



Impression Dahongpao Co., Ltd.

印象大红袍股份有限公司

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

Stock Code : 2695

2025

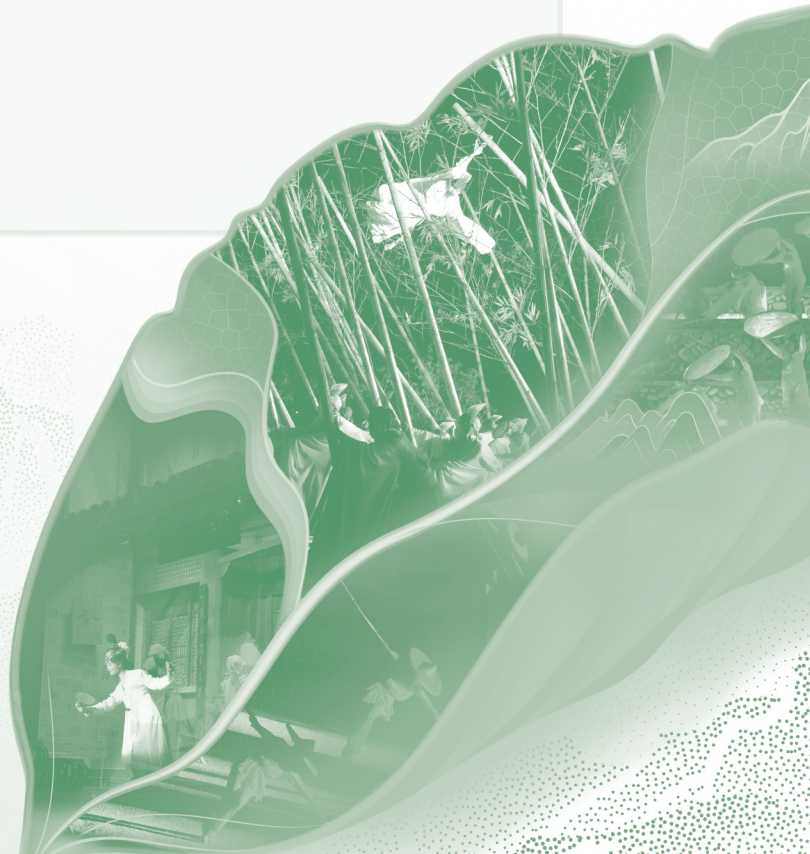
ANNUAL REPORT





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Definitions

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

“Articles of Association”	the amended and restated articles of association of our Company, which was adopted on 26 December 2024 and with effect from the Listing Date, as amended, supplemented or restated from time to time
“Audit Committee”	the audit committee of the Company
“Beijing Impression Landscape”	Beijing Impression Landscape Culture and Art Co., Ltd. (北京印象山水文化藝術有限公司), a limited liability company established under the laws of the PRC on 3 July 2008, a wholly-owned subsidiary of Impression Art Development
“Board” or “our Board”	the board of directors of our Company
“Company” or “our Company”	Impression Dahongpao Co., Ltd. (印象大紅袍股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (stock code: 2695)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mount Wuyi Cultural Tourism, Fujian Mount Wuyi Cultural Tourism Group, Mount Wuyi SAOSC, Mount Wuyi Tourism Resort Development, Mount Wuyi Jianfa and Fujian Mount Wuyi Chong’an, Fujian Wuyi Tourism Group, Nanping Industrial and Nanping Wuyi Development and Nanping SASAC
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Cultural Tourism Company”	Wuyishan Impression Dahongpao Cultural Tourism Co., Ltd. (武夷山印象大紅袍文化旅遊有限公司), a wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“Fujian Mount Wuyi Chong’an”	Fujian Mount Wuyi Chong’an Construction Group Co., Ltd. (福建武夷山崇安建設集團有限公司), a limited liability company established under the laws of the PRC on 27 December 2021, being one of our Controlling Shareholders
“Fujian Mount Wuyi Cultural Tourism Group”	Fujian Mount Wuyi Cultural Tourism Group Co., Ltd. (福建武夷山文旅集團有限公司), a limited liability company established under the laws of the PRC on 29 October 1998, formerly known as Mount Wuyi Tourism (Group) Co., Ltd. (武夷山旅遊(集團)有限公司), being one of our Controlling Shareholders
“Fujian Wuyi Tourism Group”	Fujian Wuyi Tourism Group Co., Ltd. (福建武夷旅遊集團有限公司), a limited liability company established under the laws of the PRC on 25 December 2007, formerly known as Nanping Development Group Co., Ltd. (南平發展集團有限公司)
“Global Offering”	the global offering of the H Shares in connection with the Listing

Definitions

“Group”, “our Group”, “we” or “us”	our Company, our subsidiaries and the legal entities whose financial results had been consolidated to our consolidated financial statements
“H Share(s)”	overseas listed foreign share(s) in our ordinary share capital with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and are listed on the Stock Exchange
“HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Impression — Dahongpao Scenery Show”	a large-scale outdoor cultural tourism performance named as Impression — Dahongpao Scenery Show 《(印象大紅袍) 山水實景演出》, which is part of the Impression series
“Impression Art Development”	Impression Art Development Co., Ltd. (觀印象藝術發展有限公司), a limited liability company established under the laws of the PRC on 10 March 2006, formerly known as Beijing Impression Innovation Art Development Co., Ltd. (北京印象創新藝術發展有限公司), being an indirect wholly-owned subsidiary of Sanxiang Impression
“Impression Dahongpao International Travel Agency”	Mount Wuyi Impression Dahongpao International Travel Agency Co., Ltd. (武夷山印象大紅袍國際旅行社有限公司), a limited liability company established under the laws of the PRC on 26 March 2014, being one of our connected persons
“Listing”	the listing of the H Shares on the Main Board
“Listing Date”	22 December 2025, on which the H Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of the Listed Issuers as set out in Appendix C3 to the Listing Rules
“Moonlight over Mount Wuyi”	an indoor cultural tourism performance named as Moonlight over Mount Wuyi (《月映武夷》), the debut of which took place on 17 April 2025 in Mount Wuyi, and premiere of the show to the public took place on 1 May 2025
“Moonlight Wuyi”	Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd. (福建省月映武夷文化旅遊有限公司), a subsidiary of the Group established in September 2024
“Mount Wuyi China International Travel Agency”	Mount Wuyi China International Travel Agency Co., Ltd. (武夷山中國國際旅行社有限公司), a limited liability company established under the laws of the PRC on 22 September 2000, being one of our connected persons

Definitions

“Mount Wuyi Cultural Tourism”	Mount Wuyi Cultural Tourism Co., Ltd. (武夷山文化旅遊有限公司), a limited liability company established under the laws of the PRC on 15 May 2020, being one of our Controlling Shareholders
“Mount Wuyi Jianfa”	Mount Wuyi City Jianfa Construction Engineering Co., Ltd. (武夷山市建發建築工程有限公司), a limited liability company established under the laws of the PRC on 1 April 2002, being one of our Controlling Shareholders
“Mount Wuyi SAOSC”	Mount Wuyi State-owned Assets Operation Service Centre (武夷山市國有資產運營服務中心), a public institution (事業單位) under the supervision of Mount Wuyi State-owned Assets Supervision and Administration Commission (武夷山市國有資產管理委員會)
“Mount Wuyi Travel Agency”	Fujian Province Mount Wuyi Travel Agency Co., Ltd. (福建省武夷山旅行社有限公司), a limited liability company established under the laws of the PRC on 28 September 1990, being one of our connected persons
“Mount Wuyi Travel Development”	Fujian Mount Wuyi Travel Development Co., Ltd. (福建武夷山旅遊發展股份有限公司), joint stock company established under the laws of the PRC on 13 December 1999
“Mount Wuyi Tourism Resort Development”	Mount Wuyi Tourism Resort Development Co., Ltd. (武夷山旅遊度假產業開發有限責任公司), a limited liability company established under the laws of the PRC on 12 September 2008, being one of our Controlling Shareholders
“Nanping Industrial”	Nanping Industrial Group Co., Ltd. (南平實業集團有限公司), a limited liability company established under the laws of the PRC on 6 March 1998, formerly known as Fujian Province Nanping City State-owned Assets Investment and Operation Co., Ltd. (福建省南平市國有資產投資經營有限公司)
“Nanping SASAC”	Nanping State-owned Assets Supervision and Administration Commission (南平市國有資產管理委員會)
“Nanping Wuyi Development”	Nanping Wuyi Development Group Co., Ltd. (南平武夷發展集團有限公司), a limited liability company established under the laws of the PRC on 9 January 2017, formerly known as Nanping City Asset Investment and Operation Management Co., Ltd. (南平市資產投資運營管理有限公司)
“NEEQ”	National Equities Exchange and Quotations
“Nomination Committee”	the nomination committee of the Company
“PRC” or “China”	the People’s Republic of China, excluding for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time

Definitions

“Prospectus”	the prospectus of the Company dated 12 December 2025
“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	the year ended 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Sanxiang Impression”	Sanxiang Impression Co., Ltd. (三湘印象股份有限公司), a joint stock company established under the laws of the PRC on 20 January 1994, formerly known as Shenzhen Huguang Modern Business Co., Ltd. (深圳和光現代商務股份有限公司) and Sanxiang Co., Ltd. (三湘股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (000863.SZ)
“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 capital of our Company, with a nominal value of RMB1.00 each, comprising our Unlisted Shares and our H Shares
“Shareholder(s)”	holder(s) of Shares
“Shareholders’ Meeting”	the Company’s Shareholders’ Meeting
“Stock Exchange” or “Hong Kong Stock Exchange”	the Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Thai Natural”	Fuzhou Thai Natural Wellbeing Management Group Ltd. (福州泰自然健康管理集團有限公司), an independent third party of the Group
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“Unlisted Shares”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange but quoted on NEEQ (stock code: 870608)
“Yifeng Travel Agency”	Fujian Mount Wuyi Yifeng Travel Agency Co., Ltd. (福建武夷山夷峰旅行社有限公司), a limited liability company established under the laws of the PRC on 23 January 2018, being one of our connected persons
“%”	per cent

Certain amounts and percentage figures included in this annual report have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.



Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Zheng Bin

Non-executive Directors

Mr. Zhong Baiyi (*Chairman*)

Ms. Xiao Jianhong

Mr. Zheng Feng

Ms. Xu Zhoumei

Independent Non-executive Directors

Mr. He Shuqi

Mr. Liu Yongquan

Mr. Chan Tsz Kit

AUDIT COMMITTEE

Mr. Chan Tsz Kit (*Chairman*)

(re-designated from a member to the chairman on 6 February 2026)

Ms. Xu Zhoumei

(appointed on 6 February 2026)

Mr. Liu Yongquan

(re-designated from the chairman to a member on 6 February 2026)

Mr. Zheng Feng

(ceased to be a member on 6 February 2026)

NOMINATION COMMITTEE

Mr. He Shuqi (*Chairman*)

Mr. Liu Yongquan

Ms. Xu Zhoumei

REMUNERATION COMMITTEE

Mr. He Shuqi (*Chairman*)

Mr. Zheng Bin

Mr. Liu Yongquan

STRATEGY COMMITTEE

Mr. Zhong Baiyi (*Chairman*)

Mr. He Shuqi

Mr. Liu Yongquan

COMPLIANCE ADVISER

Gram Capital Limited

Room 1209

12/F, Nan Fung Tower

88 Connaught Road Central

173 Des Voeux Road Central

Central

Hong Kong

JOINT COMPANY SECRETARIES

Ms. Huang Jinjing

Mr. CHUNG Ming Fai

AUTHORIZED REPRESENTATIVES

Mr. Zheng Bin

Mr. CHUNG Ming Fai

AUDITOR

Grant Thornton Zhitong Certified Public Accountants LLP

Registered Public Interest Entity Auditor

5th Floor, Scitech Tower

22 Jianguomen Wai Avenue

Chaoyang District

Beijing

PRC

LEGAL ADVISERS

As to Hong Kong laws

Eric Chow & Co. in Association with

Commerce & Finance Law Offices

3401, Alexandra House

18 Chater Road

Central

Hong Kong

As to PRC laws

Allbright Law Offices (Fuzhou)

37/F, International Finance Center

1 Wanglong 2nd Avenue

Taijiang District

Fuzhou

Fujian Province

PRC

PRINCIPAL BANK

Agricultural Bank of China, Mount Wuyi Branch
275 Zhongshan Road
Mount Wuyi City
Fujian Province
PRC

HEADQUARTERS

Impression Villa (Yinxiang Bieyuan)
62 Sangu Street, Resort Area
Mount Wuyi City
Fujian Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wan Chai
Hong Kong

H SHARE REGISTRAR

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

COMPANY WEBSITE

<https://www.yxdhp.com.cn/>

STOCK CODE

2695

Financial Highlights

A summary of key financial figures of the Group for the last five financial years is set out below:

RESULTS

	For the year ended 31 December				
	2025 (Audited) RMB	2024 (Audited) RMB	2023 (Audited) RMB	2022 (Audited) RMB	2021 (Audited) RMB
Revenue	150,919,253.58	141,326,466.53	143,127,139.64	60,856,905.33	59,294,157.55
Operating profit	39,810,835.27	60,678,999.94	63,273,427.34	309,650.83	1,270,333.23
Total profit before tax	39,768,069.86	61,283,710.08	63,165,755.41	343,764.66	758,547.23
Net profit	28,286,123.79	45,176,396.84	47,982,685.74	(4,690,432.52)	(922,889.56)
Net profit attributable to shareholders of the listed company	35,385,848.03	45,226,486.00	47,982,685.74	(4,690,432.52)	(922,889.56)
Net profit excluding extraordinary items attributable to shareholders of the listed company	34,813,256.21	42,813,214.57	47,249,411.15	(5,292,502.36)	(2,154,544.21)
Basic earnings per share (RMB/share)	0.33	0.42	0.44	(0.04)	(0.01)

ASSETS AND LIABILITIES

	As of 31 December				
	2025 (Audited) RMB	2024 (Audited) RMB	2023 (Audited) RMB	2022 (Audited) RMB	2021 (Audited) RMB
Current assets	207,093,693.23	114,400,463.68	95,628,199.98	32,914,505.18	45,533,905.64
Non-current assets	305,644,300.59	198,894,150.23	202,273,273.69	215,036,332.89	208,966,962.19
Total assets	518,424,501.38	313,294,613.91	297,901,473.67	247,950,838.07	254,500,867.83
Current liabilities	57,502,537.99	25,738,485.76	19,261,490.40	12,850,866.89	18,079,113.95
Non-current liabilities	85,771,137.35	31,636,868.71	47,476,120.67	51,918,794.32	48,911,082.26
Total liabilities	143,273,675.34	57,375,354.47	66,737,611.07	64,769,661.21	66,990,196.21
Total owners' equity	375,150,826.00	255,919,259.44	231,163,862.60	183,181,176.86	187,510,671.62
Total liabilities and owners' equity	518,424,501.38	313,294,613.91	297,901,473.67	247,950,838.07	254,500,867.83



Chairman's Statement

Dear Shareholders,

On behalf of the Board of Impression Dahongpao Co., Ltd. (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (the "Group") for the year ended 31 December 2025.

The year 2025 was a landmark year for the Group. On 22 December 2025, the Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited with stock code 02695.HK. As the first cultural tourism listed company in Fujian Province, the Group will leverage Hong Kong's status as an international financial centre to actively integrate into the national development strategy of integrating culture and tourism, striving to become a leader in China's cultural tourism performance industry.

The Group's core business is the large-scale Impression - Dahongpao Scenery Show (《印象大紅袍》山水實景演出). This performance, themed around the tea culture of Mount Wuyi and featuring a 360-degree rotating audience auditorium, is a benchmark work in China's cultural tourism performance industry. To optimise our business structure and broaden our revenue channels, the Group strategically invested in and commenced operations of a new cultural tourism performance project, "Moonlight over Mount Wuyi", in September 2024. This show officially premiered in May 2025. Beyond our core performance business, the Group is actively extending its industry chain by steadily advancing our "Chatang Hotel" (茶湯酒店) and "Impression Cultural Tourism Town" (印象文旅小鎮) businesses. Centered around Impression - Dahongpao Scenery Show, we aim to integrate tea culture experiences, themed accommodations, cultural and creative commerce, and the night-time economy to create an immersive cultural tourism complex.

In 2025, China's cultural tourism performance market continued its positive trajectory and the inbound tourism market also saw sustained recovery. The integration of culture and tourism is increasingly becoming a key pillar for stimulating market vitality and enriching consumption formats, with immersive, emotional and interactive experiences set to become the core competitiveness attracting tourists. The Group will actively seize the opportunities presented by industry developments and continue to solidify our leading position in China's cultural tourism performance market.

The Group always adheres to high standards of corporate governance and strictly complies with the relevant requirements of the Listing Rules. Regarding environmental, social and governance (ESG) matters, the Group has established and improved its ESG management system in accordance with the disclosure requirements of the Stock Exchange's Environmental, Social and Governance Reporting Code. The Group firmly believes that sound corporate governance and sustainable development principles are fundamental to achieving long-term value creation.



Chairman's Statement

Looking ahead, the Group will continue to advance its “one core, multiple growth drivers” development strategy. First, we will continuously upgrade our signature show Impression – Dahongpao Scenery Show, deepening the role of technology to enhance the viewing experience and consolidate our core competitiveness. Second, we will actively expand our Impression Cultural Tourism Town and Chatang Hotel businesses, extending our industry chain and diversifying our revenue streams. Third, we will seize appropriate opportunities to acquire new cultural tourism performance projects, optimising our business structure and cultivating new profit growth points. Fourth, we will fully utilise the Hong Kong listing platform to strengthen brand building and marketing, enhancing our international influence.

