through established reporting channels, with Executive Directors and senior management providing progress updates during routine Board meetings.

The Board is briefed on climate-related risks, opportunities, performance metrics, and emerging regulatory developments at least annually, or more frequently should significant issues arise. The Group has integrated climate-related controls and monitoring procedures into its existing internal control and risk management systems, ensuring that climate-related considerations are reviewed alongside other operational, compliance, and strategic risks.

The Group recognizes the importance of linking climate performance with executive remuneration to enhance the Group's climate resilience and long-term value. In the future, the Group will explore the feasibility of incorporating climate-related indicators into the remuneration considerations for senior management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

A4.2 Strategy

In the face of challenges and opportunities brought by climate change, the Group maintains a proactive stance, deeply analyzing industry-specific climate risks and formulating corresponding response strategies. By establishing a refined risk assessment mechanism, the Group is not only able to identify potential threats in advance but also seize development opportunities arising from the green transition.

Our climate strategy integrates various scenario assessment tools, including scenario analysis using the Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA) low-carbon and high-carbon scenarios to evaluate our operational assets and business activities. By combining multiple possibilities for future global climate change, the Group identifies climate-related risks and opportunities to assess the Group's climate resilience. This approach is consistent with the principles of IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB), ensuring that the Group's strategic planning is built upon the latest climate science and global socio-economic projections.

During the Reporting Period, the Group commissioned an external independent consultant to conduct a preliminary identification and analysis of climate-related risks and opportunities based on our industry and the geographical locations of our major operating sites in Mainland China. This will serve as a foundation for the Group's future climate transition plans. Our current research covers designated assets and operations; the Group will explore the feasibility of expanding the scope of research in the future. Furthermore, regarding the financial impact on the upstream and downstream supply chain caused by risks, the Group has not yet collected sufficient data for a full assessment. Moving forward, the Group will gradually strengthen communication and mobilization across the value chain to help suppliers establish climate risk assessment and monitoring systems and expand the scope of our evaluation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

A4.3 Assessment of Time Horizons and Climate Scenario Selection

Category of Risks & Opportunities	Assessment Time Horizon ¹	Climate Scenario Selection
Physical Risks <ul style="list-style-type: none"> • Acute • Chronic 	<ul style="list-style-type: none"> • Short-term: Present – 2030 • Medium-term: 2031 – 2040 • Long-term: 2041 – 2050 	IPCC AR6 Shared Socioeconomic Pathways (SSP) <ol style="list-style-type: none"> 1) Low-carbon Scenario (Aligned with Paris Agreement): <ul style="list-style-type: none"> • SSP1-2.6 2) High-carbon Scenario (Business-as-usual): <ul style="list-style-type: none"> • SSP5-8.5
Transition Risks <ul style="list-style-type: none"> • Policy and legal risk • Technology risk • Market risk • Reputation risk 		International Energy Agency (IEA) <ol style="list-style-type: none"> 1) Low-carbon Scenario (Aligned with Paris Agreement): <ul style="list-style-type: none"> • Net Zero Emissions (NZE) Scenario 2) High-carbon Scenario (Business-as-usual): <ul style="list-style-type: none"> • Stated Policies Scenario (STEPS)
Climate-related opportunities <ul style="list-style-type: none"> • Resource efficiency • Energy source • Markets • Resilience 		

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

A4.4 Results of Climate-related Risks and Opportunities Analysis (Continued)

Description	Time Horizons	Impact Pathways	Financial Impact
Climate Risks			
Physical Risks			
<i>Acute Risk</i>			
<ul style="list-style-type: none"> • Extreme weather events, including typhoons and rainstorms 	<ul style="list-style-type: none"> • Short to Long-term 	<ul style="list-style-type: none"> • Disruption to office operations, employee commuting and normal business activities. • Interruption to cloud-based systems, communication networks or third-party digital infrastructure, affecting campaign execution, customer servicing and SaaS platform availability. • Delays in customer response, campaign delivery and technical support, reducing service efficiency and potentially affecting customer satisfaction. • Increased risks to employee health and safety during severe weather events. 	<ul style="list-style-type: none"> • Increased operating costs related to emergency arrangements, remote working support, system recovery and office repairs. • Potential revenue loss resulting from business interruption, delayed campaign execution or reduced platform availability. • Additional maintenance, contingency planning and insurance-related expenditure to enhance business resilience.
<i>Chronic Risk</i>			
<ul style="list-style-type: none"> • Rise in mean temperatures and increased frequency of extreme heat events 	<ul style="list-style-type: none"> • Long-term 	<ul style="list-style-type: none"> • Increased electricity consumption for office cooling and IT-related operations. • Greater exposure to utility instability or regional power constraints, which may affect the continuity of operations and digital service delivery. 	<ul style="list-style-type: none"> • Increased operating costs due to higher electricity consumption and workplace adaptation measures. • Additional expenditure on energy-efficient equipment, office optimisation and resilience enhancement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

A4.4 Results of Climate-related Risks and Opportunities Analysis (Continued)

Description	Time Horizons	Impact Pathways	Financial Impact
Transition risks			
<i>Policy and Legal Risk</i>			
<ul style="list-style-type: none"> Increasingly rigorous environmental regulations Rising carbon prices Stringent carbon management policies 	<ul style="list-style-type: none"> Medium to Long-term 	<ul style="list-style-type: none"> Implementation of carbon pricing mechanisms. More stringent disclosure expectations from regulators may require the Group to strengthen climate governance, emissions accounting and risk disclosure. 	<ul style="list-style-type: none"> Growth in operating costs and associated compliance expenditures.
<i>Technology Risk</i>			
<ul style="list-style-type: none"> Technological improvements or innovations required for the transition to a low-carbon, energy-efficient digital operations 	<ul style="list-style-type: none"> Short to Medium-term 	<ul style="list-style-type: none"> Support for the low-carbon transition through the enhancement of SaaS platforms, internal systems, and digital infrastructure to improve energy efficiency and service continuity. Implementation of strategic infrastructure enhancements to meet evolving low-carbon operational requirements. 	<ul style="list-style-type: none"> Increased capital expenditure related to platform enhancement, digital infrastructure optimization, and technology deployment. Higher operational expenditures resulting from specialized cloud resource management and comprehensive workforce transition training.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

A4.4 Results of Climate-related Risks and Opportunities Analysis (Continued)

Description	Time Horizons	Impact Pathways	Financial Impact
<i>Market Risk</i>			
<ul style="list-style-type: none"> Shifts in customer demand and sustainability-related preferences 	<ul style="list-style-type: none"> Short to Long-term 	<ul style="list-style-type: none"> Reduction in marketing spend driven by climate-related macroeconomic disruption, supply chain pressure, or shifts in consumer demand. Intensified competition from peers providing advanced or climate-resilient platform capabilities. 	<ul style="list-style-type: none"> Potential loss of market share and reduced profitability. Increased capital and operating expenditure for platform enhancement, infrastructure optimization, and technology deployment.
<i>Reputation Risk</i>			
<ul style="list-style-type: none"> Increased stakeholder concern regarding climate-related information disclosure 	<ul style="list-style-type: none"> Long-term 	<ul style="list-style-type: none"> Reputational damage and financing obstacles resulting from non-compliant disclosures amidst increasingly stringent requirements from regulators, investors, and consumers. Higher expectations from major global media publishers regarding alignment with international business and sustainability standards. 	<ul style="list-style-type: none"> Operational and revenue risks arising from disclosure gaps. Increased financing costs and restricted access to capital markets.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

A4.4 Results of Climate-related Risks and Opportunities Analysis (Continued)

Description	Time Horizons	Impact Pathways	Financial Impact
Climate-related Opportunities			
<i>Resource Efficiency</i>			
<ul style="list-style-type: none"> Expansion of financing channels through green and sustainable finance instruments Operational efficiency enhancement through digitalisation, automation and data-driven optimisation 	<ul style="list-style-type: none"> Long-term 	<ul style="list-style-type: none"> Diversified financing channels arising from green finance, which support the Group’s business expansion and enhance capital liquidity and efficiency in the use of funds. Optimization of resource allocation, staff productivity, and cross-regional service efficiency through internal digitalization and cloud-based workflows. 	<ul style="list-style-type: none"> Generation of additional revenue streams through the monetization of carbon assets. Lowered financing and operating costs and enhanced capital allocation efficiency. Improved operating efficiency and resource productivity.
<i>Energy Source</i>			
<ul style="list-style-type: none"> Use of clean energy and energy-efficient systems to improve energy efficiency and reduce emissions 	<ul style="list-style-type: none"> Short to Long-term 	<ul style="list-style-type: none"> Use of lower-carbon cloud services may help reduce the Group’s indirect carbon footprint. Alignment with greener infrastructure practices may strengthen the sustainability profile of digital service delivery. 	<ul style="list-style-type: none"> Reduction in operating expenditures resulting from enhanced energy efficiency and lower utility consumption.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

A4.4 Results of Climate-related Risks and Opportunities Analysis (Continued)

Description	Time Horizons	Impact Pathways	Financial Impact
<i>Market</i>			
<ul style="list-style-type: none"> Rising demand for digital marketing services from new energy, green technology and sustainability-related sectors 	<ul style="list-style-type: none"> Short to Long-term 	<ul style="list-style-type: none"> Expansion into sustainability-related business may diversify the client base and strengthen growth momentum. Lower-carbon digital operations may become a differentiator in client and partner engagement. 	<ul style="list-style-type: none"> Greater business diversification and stronger long-term sales momentum.
<i>Resilience</i>			
<ul style="list-style-type: none"> Use of decentralised cloud-based SaaS platforms to strengthen business continuity Early-mover advantages from low-carbon transition planning 	<ul style="list-style-type: none"> Short to Long-term 	<ul style="list-style-type: none"> Cloud-based service delivery may help maintain platform access and client support during local disruption events. Stronger digital resilience may enhance continuity and service reliability. 	<ul style="list-style-type: none"> Securing of long-term competitive advantages and revenue sustainability. Enhanced revenue stability through minimized service downtime during external disruptions.

It is important to note that these scenarios do not represent the final outcomes for the Group. The assumptions within the scenario analysis may or may not materialize and are based on information available at the time of the analysis. These scenarios may be influenced by other factors beyond the assumptions made in the analysis; therefore, they do not represent actual future results.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

A4.5 Response Measures and Action Plans

Powerwin recognizes that identifying and managing climate-related risks and opportunities is fundamental to stable and sustainable business development. Based on our scenario analysis, we have integrated energy consumption and climate change policies across our key operating points to mitigate significant physical and transition risks. We further strengthen our climate resilience through strategic technological deployment and robust emergency mechanisms. To ensure these efforts remain adaptive and effective, the Group regularly reviews its policies and response measures, maintaining a proactive stance toward climate risk mitigation and adaptation.

Response &
Emergency
Management

- **Establishment of Emergency Command System:** Formation of the “Network and Data Security Emergency Command Team”, comprising the Head of Network Security, Vice President, and Administrative and Human Resources Manager, Legal Director, Finance Manager and Sales Director, to coordinate emergency responses for accidents, natural disasters, and health events.
- **Comprehensive Contingency Planning:** Implementation of the Network and Data Security Incident Emergency Plan (《網絡與數據安全事件應急預案》) to ensure rapid rescue operations during safety emergencies, minimizing casualties and property losses.
- **Publicity and Training:** Integration of safety emergency knowledge into annual training plans, conducting at least one safety emergency drill per year, and providing AED (Automated External Defibrillator) operation training to enhance disaster prevention and mitigation capabilities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

A4.5 Response Measures and Action Plans (Continued)

- | | |
|---|--|
| <p>Technical Resilience & Infrastructure Optimization</p> | <ul style="list-style-type: none"> • Green Computing and Cloud Collaboration: Strategic partnership with Alibaba Cloud to utilize green computing power for building low-carbon digital infrastructure and optimizing energy efficiency through digital technology. • Redundancy and Data Protection: Implementation of daily off-site data backup and cloud synchronization for core systems (e.g., SAP/MBS); collaboration with three streamline broadcast service providers to ensure continuous business operations under extreme conditions. • Rapid Network and Application Recovery: Utilization of reliable third-party network infrastructure (Tencent, Alibaba) to build cross-city networks, ensuring rapid restoration of business environments via cloud resources if local data centers are compromised. |
| <p>Supply Chain Management & Compliance Strategy</p> | <ul style="list-style-type: none"> • Green Supplier Access: Prioritization of suppliers in neighboring regions to reduce transportation emissions and air pollution; partnership with reputable suppliers devoted to carbon reduction to match capacity with business needs, avoiding over-usage and corresponding emissions. • Compliance Trend Monitoring: Continuous tracking of environmental laws and regulations to promptly formulate response strategies and policies, ensuring full compliance with environmental protection requirements. |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

A4.5 Response Measures and Action Plans (Continued)

During the Reporting Period, The Group did not experience any significant impacts from extreme weather events. To mitigate physical and transition risks, the Group has proactively implemented energy-saving and carbon-reduction initiatives, with a view to establishing a green and low-carbon operating model.

The Group maintains comprehensive oversight of energy conservation and emission reduction measures across all businesses. Dedicated teams are responsible not only for the regular collection and monitoring of energy consumption data, but also for conducting periodic equipment inspections to ensure energy efficiency. Through the setting of clear targets and regular performance assessments, the Group continues to enhance its energy management system and effectively minimise resource wastage. These initiatives not only demonstrate the Group's commitment to climate change mitigation, but also reflect its determination to strengthen climate resilience across its operations. Detailed information regarding climate-related targets and progress can be found in the "Environmental" section of this report.

Meanwhile, the Group monitors developments in global and local climate-related policies and regulations, technological advancements and market trends on an ongoing basis, and maintains communication with relevant government and regulatory authorities to ensure awareness of regulatory updates and compliance with applicable requirements. The Group is assessing the feasibility of adopting environmental technologies and green energy solutions in appropriate areas of its operations to mitigate climate-related risks associated with technological and market transitions.

The Group publishes ESG reports on a regular basis to facilitate stakeholder communication and enhance transparency. In addition, the Group engages external professional advisers periodically to review climate-related impacts and response measures, identify emerging climate-related risks, and assess potential implications for the Group's operations and business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

A4.6 Risk Management

The Group has incorporated climate-related risks and opportunities into its enterprise risk management framework to enhance operational resilience and maintain competitiveness amid evolving climate-related challenges. Details of the relevant governance structure and management processes are set out in the section headed “Sustainability Governance Structure” of this Report.

Compared with prior years, the Group has, during the Reporting Period, adopted a more integrated approach to the management of climate-related risks and opportunities by referencing climate disclosure frameworks and applying climate-related scenario analysis methodologies. This approach supports systematic identification, assessment and management of climate-related risks and opportunities. Information on the key assumptions, input parameters, and the nature of identified risks and opportunities is set out in the section headed “Climate Change – Strategy” of this Report.

To address the challenges arising from climate-related risks, the Group has established a climate risk management framework and engages both external experts and internal stakeholders to enhance its capabilities in addressing climate-related matters. Through regular stakeholder engagement, relevant perspectives are incorporated into the Group’s climate strategy to ensure alignment with business development objectives and emission reduction targets.

The Group follows a structured process to identify and prioritise material physical and transition risks and opportunities, assess their potential impacts on business operations and financial performance, and develop corresponding resilience measures. In addition, the Group prepares an annual enterprise risk management plan that includes climate-related risks and regularly updates its risk assessment register to facilitate the identification and management of potential risks. Through ongoing review and refinement of its risk management practices, the Group seeks to strengthen its ESG management framework and support long-term sustainable development.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE

B1. Employment

B1.1 Employment Figures

The Group upholds the “people first” principle and believes that effective personnel management is essential to attaining sustained corporate development. In keeping with the people-oriented principle, we uphold the rights and interests of every employee, control employment practices, safeguard workers’ occupational health and safety, and foster an inclusive, safe, and healthy work environment in order to strengthen the close, long-term collaboration between our staff and ourselves.

Our innovative solutions to address the unmet needs of customers are supported by our dedicated and talented employees. The Group values the opinions of employees and believes good employee relations are crucial to the long-term development of its business. Effective communication channels have been set up for employees in different age groups and assistance appropriate to their needs is offered, to maintain a harmonious workplace, and ultimately enhance work efficiency and productivity as a whole.

The Group acts in strict compliance with the Labour Law of the PRC, the Labour Contract Law of the PRC, the Law of the PRC on the Protection of Women’s Rights and Interests, the Law on the Protection of Minors, and the Provisions on Prohibiting the Use of Child Labour. In addition, we have formulated the Employee Handbook (《員工手冊》) to facilitate the building of talent teams and strive to create an equal, inclusive, healthy and safe working environment. Our staff handbook mandates human resource management policies, including equal employment, attendance management, remuneration and benefits, recruitment and promotion, training and development, health and safety, performance assessment, code of conduct, etc., to keep employees aware of the Group’s management basis and their interests.

During the Reporting Period, the Group did not note any case of material non-compliance in relation to employment, including the provision of a safe working environment and protecting employees from occupational hazards.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B1. Employment (Continued)

B1.1 Employment Figures (Continued)

As of 31 December 2025, we had a total of 42 (2024: 69) employees. This reduction in headcount was primarily driven by the Group's strategic business transformation and the subsequent optimization of its personnel structure to enhance operational efficiency. See below the detailed breakdown of the workforce.

Total Workforce as of 31 December	2025	2024
By Employment Type		
Full-time	100.00%	100.00%
Part-time	0.00%	0.00%
By Gender		
Female	54.76%	56.52%
Male	45.24%	43.48%
By Employee Category		
Senior Management	9.52%	5.80%
Middle Management	19.05%	13.04%
Frontline and Other Employees	71.43%	81.16%
By Age Group		
18-25	0.00%	5.80%
26-35	57.14%	71.01%
36-45	35.71%	17.39%
46-55	4.76%	2.90%
56 or above	2.38%	2.90%
By Geographical Location		
Mainland China	92.86%	95.65%
Hong Kong SAR	7.14%	4.35%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B1. Employment (Continued)

B1.2 Turnover Figures

A total of 25 (2024: 23) employees left the Group during the Reporting Period, which gave a turnover rate of 59.52% (2024: 33.33%). The Group regularly reviews salary remuneration and benefits to retain talents and stay attractive and competitive in the market. See below for the detailed breakdown of the turnover rate by employee group.