On behalf of the Board, I would like to express our sincere gratitude to government departments at all levels for their thoughtful guidance and immense support, to our Shareholders for their trust and understanding, and to the management team and all employees for their hard work and dedication. Looking ahead to the first year of the “15th Five-Year Plan” period, the Group will remain true to our original aspiration of “sharing the taste of Wuyi with the world”, deeply cultivate the cultural tourism performance industry and strive for innovation, aiming to deliver superior returns to our Shareholders and serve society with outstanding performance.

Mr. Zhong Baiyi

Chairman of the Board

Impression Dahongpao Co., Ltd.

Management Discussion and Analysis

BUSINESS REVIEW

We are a state-owned cultural tourism service provider headquartered in Mount Wuyi, Fujian Province. Our business comprise of three main business segments: (i) shows and performance services; (ii) Impression Cultural Tourism Town business; and (iii) Chatang Hotel business.

In 2025, the Group recorded total revenue of RMB150.92 million, representing a year-on-year growth of 6.79%; gross profit of RMB71.30 million, representing a year-on-year decrease of 10.88%; during the year ended 31 December 2025, the Group recorded profit attributed to the equity owner of the Company of approximately RMB35.39 million, representing a decrease of 21.8% compared to the corresponding period of 2024. The Group recorded positive operating cash inflow of RMB47.01 million, which was in good condition.

Shows and Performance Services

Our shows and performance services segment comprises three main offerings: (i) our signature show, the Impression-Dahongpao Scenery Show (《印象大紅袍》山水實景演出); (ii) our new show Moonlight over Mount Wuyi (《月映武夷》) which was launched in May 2025; and (iii) the provision of customised performances for corporate customers, which typically engaged us to perform at their special corporate events, such as team-building activities and annual meetings. In 2025, we generated revenue from shows and performance services of RMB142.21 million, representing a year-on-year growth of 9.54%.

Impression Cultural Tourism Town

We have been strategically developing our Impression Cultural Tourism Town (印象文旅小鎮). Our Impression Cultural Tourism Town primarily consists of the 4A-rated Scenic Wuyi Tea Park (武夷茶博園4A級景區), Impression Jianzhou Food-themed Street (印象建州美食主題街區) and Wuyi Rock Tea Research Society (武夷茶研習社), as well as other tourist and entertainment venues, providing travellers with additional leisure options. In 2025, we generated revenue from Impression Cultural Tourism Town of RMB3.13 million, representing a year-on-year decrease of 48.09%.

Chatang Hotel

We have expanded our business to include a Chatang (茶湯) hotel within the national tourist resort area of Mount Wuyi. Differentiating itself from traditional hotel accommodations, our Chatang hotel features a bespoke style by offering butler service to hotel guests. Our Chatang hotel features 50 well-furnished guest rooms with distinctive styles, each of which is decorated with traditional Chinese elements, showcasing natural garden aesthetics. In 2025, we generated revenue from Chatang hotel of RMB3.69 million, representing a year-on-year decrease of 14.75%.

BUSINESS OUTLOOK

Leveraging the proceeds as a driving force, the Company will continue to strengthen its core IP competitiveness while reinforcing its solid foundation in daily operations, to drive the iterative upgrade of its show quality. It will accelerate the deployment of its diversified businesses, with a strategic focus on the innovative development of the Impression Cultural Tourism Town. The Company will actively pursue the replication of its business model in new markets, extending its proven operational management model to broader markets in order to forge new growth drivers. By strengthening operational support, it will continuously enhance operational efficiency and the visitor experience, achieving an organic integration of short-term stability and long-term development.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The following table sets forth the breakdown of our revenue by business line for the years indicated:

	For the year ended 31 December			
	2025 (RMB)	% of total revenue	2024 (RMB)	% of total revenue
Shows and Performance Services	142,214,036.99	94.23%	129,826,329.90	91.86%
Impression Cultural Tourism				
Town Business	3,132,406.84	2.08%	6,033,985.30	4.27%
Chatang Hotel Business	3,686,943.01	2.44%	4,324,781.95	3.06%
Others	1,885,866.74	1.25%	1,141,369.38	0.81%
Total	150,919,253.58	100.0%	141,326,466.53	100.0%

Revenue from Shows and Performance Services

During the Reporting Period, revenue generated from our shows and performance services represented mainly the ticket sales fees of our shows recognised through our dual ticket sales channels, consisting of (i) ticket selling distributors who conducted onward sales of tickets, and (ii) audience who directly purchased show tickets for our shows directly from us through our ticket selling points. To a lesser extent, we also generated revenue from enterprises which requested for customised performances. For the year ended 31 December 2025, our revenue from shows and performance services was RMB142.21 million, representing an increase of 9.54% from RMB129.83 million for the year ended 31 December 2024. The increase was primarily due to an additional shows income of RMB11.81 million from Moonlight Wuyi.

Revenue from Impression Cultural Tourism Town Business

During the Reporting Period, revenue generated from Impression Cultural Tourism Town business mainly consisted of (i) income from Impression Jianzhou Food-themed Street, (ii) fixed lease income from the operations of the vendors who rented our premises in our Impression Cultural Tourism Town to conduct their businesses, and (iii) admission fees from visitors to our Wuyi Rock Tea Research Society. Other revenue for this business segment included parking fees charged from travellers to Mount Wuyi. For the year ended 31 December 2025, our revenue from the Impression Cultural Tourism Town business was RMB3.13 million, representing a decrease of 48.09% from RMB6.03 million for the year ended 31 December 2024, because the provision of RMB3.11 million was recognised in 2024 for the minimum guaranteed revenue from the business of Impression Jianzhou Food-themed Street for the years 2021 to 2023.

Revenue from Chatang Hotel Business

During the Reporting Period, revenue generated from Chatang Hotel business represented the accommodation fees from room nights sold, fees from catering, Chatang and ancillary services including sales income from dining services, Chatang tickets sold and other hotel related services provided. For the year ended 31 December 2025, our revenue from Chatang Hotel business was RMB3.69 million, representing a decrease of 14.75% from RMB4.32 million for the year ended 31 December 2024. The decrease was primarily due to the start of second-phase cooperation between the Group and Thai Natural in 2025. According to the arrangements, the management fee paid to Thai Natural was decreased, and the profit-sharing ratio was adjusted correspondingly. The proportion of revenue from tickets and accommodation (guest rooms) for Chatang was raised from 30% to 50%, while decreasing from 70% to 50% for Thai Natural; other revenue for Chatang was raised from 15% to 50%, while decreasing from 85% to 50% for Thai Natural. After adjusting to the proportion of revenue, sales income has decreased whilst profits remain the same.

Cost Of Sales

The following table sets out a breakdown of our cost of sales by nature in absolute amounts and as percentages of our cost of sales for the years indicated:

	For the year ended 31 December			
	2025		2024	
	(RMB'000)	% of total cost of sales	(RMB'000)	% of total cost of sales
Cost of sales for shows and performance services	68,397.82	85.90%	49,373.96	80.51%
Cost of sales for Impression Cultural Tourism Town business	1,798.58	2.26%	2,063.99	3.37%
Cost of sales for Chatang Hotel business	8,937.21	11.22%	9,727.60	15.86%
Others	489.19	0.62%	164.56	0.26%
Total	79,622.80	100.00%	61,330.11	100.00%

Our cost of sales primarily consisted of the cost of sales for shows and performance services and increased to RMB79.62 million for the year ended 31 December 2025, compared with RMB61.33 million for the year ended 31 December 2024. The increase was primarily due to the additional operating costs of RMB17.41 million from Moonlight Wuyi.

Management Discussion and Analysis

GROSS PROFIT AND GROSS PROFIT MARGIN

The following table sets forth our gross profit and gross profit margin by business line for the years indicated:

	For the year ended 31 December			
	2025		2024	
	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)
Shows and Performance Services	73,816.22	51.91%	80,452.37	61.97%
Impression Cultural Tourism				
Town Business	1,333.83	42.58%	3,970.00	65.79%
Chatang Hotel Business	(5,250.27)	(142.40%)	(5,402.82)	(124.93%)
Others	1,396.68	74.06%	976.81	85.58%
Total	71,296.46	47.24%	79,996.35	56.60%

For the year ended 31 December 2025, the gross profit of the Group decreased by 10.87% to RMB71.30 million, compared with RMB80.00 million for the year ended 31 December 2024, which was primarily attributable to the additional income of RMB11.81 million from Moonlight Wuyi and the growth in operating costs of RMB17.41 million, leading to a reduction in gross profits of RMB5.60 million. In addition, the provision of RMB3.11 million was recognised in 2024 for the minimum guaranteed revenue from the business of Impression Jianzhou Food-themed Street for the years 2021 to 2023, leading to a reduction in gross profits of RMB2.91 million in 2025. The gross profit margin of the Group decreased to approximately 47.24% for the year ended 31 December 2025 from 56.60% for the year ended 31 December 2024. Gross profit has fallen, and the gross profit margin also declined correspondingly.

Selling expenses

The selling expenses primarily comprise advertising and promotional costs, depreciation and amortization, and employee benefits. For the year ended 31 December 2025, our selling expenses increased to RMB10.37 million, compared with RMB7.72 million for the year ended 31 December 2024, primarily due to the selling expenses of RMB2.74 million incurred from the opening of Moonlight Wuyi.

Administrative expenses

The administrative expenses primarily comprise employee benefits, consultancy fees, depreciation and amortisation, vehicle operating costs, office expenses and organization costs. For the year ended 31 December 2025, our administrative expenses increased to RMB17.13 million, compared with RMB10.60 million for the year ended 31 December 2024. The increase was primarily due to a year-on-year increase of 61.61% or RMB6.53 million in administrative expenses, mainly attributable to the organization costs of RMB4.22 million incurred from the opening of Moonlight Wuyi.

Finance expenses

The finance expenses primarily comprise credit card handling fees, bank transfer charges, exchange losses, and the amortisation of unrecognised finance costs in respect of operating rights. For the year ended 31 December 2025, our finance expenses increased to RMB3.34 million, compared with RMB2.28 million for the year ended 31 December 2024. The increase was primarily attributable to interest expenses of RMB1.82 million calculated using the effective interest method on lease liabilities arising from the recognition of right-of-use assets for Moonlight Wuyi, which were recorded as finance costs, and an increase in finance expenses of RMB0.52 million due to exchange losses generated from the fund-raising activity of the Group in Hong Kong. In addition, the Impression Cultural Tourism halved the operation rights of the Tea Expo Park in 2025, resulting in the reassessment of lease liabilities. Therefore, the operation rights assets decreased by RMB1.09 million compared with 2024, and the finance expenses also decreased.

Credit impairment losses

The credit impairment losses primarily comprise bad debt provisions for trade and other receivables by ageing. For the year ended 31 December 2025, our credit impairment losses increased to RMB0.37 million, compared with RMB0.05 million for the year ended 31 December 2024. The increase was primarily due to the provision for credit impairment losses of RMB0.08 million in respect of the cigar bar and the integrity culture education base, which operated on the premises of Impression Cultural Tourism and failed to pay their rent as scheduled, and credit impairment loss of RMB0.01 million recognized for Moonlight Wuyi.

Other gains

The other gains primarily comprise government subsidy, tax refund and others. For the year ended 31 December 2025, our other gains decreased to RMB0.19 million, compared with RMB0.95 million for the year ended 31 December 2024. The decrease was mainly attributable to the receipt of a special subsidy of RMB0.5 million by the Company from the provincial cultural integration development fund for the same period last year, which there was no such receipt during the period. In addition, a VAT additional deduction of RMB0.14 million was received as a tax refund for the years 2021 to 2024, which there was no such receipt during the period.

Investment income

The investment income primarily comprises income from the purchase of wealth management products by the Company and investment income from project companies. For the year ended 31 December 2025, our investment income decreased to RMB0.56 million, compared with RMB1.38 million for the year ended 31 December 2024. The decrease was mainly attributable to a decrease in the wealth management products purchased in 2025, resulting in a decrease in wealth management income of RMB0.93 million compared with the same period last year.

Gains from changes in fair value

The gains from changes in fair value primarily include income from wealth management products with Industrial Bank recorded by the Company. For the year ended 31 December 2025, our gains from changes in fair value increased to RMB0.02 million, compared with RMB0 million for the year ended 31 December 2024. This was primarily attributable to the recognition of gains from changes in fair value on unredeemed wealth management products at the end of the period, whereas no unredeemed wealth management products were outstanding at the end of the same period last year.



Management Discussion and Analysis

Loss on disposal of assets

The loss on disposal of assets primarily include loss on the disposal of fixed assets, the security inspection machines, by the Company. For the year ended 31 December 2025, our losses on disposal of assets was RMB0.004 million, compared with RMB0 million for the year ended 31 December 2024. The change was mainly attributable to the disposal and retirement of security inspection machines by the Company, amounting to RMB0.004 million.

Non-operating incomes

The non-operating incomes primarily include the incomes unrelated to business operations. For the year ended 31 December 2025, our non-operating incomes decreased to RMB0.004 million, compared with RMB0.64 million for the year ended 31 December 2024. The decrease was mainly attributable to litigation compensation of RMB0.46 million received pursuant to a court judgment against Wuyishan Jinglong Fine Brewing Wine Industry Co., Ltd. (武夷山井龍精釀酒業有限公司), which there was no such compensation income during the period.

Non-operating expenses

The non-operating expenses primarily include the retirement of fixed assets. For the year ended 31 December 2025, our non-operating expenses increased to RMB0.05 million, compared with RMB0.04 million for the year ended 31 December 2024. The increase was mainly attributable to an increase of RMB0.009 million in the retirement of fixed assets by the Company in 2025 compared with the previous year.

Tax and surcharge

The tax and surcharge primarily include urban maintenance and construction tax, education surcharge, housing property tax, land use tax, stamp duty, vehicle and vessel tax and others. For the year ended 31 December 2025, our tax and surcharge increased to RMB1.04 million, compared with RMB0.99 million for the year ended 31 December 2024. The increase was mainly attributable to an increase in stamp duty of RMB0.03 million contributed by Moonlight Wuyi, and the additional tax and surcharge of RMB0.03 million from the Company compared with the previous year.

Income tax expense

The income tax expense primarily includes taxes accrued by the Company at 25% of its net profit. For the year ended 31 December 2025, our income tax expense decreased to RMB11.48 million, compared with RMB16.11 million for the year ended 31 December 2024. The decrease was mainly attributable to the recognition of deferred tax assets related to deductible losses by Moonlight Wuyi, resulting in an income tax expense of RMB-3.86 million for the Reporting Period.

Liquidity and Capital Resources

We have funded our working capital principally from cash generated from our business operations, capital contributions from our shareholders, as well as the net proceeds from the Global Offering.

The following table sets out our cash flows for the years indicated:

	For the year ended 31 December		
	2025 (RMB)	2024 (RMB)	Change (%)
Net cash generated from operating activities	47,012,598.03	62,113,366.26	(24.31)
Net cash (used in) investing activities	(49,880,403.31)	(17,991,365.56)	(177.25)
Net cash generated from/(used in) financing activities	97,717,392.67	(28,281,231.73)	445.52
Net increase in cash and cash equivalents	94,324,212.59	15,840,735.43	495.45
Cash and cash equivalents at the beginning of the year	101,081,559.29	85,240,823.86	18.58
Cash and cash equivalents at the end of the year	195,405,771.88	101,081,559.29	93.31

Operating Activities

For the year ended 31 December 2025, net cash generated from operating activities was RMB47.01 million, compared with RMB62.11 million generated from operating activities for the year ended 31 December 2024, representing a decrease of 24.31%. The decrease was mainly because the Cultural Tourism Company recovered part of the outstanding payments from Impression Jianzhou Food-themed Street project in 2024, which was water and electricity utilities and minimum guaranteed fees of totalling RMB4.32 million, and the value-added service revenue from the Impression show decreased from RMB0.79 million in 2025 compared with 2024. Moonlight Wuyi's net cash flows from operating activities increased by RMB7.23 million compared with the same period last year, which was primarily attributable to higher expenditures on the purchase of goods, receipt of services and payment of employee salary.

Investing Activities

For the year ended 31 December 2025, net cash used in investing activities was RMB-49.88 million, compared with RMB-17.99 million used in investing activities for the year ended 31 December 2024, representing a decrease of RMB31.89 million. The decrease was mainly attributable to the acquisition of assets of RMB43.76 million by Moonlight Wuyi.

Financing Activities

For the year ended 31 December 2025, net cash generated from financing activities was RMB97.72 million, compared with RMB28.28 million used in financing activities for the year ended 31 December 2024, representing an increase of 445.52% or RMB126 million. The increase was mainly attributable to the fund-raising activity, i.e. listing in Hong Kong, of the Company, which amounted to RMB114.01 million, as well as the registered capital of RMB20 million received by Moonlight Wuyi, our subsidiary, from Moonlight Wuyi (Beijing) Cultural Media Co., Ltd. (月映武夷(北京)文化傳媒有限公司), its minority shareholder.



Management Discussion and Analysis

Cash and Cash Equivalents

As a result of the foregoing, our cash and cash equivalents, which were mainly held in RMB as of 31 December 2025, increased by 93.31% from approximately RMB101.08 million as of 31 December 2024 to approximately RMB195.41 million as of 31 December 2025.

FOREIGN CURRENCY EXCHANGE RISKS

Our Group and our Company's business mainly operates in China with most of its transactions denominated and settled in RMB and therefore exposure to foreign currency translation risk is considered not significant. The majority of our non-RMB assets are bank deposits denominated in Hong Kong Dollars. During the Reporting Period, the Group had not entered into any derivative instruments to hedge its foreign exchange exposures. The management of the Group continued to pay attention to the market environment and the Group's own foreign exchange risk profile, and considered to taking appropriate hedging measures when necessary.