Turnover Rate as of 31 December	2025	2024
By Employment Type		
Full-time	59.52%	33.33%
Part-time	0.00%	0.00%
By Gender		
Female	65.22%	25.64%
Male	52.63%	43.33%
By Employee Category		
Senior Management	0.00%	0.00%
Middle Management	0.00%	0.00%
Frontline and Other Employees	83.33%	41.07%
By Age Group		
18-25	0.00%	50.00%
26-35	79.17%	42.86%
36-45	26.67%	0.00%
46-55	0.00%	0.00%
56 or above	0.00%	0.00%
By Geographical Location		
Mainland China	64.10%	34.85%
Hong Kong SAR	0.00%	0.00%

Note: The employee turnover rate (%) = Number of employees in the specified category who left during the Reporting Period/Total number of employees in the specified category at the end of the Reporting Period x 100%.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B1. Employment (Continued)

B1.3 Employee Recruitment, Compensation, and Benefits

The Group complies strictly with all applicable laws and regulations in relation to recruitment, pursuant to which the Group is to select, recruit and promote its employees at all levels in a fair, just and open manner based on their knowledge, integrity, ability and experience in either public recruitment or internal promotion, so as to ensure meritocracy and attract the best professional elites in the industry. We encourage and advocate equal opportunities and diversity. We recruit talent through the talent market, online platforms, on-campus job fairs, internal referrals, and other channels to build our employer brand that can meet the needs of our business. The Group forbids engagement in, or support of discrimination based on ethnicity, social class, gender, etc. in such areas as recruitment, salary, and promotion. The recruitment process is arranged by the human resources department, with interviews arranged for the selected candidates. Qualified applicants shall provide their identity documents, academic certificates and resumes. The applicants shall pass the prescribed recruitment process and become officially employed after signing the employment contracts. The Group ensures to carefully go over the identities and birth certificates of the qualified applicants to eliminate child labour at the source. During the Reporting Period, the Group was not aware of any instance of child labour and forced labour.

The Group sets up different career paths for the management, general, and technical personnel with corresponding different promotional channels. We assess each talent according to the performance appraisal result and skill sets, combined with measures such as talent review, and various training programs to provide equal and consistent opportunities for them to achieve career ambitions.

We routinely carry out thorough appraisal assessments on the work performance, workability, and work attitude of the workforce through the performance appraisal system. The work performance, workability, and professional abilities of employees can be consistently enhanced through a suite of closed-loop performance management tools. Employee arrangements for promotions, pay adjustments, and terminations will be impacted by the evaluation results.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B1. Employment (Continued)

B1.3 Employee Recruitment, Compensation, and Benefits (Continued)

We provide competitive compensation, and the level which our employees receive will be driven by their qualifications, experience, potential, and performance. The Group's employees in the PRC are entitled to five national statutory social insurances (including basic pension insurance, basic medical insurance, work-related injury insurance, maternity insurance and unemployment insurance) as well as commercial and accident insurance under the Statutory Employment Ordinance of the PRC. In addition to local statutory holidays such as basic paid annual leave, the qualified employees are also entitled to wedding leave, maternity and paternity leave, and bereavement leave.

The Group implements a flexible working hours system requiring employees to work eight hours a day and five days a week. We comply with all working hours, rest, and vacation regulations of the Chinese Labour Law to ensure the physical and mental health of all employees. The Group does not force employees to work overtime. Employees may apply for overtime in advance. On statutory holidays, the approved overtime will be paid according to the Labour Law. After consulting with the employees, those who work overtime on weekends will be compensated with rest days. In addition to legal holidays, employees are entitled to annual leave, personal leave, sick leave, marriage leave, maternity leave, paternity leave, bereavement leave, and work-related injury leave.

We are committed to providing our employees with a warm and safe working environment and take a holistic approach to employee well-being. We offer programs that support healthy work-life harmony, promote employee communication, and encourage employees to make suggestions for the improvement of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B1. Employment (Continued)

B1.4 Communication with Employee

The Group attaches great importance to the opinions of employees. We understand that employees are our close and long-term partners and good employee relations are crucial to long-term development of the business. Maintaining effective and positive mutual communication can not only promote smooth operations, but also enhance mutual understanding and trust, and contribute to the stable development of the Group. Effective communication channels have been set up for employees in different age groups and assistance appropriate to their needs is offered, with the aim of maintaining a harmonious workplace, and ultimately enhancing work efficiency and productivity.

The Group mainly releases information and key issues to employees through internal office platforms, which include but not limited to emails, announcements, and corporate micro-channels. The employees can share opinions in the following ways:

- Several communications channels have been set up to receive and handle employees' opinions and demands;
- Employees can share their opinions with the leaders of the department or branch campus first. They can also share the opinions with the corresponding departments or the Audit and Supervision department of the headquarters;
- Employees can leave comments via corporate mailbox, QQ, Ding Talk and WeChat;
- Employees are encouraged to provide real-name feedback and promise to protect employees from adverse effects. Meanwhile, an anonymous mailbox has also been set up to regularly collect employees' thoughts and opinions.

The Group carefully reviews and considers all opinions from its employees and makes corresponding improvements to ensure their rights and interests.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B1. Employment (Continued)

B1.5 Equal Opportunity and Anti-Discrimination

The Group attaches particular importance to equal employment opportunities and complies strictly with anti-discrimination laws. The Group has also formulated an internal policy on equal employment opportunities, aiming to treat both employees and job applicants fairly and ensure they are not discriminated against for their gender, marital status, pregnancy, age, family status, disability, ethnicity, nationality or religion. The Group treats each of its employees fairly and justly and offers equal opportunities to them in recruitment, promotion, rewards, training, etc., and promise that no discrimination will be tolerated. The Group shall consider disciplinary punishments on anyone who violates this policy. In compliance with the law, the Group provides training courses from time to time to prevent employees from being discriminated, harassed, and harmed during work.

B2. Employee Health and Safety

We are committed to providing our employees with a warm and safe working environment and take a holistic approach to employee well-being. We continue to promote work-life balance and create a positive workplace for all employees. We offer full-range welfare programs that support healthy work-life harmony that go above and beyond the legal requirement, such as employee's recognition programs, afternoon tea, holiday benefits and workplace celebrations, provide a green working environment with ergonomic office chairs. We also promote employee communication and encourage employees to make suggestions for the improvement of the Group.

We allocate adequate resources and efforts to uphold and improve our safety management to reduce the inherent risks related to safety issues. Fire drills are conducted every year to enhance staff's awareness of fire prevention and safety accident response ability. We also regularly provide safety education training programs to the employees. The training content covers safety production requirements, hazard sources, identification of safety hidden dangers, safety protection, safe operation, etc.

During the Reporting Period, the Group did not experience any accidents or claims for personal or property damage that, individually or in aggregate, had a material effect on our Group's financial condition and results of operations. We had complied with the applicable national and local safety laws and regulations in all material respects, and the relevant PRC authorities had not imposed any material sanctions or penalty on us for incidents of non-compliance of any safety laws or regulations in the PRC. We had not been subject to any material claim or penalty in relation to health, safety, or social protection, or been involved in any significant workplace accident or fatality.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B2. Employee Health and Safety (Continued)

B2.1 Work-related Fatalities and Injury

The Group attaches great importance to the occupational safety of all colleagues and has devoted efforts in protecting the health of its staff. During the Reporting Period, the Group did not receive any complaints or lawsuits regarding violations of health and safety-related laws, and there were no work-related injuries and fatality in the past three years including 2025. The Company has reinforced service processes and standards through ongoing SOP training and business-related programs, ensuring employees are fully aligned with corporate expectations and equipped to deliver consistent, high-quality service.

B3. Development and Training

The Group believes that the personal development of employees can not only explore their own value, but also contribute to the long-term development of the Group. The Group maintains a comprehensive training and evaluation framework designed to enhance professional competencies and operational excellence, encompassing orientation for new hires alongside leadership, professional, and management system development. To align with evolving market demands, the curriculum was specifically expanded to include AI technology, specialized business skills, occupational health and safety, and anti-corruption compliance, ensuring the workforce remains adaptive and equipped with the necessary expertise for sustained growth. Meanwhile, the Group has regularly organised interest and thought sharing events to enable employees to increase team cohesion and recognition of the corporate culture through group work and games.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B3. Development and Training (Continued)

During the Reporting Period, 100.00% (2024: 123.19%) of all employees, received training as arranged by the Group, and the average training hours that each employee received was approximately 3.00 hours (2024: 1.51 hours). The comprehensive training curriculum focused on Artificial Intelligence (AI) technology, professional business skills, occupational health and safety, and anti-corruption compliance. The percentage and average training hours per gender and employee category during the Reporting Period are as follows:

	2025		2024	
By Gender				
Female	100.00%	3.00 hours	115.38%	1.41 hours
Male	100.00%	3.00 hours	133.33%	1.63 hours
By Employee Category				
Senior Management	100.00%	3.00 hours	100.00%	2.00 hours
Middle Management	100.00%	3.00 hours	100.00%	2.00 hours
Frontline and Other Employees	100.00%	3.00 hours	128.57%	1.39 hours

Training program and Team building event

Team Building Events



Internal Training



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS

C1. Supply Chain Management

Suppliers of the Group must comply with all laws and regulations in which we have operations and related to unethical behavior, bribery, corruption and other prohibited business activities. We focus on the sustainable development of the supply chain, strictly abide by the Law of the PRC on Tenders and Bids (《中華人民共和國招投標法》), and other laws and regulations. We have established internal documents and procedures such as Administrative Procurement System (《行政採購制度》), Media Provider Management System (《媒體供應商管理制度》) and IT Supplier Management System (《IT供應商管理制度》) so as to standardise the processes of supplier selection, evaluation, and elimination to ensure the quality of our products and services. We are searching for suitable suppliers according to the demand for products and services in different channels. In addition to factors like price, quality, and supply stability, the Group's suppliers also need to adhere to transparent business processes and high ethical standards and align with our ESG targets, to avoid interest conflicts and prohibit corruption and bribery. Building appropriate control over long-term and stable supplier relations can ensure the Group purchases from suppliers meet specified requirements. Through document audit, sample approval, on-site audit, and other methods, we review suppliers from perspectives of business qualification, quality management, registration documents, production environment, production process, etc. Suppliers that successfully pass the review will be added to the Approved Supplier List (ASL) (《合格供方清單》). To further ensure the quality of suppliers, even after they passed the assessment, they must go through a trial process and if they fail to meet the requirement, they will be removed from the "Qualified Supplier List".