CONTINGENT LIABILITIES

Apart from intra-group liabilities, we did not have any significant contingent liabilities against us as at 31 December 2025.

GEARING RATIO

As at 31 December 2025, our gearing ratio, which is calculated as total debt divided by total equity, was 27.64%, as compared with 18.31% as at 31 December 2024.

CAPITAL EXPENDITURE

Our capital expenditures comprise expenditures for the purchase of property and equipment in the ordinary course of our business. For the years ended 31 December 2025 and 2024, total capital expenditure amounted to RMB46.89 million and RMB27.36 million respectively, representing an increase of 71.41%. The increase was mainly attributable to the stage construction expenditure of Moonlight Wuyi, our subsidiary, during the Reporting Period.

SIGNIFICANT INVESTMENTS HELD/FUTURE PLANS FOR SIGNIFICANT INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2025, there was no significant investment held by the Group or future plans for significant investments or capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures.

CHARGE ON ASSETS

As at 31 December 2025, no property, plant and equipment was pledged.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, we had a total of 368 full-time employees. All of our employees are based in the PRC. For the year ended 31 December 2025, cost of employees' remuneration and benefit was approximately RMB37.74 million as compared with RMB32.21 million for the year ended 31 December 2024.

Recruitment and Remuneration

We believe that our quality personnel are key to our success and future development. In the future, we will continue to recruit performance talents from Mount Wuyi Tourism Vocational School (武夷山旅遊職業中專學校), Zhang Yimou Lijiang Art School (張藝謀瀕江藝術學校) and other provincial art schools, which are our major source of talents. We also provide training and promotion opportunities to our employees. We also recruit talents to diversify our staff portfolio and enrich group culture embroidered with devotion, dedication and collegiality.

The remuneration package of our employees includes basic salary, performance salary and allowances. We determine employee remuneration based on factors such as qualifications, expertise and years of relevant experience.

Equal Employment and Gender Diversity in the Workforce

We promote equal employment opportunities and avoid all forms of illegal employment such as child labour and forced labour as stipulated in our internal regulations on labour management of employees. We respect the diverse backgrounds of our employees and strictly eliminate ethnic discrimination.

We recognise gender diversity in the workplace as a key factor in our continuous development and success. Since our incorporation, we have been actively promoting gender equality within our Group. We incorporate gender equality into all aspects of our business operation. We take into consideration gender diversity when we hire and promote talents.

Labour Union

We have established a labour union in accordance with relevant PRC laws and regulations. Our labour union provides benefits to employees, strives to protect our employees' legal rights and provides relief to employees in need. It also organises leisure activities for our employees. During the Track Record Period and up to the date of this annual report, we did not have any material labour dispute with, or suffer any strike by, our labour union.



Directors and Senior Management

OVERVIEW

Our Board currently consists of eight Directors, comprising one executive Director, four non-executive Directors and three independent non-executive Directors. The functions and duties of our Board include convening shareholders' meetings, implementing the resolutions passed at shareholders' meetings, determining business and investment plans, formulating our annual financial budget and financial accounts, and formulating our proposals for profit distributions as well as exercising other powers, functions and duties as conferred by the Articles of Association. Our Directors are appointed for a term of three years commencing from the date of appointment and are eligible for re-election and re-appointment upon expiry of their term of office.

The senior management is responsible for the management of day-to-day operations of the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Director

Mr. Zheng Bin (鄭彬), aged 48, has been acting as the general manager of our Company since December 2009, the Director of the Company since January 2022 and was re-designated as an executive Director of the Company since December 2024, mainly responsible for overseeing the overall daily corporate management and business development of our Group. Mr. Zheng also serves as the chairman of the board and a non-executive director at each of Fujian Mount Wuyi Cultural Tourism Group, Mount Wuyi Cultural Tourism and Mount Wuyi Travel Development, the chairman of board of Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd. (武夷山印象大紅袍文化產業有限公司), a director and the general manager of Moonlight Wuyi, as well as the executive partner of Mount Wuyi Landscape Impression Cultural Tourism Investment Partnership (LLP) (武夷山山水印象文化旅遊投資合夥企業(有限合夥)).

From August 1999 to September 2000, Mr. Zheng served as an officer of the Communist Youth League at the Xingcun Town (共青團星村鎮委員會) of Mount Wuyi City and was appointed as its deputy secretary in July 2000. From December 2001 to April 2005, Mr. Zheng successively served as a senior staff member and an assistant to the director of Mount Wuyi Municipal Tourism Bureau (武夷山市旅遊局) (currently known as Mount Wuyi Municipal Cultural Sports and Tourism Bureau (武夷山市文化體育和旅遊局)), responsible for assisting in its marketing and daily administrative affairs. From December 2001 to April 2003, Mr. Zheng served as the assistant to the general manager of Fujian Mount Wuyi Qingzhu Mountain Villa Co., Ltd. (福建省武夷山青竹山莊有限公司). From May 2007 to October 2009, Mr. Zheng served as the deputy general manager of Fujian Jintai Tourism Industrial Development Co., Ltd. (福建金泰旅遊實業發展有限公司).

Mr. Zheng obtained his bachelor's degree in economics, majoring in tourism economic management from Huaqiao University (華僑大學) in the PRC in July 1999.

Mr. Zheng was recognised as one of "The Eighth Batch of Outstanding Talent of Nanping City" (南平市第八批優秀人才) in December 2014, and as an "Outstanding Communist Party Member of Fujian Province" (福建省優秀共產黨員) in June 2014, respectively. Mr. Zheng was awarded the title of "New Era, New Responsibilities, New Achievements Advanced Individual of Mount Wuyi for the year of 2019" (2019年“武夷山市新時代、新擔當、新作為”先進個人) by the Communist Party of China Mount Wuyi Municipal Committee (中國共產黨武夷山市委員會) and Mount Wuyi Municipal People's Government (武夷山市人民政府) in December 2020. Mr. Zheng was recognised as a candidate for the "Ministry of Culture and Tourism's Excellent Expert" (國家文化和旅遊部優秀專家推薦人選) in June 2020, and nominated as an "Outstanding Entrepreneur of Fujian Province" (福建省優秀企業家) in September 2020. In January 2023, Mr. Zheng was honoured as an "Advanced Individual in the Three Major Tackling Actions of Nanping City for the year of 2022" (南平市2022年“三大攻堅行動”先進個人) by the Communist Party of China Nanping Municipal Committee (中國共產黨南平市委員會) and the Nanping Municipal People's Government (南平市人民政府).

Non-executive Directors

Mr. Zhong Baiyi (衷柏夷), aged 58, was appointed as a non-executive Director of the Company since November 2022 and has been acting as the Chairman of the Company since December 2022, primarily responsible for formulating our long-term business strategies and supervising the management of our Board. He acted as an executive deputy general manager of our Company from January 2009 to July 2013, and the secretary of the Board of our Company from January 2009 to September 2014. Mr. Zhong also serves as the chairman of the board of Moonlight Wuyi, a director and the general manager of Mount Wuyi Cultural Tourism, a supervisor of Mount Wuyi Travel Development, respectively.

From December 1993 to September 2002, Mr. Zhong served as the head of the market development division and the office director of Mount Wuyi Municipal Tourism Bureau (武夷山市旅遊局) (currently known as Mount Wuyi Cultural Sports and Tourism Bureau (武夷山市文化體育和旅遊局)), responsible for assisting in its daily administrative affairs. From August 2002 to December 2002, Mr. Zhong served as the deputy mayor of Mount Wuyi Xingcun Town People's Government (武夷山星村鎮人民政府), responsible for assisting in the daily administrative affairs of the town. From January 2003 to December 2008, Mr. Zhong served as the office director and the manager of the marketing department of Mount Wuyi Travel Development. From January 2009 to August 2022, Mr. Zhong successively served as the board secretary and the general manager of Fujian Mount Wuyi Tourism (Group) Co., Ltd. (福建武夷山旅遊(集團)有限公司) (currently known as Fujian Mount Wuyi Cultural Tourism Group Co., Ltd. (福建武夷山文旅集團有限公司)). From March 2012 to June 2014, Mr. Zhong served as the deputy general manager of Mount Wuyi Yunhe Drifting Tourism Co., Ltd. (武夷山雲河漂流旅遊有限公司), responsible for assisting in its development strategy planning, business development and market operation. From March 2013 to September 2021, Mr. Zhong served as the general manager and the deputy chairman of Mount Wuyi Qingshui Shengdian Cultural Tourism Co., Ltd. (武夷山清水盛典文化旅遊有限公司), responsible for its overall strategic planning, formulate decisions and implementing its business decisions.

Mr. Zhong obtained his bachelor's degree in education, majoring in school education from East China Normal University (華東師範大學) in the PRC in July 1989. Mr. Zhong obtained an Intermediate Qualification Certificate of Specialty and Technology (Business Administration) (中級經濟專業技術資格證書(工商管理)) from the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) in November 2003.

Ms. Xiao Jianhong (肖建紅), aged 47, has been acting as a Director of the Company since May 2023 and was re-designated as a non-executive Director of the Company in December 2024, primarily responsible for providing strategic advice to our business and operation. Ms. Xiao also serves as a director of each of Fujian Mount Wuyi Chong'an and Fujian Mount Wuyi Cultural Tourism Group, respectively. She also acts as a supervisor of each of Mount Wuyi Second Sewage Treatment Co., Ltd. (武夷山市第二污水處理有限公司) and Mount Wuyi Eco-entrepreneurship Park Development Co., Ltd. (武夷山生態創業園區開發建設有限公司), respectively. She is also currently the principal of the asset management division of Mount Wuyi City Finance Bureau (武夷山市財政局資產管理股) and a deputy director of Mount Wuyi SAOSC, respectively.

From September 2002 to March 2010, Ms. Xiao acted as the director of the treasury payment centre of Mount Wuyi City Finance Bureau (武夷山市財政局國庫收付中心). From March 2010 to December 2016, Ms. Xiao acted as a staff member in the economic and construction division of Mount Wuyi City Finance Bureau (武夷山市財政局經建股). From December 2016 to December 2021, Ms. Xiao acted as the deputy chief of the asset management division of Mount Wuyi City Finance Bureau (武夷山市財政局資產管理股).



Directors and Senior Management

Ms. Xiao obtained her bachelor's degree in economics, majoring in agricultural economics management from Fujian Agriculture and Forestry University (福建農林大學) in the PRC in July 2002. Ms. Xiao obtained a Senior Accounting Professional Qualification (高級會計師資格) issued by Fujian Provincial Human Resources and Social Security Department (福建省人力資源和社會保障廳) in September 2015.

Mr. Zheng Feng (鄭豐), aged 56, has been acting as a non-executive Director of our Company since January 2015 and acted as the Chairman of our Board from January 2015 to December 2022. Mr. Zheng is primarily responsible for providing strategic advice to our business and operation. Since August 2022, Mr. Zheng has been serving as a director and a deputy general manager of Fujian Mount Wuyi Cultural Tourism Group. Mr. Zheng also serves as a supervisor of Fujian Mount Wuyi Travel Development Co., Ltd. (福建武夷山旅遊發展股份有限公司) and Fujian Wuyi International Convention and Exhibition Center Co., Ltd. (福建武夷國際會議展覽中心有限公司), as well as a director of Mount Wuyi Cultural Tourism and a director and the general manager at Mount Wuyi Tea Tourism Town Development Co., Ltd. (武夷山茶旅小鎮開發有限公司).

From September 1991 to December 2008, Mr. Zheng served successively as a staff member, the deputy director and a director of the Scenic Area Finance Office of Mount Wuyi Scenic Area Management Committee (武夷山風景名勝區管理委員會景區財政所). From March 1998 to November 1999, Mr. Zheng served as a deputy secretary of the Youth League Committee of the Mount Wuyi Scenic Area Committee (共青團武夷山景區委員會). From January 2005 to July 2022, Mr. Zheng successively served as the manager of the finance department and assisted general manager of Mount Wuyi Tourism (Group) Co. Ltd. (武夷山旅遊(集團)有限公司) (currently known as Fujian Mount Wuyi Cultural Tourism Group). From December 2017 to November 2020, Mr. Zheng served as a member of the Communist Party Committee of the Mount Wuyi Tourism Service Centre (中共武夷山市武夷山旅遊服務中心委員會). From December 2020 to August 2022, Mr. Zheng served as a member and the secretary of discipline inspection committee of the Communist Party Committee of the Mount Wuyi Tourism Service Centre.

Mr. Zheng graduated from Southwest Normal University (西南師範大學) in the PRC in April 2004, majoring in accounting through online study. Mr. Zheng also obtained an Intermediate Qualification Certificate of Specialty and Technology (Finance, Tax and Economic) (中級經濟師資格 (財政稅收經濟)) issued by the Ministry of Personnel of the PRC (中華人民共和國人事部) (currently known as the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部)) in November 2002.

Ms. Xu Zhoumei (許周妹), aged 52, has been acting as a Director of the Company since July 2022 and was re-designated as a non-executive Director of the Company since December 2024, primarily responsible for providing strategic advice to our business and operation. From January 2020 to July 2022, Ms. Xu acted as a supervisor of our Company. Ms. Xu also serves as the general manager and a director of Fujian Wuyi Tourism Group.

Directors and Senior Management

Ms. Xu has been working at Fujian Wuyi Tourism Group since November 2017 and successively served as the deputy general manager and the general manager of Fujian Wuyi Tourism Group. From February 2018 to July 2022, Ms. Xu served as the chairman of Nanping Zhenghe Langhuan Tourism Investment and Development Co., Ltd. (南平政和瑯嬛旅遊投資開發有限公司). From February 2018 to July 2023, Ms. Xu served as the legal representative and an executive director of Nanping Great Wuyi Tourism Development Co., Ltd. (南平大武夷旅遊發展有限公司). From April 2019 to April 2023, Ms. Xu served as a director of Mount Wuyi Zhuzi Culture Development Co., Ltd. (武夷山朱子文化發展有限公司). From May 2019 to May 2023, Ms. Xu served as a director of Fujian Mount Wuyi Manting Shanfang Co., Ltd. (福建武夷山幔亭山房有限公司). From January 2020 to July 2022, Ms. Xu served as the supervisor of our Company. From March 2020 to February 2023, Ms. Xu served as an executive director and the legal representative of Nanping City Wuyi Talent Education Technology Co., Ltd. (南平市武夷人才教育科技有限公司) (formerly known as Nanping Xingnan Capital Operation Service Co., Ltd. (福建省南平市興南資本運營服務有限公司)). From March 2019 to May 2023, Ms. Xu successively served as the general manager, the chairman and the legal representative at Nanping Wuyi Cultural Tourism Investment and Development Co., Ltd. (南平武夷文化旅遊投資開發有限公司).

Ms. Xu graduated from the Central Party School of the Communist Party of China (中共中央黨校) through correspondence study in the PRC in June 2002, majoring in economic management. In December 2005, Ms. Xu graduated from the same school through correspondence study, majoring in law.

Independent non-executive Directors

Mr. He Shuqi (何書奇), aged 43, was appointed as an independent Director of the Company in June 2020 and was re-designated as our independent non-executive Director of the Company in December 2024, primarily responsible for supervising and providing independent advice to our Board. Mr. He also serves as an independent director of Fujian Fuqing Huitong Rural Commercial Bank Co., Ltd. (福建福清匯通農村商業銀行股份有限公司).

From January 2007 to December 2011, he served as a lawyer at Fujian Chuangyuan Law Firm (福建創元律師事務所). From November 2011 to April 2019, he served as a project member, the Fujian regional team leader of listed company division and a deputy director of listed business division of Industrial Securities Co., Ltd. (興業證券股份有限公司). Mr. He has been serving as the legal director of the legal and compliance department of Fuzhou Pupu E-commerce Co., Ltd. (福州樸樸電子商務有限公司) since April 2019.

Mr. He obtained his bachelor's degree in law from China University of Political Science and Law (中國政法大學) in the PRC in July 2005. Mr. He is currently pursuing an EMBA at Xiamen University (廈門大學). Mr. He obtained his Legal Professional Qualification (法律職業資格證書) issued by the Ministry of Justice of the PRC (中華人民共和國司法部) in February 2006.

Mr. Liu Yongquan (劉用銓), aged 48, was appointed as an independent Director of the Company in June 2020 and was re-designated as an independent non-executive Director of the Company in December 2024, primarily responsible for supervising and providing independent advice to our Board. Mr. Liu has been acting as a director of Xiamen Youxun Chip Co., Ltd. (廈門優迅芯片股份有限公司) since May 2024, an independent director of Shenzhen Ysstech Info-tech Co., Ltd. (深圳市贏時勝信息技術股份有限公司) (stock code: 300377. SZ) since May 2025 and an independent director of Hua Ying Technology (Group) Co., Ltd. (華映科技(集團)股份有限公司)(stock code: 000536. SZ) since July 2025.



Directors and Senior Management

Mr. Liu has over 20 years of experience in accounting. Mr. Liu has been working at Xiamen National Accounting Institute (廈門國家會計學院) since July 2004. From January 2015 to November 2023, Mr. Liu acted as an associate professor of the said institution. He has been acting as a professor of the said institution since December 2023. Mr. Liu served as a financial consultant at Shenzhen Shangji Enterprise Service Co., Ltd. (深圳商集企業服務有限公司) from September 2019 to September 2022. Mr. Liu has also been serving as the vice president of the Management Committee of the Fujian Health Economics Association (福建省衛生經濟學會) since October 2023.

Mr. Liu obtained his bachelor's degree, master's degree and doctoral degree, majoring in accounting from Xiamen University (廈門大學) in the PRC in July 2001, July 2004 and June 2014, respectively.

Mr. Chan Tsz Kit (陳子傑), aged 50, was appointed as our independent non-executive Director in December 2025, primarily responsible for supervising and providing professional opinion and judgement to our Board. Mr. Chan also serves as the founder and sole proprietor of a certified public accountant firm, namely KD & Co..

Mr. Chan has over two decades of extensive expertise encompassing accounting, financial management, merger and acquisition strategies, capital market financing, and listing compliance. From October 2010 to May 2016, Mr. Chan served as the chief financial officer of QKL Stores Inc., a company listed on Nasdaq (NASDAQ: QKLS). From May 2017 to July 2020, Mr. Chan served as the chief financial officer of Yangtze River Port and Logistics Limited, a company listed on Nasdaq (NASDAQ: YRIV). From September 2009 to April 2020, Mr. Chan served as an independent non-executive director and the chairman of the audit committee of International Standard Resources Holdings Limited (Stock Code: 0091.HK). Mr. Chan served as the company secretary of ZMFY Automobile Glass Services Limited (delisted from the GEM of the Stock Exchange on 16 May 2023) from September 2018 to April 2021, and subsequently served as the company secretary of New City Development Group Limited (Stock Code: 0456.HK) from July 2021 to July 2022. From March 2024 to December 2024, Mr. Chan served as the chief financial officer of Pan Asia Environmental Protection Group Limited (Stock Code: 0556.HK).

Mr. Chan obtained a bachelor of arts (honours) degree in Accountancy from The Hong Kong Polytechnic University (香港理工大學) in 1998. Mr. Chan graduated from The Chinese University of Hong Kong (香港中文大學) with a master's degree in Business Administration in 2001. Mr. Chan was admitted as a fellow member of the Hong Kong Institute of Certified Public Accountants in 2010 and a Certified Public Accountant in the United States in 2009, holding an active license in the states of Colorado and California.

Senior Management

Ms. Zheng Liuhua (鄭柳花), aged 55, is our deputy general manager. She joined our Group in August 2010 initially as the theatre department manager. Ms. Zheng was promoted as the deputy general manager of our Company in March 2011. Ms. Zheng is responsible for overseeing the quality of our show, managing our theatre and properties, and supervising the operation of Chatang Resort. Ms. Zheng is also the director and general manager of Mount Wuyi Chatang Resort and the deputy general manager of Moonlight Wuyi.

From August 1998 to December 2005, she served as the manager of catering services department and the assistant to general manager of Fujian Mount Wuyi International Trade Hotel (福建武夷山國貿大酒店). From July 2006 to June 2010, Ms. Zheng worked at catering services department of Mount Wuyi Yuehua Hotel Co., Ltd. (武夷山悅華酒店有限公司).

Directors and Senior Management

Ms. Zheng graduated from Minjiang Vocational University (閩江職業大學) (currently known as Minjiang University (閩江學院)), majoring in tourism management through part-time study in the PRC in April 1998.

Mr. Zheng Qingrong (鄭青榮), aged 53, is our deputy general manager. He is responsible for overseeing our sales and marketing affairs. Mr. Zheng joined our Group in November 2009. He served as the marketing manager of our Company from November 2009 to October 2010. Mr. Zheng is also the deputy general manager of Moonlight Wuyi, the manager and a director of Impression Dahongpao Cultural, an executive director of Impression Dahongpao International Travel Agency as well as a director of each of Fujian Feiyue Digital Tourism Industry Investment Co., Ltd. (福建飛躍數字文旅產業投資有限公司) and Wuyishan Shanmenghaishi Cultural Tourism Co., Ltd. (武夷山山盟海誓文化旅遊有限公司). Mr. Zheng has been acting as our deputy general manager since July 2013.

From May 2001 to September 2006, Mr. Zheng worked as the manager at the operating department of Mount Wuyi Oriental International Travel Agency Co., Ltd. (武夷山市東方國際旅行社有限公司), responsible for coordinating and arranging travel group reception plans. From September 2006 to September 2009, Mr. Zheng was the deputy general manager at Mount Wuyi Minzhilv Business Conference and Exhibition Co., Ltd. (武夷山市閩之旅商務會展有限公司), responsible for overseeing its business operations.

Mr. Zheng graduated from Fuzhou University (福州大學) in the PRC in December 2006 through associate degree's higher education self-study examination (專科高等教育自學考試), majoring in social work and management. In December 2011, Mr. Zheng graduated from the same university through bachelor degree's higher education self-study examination (本科高等教育自學考試), majoring in social work and management.

Mr. Sun Chenjun (孫晨軍), formerly known as Sun Chenjun (孫晨鈞), aged 50, is our deputy general manager and board secretary. Mr. Sun has been acting as the deputy general manager of our Company and the board secretary since June 2023 and April 2024, respectively. Mr. Sun also serves as the deputy general manager and a director of Moonlight Wuyi.

From December 1999 to June 2023, Mr. Sun successively served as the deputy office director of Inspection Brigade (監察大隊), the office director of Ticket Inspection Brigade (監票大隊), the deputy office director, the manager of Ticket-selling Branch (票務分公司), the manager of Bamboo Raft Branch (商務竹筏分公司) and the manager of human resource department of Mount Wuyi Travel Development, where he was primarily responsible for daily operation management.

Mr. Sun graduated from Central Radio and Television University (中央廣播電視大學) (Adult Higher Education College), majoring in horticulture through part-time study in the PRC in November 2002.

Ms. Huang Shangzhen (黃上珍), aged 44, is our chief financial officer. Ms. Huang joined our Group in June 2023 and has been acting as our chief financial officer since then. Ms. Huang is responsible for overseeing our financial affairs. Ms. Huang also serves as the chief financial officer of Moonlight Wuyi.

From March 2004 to March 2014, Ms. Huang worked as a staff at Mount Wuyi Travel Development. From April 2014 to December 2019, she acted as a staff member at the same company, responsible for its general auditing affairs. From January 2020 to June 2023, Ms. Huang was the deputy manager of the finance department of Mount Wuyi Travel Development, responsible for managing its general auditing, fund management, cost control and tax planning affairs.



Directors and Senior Management

Ms. Huang graduated from Fujian Radio and Television University (福建廣播電視大學) (junior college), majoring in finance and insurance, in the PRC in July 2003. Ms. Huang graduated from Southwest University (西南大學) (online bachelor's degree program) in the PRC in January 2008, majoring in accounting through online study. Ms. Huang obtained the Senior Accountant Qualification Certification (高級會計師資格證書) issued by the Fujian Provincial Human Resources and Social Security Department (福建省人力資源和社會保障廳) in September 2022.

Joint Company Secretaries

Ms. Huang Jinjing (黃金晶), aged 39, acts as one of our joint company secretaries, has over 14 years of experience in human resources and corporate governance. Ms. Huang joined our Group since August 2009. Ms. Huang was appointed as the director of the human resource department and the representative of securities affairs of our Company in February 2016. Ms. Huang has been acting as the manager of investment and securities affairs department and the deputy manager of human resource department of our Company since July 2023. Ms. Huang has been appointed as our employee representative supervisor from May 2023 to November 2025.

Ms. Huang obtained her bachelor's degree majoring in Chinese language and literature from Fujian Normal University (福建師範大學) in the PRC in July 2009. Ms. Huang obtained a Board Secretary Qualification Certificate (董事會秘書資格證書) from the National Equities Exchange and Quotations Co., Ltd. (全國中小企業股份轉讓系統有限責任公司) in April 2017, and a Corporate Human Resources Manager Certificate (企業人力資源管理師證書) issued by the Fujian Provincial Human Resources and Social Security Department (福建省人力資源和社會保障廳) in February 2020, a Board Secretary for List Company Qualification Certificate (上市公司董事會秘書資格證書) from Shenzhen Stock Exchange (深圳證券交易所) in August 2022, respectively.

Mr. CHUNG Ming Fai (鐘明輝), aged 47, was appointed as the joint company secretary of our Company in December 2025. Mr. Chung has over 20 years of experience in corporate secretary, mergers and acquisitions, financial reporting and auditing. From March 2004 to October 2004, Mr. Chung worked at Henny Wee & Co (黃循強會計師事務所) as an auditor. From November 2004 to January 2008, Mr. Chung worked as at K.W. Lau CPA Limited (劉劍雲會計師事務所有限公司) with his last position held as an audit semi-senior. From January 2008 to August 2011, Mr. Chung served at KPMG (畢馬威會計師事務所) with his last position held as a manager. From August 2011 to October 2021, Mr. Chung served at Sandmartin International Holdings Limited (聖馬丁國際控股有限公司) (a listed company on the Stock Exchange, with the stock code: 0482), with his last position held as the head of project management. Since June 2022, Mr. Chung has been serving at corporate secretarial department of SWCS Corporate Services Group (Hong Kong) Limited (方圓企業服務集團(香港)有限公司) and is currently a senior vice president of the company secretarial department, responsible for managing company secretarial and compliance affairs for companies listed on the Stock Exchange.

Mr. Chung obtained his bachelor's degree in commerce from the Australian National University in Australia in December 2003.

Mr. Chung is a fellow member of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia.

Changes in Information of Directors

On 30 March 2026, the Board has considered and agreed to nominate Mr. Zheng Bin, Mr. Chen Shixiong (陳實雄), Mr. Ma Qingnan (馬慶南), Mr. Chan Tsz Kit, Ms. Wang Xiaomin (王曉民), and Ms. Guo Ruizheng (郭睿崢) as candidates for the 4th session of the Board. Mr. Zhong Baiyi was elected as the employee representative Director and a non-executive Director at the employee representative assembly held on 30 March 2026, together with the Director Candidates, forming the 4th session of the Board, with a term of office of three years commencing on the date of the upcoming annual general meeting. For details, please refer to the Company's announcement dated 30 March 2026.

Save as disclosed above, there are no changes in the information of the Directors of the Company required to be disclosed in this annual report pursuant to Rule 13.51B(1) of the Listing Rules.



Report of Directors

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

BUSINESS

Principal Activities

We are a state-owned cultural tourism service provider headquartered in Mount Wuyi, Fujian Province. Our business comprise of three main business segments: (i) shows and performance services; (ii) Impression Cultural Tourism Town business; and (iii) Chatang hotel business. During the Reporting Period, there were no material changes in the nature of the Group's principal business activities. For details of the principal business activities of the Group's principal subsidiaries, please refer to Note VI.1 to the consolidated financial statements in this annual report.

Results of Operations

The consolidation results of the Group for the year ended 31 December 2025 are set out in the consolidated financial statements of this annual report.

Business Overview

A pertinent review of the Group's business, including an analysis of the Group's financial performance, indicators of the likely future development of the Group's business are set out in the "Chairman's Statement" and "Management Discussion and Analysis" sections of this annual report. These discussions form part of the Group's business review.

FINAL DIVIDENDS

As at the date of this annual report, total share capital of the Company was 144,170,000 shares. On the basis of 144,170,000 shares available for distribution, of which the H share capital was 36,100,000 shares and the total share capital on the NEEQ was 108,070,000 shares (if there are treasury shares or shares not distributed to all Shareholders, the number of treasury shares or shares not participating in the distribution shall be deducted), a cash dividend of RMB2.1 (tax inclusive) for every 10 shares will be distributed out of undistributed profits to shareholders participating in the distribution. Subject to the approval of Shareholders at the AGM (as defined below), the proposed final dividend is expected to be paid to holders of H Shares on 3 July 2026, and is expected to be paid to holders of Unlisted Shares no later than two months after the AGM (i.e., no later than 28 July 2026). The Company does not currently hold any treasury shares, and treasury shares, if any, would not receive the dividends or distributions.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting to be held on Thursday, 28 May 2026 (the "**AGM**"), the register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026 (both days inclusive) during which period no transfer of shares will be registered. The Shareholders whose names appear on the register of members of the Company on Thursday, 28 May 2026 will be entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, unregistered holders of H Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 21 May 2026.

For determining the entitlement of the holders of H Shares to the proposed final dividend for the year ended 31 December 2025, the register of members of the Company will be closed from 3 June 2026 to 4 June 2026 (both days inclusive) during which period no transfer of Shares will be registered. The holders of H Shares whose names appear on the register of members of the Company on 4 June 2026 will be entitled to the proposed final dividend. In order to qualify for the entitlement to the proposed final dividend, share certificates accompanied by the transfer documents must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 2 June 2026.

FIXED ASSETS

Details of the fixed assets of the Group during the year ended 31 December 2025 are set out in Note V.11 to the consolidated financial statements of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

We fully recognise that addressing crucial ESG issues is key to ensuring the long-term sustainable development of our business. We are committed to establishing a comprehensive ESG management framework to enhance our ESG practices and performance.

Details of the Group's environmental policy and performance are set out in the Company's environmental, social and governance report (the **"ESG Report"**).

RELATIONS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

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

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 December 2025 are set out in Note V.30 to the consolidated financial statements of this annual report.

CAPITAL RESERVES AND DISTRIBUTABLE RESERVES

Details of the movement in the capital reserves during the Reporting Period are set out in Note V.31 to the consolidated financial statements of this annual report.

As at 31 December 2025, the Company had undistributed profit (i.e., distributable reserves) of RMB31.15 million.

BANK LOANS AND OTHER BORROWINGS

As at 31 December 2025, the Group has no bank loans and other borrowings.

ISSUANCE OF DEBENTURES

During the Reporting Period, no debentures were issued by the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

From the Listing Date up to the date of this annual report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including transfer or sale of treasury shares). From 31 December 2025 and up to the date of this annual report, the Company has no treasury shares.

Report of Directors

USE OF NET PROCEEDS FROM GLOBAL OFFERING

The H Shares of the Company were listed on the Stock Exchange on 22 December 2025. A total of 36,100,000 new H Shares were issued at HK\$3.60 each for a total of approximately HK\$130.0 million. The net proceeds (after deduction of the underwriting fees and commissions and other expenses paid and payable by the Company in connection with the Global Offering) raised from the Global Offering amounted to approximately HK\$103.6 million. The net proceeds from the Global Offering will be utilized in accordance with the intended use of the proceeds set out in the Prospectus. The following table sets forth the status of the use of net proceeds from the Global Offering:

Use of net proceeds	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	The amount utilized between the Listing Date and 31 December 2025 (HK\$ million)	As at 31 December 2025		Expected timeline for utilizing the remaining net proceeds ⁽²⁾
				Utilized amount (HK\$ million)	Unutilized amount (HK\$ million)	
An upgrade for our signature Impression – Dahongpao Scenery Show	23.0	23.8	0	0	23.8	By 31 December 2027
(i) Overhaul of hardware	19.5	20.2	0	0	20.2	By 31 December 2027
(ii) Upgrade of performance contents ⁽³⁾	3.2	3.3	0	0	20.2	By 31 December 2027
(iii) Overhaul of venue	0.3	0.3	0	0	0.3	By 31 December 2027
The expansion of our Impression Cultural Tourism Town business	28.6	29.6	0	0	29.6	By 31 December 2026
(i) Developing the Impression Jianzhou Food-themed Street ⁽⁴⁾	16.2	16.8	0	0	16.8	By 31 December 2026
(ii) Developing our Impression Cultural Tourism Town ⁽⁵⁾	8.6	8.9	0	0	8.9	By 31 December 2026
(iii) Renovating the 4A-rated scenic Wuyi Tea Museum	3.8	3.9	0	0	3.9	By 31 December 2026
Acquiring another quality cultural tourism performance project, through the injection of our management experience and innovative operational models into an existing cultural tourism performance project	20.0	20.7	0	0	20.7	By 31 December 2027
Promotional efforts to enhance our brand image and increase our business presence, focusing on elevating the visibility of our upgraded signature show, our new show, i.e., Moonlight over Mount Wuyi, Impression Cultural Tourism Town and Chatang hotel	11.0	11.4	0	0	11.4	By 31 December 2027
Upgrade of our ticket management system and software	7.4	7.7	0	0	7.7	By 31 December 2027
Working capital and other general corporate purposes	10.0	10.4	0	0	10.4	By 31 December 2027
Total	100.0%	103.6	0	0	103.6	

Note:

- (1) The figures in the table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- (2) The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to changes based on the current and future development of the market conditions.
- (3) Upgrade of performance contents in respect of our Impression — Dahongpao Scenery Show mainly represents innovating our show's contents and presentation including an updated script, an addition of new segments featuring rituals with red silk, tea picking, and tea production in terraced fields, along with re-recording existing dialogue.
- (4) This includes improving signage of the street, adding decorative elements, and ensuring that the scenery complements the dining and recreational facilities, providing a cohesive and enjoyable environment for tourists.
- (5) We aim to obtain the operating right for Binxi Road (濱溪路) through a government bidding process. Spanning five kilometres, Binxi Road provides vital access to several renowned attractions in the Mount Wuyi Resort Area. This connection will enable our Impression Cultural Tourism Town to revitalise the tourism ecosystem along both sides of Binxi Road, enhancing the town's vibrancy and appeal.

We expect the net proceeds allocated to the foregoing purposes will be fully utilised by 2027, presuming that there is no significant change of conditions. In case of any shortfall for any of the foregoing expenditure, we plan to supplement such shortfall with internal resources or bank borrowings, as appropriate.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we will only deposit those net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the SFO or the applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed use of proceeds.

PRE-EMPTIVE RIGHTS

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

THE BOARD

The Board consists of the following members during the Reporting Period and up to the date of this annual report:

Executive Director

Mr. Zheng Bin (鄭彬)

Non-executive Directors

Mr. Zhong Baiyi (衷柏夷) (*Chairman*)

Ms. Xiao Jianhong (肖建紅)

Mr. Zheng Feng (鄭豐)

Ms. Xu Zhoumei (許周妹)

Report of Directors

Independent Non-executive Directors

Mr. He Shuqi (何書奇)

Mr. Liu Yongquan (劉用銓)

Mr. Chan Tsz Kit (陳子傑)

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out on pages 20 to 27 under the section headed “Directors and Senior Management” of this annual report.