During the Reporting Period, there are a total of 9 (2024: 9) approved suppliers. All suppliers are in China (including Hong Kong).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS (Continued)

C1. Supply Chain Management (Continued)

C1.1 Practices and implementation of Supplier Engagement

To improve procurement efficiency and reduce procurement costs, the whole procurement process usually involves different departments including:

- 1) Various business departments that clarify the procurement demand and budget;
- 2) Functional departments that carry out standard judgment and standard output for the procurement of materials and services;
- 3) Purchasing department that directly participates in the procurement process, formulates the Group's overall procurement plan, and controls the procurement process;
- 4) Finance and Legal Departments that support the procurement process including project budget, contract financial terms, tax terms and other audit support.

The Group encourages healthy and fair competition among suppliers and often invites different possible bidders. We verify and conduct due diligence on the legitimacy of relevant suppliers, including the validity of their business license, tax registration certificate, and organisation code certificate, logistic licenses (if required), qualification, business scope, and operating and financial results over the previous three years. The suppliers are requested to provide quality examination reports, quality certification, and other relevant materials for specific products for internal auditing. We will arrange a site visit to Suppliers' production facilities. All suppliers must have a respectable business reputation/record, a sound service team, a completed tax payment record, a solid accounting system, and no records of lawsuits. All suppliers must have a good company reputation/record, a competent service team, a comprehensive tax payment record, and a robust accounting system, with no records of litigation or substantial penalties in the previous two years. Suppliers who participate in bidding and procurement will subsequently go through an approval and probation phase. After the probationary period is completed, the group will sign a procurement contract with the supplier. During the payment process, the Group's financial personnel analyse the full procurement procedure as well as upstream papers, and payment is made in accordance with contract criteria.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS (Continued)

C1. Supply Chain Management (Continued)

C1.2 Suppliers Rating Policy

We conduct the comprehensive evaluation for suppliers under ASL quarterly and manage the suppliers by categories (1st to 4th) according to the evaluation results. Suppliers with low scores are required to take measures to make rectifications and get re-evaluated within a specified period. We will terminate the cooperation relationship for the suppliers who fail to pass the re-evaluation and those who cannot meet our minimum score requirements. We attach great importance to communication with suppliers and maintain interaction with them through the hotline, business negotiations, irregular field visits, etc. Embracing the green partner management concept, the Group also considers the involvement of suppliers in fulfilling social responsibilities and environmental protection. The Group request suppliers to manage energy conservation and reduce emissions and urge them to get used to adopting more eco-friendly products and services, to contribute to society and the environment.

C2. Service Responsibility

As a leading cross-border digital marketing group in China, we are dedicated to full-link marketing services and online SaaS solutions accessible through technology and innovation. Our major products covered with standardised and tailor-made marketing services leveraging our industry-leading data analytics and AI technologies, we have been dedicated to empowering China-based marketers in user acquisition to better promote and connect themselves to customers worldwide while collaborating with major and well-known media publishers in helping them explore monetisation opportunities.

C2.1 Quality Management

We have established a quality management system, including field audit records, procedure documents, quality control documents, forms, and records. A dedicated team was established to be responsible for quality assurance. To verify the compliance and effectiveness of the Group's quality management system, we hold internal and external audits annually to find out the weaknesses of the system and urge us for continuous improvement. In 2025, we held one external audit and one internal audit meeting. We provide internal and external training, covering key post skills, current regulatory requirements, product knowledge, etc., to all our employees who have responsibilities for product quality.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS (Continued)

C2. Service Responsibility (Continued)

C2.2 Compliance Marketing

We are committed to building a culture of compliance at our Group that engages all our employees and business partners for ethical behaviors. We recognise that breaches of law and regulations may seriously affect the Group's performance, business operations, financial position, and reputation. Therefore, we have developed ESG Policies, to keep abreast of the latest regulatory developments, ensures its business is governed by various laws and regulations in China, and provides relevant training to relevant employees.

Fair dealing and truthful advertising are essential for preserving the reputation of the Group. We use trademarks, images, labels, and other information properly, and strictly manage the authenticity, accuracy, and compliance of the marketing information applied in the whole marketing process. During the Reporting Period, the Group was not aware of any incidents of non-compliance with laws and regulations having a significant impact on the Group relating to marketing.

C2.3 Intellectual Property Rights

Intellectual property is crucial to the success of the Group. Our strong Research & Development and innovation efforts build a strong foundation for our business success. Protecting our IPs is essential for us to maintain competitiveness in the market. Thus, while being committed to technological innovation, we also regard intellectual property protection such as patent application and trademark registration as vital and conducive to the Group's healthy and sustainable long-term development.

We strictly abide by the Patent Law of the PRC (《中華人民共和國專利法》), the Trademark Law of the PRC (《中華人民共和國商標法》) and other laws and regulations. We formulated the Intellectual Property Management Policy (《知識產權管理制度》) with the intent to develop a culture that protects our IPs from growing external threats and organise IP protection training for the staff.

We are committed to protecting the intellectual properties of the Group as well as other parties, including patents, trademarks, and copyrights. Use of all such properties must be in accordance with applicable laws and regulations. Any form of infringement of intellectual property rights is forbidden. We have set up channels for reporting any potential infringement and misappropriation incidents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS (Continued)

C2. Service Responsibility (Continued)

C2.7 Confidential Information (Continued)

We also respect the privacy of customers and employees and ensure that individual information will not be leaked and abused. We sign confidentiality agreement with our business partners to avoid leakage of privacy. During the Reporting Period, the Group was not aware of any non-compliance with laws and regulations having a significant impact on the Group relating to customer privacy matters.

C2.8 Security Management and Remedial Guidelines

To strengthen tracking, analysis, testing, distribution and inspection process of security patches for the information system, the Group implements the remedial measures for computers, network equipment, and database systems, to ensure the proper security of user personal information, reduce the security risks, and improve information system security. The threat level of security loopholes shall be analysed and handled with different corresponding periods.

C2.9 Anti-Corruption and Business Ethics

The Group regards knowledge of and compliance with laws as the foundation of our business. The Group always adheres to its core values and establishes an honest, trustworthy, standardised and transparent business environment. We are committed to building a culture of compliance at our Group that engages all our employees and business partners in ethical behaviors. To ensure compliance with the Group's business operations and the suitability of relevant regulations in the industry, the Group has formulated internal policies which cover management systems in different scopes, including board governance, business operations, financial management, personnel management, general management and information security. The Group will regularly review the prevailing laws and regulations, industry norms and its business development, to update and revise the compiled articles in due course.

The Group attaches great importance to the corporate culture of integrity and anti-corruption, always adheres to the highest standards of ethics and business integrity and abides by the laws and regulations to prevent bribery, corruption, money laundering and fraud in its business operation. The Group has formulated company policies covering compliance, integrity, and ethics, internal reporting and handling, and anti-fraud and anti-corruption systems, to regulate the professional behaviors and professional ethics of all employees of the Group, to establish a good atmosphere of integrity and diligence, and to prevent frauds.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS (Continued)

C2. Service Responsibility (Continued)

C2.9 Anti-Corruption and Business Ethics (Continued)

The Group developed a sound governance structure for preventing corruption, bribery, extortion, fraud, and money laundering. The management team take the responsibility to supervise and guide the anti-fraud to establish an anti-fraud cultural environment within the company and establish an internal control system preventing fraudulent activities. Head of the department/branch is responsible for maintaining the internal control system, setting up a reporting channel, implementing control measures, and taking remedial measures to reduce the chance of fraudulent activities within the company. All staff shall abide by the company's code of conduct and relevant national and industrial laws and regulations, and report fraudulent activities to anti-fraud through proper channels.

The Group has also formulated sound whistle-blowing policies to encourage all directors, employees and third parties (including customers and suppliers of the Group) to report any misconduct, dereliction of duty or violations. The whistle-blower can report unethical behaviours or any suspected illegal acts or dereliction of duty to the Group in the form of writing such as mails, suggestion boxes, e-mails or other channels. The identity of the whistle-blower will be kept strictly confidential. Any discrimination or retaliation against reporters will not be tolerated, and the reporters will be protected in assisting the investigation. The whistle-blowing mechanism is coordinated by the anti-fraud office. Upon receiving whistle-blowing incidents, the Office will analyse and sort out the whistle-blowing information. After preliminary review and verification, if it is believed that the reported person does have the facts of disciplinary violations, the investigation shall be formally filed and handled in accordance with the relevant regulations of the discipline inspection and supervision department.