SERVICE CONTRACTS OF DIRECTORS

We have entered into a service contract with each of our Directors in respect of, among other things, compliance with relevant laws and regulations and the Articles of Association.

The principal terms of these service contracts comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to the Shareholders’ approval.

Save as disclosed above, none of our Directors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

INTERESTS OF DIRECTORS IN TRANSACTIONS, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save as the connected transactions as disclosed in the section headed “Connected Transactions” in this report of the Directors, there was no transaction, arrangement and contract of significance subsisting during or at the end of the Reporting Period in which a Director or an entity connected with a Director is or was materially interested, either directly or indirectly.

REMUNERATION AND COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation from our Group in the form of basic salary, performance salary and allowance.

Details of the emoluments of Directors and the five highest paid individuals in the Group are set out in Note XIII.1 and XIII.2 to the consolidated financial statements of this annual report.

Details of the remuneration of the current senior management of the Company by band for the Reporting Period are set out as follows:

Range	Number of individuals
Nil to RMB500,000	5
Over RMB500,000	0

For the year ended 31 December 2025, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments for the year ended 31 December 2025.

Save as disclosed above, no other payments have been made or are payable, during the Reporting Period, by the Group to or on behalf of any of the Directors.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period and up to the date of this annual report, none of the Directors of the Company has any interests in any business, which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

CONFLICT OF INTEREST BETWEEN THE GROUP AND OUR CONTROLLING SHAREHOLDERS

Reference is made to the "Relationship with our Controlling Shareholders" in the Prospectus.

Based on the information provided by the Controlling Shareholders, our independent non-executive Directors have confirmed that there is no conflict of interests between our Group and the Controlling Shareholders.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 December 2025, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director or chief executive	Position	Nature of interest	Number of Shares interested ⁽¹⁾	Description of Shares	Approximate percentage of the relevant type of Shares	Approximate percentage of the Company's total share capital ⁽²⁾
Mr. Zheng Bin	Executive Director and general manager	Beneficial interest	439,175	Unlisted Shares	0.41%	0.30%
		Interest of spouse ⁽³⁾	249,994	Unlisted Shares	0.23%	0.17%

Notes:

- (1) All interest stated are long positions.
- (2) The calculation is based on the total number of 144,170,000 Shares (consisting of 108,070,000 Unlisted Shares and 36,100,000 H Shares) in issue as at 31 December 2025.
- (3) Ms. Zheng Lei is the spouse of Mr. Zheng Bin. As at 31 December 2025, Ms. Zheng Lei held 249,994 Unlisted Shares. By virtue of the SFO, Mr. Zheng Bin is deemed to be interested in the Shares held by Ms. Zheng Lei.

Report of Directors

SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as our Directors are aware, as at 31 December 2025, the following persons (other than the Directors and chief executives of the Company) have interests or short positions in Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be maintained by the Company under Section 336 of the SFO:

Name	Nature of interest	Number of Shares interested ⁽¹⁾	Type of Shares	Approximate percentage of the relevant type of Shares	Approximate percentage of the Company's total share capital ⁽²⁾
Fujian Mount Wuyi Cultural Tourism Group	Interest held by a controlled corporation ⁽³⁾⁽⁵⁾	74,331,429	Unlisted Shares	68.8%	51.6%
Nanping Wuyi Development	Interest held by a controlled corporation ⁽³⁾	74,331,429	Unlisted Shares	68.8%	51.6%
Nanping Industrial	Interest held by a controlled corporation ⁽³⁾	74,331,429	Unlisted Shares	68.8%	51.6%
Fujian Wuyi Tourism Group	Interest held by a controlled corporation ⁽³⁾	74,331,429	Unlisted Shares	68.8%	51.6%
Mount Wuyi Cultural Tourism	Beneficial Owner ⁽³⁾⁽⁵⁾	74,331,429	Unlisted Shares	68.8%	51.6%
Impression Art Development	Interest held by a controlled corporation ⁽⁶⁾	16,500,000	Unlisted Shares	15.3%	11.4%
Beijing Impression Landscape	Beneficial Owner	16,500,000	Unlisted Shares	15.3%	11.4%
Fujian Mount Wuyi Chong'an	Interest held by a controlled corporation ⁽⁴⁾⁽⁵⁾	10,068,571	Unlisted Shares	9.3%	7.0%
Mount Wuyi Jianfa	Interest held by a controlled corporation ⁽⁴⁾⁽⁵⁾	10,068,571	Unlisted Shares	9.3%	7.0%
Mount Wuyi Tourism Resort Development	Beneficial Owner ⁽⁵⁾	10,068,571	Unlisted Shares	9.3%	7.0%

Notes:

(1) All interest stated are long positions.

(2) The calculation is based on the total number of 144,170,000 Shares (consisting of 108,070,000 Unlisted Shares and 36,100,000 H Shares) in issue as at 31 December 2025.

- (3) As at 31 December 2025, our Company was owned as to 51.6% of Shares in issue by Mount Wuyi Cultural Tourism, which was owned (i) as to 61.8% by Fujian Mount Wuyi Cultural Tourism Group, which is a wholly state-owned enterprise controlled by Mount Wuyi SAOSC; and (ii) as to 33.7% by Fujian Wuyi Tourism Group, which was owned as to 90% by Nanping Industrial, which was in turn wholly owned by Nanping Wuyi Development, a wholly state-owned enterprise controlled by the Nanping SASAC. By virtue of the SFO, Fujian Mount Wuyi Cultural Tourism Group, Fujian Wuyi Tourism Group, Nanping Industrial and Nanping Wuyi Development are deemed to be interested in the Shares held by Mount Wuyi Cultural Tourism.
- (4) As at 31 December 2025, our Company was owned as to 7.0% of Shares in issue by Mount Wuyi Tourism Resort Development, which is wholly-owned by Mount Wuyi Jianfa, which is wholly-owned by Fujian Mount Wuyi Chong'an, a wholly state-owned enterprise controlled by Mount Wuyi SAOSC. By virtue of the SFO, Mount Wuyi Jianfa and Fujian Mount Wuyi Chong'an are deemed to be interested in the Shares held by Mount Wuyi Tourism Resort Development.
- (5) As both Mount Wuyi Cultural Tourism and Mount Wuyi Tourism Resort Development are fellow subsidiaries under the control of Mount Wuyi SAOSC, they are regarded as "acting in concert" for the purpose of the Takeovers Code.
- (6) As at 31 December 2025, our Company was owned as to 11.4% of Shares in issue by Beijing Impression Landscape, which is wholly-owned by Impression Art Development. By virtue of the SFO, Impression Art Development is deemed to be interested in the Shares held by Beijing Impression Landscape.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company during the Reporting Period or subsisted at the end of 2025.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Reporting Period was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debt securities including debentures of, the Company or any other body corporate.

CONTRACT OF SIGNIFICANCE

During the Reporting Period, save as disclosed in this annual report, neither the Company nor any of its subsidiaries had any contract of significance with its controlling shareholder or its subsidiaries, nor any contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries.

CONNECTED TRANSACTIONS

The Group has entered into certain transactions with its connected persons. Such transactions continue after Listing and therefore constitute our continuing connected transactions under the Listing Rules.



Report of Directors

The transactions under the following continuing connected transaction agreements constitute non-exempt continuing connected transactions of the Company during the Reporting Period:

1. Exclusive Intellectual Property Rights Authorisation Framework Agreement for the Impression – Dahongpao Scenery Show

Principal terms

On 9 December 2025, our Company entered into an exclusive intellectual property rights authorisation framework agreement for the Impression – Dahongpao Scenery Show (“**Exclusive Intellectual Property Rights Authorisation Framework Agreement**”) with Impression Art Development.

Pursuant to the Exclusive Intellectual Property Rights Authorisation Framework Agreement, our Company will obtain the exclusive performance right for the Impression – Dahongpao Scenery Show as well as the trademark right and other ancillary rights of “Impression – Dahongpao” 印象大红袍 from Impression Art Development and its subsidiaries. Meanwhile, our Company also authorised Impression Art Development and its subsidiaries to use the trademark of “Impression Dahongpao” for the cultural and creative products that are and will be developed by Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd. (武夷山印象大红袍文化產業有限公司), an associate owned as to 55% by Impression Art Development and 45% by our Company, respectively, at nil consideration.

The term of the Exclusive Intellectual Property Rights Authorisation Framework Agreement will commence on the Listing Date and shall continue until terminated by mutual agreement between Impression Art Development and us. We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement under Rule 14A.52 of the Listing Rules such that the term of the Exclusive Intellectual Property Rights Authorisation Framework Agreements can be of an unspecified term.

Pricing policy

The amount of directorial royalty service fees payable under the Exclusive Intellectual Property Rights Authorisation Framework Agreement will be calculated based on the amount of income generated from actual ticket sales (before tax), multiplied by the directorial royalty rate prescribed under the Exclusive Intellectual Property Rights Authorisation Framework Agreement (currently set at 10%). The directorial royalty rate is subject to adjustments and will be determined through arm’s length negotiation taking into account (i) the market average directorial royalty rates; (ii) the duration of services and associated costs for long-term commitments; and (iii) fee quotes obtained from independent third party service providers. In any event, the fees shall not exceed the prices charged for similar services by independent third parties.

2. Travel Agency Ticket Procurement Framework Agreements

Principal terms

On 9 December 2025, our Company entered into four separate travel agency ticket procurement framework agreements with Impression Dahongpao International Travel Agency, Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency, respectively (“**Travel Agency Ticket Procurement Framework Agreements**”).

Pursuant to the Travel Agency Ticket Procurement Framework Agreements, our Company will grant each of Impression Dahongpao International Travel Agency, Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency the authority to operate and sell tickets for the Impression – Dahongpao Scenery Show and Moonlight over Mount Wuyi, Chatang Resort experience tickets as well as the packages of these tickets. Impression Dahongpao International Travel Agency, Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency will procure these tickets and packages of these tickets directly from our Company, thereby facilitating a streamlined sales process for all parties involved.

Each Travel Agency Ticket Procurement Framework Agreement will have a term commencing from the Listing Date to 31 December 2027 and will be subject to renewal based on mutual negotiations between the parties, in compliance with the Listing Rules.

Pricing policy

The procurement price of the tickets under the Travel Agency Ticket Procurement Framework Agreements will be determined based on normal commercial terms and shall consist of the settlement price and the quality deposit. The quality deposit is refundable and will be calculated based on annual ticket sales and performance metrics. Additionally, market assurance measures will be enforced to maintain pricing integrity. In any event, the price of the tickets that will be sold to end customers shall not be lower than the minimum sales prices for the tickets as specified in the agreements.

Transaction caps and actual transaction amounts for the Reporting Period

Actual transaction amounts and transaction caps of the above-mentioned non-exempt continuing connected transactions for the Reporting Period are as follows:

Transactions	For the year ended 31 December 2025	
	2025 Annual cap (RMB in million)	Actual amount (RMB in million)
1. Exclusive Intellectual Property Rights Authorisation Framework Agreement	14.0	13.44
2. Travel Agency Ticket Procurement Framework Agreements	11.9	5.60
(i) Impression Dahongpao International Travel Agency	6.6	1.52
(ii) Yifeng Travel Agency	2.1	1.38
(iii) Mount Wuyi Travel Agency	1.6	1.36
(iv) Mount Wuyi China International Travel Agency	1.6	1.34

The Company has confirmed that the execution and enforcement of the implementation agreements under the continuing connected transactions set above during the Reporting Period has followed the pricing policies of such continuing connected transactions.



Report of Directors

Annual review by independent non-executive Directors

For the year ended 31 December 2025, the independent non-executive Directors have reviewed the aforesaid non-exempt continuing connected transactions and confirmed that the transactions have been entered into:

- (i) in accordance with relevant agreements governing them on terms that are fair and reasonable and in the interest of the Company and Shareholders as a whole;
- (ii) on normal commercial terms or better; and
- (iii) in the ordinary and usual course of business of the Company.

Confirmation by the Auditor

Pursuant to Rule 14A.56 of the Listing Rules, the Board has engaged Grant Thornton Zhitong Certified Public Accountants LLP as the auditor to report on the continuing connected transactions, and the Grant Thornton Zhitong Certified Public Accountants LLP has provided a letter to the Board confirming that nothing has come to their attention that causes them to believe that the above-mentioned continuing connected transactions:

- (i) have not been approved by the Board;
- (ii) were not, in all material respects, in accordance with the pricing policies of such continuing connected transactions;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (iv) have exceeded the cap.

RELATED PARTY TRANSACTIONS

Details of the related party transactions carried out in the normal course of business are set out in Note X to the consolidated financial statements. Save as disclosed above, none of these related party transactions constitutes a connected transaction or continuing connected transaction as defined under the Listing Rules, and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules and disclosed in this annual report.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during the Reporting Period.

DONATIONS

The Group did not make any charitable or other donations during the Reporting Period.

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the Reporting Period.

LOAN AND GUARANTEE

During the Reporting Period, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company, the controlling Shareholders or their respective connected persons.

FINANCIAL, BUSINESS AND FAMILY RELATIONS AMONG DIRECTORS

Directors are not related to one another with respect to finance, business and family, or other material relations.

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended 31 December 2025, the Group's largest customer accounted for 3.30% of the Group's total revenue. The Group's five largest customers accounted for 14.51% of the Group's total revenue.

For the year ended 31 December 2025, the Group's largest supplier accounted for 44.19% of the Group's total purchase. The Group's five largest suppliers accounted for 70.51% of the Group's total purchase.

None of the Directors or any of their close associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or customers during the year ended 31 December 2025.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, since the Listing Date and up to the date of this annual report, the Company's share capital consisted of 108,070,000 Unlisted Shares and 36,100,000 H Shares. All of the 36,100,000 H Shares representing approximately 25.04% of our total issued Shares (excluding treasury shares) is counted towards the public float.

Pursuant to Rule 19A.28B(1) of the Listing Rules, the minimum percentage threshold of public float applicable to the Company is 25% of the total number of issued Shares in the class to which H Shares belong (excluding treasury shares). As such, the Company has complied with Rule 19A.28B of the Listing Rules since the Listing Date and up to the date of this annual report.



Report of Directors

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) in relation to the Director's and officer's liability insurance is currently in force and was in force during the Reporting Period.

CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the Corporate Governance Code as its own code to govern its corporate governance practices. Information on the corporate governance practice adopted by the Company is set out on page 42 to 60 under the section headed "Corporate Governance Report" in this annual report.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the Corporate Governance Code during the Reporting Period.

The Board will continue to review and monitor the practices of the Company with an aim to maintain a high standard of corporate governance.

AUDITOR

The consolidated financial statements for the year ended 31 December 2025 have been audited by Grant Thornton Zhitong Certified Public Accountants LLP.

On 6 February 2026, the Board reviewed and approved the uniform adoption of the China Accounting Standards for Business Enterprises for financial report preparation and the discontinuation of separate engagement of overseas financial reporting auditors.

Pursuant to the resolution of the 2024 annual general meeting of the Company held on 9 April 2025, The Company engaged Grant Thornton Hong Kong Limited as the auditor for the issuance of H shares and the application for listing on the Main Board of the Hong Kong Stock Exchange. The scope of its work encompassed audit services relating to the Company's H shares issuance and listing. Following the completion of the Company's issuance and listing of H shares on the Main Board of the Hong Kong Stock Exchange on 22 December 2025, all the relevant work of Grant Thornton Hong Kong Limited has delivered and its engagement has accordingly completed.

Given that the engagement of Grant Thornton Zhitong Certified Public Accountants LLP as the Company's domestic financial reporting auditor for the year 2025, whose appointment was approved at the 2024 annual general meeting of the Company held on 9 April 2025, and Grant Thornton Zhitong Certified Public Accountants LLP is a certified public accounting firm recognized by the Ministry of Finance of the PRC and the China Securities Regulatory Commission and is qualified to provide audit services using Mainland China auditing standards to PRC Issuer. Therefore, the Company will no longer separately engage an overseas financial reporting auditor. For the year 2026, Grant Thornton Zhitong Certified Public Accountants LLP will assume the audit responsibilities for the Company's financial reports for the year ended 31 December 2025, with no change in the audit remuneration.

Save as disclosed above, there has been no change in auditors since the Listing Date and up to the date of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Board is aware, during the Reporting Period, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects.

On behalf of the Board

Mr. Zhong Baiyi

Chairman and non-executive Director

30 March 2026



Corporate Governance Report

The Company is committed to achieving and maintaining high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness. The Company has developed and implemented sound corporate governance policies and measures, and the Board is responsible for performing such corporate governance duties.

The Company has adopted the principles and code provisions of the Corporate Governance Code set forth in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices. During the Reporting Period, the Company has complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code.

The Board will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development.

BOARD OF DIRECTORS

Responsibilities

The Board is responsible for and has the general power over the management and operation of our business, including determining our business strategies and investment plans, implementing resolutions passed at our shareholders' meetings, and exercising other powers, functions and duties as conferred by the Articles of Association. The day-to-day operations and management are delegated by the Board to the management of the Company, who will implement the strategy and direction as determined by the Board.

Board Composition

The Board currently consists of eight Directors, namely Mr. Zheng Bin (general manager of our Company) as executive Director, Mr. Zhong Baiyi (our Chairman), Ms. Xiao Jianhong, Mr. Zheng Feng and Ms. Xu Zhoumei as non-executive Directors, and Mr. He Shuqi, Mr. Liu Yongquan and Mr. Chan Tsz Kit as independent non-executive Directors.

The Board has a balance of skills and experience appropriate for the requirements of the business of the Company. The biographies of the Directors are set out under the section headed "Directors and Senior Management" in this annual report.

During the Reporting Period and up to the date of this annual report, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing one-third of the Board, of whom Mr. Liu Yongquan and Mr. Chan Tsz Kit are the Directors possessing appropriate professional qualifications or accounting or related financial management expertise. The Company has received a written confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and considers them to be independent.

As the Shares of the Company were listed on the Main Board of the Stock Exchange on 22 December 2025, no separate meeting was held between the Chairman of the Board and independent non-executive Directors during the Reporting Period. From 2026, the Company will hold separate meeting between the Chairman of the Board and independent non-executive Directors as required under the code provision C.2.7 of the Corporate Governance Code.

The length of tenure and current period of appointment of each Director are set out as follows:

	Length of tenure	Current period of appointment ⁽¹⁾
Executive Director:		
Mr. Zheng Bin	3 years	From May 2023 to May 2026
Non-executive Directors:		
Mr. Zhong Baiyi	3 years	From May 2023 to May 2026
Ms. Xiao Jianhong	3 years	From May 2023 to May 2026
Mr. Zheng Feng	3 years	From May 2023 to May 2026
Ms. Xu Zhoumei	3 years	From May 2023 to May 2026
Independent Non-executive Directors:		
Mr. He Shuqi	3 years	From May 2023 to May 2026
Mr. Liu Yongquan	3 years	From May 2023 to May 2026
Mr. Chan Tsz Kit	6 months	From December 2025 to May 2026

Note:

(1) Each Director's appointment is subject to the provisions re-election of Directors under the Articles of Association.

Appointment and Re-election

Code provision B.2.2 of the Corporate Governance Code states that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Each Director (including the non-executive Directors and independent non-executive Directors) is engaged for a term of three years. They are subject to re-election in accordance with the provisions of the Articles of Association.

Board Meetings and Shareholders' meetings

The Board shall meet regularly to discuss the overall strategy as well as the operation and financial performance of the Group, in addition to the meetings for reviewing and approving the Group's annual and interim results. Four regular Board meetings should be held in each year at approximately quarterly intervals. Directors may participate in meetings either in person or through electronic means of communication. All Directors are given not less than fourteen days' notice for regular Board meetings. For other Board and Board committee meetings, reasonable notice will be given.

Corporate Governance Report

During the Reporting Period, the Company held six Board meetings and three shareholder' meetings. During the Reporting Period, the attendance record of each Director at the Board meetings and shareholders' meeting is as follows:

	Attendance/Eligible to Attend	
	Board meetings	Shareholders' meetings
Executive Director:		
Mr. Zheng Bin	6/6	3/3
Non-executive Directors:		
Mr. Zhong Baiyi	6/6	3/3
Ms. Xiao Jianhong	6/6	3/3
Mr. Zheng Feng	6/6	3/3
Ms. Xu Zhoumei	6/6	3/3
Independent Non-executive Directors:		
Mr. He Shuqi	6/6	3/3
Mr. Liu Yongquan	6/6	3/3
Mr. Chan Tsz Kits	6/6	3/3

Directors' Training and Professional Development

As the Shares of the Company were listed on the Main Board of the Stock Exchange on 22 December 2025, no unified continuous professional development training was organised during the Reporting Period. From 2026, the Company will arrange suitable trainings for all Directors in order to develop and refresh their knowledge and skills as part of their continuous professional development.

Evaluation of the Board's Performance

During the Reporting Period, the Company did not conduct a board performance review. The next board performance review will be conduct during the year ending 31 December 2026.

Board Skills Matrix

The Board of the Company comprises eight Directors, including one executive Director, four non-executive Directors and three independent non-executive Directors. The eight Directors possess extensive experience in various professional fields, including the cultural tourism industry, legal compliance, financial accounting and auditing, and capital markets. They have formed a multi-layered combination of skills in areas such as strategic decision-making, operational management, risk control, financial auditing, legal compliance and capital markets, thereby providing safeguards for the Company's cross-border compliance and governance as a NEEQ+H-share listed entity.

During the Reporting Period, the Company did not maintain a board skill matrix. The Company will maintain a board skill table for the year ended 31 December 2026 and disclose it in the annual report accordingly.

BOARD COMMITTEES

The Company has four principal Board committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the Strategy Committee. Each of the Board committees operates under its terms of reference. The terms of reference of the Board committees are available on the websites of the Company and the Stock Exchange.

Audit Committee

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code. As of 31 December 2025, the Audit Committee consists of three Directors, namely Mr. Liu Yongquan, Ms. Xu Zhoumei and Mr. Chan Tsz Kit, with Mr. Chan Tsz Kit acting as the chairman, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the audit committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to our Board, and monitoring the independence of external auditors and evaluating their performance;
- guiding internal audit work;
- examining the financial information of our Company and reviewing financial reports and statements of our Company and giving comments on relevant matters;
- assessing the effectiveness of internal control;
- coordinating the communication among management, internal audit department, related departments and external audit agency; and
- dealing with other matters that are authorised by our Board.

As the Shares of the Company were listed on the Main Board of the Stock Exchange on 22 December 2025, during the Reporting Period, no meeting was held by the Audit Committee. The Audit Committee held one meeting from the Listing Date and up to the date of this annual report. The attendance record of the committee members at the meetings at the relevant time is as follows:

Directors	Attendance/ Eligible to Attend
Mr. Chan Tsz Kit	1/1
Ms. Xu Zhoumei	1/1
Mr. Liu Yongquan	1/1

Corporate Governance Report

The Audit Committee has reviewed the Company's audited annual consolidated results for the year ended 31 December 2025, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has reviewed all material internal control rules, including the financial, operational and compliance controls, as well as risk management of the Group in 2025. The Audit Committee was satisfied with the effectiveness and sufficiency of the internal control mechanism in its operations. The Audit Committee has reviewed the remuneration of the auditor for 2025 and recommended the Board to re-appoint Grant Thornton Zhitong Certified Public Accountants LLP as the auditor of the Company for 2026, subject to the approval of shareholders at the forthcoming annual general meeting.

Remuneration Committee

The Company has established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules, paragraph E.1 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Remuneration Committee consists of three Directors, namely Mr. He Shuqi, Mr. Zheng Bin and Mr. Liu Yongquan, with Mr. He Shuqi acting as the chairman. The primary duties of the Remuneration Committee include, but not limited to, the following:

- formulating individual remuneration plans for Directors and members of the senior management in accordance with the terms of reference of the importance of their positions, the time they spend on such positions as well as the remuneration benchmarks for the relevant positions in the other comparable companies;
- examining the criteria of performance evaluation of Directors and the senior management of our Company, conducting performance evaluation and making recommendations to our Board;
- supervising the implementation of the remuneration plan of our Company; and
- dealing with other matters that are authorised by our Board, and if necessary.

As the Shares of the Company were listed on the Main Board of the Stock Exchange on 22 December 2025, during the Reporting Period, no meeting was held by the Remuneration Committee. The Remuneration Committee held one meeting from the Listing Date and up to the date of this annual report. The attendance record of the committee members at the meetings at the relevant time is as follows:

Directors	Attendance/ Eligible to Attend
Mr. He Shuqi	1/1
Mr. Zheng Bin	1/1
Mr. Liu Yongquan	1/1

Nomination Committee

The Company has established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules, paragraph B.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely Mr. He Shuqi, Mr. Liu Yongquan and Ms. Xu Zhoumei, with Mr. He Shuqi acting as the chairman. The primary functions of the Nomination Committee include, but not limited to, the following:

- making recommendations to our Board with regards to the size and composition of our Board based on our Company’s business operation, asset scale and equity structure;
- researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;
- examining our Board candidates, general manager and members of the senior management and making recommendations to our Board;
- assessing and reviewing the independence of independent non-executive Directors; and
- dealing with other matters that are authorised by our Board.

As the Shares of the Company were listed on the Main Board of the Stock Exchange on 22 December 2025, during the Reporting Period, no meeting was held by the Nomination Committee. The Nomination Committee held one meeting from the Listing Date and up to the date of this annual report. The attendance record of the committee members at the meetings at the relevant time is as follows:

Directors	Attendance/ Eligible to Attend
Mr. He Shuqi	1/1
Mr. Liu Yongquan	1/1
Ms. Xu Zhoumei	1/1

Strategy Committee

We have established a Strategy Committee consists of three Directors, namely Mr. Zhong Baiyi, Mr. Liu Yongquan and Mr. He Shuqi, with Mr. Zhong Baiyi acting as the chairman. The primary duties of the Strategy Committee include, but not limited to, the following:

- reviewing our Company’s long-term development strategies, major investment decisions and other important matters affecting our Company’s development;
- providing recommendations with respect to key strategic initiatives;
- assisting our Board in establishing the strategic planning process, identifying and addressing organisational challenges and evaluating strategic alternatives; and
- dealing with other matters that are authorised by our Board.



Corporate Governance Report

As the Shares of the Company were listed on the Main Board of the Stock Exchange on 19 December 2025, during the Reporting Period, no meeting was held by the Strategy Committee. From 2026, the Strategy Committee will hold meetings of the Strategy Committee in accordance with the Listing Rules and its terms of reference.

Board Diversity Policy

We are committed to promoting the culture of diversity in our Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We have adopted a board diversity policy (the “**Board Diversity Policy**”) to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to our Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director, the nomination committee will consider a range of diversity perspectives with reference to our Company’s business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service. Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting and marketing. They obtained degrees in various majors including but not limited to accounting, law, tourism and business administration. Furthermore, our Board has a relatively wide range of ages, ranging from 43 years old to 58 years old with experience from different industries, sectors and genders.

For the year ended 31 December 2025 and as at the date of this annual report, the Board consists of three male members and two female members. As of 31 December 2025, the Company had two male senior management and two female senior management, and the Group had a total of 362 employees (excluding the aforementioned senior management), of which the number of male and female employees were 184 and 178, respectively (representing approximately 50.83% and 49.17%, respectively).

We will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. We will encourage our incumbent Board members to recommend female candidate directors and take other actions to help achieve greater board diversity, for example inviting some of our outstanding female staff at mid to senior level to attend and observe Board meetings. This will allow our Board to understand more about these potential female candidates before they are nominated to our Board and provide opportunities for potential female candidates to prepare themselves for director duties. We will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of our Board. Our Group will continue to emphasise training of female talent and providing long-term development opportunities for our female staff including but not limited to business operation, management, accounting and finance, legal and compliance matters. As such, we are of the view that our Board will be offered chances to identify competent female staff at mid to senior level to be nominated as a Director in future with a pipeline of female candidates.

We are committed to adopting a similar approach to promote diversity within management (including but not limited to the senior management) of our Company to enhance the effectiveness of corporate governance of our Company as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code during the year ended 31 December 2025.

AUDITOR'S REMUNERATION

For the year ended 31 December 2025, the remuneration paid to the Auditor for audit services amounted to RMB120,000 and an additional RMB2,220,000 was paid as capitalised audit fees for initial public offering. No non-audit services were provided to the Company during the Reporting Period.

JOINT COMPANY SECRETARIES

Mr. Chung Ming Fai ("**Mr. Chung**") and Ms. Huang Jinjing ("**Ms. Huang**") are joint company secretaries of the Company. The biographies of the joint company secretaries are set out under the section headed "Directors and Senior Management" in this annual report.

Ms. Huang presently does not possess any of the qualifications under Rule 3.28 and Rule 8.17 of the Listing Rules, and may not be able to solely fulfil the requirements of the Listing Rules. Therefore, the Company has applied to the Stock Exchange and was granted with a waiver (the "**Waiver**") by the Stock Exchange from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for a period of three years commencing from the Listing Date (the "**Waiver Period**"). The conditions under which the Stock Exchange granted the Waiver are: (i) Ms. Huang must be assisted by Mr. Chung, who possesses all the requisite qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the three-year waiver period. Mr. Chung will work closely with Ms. Huang to jointly discharge duties and responsibilities as joint company secretaries and assist Ms. Huang to acquire the relevant experience as required under Note 2 to Rule 3.28 of the Listing Rules. In addition, we will ensure Ms. Huang has access to relevant training and support to familiarise herself with the Listing Rules and the duties required for a company secretary of a company listed on the Stock Exchange; and (ii) the waiver will be revoked if there are material breaches of the Listing Rules by our Company. Before the end of such three-year period, the qualifications and experience of Ms. Huang and the need for on-going assistance of Mr. Chung will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Ms. Huang, having benefited from the assistance of Mr. Chung for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Rule 3.28 and 8.17 of the Listing Rules and decide whether a further waiver will be necessary. Ms. Huang is the main contact person of Mr. Chung at the Company.

During the Reporting Period, each of Mr. Chung and Ms. Huang has confirmed that he/she received no less than 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management and Corporate Governance

We are exposed to various risks in our operations and have established a risk management system with relevant policies and procedures that we believe are appropriate for our business operations. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations, such as financial reporting, compliance, and anti-bribery and kick-back. Such risk management policies are established by our Board based on the current effective laws and regulations of the PRC and our Memorandum and Articles of Association.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after Listing, we have adopted and will continue to adopt, among other things, the following risk management measures:

- establish an audit committee to review and supervise our financial reporting process and internal control system;
- adopt various policies to ensure compliance with the Listing Rules, including but not limited to policies and procedures related to internal control and risk management, periodically reviewing their effectiveness and compliance to relevant rules and regulations; and
- continue to organise training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong.

Internal Control

In order to ensure our ongoing compliances with applicable laws and regulations upon Listing and to prevent recurrence of non-compliance incidents and to optimise our business operation going forward, we have also adopted certain key measures in respect of the management of our ticket selling distributors.

As part of our enhanced internal control measures to reduce the cumbersome and time-consuming verification procedure due to the concurrent nomination of authorised agent by multiple ticket selling distributors, we ceased entering into tripartite ticket bulk sales master agreements and no longer directly deal with authorised agents since 2025. All payment should be made through pre-registered corporate bank accounts of the relevant ticket selling distributors, otherwise such deposit would not be accepted and will be refunded to the corresponding payor. Information of pre-registered corporate bank accounts is provided by the relevant ticket selling distributors upon execution of the ticket bulk sales master agreements; and only corporate bank accounts opened in the name of the relevant ticket selling distributors will be accepted. Such measures have been put in place to prevent any third party (including authorised agents prior to 15 January 2025) to settle their payment directly to our Group.

The Board considers that the Group's risk management and internal control systems are adequate and effective for the year ended 31 December 2025.

Business Risk Management

The major risks faced by the Company are analyzed as follows:

Name of major risk	Brief description of major risk
<p>1 Risk of single business structure</p>	<p>The Company is mainly engaged in the performance and operation of Impression — Dahongpao Scenery Show, and its revenue is mainly derived from ticket sales. In 2025, the show income was RMB1,442,214,000, accounting for 94.23% of the revenue. The Company has relatively single business structure as it mainly derives income relying on the ticket sales of performance projects. As such, on one hand, the Scenery Show, a a special form of performance, is closely related to the tourism resources, weather and geographical conditions of the project location; on the other hand, any adverse change in the market conditions of the project will impact the Company, resulting in a significant reduction in operating income or even operating loss.</p> <p>Countermeasures: Over the years, through the performance and operation of Impression — Dahongpao Scenery Show, the Company has accumulated relatively extensive experience in the management of tourism projects. In the future, the Company intends to integrate with more cultural tourism projects to carry out professionalised operation and management, thereby developing new sources of revenue. In addition, the Company has invested in and operated the Chatang hotel, Impression Cultural Tourism Town and the show Moonlight over Mount Wuyi, and expects that these projects will bring new opportunities to Impression Co., Ltd. (印象股份) in terms of seasonal revenue balancing, business expansion and regional coverage expansion.</p>
<p>2 Risk of continuing connected transactions</p>	<p>During the Reporting Period, the Company purchased the copyright of Impression — Dahongpao Scenery Show from and paid direction creativity fee to Impression Art Development, a related party. In 2025, the Company paid to Impression Art Development a total of RMB13,440,349.26, accounting for 44.19% of the total procurement amount. Impression Art Development is related to the Company’s business model and business development needs, and the Company expects that the connected procurement specified above will continue.</p>

Corporate Governance Report

Name of major risk	Brief description of major risk
	<p>Countermeasures: Due to the specialised and personalised nature of the services provided by Impression Art Development and the distinctive artistic presentation of the Impression — Dahongpao Scenery Show, there is no publicly available data on copyright licensing fees for directly comparable performing arts projects in the market for reference. The Company has explained that the above fees were determined after comprehensively considering the cooperation model between the Company and Impression Art Development, taking into account factors such as the creation, rehearsal and performance complexity of the production, ticket sales performance, and following arm's length negotiations between the parties. There is no obvious underpricing or transfer of benefits to any related party through unreasonable pricing. Based on the parties' history of friendly cooperation and shared commitment to compliant operations, both parties will continue to adhere to fair pricing principles to prevent the occurrence of benefit transfers and to safeguard the legitimate interests of shareholders of both parties.</p>
<p>3 Risk of regional limitation of Scenery Show business</p>	<p>All of the Company's shows are performed at its fixed venues. The unique tourism resources and geographical conditions of Mount Wuyi Scenic Area, where the project is located, have been internalized into the Company's core resource elements on one hand but formed the Company's dependence on specific performance venues on the other hand. The nature of scenery show determines obvious regional limitations in the Company's existing business, which to some extent limits the external expansion and mode replication of the Company's scenery show business, and is not conducive to the Company's business development at larger scale and faster speed.</p> <p>Countermeasures: The Company is actively planning a diversified business strategy for the future, striving to develop itself into a diversified and comprehensive cultural and tourism enterprise. As an enterprise principally engaged in the organisation, management and operation of cultural tourism projects, the Company plans to integrate with more cultural tourism projects to carry out professionalised operation and management, thereby reducing its dependence on specific regions under the traditional single business model centred on scenery show.</p>
<p>4. Risk of no ownership of copyright in Impression — Dahongpao Scenery Show</p>	<p>The copyright in Impression — Dahongpao Scenery Show belongs to Impression Art Development Co., Ltd.. By signing an agreement, the Company has the right to perform the show and obtain the relevant income. In view of the Company's business model and business development needs, the Company has purchased during the Reporting Period and is expected to continue to purchase in the future the copyright in Impression — Dahongpao Scenery Show from Impression Art Development. The failure of the Company to constantly obtain copyright authorization and related maintenance services will have a negative impact on the Company's business development.</p>