If fraud cases are identified, we will take remedial measures to rectify the internal control of the affected business units. For the employees who are confirmed to have fraud, we will punish them according to our internal regulations; for those who violate the law, we will transfer them to the judicial organs for further handling.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

D. COMMITMENT TO THE COMMUNITY

Through various means of community participation and contribution, the Group is committed to spreading the spirit of service in the community and building a sustainable and inclusive society. While actively developing its business, the Group never forgets to support various community engagements to give back to society. As a leading digital marketing service provider, the Group has always provided long-term and stable job opportunities to the society, maintained good employment relationships, increased local taxation, and assisted the Chinese enterprises to establish the overseas presence, thus promoting local economic development, and achieving self-development and a win-win situation with the local community. We continue to contribute to the community through increasing investment while organising cultural and recreational activities for employees with an aim to relieve work pressure and help them to achieve work-life balance, and to enhance employees' sense of social responsibility and dedication to society. The Group attaches great importance to social public welfare activities and hopes to spread the love and warmth from the Group to society. It has contributed to activities and organisations that are beneficial to the community. During the Reporting Period, the Group participated in different charitable activities, including a corporate initiative to engage employees in the "Earth Hour" event on March 22, 2025. This initiative successfully promoted energy conservation, emission reduction, and the philosophy of low-carbon living. Furthermore, our colleagues actively took part in a community handicraft workshop to weave traditional Chinese knots, which were then gifted to elderly households within the community as a gesture of care and warmth.

In the future, we will continue to work proactively with charitable organisations and participate in various community investment and charitable activities especially in the culture and sports area. To help create a peaceful and healthy society, the Group will keep allocating greater funds to social welfare and environmental protection initiatives, as well as embracing corporate social responsibility.

INDEPENDENT AUDITOR'S REPORT



To the shareholders of Powerwin Tech Group Limited
(Incorporated in Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Powerwin Tech Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 112 to 176, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

Basis for opinion

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

Key audit matters

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

INDEPENDENT AUDITOR'S REPORT

Revenue recognition	
<i>Refer to note 3 to the consolidated financial statements and the accounting policies note 1(q)(i).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>The principal activities of the Group are rendering cross-border digital marketing services and cross-border online-shop SaaS solutions.</p> <p>Revenue from different types of contracts have different contract terms and revenue recognition criteria. In addition, as the Group handles individual transactions manually, there is an increased risk of that error may be made in the timing of recognition of revenue. Therefore, we identified recognition of revenue as a key audit matter.</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none"> • understanding and assessing the design, implementation and operating effectiveness of key internal controls over recognition of revenue; • inspecting the Group's contracts with marketers, media publishers and customers on a sample basis and discussing with the management on the nature of each major type of services to evaluate the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards; • confirming with the marketers and customers directly on balances of trade receivables as at the year end on a sample basis and performing alternative procedures on unreturned confirmations; • on a sample basis, reconciling transaction records to the monthly statements and rebates earned from the media publishers or agents of media publishers to the relevant underlying documents, including service contracts, quarterly statements and bank-in slips; • performing re-calculation of revenue on selected marketers and customers based on annual transaction volume data and the service fee rate stipulated in the contracts, and comparing it with the revenue recorded by the Group; and • comparing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with the relevant underlying documents including service contracts and monthly statements, to assess if revenue had been recognised in the appropriate financial period.

INDEPENDENT AUDITOR'S REPORT

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all 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 the directors for the consolidated financial statements

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

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

We communicate with 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 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.

INDEPENDENT AUDITOR'S REPORT

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 Kong Wing Hung (practising certificate number: P07075).

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in US dollars ("USD"))

	Note	2025 USD'000	2024 USD'000
Revenue	3	4,657	13,457
Cost of sales		<u>(1,782)</u>	<u>(2,194)</u>
Gross profit		2,875	11,263
Marketing expenses		(375)	(468)
Administrative expenses		(4,406)	(4,109)
Expected credit losses on trade receivables	25(a)	(3,031)	(735)
Other income	4	<u>1,501</u>	<u>477</u>
(Loss)/profit from operations		(3,436)	6,428
Finance costs	5(a)	(2,010)	(6,004)
Changes in fair value of financial assets		<u>211</u>	<u>157</u>
(Loss)/profit before taxation	5	(5,235)	581
Income tax	6(a)	<u>697</u>	<u>(37)</u>
(Loss)/profit for the year		(4,538)	544
Other comprehensive income for the year (after tax)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial information of entities not using USD as functional currency		<u>3</u>	<u>33</u>
Other comprehensive income for the year	9	3	33
Total comprehensive income for the year attributable to equity shareholders of the Company		(4,535)	577
(Loss)/earnings per share			
Basic and diluted (cents)	10	<u>(0.57)</u>	<u>0.07</u>

The notes on pages 117 to 176 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 24(a).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025
(Expressed in USD)

	Note	31 December 2025 USD'000	31 December 2024 USD'000
Non-current assets			
Property, plant and equipment	11	104	67
Right-of-use assets	12	800	360
Intangible assets	13	1,617	2,036
Financial assets measured at fair value through profit or loss	15	4,753	4,627
Deferred tax assets	22(b)	266	1,087
		<u>7,540</u>	<u>8,177</u>
Current assets			
Trade and other receivables	16	2,139	222,373
Cash and cash equivalents	17(a)	19,808	34,393
Prepaid income tax	22(a)	–	1,221
		<u>21,947</u>	<u>257,987</u>
Current liabilities			
Trade and other payables	18	1,342	129,032
Contract liabilities	19	49	4,071
Bank loans	20	–	100,638
Lease liabilities	21	518	326
Current taxation	22(a)	15	13
		<u>1,924</u>	<u>234,080</u>
Net current assets		<u>20,023</u>	<u>23,907</u>
Total assets less current liabilities		<u>27,563</u>	<u>32,084</u>
Non-current liabilities			
Bank loans	20	–	1,920
Other payables	18	1,682	–
Lease liabilities	21	321	69
		<u>2,003</u>	<u>1,989</u>
Net assets		<u>25,560</u>	<u>30,095</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025 (CONTINUED)
(Expressed in USD)

	Note	31 December 2025 USD'000	31 December 2024 USD'000
CAPITAL AND RESERVES	24		
Share capital		8,000	8,000
Reserves		17,560	22,095
TOTAL EQUITY		25,560	30,095

Approved and authorised for issue by the board of directors on 26 March 2026.

Mr. Li Xiang

*Chairman, Chief Executive Officer
and Executive Director*

Ms. Yu Lu

Executive Director

The notes on pages 117 to 176 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in USD)

	Note	Share capital USD'000	Share premium USD'000	Exchange reserve USD'000	Retained profits USD'000	Total equity USD'000
Balance at 1 January 2024		8,000	7,953	(53)	13,618	29,518
Changes in equity for 2024						
Profit for the year		–	–	–	544	544
Other comprehensive income	9	–	–	33	–	33
Total comprehensive income		–	–	33	544	577
Balance at 31 December 2024 and 1 January 2025		8,000	7,953	(20)	14,162	30,095
Changes in equity for 2025						
Loss for the year		–	–	–	(4,538)	(4,538)
Other comprehensive income	9	–	–	3	–	3
Total comprehensive income		–	–	3	(4,538)	(4,535)
Balance at 31 December 2025		8,000	7,953	(17)	9,624	25,560

The notes on pages 117 to 176 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(h) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial assets (Continued)

Credit-impaired financial assets (Continued)

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

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

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

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(q) Revenue and other income (Continued)

(i) Revenue from contracts with customers (Continued)

(b) Cross-border online-shop SaaS solutions

Revenue deriving from cross-border online-shop SaaS solutions consists of subscription fees and commission. During the subscription period, customers can access the SaaS platform but cannot take possession of the SaaS platform or transfer the proprietary rights pertaining to such a platform.

Subscription fees are charged monthly for customers to sell their products and process transactions on the standalone online-shops established through the SaaS platform. Subscription fees are generally charged per online store and are based on the store's subscription plan. The subscription fees are amortised on a straight-line basis over the term of the subscription.

Commission consists of sharing of gross merchandise volume ("**GMV**") earned by the customers from selling their products via the SaaS platform and is recognised when the transaction is completed.

(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(q) Revenue and other income (Continued)

(ii) *Revenue from other sources and other income (Continued)*

(b) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(r) Translation of foreign currencies

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

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

The results of entities not using USD as functional currency are translated into USD at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, are translated into USD at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(s) Borrowing costs

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

(t) Related parties

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

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

2 Accounting judgements and estimates (Continued)

(c) Income tax and deferred tax assets (Continued)

Deferred tax assets are recognised for deductible temporary differences. As those deferred tax assets can only be recognised to the extent that it is probable that future profit will be available against which the deductible temporary differences can be utilised, management's judgement is required to assess the probability of future taxable profits.

3 Revenue and segment information

(a) Revenue

The principal activities of the Group are the provisions of cross-border digital marketing services and cross-border online-shop SaaS solutions.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 by major services is as follows:

	2025 USD'000	2024 USD'000
Cross-border digital marketing services		
Standardized digital marketing	1,531	5,587
Customized digital marketing	1,031	3,132
SaaS-based digital marketing	1,683	2,796
	<hr/> 4,245	<hr/> 11,515
Cross-border online-shop SaaS solutions		
	412	1,942
	<hr/> 4,657	<hr/> 13,457

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

3 Revenue and segment information (Continued)

(b) Segment information

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has only one single reportable segment.

For the years ended 31 December 2025 and 2024, the Group's revenue are predominantly attributable to a single geographical region, which is Hong Kong. Therefore, no revenue analysis by geographical regions is presented.

The following table sets out information about the geographical locations of the Group's specified non-current assets. Specified non-current assets exclude financial assets at fair value through profit or loss and deferred tax assets. The geographical locations of the specified non-current assets are based on the physical locations or the location of operations of the assets.