Name of major risk	Brief description of major risk
	<p>Countermeasures: Due to differences in business focus, the Company continuously procures copyrights and related services from Impression Art Development, while Impression Art Development continuously provides content and services to the Company. This arrangement is determined by our respective positions in the industry value chain and distinct division of responsibilities, with both parties having mutual business needs. In addition, the Impression – Dahongpao Scenery Show uses the real mountains and waters of Wuyishan as its stage and is primarily based on local culture and customs. Its creative concept is closely tied to the unique geographical location of the Wuyishan scenic area, resulting in customised and exclusive copyright characteristics, which in turn creates strong business synergy with the Company’s targeted procurement. Although the Company does not independently own the copyright of the Impression – Dahongpao Scenery Show, the parties have clearly defined the ownership and usage rights of the relevant copyrights and intellectual property through a series of agreements. Given the mutual business needs of both parties and the close business relationship established over time, and based on the mutual understanding formed through long-term cooperation, such agreements have been duly performed without disputes or conflicts, which has effectively safeguarded the Company’s business operations.</p>
<p>5. Risk of no ownership certificate for some houses and land</p>	<p>Due to historical reasons, the Company has not obtained the ownership certificates for some houses, buildings (structures) or is unable to handle the same in a short period of time since it has not processed the completion acceptance procedures for the preliminary construction projects or has not improved the construction application procedures in respect thereof. The Company and the original property right owner have actively coordinated with the relevant land and housing administration departments to perform the relevant ex ante procedures in a retrospective manner in order to effect the processing of the ownership certificates as soon as possible. However, as such assets have some defects in ownership, or are identified as illegal buildings by the relevant departments and therefore subject to measures of, among others, reconstruction, demolition and relocation, the Company faces risks of uncertainty in or economic losses from the normal use of such assets.</p> <p>Countermeasures: As these properties are primarily ancillary assets and account for a relatively small proportion of the total floor area of the Company’s buildings, the failure to obtain the relevant property certificates will not result in material defects in the overall quality of the Company’s assets. Confirmation has been obtained from the competent authorities that such buildings and structures comply with urban and rural planning requirements, do not constitute illegal constructions, and are not subject to demolition risks in the short term, and their use does not involve any material illegal or non-compliant activities. The Company will continue to monitor and follow up on the progress of obtaining the relevant property certificates.</p>

Corporate Governance Report

Name of major risk	Brief description of major risk
6 Risk of seasonal fluctuation of performance results	<p>Influenced by the natural climate and the distribution of tourists' leisure time, the Company's performance results show obvious seasonal fluctuation. If the Company fails to formulate the corresponding business strategy in advance according to the seasonal fluctuation characteristic, there will be operational risks arising from the Company's inability to fully meet the viewing needs of tourists in the peak season or the failure to fully use the equipment in the off-season.</p> <p>Countermeasures: In response to seasonal risks, the Company has formulated corresponding operational management measures to manage visitor demand during peak and off-peak seasons. For example, during peak seasons, the Company mobilises more manpower and resources to arrange multiple performances appropriately to meet visitor demand; during off-peak seasons, the Company attracts more visitors by strengthening promotional activities and offering discounts. In addition, the Company is actively planning to develop diversified business models to smooth revenue fluctuations and reduce operational risks.</p>
7 Risk of changes in industry policies and tourism environment	<p>After years of operation, the Company's Impression — Dahongpao Scenery Show has gained popularity and recognition to a certain extent, but changes in industrial policies and local tourism environment may have a certain impact on the Company's revenue growth.</p> <p>Countermeasures: The Company's Scenery Show project can provide higher quality service through in-depth cooperation with travel agencies and ticketing agencies. While maintaining the existing business, the Company is vigorously planning the development of other businesses. In the future, the Company plans to build a diversified business development landscape.</p>
8 Risk of force majeure	<p>The scenery show project operated by the Company are performed outdoors, against a backdrop of mountains and rivers, which are vulnerable to storms, droughts and floods. In addition, Mount Wuyi City is a war preparedness area with a military airport and is thus vulnerable to war, political turmoil and other events.</p> <p>Countermeasures: The Company has established an emergency response mechanism for major disasters and natural disaster risks to minimize possible losses.</p>
9 Risk of market competition	<p>Although the Company's Impression — Dahongpao Scenery Show is popular and influential, it does not rule out the possibility of stronger strength of potential competitors in the future or new competitors emerging in Mount Wuyi area. If the Company fails to maintain the attraction of Impression — Dahongpao Scenery Show to tourists in light of the future market demand, or makes major mistakes in marketing, it will weaken the Company's competitive strengths in the scenery show market.</p>

Name of major risk	Brief description of major risk
<p>10 Risk of operational failure of theater facilities</p>	<p>Countermeasures: The Company insists on maintaining the project every year, identifying problems in the performance in time and making appropriate improvement and treatment to ensure the quality of the program; for the future business, the Company will develop diversified operations by relying on the existing business and industry experience and leveraging the capital market platform, to reduce the risks brought by market competition.</p> <p>Various acoustic, lighting and electronic techniques are adopted for the Company's Impression — Dahongpao Scenery Show, and rotating stage, film screen, laser lamp, projector and other facilities are installed in and near the theatre. If the above theater facilities and props have operational failures due to mechanical, electrical or improper use, or suffer fire or other accidents due to natural or human factors, the personal safety of the audience and performers may be damaged, which will directly have a negative impact on the Company's operation and brand.</p> <p>Countermeasures: With the continuous depreciation of equipment and stage, the Company will intensify efforts to replace with and introduce new equipment in light of demand, and to maintain and repair equipment. Through regular communication with fire control and related maintenance departments, the Company also makes timely adjustments to the problems existing in the facilities to ensure the personal safety of the audience and performers.</p>
<p>11 Corporate governance risk</p>	<p>When the Company was a limited liability company, it has simple corporate governance structure and imperfect governance mechanism, and had some weaknesses in the operation of the Board and Shareholders' Meeting due to its management's insufficient understanding of laws and regulations. After the Company was entirely transformed into a joint stock company in January 2016, it has formulated a series of governance systems, such as the Articles of Association, the rules of procedure of the Board and Shareholders' Meeting, the Management System for Connected Transactions and the Measures for the Management of External Guarantees, and established a relatively sound and robust corporate governance mechanism. After the Company moved to the innovation layer in 2020, it has formulated a more complete governance system according to the relevant rules. Since the innovation layer has higher requirements for corporate governance, the Company will continue to further regulate corporate governance in the future.</p>

Corporate Governance Report

Name of major risk	Brief description of major risk
12 Risk of development of new business	<p>Countermeasures: The Company will follow the established management system for standardization of corporate governance and enhancement of supervision and checks and balances, and focus on strengthening the awareness of all shareholders, directors and senior management about standardizing corporate governance, so as to ensure strict compliance with the Articles of Association and other management systems in procedures implementation and standardize corporate governance.</p> <p>In November 2017, the Company established Chatang Hot Spring Resort Co., Ltd. which is mainly responsible for the operation of the hot spring tourism project, which has been put into operation from July 2021. On 23 September 2019, the Company established Wuyishan Impression Dahongpao Cultural Tourism Co., Ltd. (武夷山印象大红袍文化旅游有限公司) which is mainly responsible for the operation of Dahongpao Experience Center and Impression Jianzhou, which has been put into operation. On 30 September 2024, the Company established Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd. which is mainly responsible for performance operation and has been put into operation in 2025. The subsequent operation of the above projects may be affected by many factors, such as macroeconomic changes, changes in the local tourism market, the Company's operational experience, and the degree of synergy with the existing scenery show business. Therefore, there may be a risk that the Company's short-term performance cannot meet expectations, which may have a negative impact on the consolidated net profit of the parent company.</p> <p>Countermeasures: The Company will expand the projects of Chatang, Impression Cultural Tourism and Moonlight over Mount Wuyi based on the current sales channels, optimize the operation team in the subsequent operation process, and introduce experienced personnel or professional operation teams to operate the projects.</p>

Financial Risk Management

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group's overall financial risk management policies focuses on the unpredictability and volatility at financial markets and seeks to minimise potential adverse effects on the financial position, financial performance and cash flows of the Group. No derivative financial instruments are used to hedge any risk exposures.

Inside Information and Internal Control Risks Management

The Group implements and strictly enforces procedures relating to inside information in accordance with the relevant procedures of the Company. Before the disclosure of relevant information to the public, the Company will ensure that such information has been properly kept confidential and will fulfil its obligation to notify and monitor persons aware of inside information.

Ongoing Review

To monitor the ongoing implementation of our risk management policies, the Audit Committee reviews and supervises our financial reporting process and internal control system on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations.

Our internal audit department is responsible for reviewing the effectiveness of internal controls and reporting issues identified and improving our internal control system and procedures by identifying internal control failures and weaknesses on an ongoing basis. The internal audit department reports any major issues identified to the Audit Committee and Board of Directors on a timely basis.

The Board considers that the Group's risk management and internal control systems are adequate and effective for the purposes set out in Principle D2 of the Corporate Governance Code for the year ended 31 December 2025. The review covered certain operational procedures. No significant control failings or weakness have been identified by the consultant during the review. No significant control failings or weaknesses that were identified in the current Reporting Period, or that were previously reported but remain unresolved have been identified by the internal audit department during the Reporting Period.

During the Reporting Period, there were no significant changes in (i) the Company's assessment of risks (including ESG risks) and (ii) the risk management and internal control systems.

WHISTLEBLOWING POLICY AND ANTI-CORRUPTION POLICY

The Group has continuously improved the whistleblowing policy (the "**Whistleblowing Policy**") and system, publicly released the E-mail address for whistleblowing, and emphasized the protection of whistleblowers. It is the Group's policy to make every effort to treat all disclosures in a confidential and sensitive manner after receipt of any relevant report from an employee or a relevant third party. Upon receipt of any report, the HR department will evaluate the validity and relevance of the concerns raised in such report, and to decide if the reported matter falls under the scope of the Whistleblowing Policy and whether an investigation is necessary.



Corporate Governance Report

The Group has always attached great importance to the construction and implementation of its anti-corruption policy (the “**Anti-Corruption Policy**”) and system. Directors and senior management of the Company are responsible for ensuring the effective implementation and in particular, the monitoring and investigation of any material corruption committed within the Group. The Anti-Corruption Policy clearly stipulates the improper payments, kickbacks and other forms of bribery of its employees. In addition, the Group is committed to dealing with its customers and suppliers in a fair, honest and professional manner, and employees must act with due care and diligence when evaluating prospective contractors and suppliers. The Group’s policy is not to deal with suppliers and other potential business partners known to be paying bribes and/or engaging in corrupt activities.

DIVIDEND POLICY

We do not currently have a fixed dividend policy or fixed dividend pay-out ratio and may declare dividends from time to time as our Board considers appropriate in compliance with our Articles of Association and the applicable laws and regulations. Distribution of dividends will be formulated by our Board at its discretion and will be subject to shareholders’ approval. Under the PRC Company Law and our Articles of Association, all of our Shareholders holding the same class of shares have equal rights to dividends and other distributions proportionate to their shareholding.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company has adopted the Articles of Association on 26 November 2025, which has been effective from the Listing Date.

On 30 March 2026, pursuant to the relevant provisions of the Rules for Corporate Governance of Companies Listed on the National Equities Exchange and Quotations (《全國中小企業股份轉讓系統掛牌公司治理規則》) and the Company Law of the People’s Republic of China and taking into account the actual circumstances of the Company, the Board proposed to amend certain provisions of the Articles of Association subject to the Shareholders’ approval at the AGM. For details, please refer to the Company’s announcement dated 30 March 2026.

Save as disclosed above, no changes were made to the Articles of Association since the Listing Date and up to the date of this annual report.

The latest version of the Articles of Association is also available on the Company’s website and the Stock Exchange’s website.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, the Group did not have any important events after the Reporting Period and up to the date of this annual report.

COMMUNICATION WITH SHAREHOLDERS

The Company has established a shareholders' communication policy with the objective of ensuring that the Shareholders and the investment community at large are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to enhance the communication among Shareholders, the investment community and the Company. Pursuant to the shareholders' communication policy, the Company establishes several communication channels with shareholders and stakeholders including: (i) provision of printed or electronic copies of corporate communications; (ii) provision of timely corporate information on the company website; (iii) holding of annual general meetings to provide a platform for shareholders to raise comments and exchange views with the board; and (iv) arrangement in servicing the shareholders in respect of all share registration matters.

The Board reviews the shareholders' communication policy on a regular basis to ensure its effectiveness, particularly with regards to the requirements of Part 2 in the Corporate Governance Code. The Board has reviewed the implementation and effectiveness of the shareholders' communication policy during its meetings, and are of the view that the shareholders' communication policy has been effectively implemented and that the dissemination of information to the Shareholders' were effective based on the measures adopted above.

The Group uses several formal channels to ensure fair disclosure and comprehensive and transparent reporting of its performance and activities, including issue/publication of, among others, annual report and interim report, announcement, circular and press release both in English and Chinese, in order to provide the Shareholders and the capital market with the Company's latest development. The information is also posted and made available for downloading at the Company's website.

The Company endeavors to maintain an on-going dialogue with the Shareholders and in particular, through the annual general meeting and other shareholders' meetings. Shareholders are encouraged to attend the annual general meeting to ensure a high level of accountability and understand the strategy and development of the Group. The Company will arrange the Chairman of the Board and the respective chairman of each of the Board committees, or if failing so due to unexpected and/or uncontrollable reasons, his/their duly appointed delegate(s), to attend the shareholders' meetings to exchange views with shareholders and answer their questions. All Directors are encouraged to attend shareholders' meetings and develop a balanced understanding of the view of shareholders.

The shareholders' meetings of the Company serve as an opportunity for the Directors and senior management to communicate with the Shareholders. Shareholders are encouraged to participate in shareholders' meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Notice in writing is given by the Company to the Shareholders at least 21 days prior to the annual general meeting or at least 15 days prior to the extraordinary shareholders' meeting.

Corporate communication will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding about the content of the communication. Shareholders have the right to choose the language (either English or Chinese) or means of receipt of the corporate communications (in hard copy or through electronic means). Shareholders are encouraged to provide, amongst other things, in particular, their email addresses to the Company in order to facilitate timely and effective communications.



Corporate Governance Report

Upon review the implementation and effectiveness of the shareholders' communication policy conducted during the Reporting Period, the Board considers that the Company's shareholder communication policy is still effective.

SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, separate resolutions are proposed at the shareholders' meetings on each substantial issue, including the election of individual Directors, for the Shareholders' consideration and voting. All resolutions put forward at the shareholders' meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company (<https://www.yxdhp.com.cn/>) and the Stock Exchange (www.hkexnews.hk) after each shareholders' meeting.

Pursuant to the Articles of Association, the Company shall hold an extraordinary shareholders' meeting within two months from the date of occurrence When shareholders who individually or jointly hold 10% or more of the Company's shares request it.

If the Board of Directors is unable or fails to fulfill the obligation of convening the shareholders' meetings, the Audit Committee shall convene and preside over such meetings in a timely manner. If the Audit Committee does not convene or preside over such meetings, the shareholders individually or jointly holding 10% or more of the shares of the Company for over ninety consecutive days may convene and preside over such meetings on their own initiative. Where shareholders individually or in aggregate holding 10% or more of the Company's shares request to convene an extraordinary shareholders' meeting, the Board of Directors and the Audit Committee shall, within ten days after receipt of such request, decide whether to convene the extraordinary shareholders' meeting and reply to the shareholders in writing. Where the laws, administrative regulations, and the relevant rules of the securities regulatory authorities in the places where the shares of the Company are listed provided otherwise, the provisions shall prevail.

Where shareholders convene a shareholders' meeting themselves, the proportion of shares held by the convening shareholders shall not be less than 10% from the date of convening the meeting until the announcement of the resolution.

Shareholders' Enquiries

Shareholders and investors may send written enquiries or requests to the Company, for the attention of the Board of Directors. The contact details are as follows:

Address: Impression Villa (Yinxiang Bieyuan), 62 Sangu Street, Resort Area, Mount Wuyi City, Fujian Province, PRC

Attention: Office of the Board

Email Address: project.stage@yxdhp.com.cn

Shareholders may direct their questions about their shareholdings to the Company's H Share Registrar, Tricolor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. The Company ensures that the H Share Registrar maintains the most up-to-date information relating to the H Shares at all times so that it can respond effectively to the Shareholders' enquiries.

To the Shareholders of Impression Dahongpao Co., Ltd.,

I. OPINION

We have audited the financial statements of Impression Dahongpao Co., Ltd. (hereafter referred to as “Impression” or the “Company”), including the consolidated and company’s balance sheet as at 31 December 2025, the consolidated and company’s income statement, the consolidated and company’s statement of cash flows and the consolidated and company’s statement of changes in shareholders’ equity for the year then ended, and notes to the relevant financial statements.

In our opinion, the accompanying financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects, and fairly present the consolidated and company’s financial position as at 31 December 2025, and the consolidated and company’s operating results and cash flows for the year then ended, of Impression.