	2025 USD'000	2024 USD'000
Hong Kong	2,133	2,194
Chinese Mainland	388	269
	<u>2,521</u>	<u>2,463</u>

4 Other income

	2025 USD'000	2024 USD'000
Interest income	472	480
Foreign exchange gain/(loss)	7	(5)
Other income	18	2
Net gain on disposal of a subsidiary (note (a))	1,004	–
	<u>1,501</u>	<u>477</u>

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

5 (Loss)/profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs:

	2025 USD'000	2024 USD'000
Interest on bank loans and other payables	1,975	5,976
Interest on lease liabilities	35	28
	<u>2,010</u>	<u>6,004</u>

(b) Staff costs (including directors' emoluments):

	2025 USD'000	2024 USD'000
Salaries, wages and other benefits	3,148	3,393
Retirement scheme contributions	272	244
	<u>3,420</u>	<u>3,637</u>

The Group's subsidiaries in the People's Republic of China ("PRC") participate in defined contribution retirement benefit schemes (the "Schemes") organised by the PRC municipal and provincial government authorities, whereby the PRC entities are required to make contribution at the rates required by different local government authorities. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the Schemes.

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

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

5 (Loss)/profit before taxation (Continued)

(c) Other items:

	2025 USD'000	2024 USD'000
Changes in fair value of financial assets (note 25(e))	(211)	(157)
Auditors' remuneration	326	344
Research and development costs (note (a))	1,055	1,221
Amortisation cost of intangible assets (note 13)	419	75
Depreciation		
– property, plant and equipment (note 11)	28	29
– right-of-use assets (note 12)	572	612

Note:

- (a) Research and development costs include staff costs of employees in the research and development department, of which USD1,055,000 (2024: USD1,221,000) are included in the staff costs as disclosed above.

6 Income tax in the consolidated statement of profit or loss and other comprehensive income

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 USD'000	2024 USD'000
Current tax		
Provision for the year	19	25
Under-provision in prior years	8	–
	<u>27</u>	<u>25</u>
Deferred tax		
Origination and reversal of temporary differences (note 22(b))	(724)	12
	<u>(697)</u>	<u>37</u>

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

6 Income tax in the consolidated statement of profit or loss and other comprehensive income (Continued)

(b) Reconciliation between tax (credit)/expense and accounting profit or loss at applicable tax rates:

	2025 USD'000	2024 USD'000
(Loss)/profit before taxation	(5,235)	581
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	(892)	176
Tax effect of non-deductible expenses	42	31
Tax effect of non-taxable income	(106)	(105)
Statutory tax concession	(58)	(65)
Tax effect of unused tax losses not recognised of the Disposed subsidiary	309	–
Under-provision in prior years	8	–
Actual tax (credit)/expense	(697)	37

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HKD 2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for the qualified subsidiary was calculated at the same basis in 2024.

The statutory income tax rate for the subsidiaries in the Chinese Mainland is 25%, except for certain subsidiaries which met the criteria required for preferential income tax rate granted to small and low profit-making enterprise in the PRC and were entitled for a preferential income tax rate of 5% of taxable income for the first RMB3,000,000 for the years ended 31 December 2024 and 2025.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

7 Directors' emoluments

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

	Directors' fees USD'000	Salaries, and benefits USD'000	Discretionary bonuses USD'000	Retirement scheme contributions USD'000	2025 Total USD'000
Executive directors					
Mr. Li Xiang ("Mr. Li")	–	283	51	17	351
Ms. Yu Lu ("Ms. Yu")	–	273	31	18	322
Independent non-executive directors					
Mr. Li Kwok Tai James	46	–	–	–	46
Mr. Gong Peiyue	31	–	–	–	31
Ms. Zhao Yan	31	–	–	–	31
	108	556	82	35	781

	Directors' fees USD'000	Salaries, and benefits USD'000	Discretionary bonuses USD'000	Retirement scheme contributions USD'000	2024 Total USD'000
Executive directors					
Mr. Li	–	288	46	17	351
Ms. Yu	–	273	31	17	321
Independent non-executive directors					
Mr. Li Kwok Tai James	46	–	–	–	46
Mr. Gong Peiyue	31	–	–	–	31
Ms. Zhao Yan	31	–	–	–	31
	108	561	77	34	780

For the years ended 31 December 2025 and 2024, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in note 8 below as an inducement to join or upon joining the Group or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 31 December 2025 and 2024.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

8 Individuals with highest emoluments

Of the five individuals with the highest emoluments, two (2024: two) of them are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the remaining three (2024: three) individuals are as follows:

	2025 USD'000	2024 USD'000
Salaries and other emoluments	267	253
Discretionary bonuses	20	2
Retirement scheme contributions	15	13
	<u>302</u>	<u>268</u>

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

	2025 Number of individuals	2024 Number of individuals
Nil – HKD1,000,000	<u>3</u>	<u>3</u>

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

11 Property, plant and equipment

Office equipment and vehicles USD'000

Cost:

At 1 January 2024	145
Additions	9
Exchange adjustments	(1)
	<hr/>
At 31 December 2024 and 1 January 2025	153
Additions	64
Exchange adjustments	3
	<hr/>
At 31 December 2025	220

Accumulated depreciation:

At 1 January 2024	(58)
Charge for the year	(29)
Exchange adjustments	1
	<hr/>
At 31 December 2024 and 1 January 2025	(86)
Charge for the year	(28)
Exchange adjustments	(2)
	<hr/>
At 31 December 2025	(116)

Net book value:

At 31 December 2025	104
	<hr/>
At 31 December 2024	67
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

12 Right-of-use assets

	Leased properties
	USD'000
Cost:	
At 1 January 2024	1,932
Additions	191
Lease modification	(31)
Disposals	(29)
Exchange adjustments	(20)
	<hr/>
At 31 December 2024 and 1 January 2025	2,043
Additions	1,009
Disposals	(1,532)
Exchange adjustments	27
	<hr/>
At 31 December 2025	<hr style="border-top: 1px dashed #000;"/> 1,547
Accumulated depreciation:	
At 1 January 2024	(1,094)
Charge for the year	(612)
Disposals	6
Exchange adjustments	17
	<hr/>
At 31 December 2024 and 1 January 2025	(1,683)
Charge for the year	(572)
Disposals	1,520
Exchange adjustments	(12)
	<hr/>
At 31 December 2025	<hr style="border-top: 1px dashed #000;"/> (747)
Net book value:	
At 31 December 2025	<hr style="border-top: 3px solid #000;"/> 800
At 31 December 2024	<hr style="border-top: 3px solid #000;"/> 360

Details of the maturity analysis of lease liabilities is set out in note 25(b).

The Group leases various offices for own use. The lease terms vary from 1 year to 3 years. Leases are fixed leases and do not include variable leases payments.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

13 Intangible assets

	Software USD'000
Cost:	
At 1 January 2024	49
Additions	2,080
Exchange adjustments	(1)
	<hr/>
At 31 December 2024 and 1 January 2025	2,128
Exchange adjustments	1
	<hr/>
At 31 December 2025	<hr style="border-top: 1px dashed black;"/> 2,129
Accumulated amortisation:	
At 1 January 2024	(17)
Charge for the year	(75)
Exchange adjustments	_*
	<hr/>
At 31 December 2024 and 1 January 2025	(92)
Charge for the year	(419)
Exchange adjustments	(1)
	<hr/>
At 31 December 2025	<hr style="border-top: 1px dashed black;"/> (512)
Net book value:	
At 31 December 2025	<hr style="border-top: 3px solid black;"/> 1,617
At 31 December 2024	<hr style="border-top: 3px solid black;"/> 2,036

* The balance represents amount less than USD500.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

15 Financial assets measured at fair value through profit or loss

	2025 USD'000	2024 USD'000
Financial assets measured at fair value through profit or loss:		
– Deposit component of the insurance contracts	<u>4,753</u>	<u>4,627</u>

The Group, as the policyholder and beneficiary owner, held some life insurance contracts, which contained not only an insurance component, but also a deposit component. The Group develops an accounting policy to unbundle the insurance component and the deposit component upon initial recognition. The one-off initial charges paid upfront for the insurance coverage were booked as prepaid expenses and would be amortised to expenses, during the period in which the Group expected to hold the insurance contracts. The remaining upfront policy fee paid after deducting the upfront charges was regarded as the deposit component and was accounted for under HKFRS 9, Financial Instruments. As the Group was entitled to a guaranteed minimum return as well as an unguaranteed investment return, the deposit component did not give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. In accordance with HKFRS 9.4.1.4, the deposit component was measured at fair value through profit or loss. Please see note 25(e) for the measurement of the fair value of the deposit component.

16 Trade and other receivables

	2025 USD'000	2024 USD'000
Trade receivables-third parties	1,648	228,934
Less: loss allowance on trade receivables	<u>(21)</u>	<u>(7,378)</u>
	1,627	221,556
Amounts due from related parties	14	13
Amounts due from third parties	<u>498</u>	<u>804</u>
	<u>2,139</u>	<u>222,373</u>

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

17 Cash and cash equivalents and other cash flow information

(a) Cash and cash equivalents comprise:

	2025 USD'000	2024 USD'000
Cash and cash equivalents in the consolidated statement of financial position and the consolidated cash flow statement		
– Cash at bank and on hand	19,808	34,393

As at 31 December 2025, cash and cash equivalents situated in Chinese Mainland amounted to USD70,000 (31 December 2024: USD282,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

(b) Reconciliation of (loss)/profit before taxation to cash generated from/(used in) operations:

	Note	2025 USD'000	2024 USD'000
(Loss)/profit before taxation		(5,235)	581
Adjustments for:			
Depreciation	5(c)	600	641
Amortisation cost of intangible assets	13	419	75
Finance costs	5(a)	2,010	6,004
Interest income	4	(472)	(480)
Loss/(gain) on disposal of right-of-use assets		4	(1)
Expected credit losses on trade receivables	25(a)	3,031	735
Increase in financial assets measured at FVPL		(126)	(98)
Net gain on disposal of a subsidiary	4	(1,004)	–
Changes in working capital:			
Decrease/(increase) in trade and other receivables		59,057	(25,506)
Increase in trade and other payables		36,917	56
Decrease in contract liabilities		(1,633)	(99)
Cash generated from/(used in) operations		93,568	(18,092)

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

17 Cash and cash equivalents and other cash flow information (Continued)

(c) Reconciliation of liabilities arising from financing activities

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

	Bank loans USD'000 (Note 20)	Lease liabilities USD'000 (Note 21)	Payable to the Disposed subsidiary USD'000 (Note 18)	Total USD'000
At 1 January 2025	102,558	395	–	102,953
Changes from financing cash flows:				
Proceeds from new bank loans	213,628	–	–	213,628
Repayment of bank loans and other payables in financing nature	(314,242)	–	(1)	(314,243)
Capital element of lease rentals paid	–	(559)	–	(559)
Interest element of lease rentals paid	–	(35)	–	(35)
Interest expense paid	(2,015)	–	–	(2,015)
Total changes from financing cash flows	(102,629)	(594)	(1)	(103,224)
Exchange adjustments	–	2	(1)	1
Other changes:				
Increase in lease liabilities from entering into new leases during the year	–	1,009	–	1,009
Early termination of lease contracts	–	(8)	–	(8)
Reclassification from bank loans to other payable to the Disposed subsidiary	(1,857)	–	1,857	–
Interest expenses (note 5(a))	1,928	35	47	2,010
Total other changes	71	1,036	1,904	3,011
At 31 December 2025	–	839	1,902	2,741

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

17 Cash and cash equivalents and other cash flow information (Continued)

(c) Reconciliation of liabilities arising from financing activities (Continued)

	Bank loans USD'000 (Note 20)	Lease liabilities USD'000 (Note 21)	Total USD'000
At 1 January 2024	61,022	848	61,870
Changes from financing cash flows:			
Proceeds from new bank loans	610,209	–	610,209
Repayment of bank loans	(568,766)	–	(568,766)
Capital element of lease rentals paid	–	(586)	(586)
Interest element of lease rentals paid	–	(28)	(28)
Interest expense paid	(5,883)	–	(5,883)
Total changes from financing cash flows	35,560	(614)	34,946
Exchange adjustments	–	(3)	(3)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	191	191
Lease modification	–	(31)	(31)
Early termination of lease contracts	–	(24)	(24)
Interest expenses (note 5(a))	5,976	28	6,004
Total other changes	5,976	164	6,140
At 31 December 2024	102,558	395	102,953

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

18 Trade and other payables

	2025 USD'000	2024 USD'000
Current		
Trade payables – third parties	217	128,459
VAT and other taxes payable	57	21
Payroll payable	147	265
Other payable to the Disposed subsidiary (note (a))	220	–
Other payables and accruals	701	287
	<u>1,342</u>	<u>129,032</u>
Non-Current		
Other payable to the Disposed subsidiary (note (a))	<u>1,682</u>	–
	<u>1,682</u>	–
Total	<u>3,024</u>	<u>129,032</u>

Except for the non-current portion of other payable to the Disposed subsidiary, all trade and other payables are expected to be settled within one year or are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

18 Trade and other payables (Continued)

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	2025 USD'000	2024 USD'000
Within 1 month	–	62,236
Over 1 month but within 3 months	217	66,223
	<u>217</u>	<u>128,459</u>

Note:

- (a) On the date of disposal (see note 4(a)), the Disposed subsidiary had outstanding bank loans of USD1,857,000. The Group and the Disposed subsidiary entered into an agreement that the Disposed subsidiary would assume responsibility for repaying the bank loans, and the Group would subsequently reimburse the Disposed subsidiary. Consequently, the Group recorded the payable to the Disposed subsidiary and derecognised bank loans of USD1,857,000 on the date of disposal. As of 31 December 2025, payable to the Disposed subsidiary amounted to USD1,902,000.

At 31 December 2025, the bank loans of USD1,809,000 held by the Disposed subsidiary were guaranteed by the Company and secured by a portion of financial assets measured at fair value through profit or loss (see note 15), which amounted to USD2,926,000.

The analysis of the repayment schedule of payable to the Disposed subsidiary is as follows:

	2025 USD'000	2024 USD'000
Within 1 year or on demand	220	–
After 1 year but within 2 years	129	–
After 2 years but within 5 years	114	–
After 5 years	1,439	–
Sub-total	<u>1,682</u>	–
Total	<u>1,902</u>	–

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

19 Contract liabilities

	2025 USD'000	2024 USD'000
Advanced payment received	<u>49</u>	<u>4,071</u>

Movements in contract liabilities

	2025 USD'000	2024 USD'000
Balance at 1 January	4,071	4,170
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(1,704)	(3,379)
Increase in contract liabilities as a result of billing in advance of sales	71	3,280
Decrease in contract liabilities as a result of disposal of a subsidiary	<u>(2,389)</u>	<u>–</u>
Balance at 31 December	<u>49</u>	<u>4,071</u>

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

20 Bank loans (Continued)

(b) Assets pledged as security and covenants for bank loans (Continued)

At 31 December 2024, bank loans of USD2,212,000 were guaranteed by the Company and secured by financial assets measured at fair value through profit or loss (see note 15).

At 31 December 2024, bank loans of USD42,474,000 were secured by trade receivables according to the factoring arrangements (see note 16).

At 31 December 2024, bank loans of USD57,872,000 were guaranteed by the Company and secured by trade receivables according to the factoring arrangements (see note 16).

All of the Group's banking facilities are subject to the fulfilment of covenants which are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 25(b). As at 31 December 2025, none of the covenants relating to draw-down banking facilities had been breached (31 December 2024: none).

21 Lease liabilities

At 31 December 2025, the lease liabilities were repayable as follows:

	2025 USD'000	2024 USD'000
Within 1 year or on demand	518	326
After 1 year but within 2 years	238	69
After 2 years but within 3 years	83	–
	<u>839</u>	<u>395</u>

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

22 Income tax in the consolidated statement of financial position (Continued)

(c) Deferred tax liabilities not recognised

The PRC Corporate Income Tax Law and its relevant regulations impose a withholding tax at 10%. The Group has not recognised deferred tax liabilities as at 31 December 2025 in respect of undistributed earnings of USD1,876,000 (31 December 2024: USD1,495,000) as the Company controls the dividend policy of the subsidiaries and it has been determined that these profits will not be distributed in the foreseeable future.

23 Company-level statement of financial position

	Note	2025 USD'000	2024 USD'000
Non-current assets			
Intangible assets		1,595	–
Investments in a subsidiary	14	– *	– *
		<u>1,595</u>	<u>– *</u>
Current assets			
Cash		86	24
Other receivables		26,041	18,609
		<u>26,127</u>	<u>18,633</u>
Current liabilities			
Other payables		10,295	7,458
		<u>10,295</u>	<u>7,458</u>
Net assets		<u>17,427</u>	<u>11,175</u>
CAPITAL AND RESERVES			
	24(d)		
Share capital		8,000	8,000
Reserves		9,427	3,175
TOTAL EQUITY		<u>17,427</u>	<u>11,175</u>

* The balance represents amount less than USD500.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

24 Capital, reserves and dividends (Continued)

(c) Share premium

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

(d) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital USD'000	Share premium USD'000	(Accumulated losses)/ retained profit USD'000	Total (deficit)/ equity USD'000
Balance at 1 January 2024	8,000	7,953	(4,380)	11,573
Changes in equity for 2024:				
Loss for the year	–	–	(398)	(398)
Balance at 31 December 2024 and 1 January 2025	8,000	7,953	(4,778)	11,175
Changes in equity for 2025:				
Profit for the year	–	–	6,252	6,252
Balance at 31 December 2025	8,000	7,953	1,474	17,427

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

25 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

	2024		
	Expected loss rate %	Gross carrying amount USD'000	Loss allowance USD'000
Not overdue	0.13%	183,909	238
Within 1 year	2.86%	29,414	842
More than 1 year but within 2 years	9.09%	7,688	699
More than 2 years	63.56%	3,123	1,985
Subtotal		224,134	3,764
Individual provision	75.29%	4,800	3,614
		228,934	7,378

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

	2025 USD'000	2024 USD'000
Balance at 1 January	7,378	6,643
Expected credit losses recognised during the year	3,031	735
Decrease resulting from the disposal of a subsidiary	(10,388)	–
Balance at 31 December	21	7,378

Other receivables

In determining the ECL for other receivables, the management of the Group has taken into account the historical default experience and forward-looking information, as appropriate. The management of the Group has assessed that other receivables have not had a significant increase in credit risk since initial recognition and risk of default is insignificant, and therefore, no provision for impairment of other receivables is considered necessary by management for the year ended 31 December 2025 and 2024.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

25 Financial risk management and fair values (Continued)

(c) Interest rate risk

(i) Interest rate risk profile

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from bank loans issued at fixed rates and variable rates, and lease liabilities that expose the Group to cash flow interest rate risk.

The following table details the interest rate profile of the Group's bank loans at the end of the reporting period:

	Notional amount	
	2025 USD'000	2024 USD'000
Fixed rate liabilities:		
Lease liabilities	839	395
Bank loans	–	42,474
	839	42,869
Variable rate liabilities:		
Bank loans	–	59,992
Other payable to the Disposed subsidiary	1,804	–
Net exposure	1,804	59,992

(ii) Sensitivity analysis

At 31 December 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's loss after tax and decreased/increased the Group's retained profits by approximately USD15,000 (2024: USD501,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit/loss after tax and retained profits that would arise assuming that the change in interest rates had occurred at the end of each reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of each reporting period, the impact on the Group's profit/loss after tax and retained profits is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis as 2024.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

25 Financial risk management and fair values (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets measured at fair value (Continued)

Fair value hierarchy (Continued)

The following table presents the Group's financial assets that are measured at fair value at the end of each reporting period:

	Fair value at 31 December 2025 USD'000	Fair value measurements as at 31 December 2025 categorised into		
		Level 1	Level 2	Level 3
		USD'000	USD'000	USD'000
Recurring fair value measurement				
Financial assets measured at fair value through profit or loss:				
Deposit component of the insurance contracts	4,753	-	-	4,753

	Fair value at 31 December 2024 USD'000	Fair value measurements as at 31 December 2024 categorised into		
		Level 1	Level 2	Level 3
		USD'000	USD'000	USD'000
Recurring fair value measurement				
Financial assets measured at fair value through profit or loss:				
Deposit component of the insurance contracts	4,627	-	-	4,627

During the years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

25 Financial risk management and fair values (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets measured at fair value (Continued)

Information about Level 3 fair value measurements

The fair value of the deposit component of the insurance contracts was measured based on the statements provided by the insurance company.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	2025 USD'000	2024 USD'000
As at 1 January	4,627	2,765
Purchase of financial assets measured at fair value through profit or loss	–	1,764
Changes in fair value recognised in profit or loss during the year	211	157
Used for monthly insurance fee charged	(85)	(59)
As at 31 December	<u>4,753</u>	<u>4,627</u>

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

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2025 and 2024 because of the short-term maturities of all these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

26 Material related party transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

	2025 USD'000	2024 USD'000
Salaries, allowances and benefits	799	786
Retirement scheme contributions	48	43
Short-term employee benefits	847	829

Total remuneration is included in "staff costs" (see note 5(b)).

(b) Related parties transactions

During the years ended 31 December 2025 and 2024, the Group did not have material transactions or outstanding balances with related parties.

27 Immediate and ultimate controlling party

At 31 December 2025, the directors consider the immediate parent of the Group to be Common Excellence International Group Limited which is incorporated in BVI and does not produce financial statements available for public use, and the ultimate controlling party of the Company to be Mr. Li and Ms. Yu.

FIVE-YEAR FINANCIAL SUMMARY

CONSOLIDATED RESULTS

	Year ended December 31,				2025 USD'000
	2021 USD'000	2022 USD'000	2023 USD'000	2024 USD'000	
Revenue	14,346	16,429	21,504	13,457	4,657
Profit/(loss) before taxation	6,861	6,411	8,458	581	(5,235)
Income tax	(1,086)	(917)	(1,273)	(37)	697
Profit/(loss) for the year	5,775	5,494	7,185	544	(4,538)
Other comprehensive income for the year (after tax)					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of financial information of entities not using USD as functional currency	20	(40)	77	33	3
Other comprehensive income for the year	<u>20</u>	<u>(40)</u>	<u>77</u>	<u>33</u>	<u>3</u>
Total comprehensive income/(loss) for the year attributable to equity shareholders of the Company	<u>5,795</u>	<u>5,454</u>	<u>7,262</u>	<u>577</u>	<u>(4,535)</u>

CONSOLIDATED ASSETS AND LIABILITIES

	As at December 31,				2025 USD'000
	2021 USD'000	2022 USD'000	2023 USD'000	2024 USD'000	
Assets					
Total non-current assets	2,767	2,777	5,821	8,177	7,540
Total current assets	147,731	137,261	219,416	257,987	21,947
Total assets	150,498	140,038	225,237	266,164	29,487
Liabilities					
Total current liabilities	141,101	133,179	194,698	234,080	1,924
Total non-current liabilities	738	546	1,021	1,989	2,003
Total liabilities	141,839	133,725	195,719	236,069	3,927
Net assets	<u>8,659</u>	<u>6,313</u>	<u>29,518</u>	<u>30,095</u>	<u>25,560</u>
Total equity	<u>8,659</u>	<u>6,313</u>	<u>29,518</u>	<u>30,095</u>	<u>25,560</u>

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“Able Best”	Able Best Investment Group Limited (佳成投資集團有限公司), a company with limited liability incorporated under the laws of BVI on July 8, 2019 and a direct wholly-owned subsidiary of our Company
“affiliates”	with respect to any person, any other person, directly or indirectly, controlling, controlled by or under common control with such person
“Articles” or “Articles of Association”	the amended and restated articles of association of our Company, as amended, supplemented or restated from time to time
“Audit Committee”	the audit committee under the Board
“Beijing Dingli”	Beijing Dingli Information Technology Co., Ltd.* (北京鼎勵信息技術有限公司), a limited liability company incorporated under the laws of the PRC on December 12, 2018 and an indirect wholly-owned subsidiary of our Company
“Beijing Yingli”	Beijing Yingli Information Consulting Co., Ltd.* (北京贏力信息諮詢有限公司), a limited liability company incorporated under the laws of the PRC on December 9, 2021 and an indirectly wholly-owned subsidiary of our Company
“Board”	board of directors of our Company
“BVI”	the British Virgin Islands
“CG Code”	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules
“China”, “Chinese Mainland” or “PRC”	the People’s Republic of China, but for the purposes of this annual report and for geographical reference only (unless otherwise indicated), excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Common Excellence”	Common Excellence International Group Limited, a company with limited liability incorporated under the laws of BVI on October 27, 2021 and one of our Controlling Shareholders
“Companies Act”	the Companies Act (As Revised) of the Cayman Islands (Chapter 22, Law 3 of 1961), as consolidated and revised from time to time

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“Company” or “we” or “our Company”	Powerwin Tech Group Limited (力盟科技集團有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on June 7, 2019
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and, with respect to our Company, refers to any of Mr. Li, Ms. Yu, Lucky Linkage, Total Best, Wealth Express, Total Mice, Common Excellence, Honest Beauty and Into One
“COVID-19”	coronavirus disease 2019, a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2 virus)
“Director”	a director of our Company
“Global Offering”	the Hong Kong Public Offer and the International Placing (as defined in the Prospectus)
“GMV”	gross merchandise volume, the total value of merchandise sold through an e-commerce platform over a given period of time
“Group”, “our Group”, “we”, “our” or “us”	our Company and, where appropriate, its subsidiaries or, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors, as the case may be
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
HKFRS Accounting Standards	Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, amendments and the related interpretations issued by the Hong Kong Institute of Certified Public Accountants
“Honest Beauty”	Honest Beauty International Group Company Limited, a company with limited liability incorporated under the laws of BVI on September 1, 2021 and one of our Controlling Shareholders
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Imperial Trust”	the family trust established by Mr. Li as settlor and constituted by the trust deed dated January 4, 2022 and entered into between Mr. Li and the Trustee pursuant to the Reorganization

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“Into One”	Into One International Group Limited, a company with limited liability incorporated under the laws of BVI on October 27, 2021 and one of our Controlling Shareholders
“KOC”	key opinion consumer
“KOL”	key opinion leader
“KPI”	key performance indicator, which, in the context of digital marketing, means the indicator that reflects the effectiveness and performance of the marketing campaign such as the number of clicks, impressions, new installations, downloads, sign-ups or sales
“Listing Date”	the date on which our Shares are listed and Shares first commence dealing on the Main Board of the Stock Exchange, being March 31, 2023
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Lucky Linkage”	Lucky Linkage International Holdings Limited (福聯國際控股有限公司), a company with limited liability incorporated under the laws of BVI on September 18, 2018 and one of our Controlling Shareholders
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“marketer”	any person, company or organization which markets its brand(s), product(s) and service(s) through marketing campaigns or advertisements
“media publisher”	a media platform operator such as social media, search engines, news or web portals operator which provides ad inventories for marketers to launch online marketing campaigns
“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of our Company, as amended, supplemented or restated from time to time
“Memorandum and Articles of Association”	collectively, the Memorandum of Association and the Articles of Association

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
“Mr. Li”	Mr. Li Xiang, chairman of the Board, an executive Director and the chief executive officer of our Company, and one of our Controlling Shareholders
“Ms. Yu”	Ms. Yu Lu, an executive Director and the deputy chief operating officer of our Company, and one of our Controlling Shareholders
“Nomination Committee”	the nomination committee under the Board
“Powerwin E-commerce”	Powerwin E-commerce Group Limited (力盟跨境電商集團有限公司), a company with limited liability incorporated under the laws of Hong Kong on November 9, 2021 and an indirect wholly-owned subsidiary of our Company
“Powerwin Shenzhen”	Powerwin Media (Shenzhen) Co., Ltd.* (力盟傳媒(深圳)有限公司), a limited liability company incorporated under the laws of the PRC on July 9, 2018 and an indirect wholly-owned subsidiary of our Company
“Prospectus”	the prospectus of our Company dated March 21, 2023 in connection with the Hong Kong public offering of our Company
“Remuneration Committee”	the remuneration committee under the Board
“Renminbi” or “RMB”	the lawful currency of the PRC
“Reporting Period”	the year ended December 31, 2025
“RPA”	robotic process automation
“SaaS”	software as a service, a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of US\$0.01 each