II. BASIS FOR OUR OPINION

We conducted our audit in accordance with the Auditing Standards for PRC Certified Public Accountants. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountants and the independence requirements for public interest entities in the Independence Standards for Chinese Certified Public Accountants (if applicable), and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

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

Revenue recognition

Please refer to Note III. 21 and Note V.34 of the financial statements for details of related information disclosures.



Audit Report

1. Description on the matter

The operating income of the Company is mainly derived from the ticket income of the performing arts on the scene of the Impression Dahongpao scenic.

The Company's ticket sales income in 2025 amounted to RMB142,214,000, accounting for 94.23% of its operating income in 2025. The ticket sales income of the Company shall be recognized after the end of ticket sales, audience admission and performance. Since this income is significant and is a key performance indicator, there is inherent risk that the management manipulates the time point of revenue recognition in order to achieve a specific goal or expectation, we identify revenue recognition as a key audit matter.

2. Response to the audits

In the audit of the financial statements for the year ended 31 December 2025, we mainly performed the following procedures for revenue recognition:

- (1) Understand and evaluate the effectiveness of the internal control design related to revenue recognition, and test the effectiveness of key internal control operations.
- (2) Select samples to check sales contracts, analyze and evaluate whether the revenue recognition policy of the Company is in compliance with the requirements of the Accounting Standards for Business Enterprises, including but not limited to: analyzing whether the identification of performance obligations, the allocation of transaction prices, and the determination of the time point of transfer of control over related goods or services are in compliance with industry practices and the business model of the Company; and review whether the relevant accounting policies have been consistently applied.
- (3) Select samples and check the supporting documents related to revenue recognition, including sales contracts, system orders, collection vouchers, customer statements, etc.
- (4) Check whether the data in the business system is consistent with the actual data recorded in the financial account to verify the accuracy of revenue recognition.
- (5) Check sales income recognized before and after the balance sheet date against the supporting documents such as system orders and performance records, and obtain the supporting documents such as the system orders and performance records before and after the balance sheets date to check book sales income so as to evaluate whether the sales income is recognized in an appropriate period.
- (6) Implement confirmation procedures for samples selected by customers, check the confirmation results with the amount recorded in the Company's books, and perform alternative procedures for customers who have not replied to the letter to confirm the sales amount of the current year, so as to evaluate the authenticity, accuracy and completeness of revenue recognition.

- (7) Compare the trend of revenue changes in the current year with that of public companies in the same industry, and analyze the reasonableness of revenue fluctuations.
- (8) Inquire the industrial and commercial information of customers newly acquired this year to understand their establishment time and scale, directors, supervisors, senior management and shareholders information, etc., so as to check whether they have any related relationship with the Company or its controlling shareholder or directors, supervisors or senior management; check the authenticity of relevant business and the reasonableness of transactions.

IV. OTHER INFORMATION

The Management of the Company is responsible for other information. Other information includes the information included in the Company's 2025 annual report, but excludes the financial statements and our audit report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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.

V. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's management is responsible for preparing the financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

In preparing the financial statements, the management is responsible for assessing the Company's going-concern ability, disclosing the matters related to going concern (if applicable) and using the going-concern assumption, unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit standards will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are generally considered material if separate or aggregated misstatements are reasonably expected to possibly influence the economic decisions made by the users of financial statements on the basis of these financial statements.

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in these 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 audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit, and remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them in regard to all relationships and other matters that may reasonably be thought to affect our independence, and related safeguards (if applicable).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit 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.

Grant Thornton Zhitong
Certified Public
Accountants LLP

China Certified Public
Accountant:
(Engagement Partner)

China Certified Public
Accountant:

Beijing, the PRC

30 March 2026

Consolidated and Company's Balance Sheet

As at 31 December 2025

Prepared by: Impression Dahongpao Co., Ltd.

Unit: RMB

Item	Note		Balance at the end of the period		Balance at the end of last year	
	Consolidated	Company's	Consolidated	Company's	Consolidated	Company's
Current assets						
Monetary funds	V.1		195,407,521.88	187,781,423.07	101,083,309.29	75,957,355.11
Financial assets held for trading	V.2		3,520,596.64	3,520,596.64		
Bills receivable						
Trade receivables	V.3	XIV.1	6,549,647.81	2,741.00	3,494,788.99	9,430.65
Accounts receivable financing						
Prepayments	V.4		1,145,736.67	1,021,901.61	1,183,519.85	1,140,706.36
Other receivables	V.5	XIV.2	1,198,877.34	559,140.00	1,355,646.01	7,448,072.76
Including: Interest receivable						
Dividends receivable						
Inventories	V.6		3,168.33	3,168.33	47,323.54	47,323.54
Including: Data resources						
Contract assets						
Assets held for sale						
Non-current assets due within one year						
Other current assets	V.7		4,954,652.12		7,235,876.00	5,548,163.99
Total current assets			212,780,200.79	192,888,970.65	114,400,463.68	90,151,052.41

Consolidated and Company's Balance Sheet

As at 31 December 2025

Item	Note		Balance at the end of the period		Balance at the end of last year	
	Consolidated	Company's	Consolidated	Company's	Consolidated	Company's
Non-current assets:						
Debt investments						
Other debt investments						
Long-term receivables	V.8		634,757.25	634,757.25	606,552.56	606,552.56
Long-term equity investments	V.9	XIV.3	2,153,664.49	152,488,389.55	2,190,278.48	146,975,596.22
Other equity instrument investments						
Other non-current financial assets						
Investment property	V.10		311,059.56	311,059.56	323,195.28	323,195.28
Fixed assets	V.11		119,710,218.40	38,556,388.19	81,922,169.59	42,194,284.53
Construction in progress	V.12		163,018.87		8,791,370.95	
Productive biological assets	V.13		44,753.46		55,941.90	
Oil and gas assets						
Right-of-use assets	V.14		78,180,466.34	551,679.27	14,679,983.94	645,761.79
Intangible assets	V.15		11,152,360.36	7,767,075.67	22,746,099.93	8,103,555.43
Including: Data resources						
Development expenditures						
Including: Data resources						
Goodwill						
Long-term deferred expenses	V.16		87,270,842.07	6,639,119.27	53,065,534.90	7,111,314.98
Deferred income tax assets	V.17		6,023,159.79	145,224.47	2,814,909.50	136,800.50
Other non-current assets	V.18				11,698,113.20	
Total non-current assets			305,644,300.59	207,093,693.23	198,894,150.23	206,097,061.29
Total assets			518,424,501.38	399,982,663.88	313,294,613.91	296,248,113.70

Legal Representative:

Accounting principal:

Head of the Accounting
Department:

Consolidated and Company's Balance Sheet

As at 31 December 2025

Item	Note	Balance at the end of the period		Balance at the end of last year	
		Consolidated	Company's	Consolidated	Company's
Current liabilities:					
Short-term borrowings					
Financial liabilities held for trading					
Bills payables					
Trade payables	V.20	27,260,516.08	928,498.99	1,219,910.85	929,267.80
Advances from customers	V.21	277,518.02	36,867.27	146,049.11	26,116.19
Contract liabilities	V.22	2,750,093.57	2,504,415.54	662,837.70	623,085.45
Employee benefits payments	V.23	4,370,945.91	3,932,112.30	6,316,831.40	6,049,724.23
Tax payments	V.24	2,526,770.44	2,340,814.72	4,265,659.77	3,686,119.52
Other payables	V.25	13,101,817.03	11,838,989.15	6,423,886.55	5,367,315.87
Including: Interest payable					
Dividends payable					
Liabilities held for sale					
Non-current liabilities due within one year	V.26	7,125,003.77	89,297.40	6,682,232.67	79,428.06
Other current liabilities	V.27	89,873.17	75,132.47	21,077.71	18,692.56
Total current liabilities		57,502,537.99	21,746,127.84	25,738,485.76	16,779,749.68
Non-current liabilities:					
Long-term borrowings					
Bonds payable					
Lease liabilities	V.28	77,873,553.89	596,448.63	15,142,213.02	685,746.00
Long-term payables	V.29	7,897,583.46		16,494,655.69	
Estimated liabilities					
Deferred income					
Deferred income tax liabilities	V.17				
Other non-current liabilities					
Total non-current liabilities		85,771,137.35	596,448.63	31,636,868.71	685,746.00
Total liabilities		143,273,675.34	22,342,576.47	57,375,354.47	17,465,495.68
Share capital	V.30	144,170,000.00	144,170,000.00	108,070,000.00	108,070,000.00
Capital reserve	V.31	133,136,881.04	133,136,881.04	73,224,838.23	73,224,838.23
Less: treasury stock					
Other comprehensive income					
Special reserves					
Surplus reserves	V.32	25,844,363.64	25,844,363.64	21,453,160.98	21,453,160.98
Undistributed profit	V.33	31,149,394.76	74,488,842.73	41,221,349.39	76,034,618.81
Total shareholders' equity attributable to the parent company		334,300,639.44	377,640,087.41	243,969,348.60	278,782,618.02
Non-controlling interests		40,850,186.60		11,949,910.84	
Total shareholders' equity		375,150,826.04	377,640,087.41	255,919,259.44	278,782,618.02
Total liabilities and shareholders' equity		518,424,501.38	399,982,663.88	313,294,613.91	296,248,113.70

Legal Representative:

Accounting principal:

Head of the Accounting Department:

Consolidated and Company's Income Statement

Year 2025

Prepared by: Impression Dahongpao Co., Ltd.

Unit: RMB

Item	Note		2025		2024	
	Consolidated	Company's	Consolidated	Company's	Consolidated	Company's
I. Operating incomes	V.34	XIV.4	150,919,253.58	131,565,462.66	141,326,466.53	123,511,041.19
Less: operating costs	V.34		79,622,797.76	57,964,922.96	61,330,111.84	49,538,524.75
Tax and surcharge	V.35		1,037,881.47	747,771.52	988,185.13	717,268.04
Selling expenses	V.36		10,367,869.15	3,844,424.34	7,715,084.89	4,046,108.16
Administrative expenses	V.37		17,131,535.90	10,528,721.21	10,600,785.15	9,147,432.06
Research and development expenses						
Financial expenses	V.38		3,343,244.94	445,142.24	2,283,761.78	33,453.46
Including: Interest expenses			2,957,387.46	33,644.28	2,287,416.28	37,391.15
Interest income			215,654.95	180,059.41	108,647.93	104,192.98
Add: Other income	V.39		189,173.45	89,149.94	947,611.28	632,954.48
Investment income ("-" for losses)	V.40	XIV.5	556,860.37	524,706.69	1,377,672.78	1,460,689.39
Including: Investment income in associates and joint ventures			(36,613.99)	12,793.33	(287,076.26)	(204,059.65)
Gains from the derecognition of financial assets measured at amortized cost ("-" for losses)						
Gains from net exposure hedges ("-" for losses)						
Gains from changes in fair value ("-" for losses)	V.41		20,596.64	20,596.64		
Impairment losses on credit ("-" for losses)	V.42		(367,573.53)	(39,638.03)	(54,821.86)	(13,655.35)
Impairment losses on asset ("-" for losses)						
Gains on disposal of assets ("-" for losses)	V.43		(4,146.02)	(4,146.02)		
II. Operating profits ("-" for losses)			39,810,835.27	58,625,149.61	60,678,999.94	62,108,243.24
Add: Non-operating incomes	V.44		3,746.60	1,000.00	641,724.36	484,761.95
Less: Non-operating expenses	V.45		46,512.01	32,350.64	37,014.22	23,042.22

Consolidated and Company's Income Statement

Year 2025

Item	Note		2025		2024	
	Consolidated	Company's	Consolidated	Company's	Consolidated	Company's
III. Total profits ("-" for total losses)			39,768,069.86	58,593,798.97	61,283,710.08	62,569,962.97
Less: Income tax expenses	V.46		11,481,946.07	14,681,772.39	16,107,313.24	15,695,781.67
IV. Net profit ("-" for net loss)			28,286,123.79	43,912,026.58	45,176,396.84	46,874,181.30
(I) Classified by continuity of operation:						
Net profit from continuing operations ("-" for net loss)			28,286,123.79	43,912,026.58	45,176,396.84	46,874,181.30
Net profit from discontinued operation ("-" for net loss)						
(II) Classified by ownership:						
Including: Net profit attributable to Shareholders of the parent company ("-" for net loss)			35,385,848.03		45,226,486.00	
Profit or loss attributable to non-controlling interests ("-" for net loss)			(7,099,724.24)		(50,089.16)	
V. Other comprehensive income, net of tax						
Other comprehensive income, net of tax, attributable to Shareholders of the parent company						
(I) Other comprehensive income that cannot be reclassified into profit or loss						
(II) Other comprehensive income that will be reclassified into profit or loss						
Other comprehensive income, net of tax, attributable to non-controlling shareholders						
VI. Total comprehensive income			28,286,123.79		45,176,396.84	
Total comprehensive income attributable to shareholders of the parent company			35,385,848.03		45,226,486.00	
Total comprehensive income attributable to non-controlling shareholders			(7,099,724.24)		(50,089.16)	
VII. Earnings per share						
(I) Basic earnings per share	XV.2		0.33		0.42	
(II) Diluted earnings per share						

Legal Representative:

Accounting principal:

Head of the Accounting Department:

Consolidated and Company's Statement of Cash Flows

Year 2025

Prepared by: Impression Dahongpao Co., Ltd.

Unit: RMB

Item	Note	2025		2024	
		Consolidated	Company's	Consolidated	Company's
I. Cash flows generated from operating activities:					
Cash received from sale of goods and rendering of services		161,682,284.93	137,475,311.55	144,375,376.40	127,820,963.89
Refunds of taxes and surcharges					
Cash received from other operating activities	V.47	1,628,538.14	1,111,927.96	2,293,274.00	1,818,827.08
Sub-total of cash inflows generated from operating activities		163,310,823.07	138,587,239.51	146,668,650.40	129,639,790.97
Cash paid for goods purchased and services received		38,990,171.50	25,394,339.97	21,845,453.25	18,701,362.27
Cash paid to and on behalf of employees		37,736,319.25	35,744,514.97	32,211,213.07	30,618,659.18
Cash paid for taxes and surcharges		21,808,174.27	20,736,321.93	19,514,109.71	18,804,570.47
Cash paid for other operating activities	V.47	17,763,560.02	6,866,900.13	10,984,508.11	9,326,529.86
Sub-total of cash outflows generated from operating activities		116,298,225.04	88,742,077.00	84,555,284.14	77,451,121.78
Net cash flow generated from operating activities		47,012,598.03	49,845,162.51	62,113,366.26	52,188,669.19
II. Cash flows generated from investing activities:					
Cash received from disposal of investment		101,290,000.00	101,290,000.00	271,343,762.43	271,343,762.43
Cash received from returns on investment		511,913.36	511,913.36	1,664,749.04	1,664,749.04
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		353.98	353.98	22,761.95	22,761.95
Net cash received from disposal of subsidiaries and other business units					
Cash received from other investing activities			1,305,000.00		62,841,629.83
Sub-total of cash inflows generated from investing activities		101,802,267.34	103,107,267.34	273,031,273.42	335,872,903.25
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		46,892,670.65	2,404,108.18	27,357,638.98	3,664,857.14
Cash paid for investment		104,790,000.00	104,790,000.00	263,665,000.00	263,630,000.00
Net cash paid to acquire subsidiaries and other business units					90,000,000.00
Cash paid for other investing activities					
Sub-total of cash outflows generated from investing activities		151,682,670.65	107,194,108.18	291,022,638.98	357,294,857.14
Net cash flows generated from investing activities		(49,880,403.31)	(4,086,840.84)	(17,991,365.56)	(21,421,953.89)

Consolidated and Company's Statement of Cash Flows

Year 2025

Item	Note	2025		2024	
		Consolidated	Company's	Consolidated	Company's
III. Cash flows generated from financing activities:					
Cash received from investors		150,007,672.91	114,007,672.91	12,000,000.00	
Including: Cash received					
by subsidiaries from investment					
by non-controlling shareholders		36,000,000.00		12,000,000.00	
Cash received from borrowings					
Cash received from					
other financing activities					
Sub-total of cash inflows generated from financing activities		150,007,672.91	114,007,672.91	12,000,000.00	
Cash paid for debt repayment					
Cash paid for distribution of dividends and profits or payment of interests		41,066,600.00	41,066,600.00	32,421,000.00	32,421,000.00
Including: Dividends or profit paid to non-controlling shareholders by subsidiaries					
Cash paid for other financing activities	V.47	11,223,680.24	6,349,951.82	7,860,231.73	5,655,851.91
Sub-total of cash outflows generated from financing activities		52,290,280.24	47,416,551.82	40,281,231.73	38,076,851.91
Net cash flows generated from financing activities		97,717,392.67	66,591,121.09	(28,281,231.73)	(38,076,851.91)
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		(525,374.80)	(525,374.80)	(33.54)	(33.54)
V. Net increase in cash and cash equivalents		94,324,212.59	111,824,067.96	15,840,735.43	(7,310,170.15)
Add: Balance of cash and cash equivalents at the beginning of the period		101,081,559.29	75,955,605.11	85,240,823.86	83,265,775.26
VI. Balance of cash and cash equivalents at the end of the period		195,405,771.88	187,779,673.07	101,081,559.29	75,955,605.11

Legal Representative:

Accounting principal:

Head of the Accounting Department:

Consolidated Statement of Changes in Shareholders' Equity

Year 2025

Unit: RMB

Prepared by: Impression Dahongbao Co., Ltd.

Item	2025						2024														
	Share capital	Capital reserve	Treasury stock	Less: comprehensive income	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Non-controlling interests	Shareholders' equity	Share capital	Capital reserve	Treasury stock	Less: comprehensive income	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Non-controlling interests	Shareholders' equity	
I. Balance at the end of the previous year	108,070,000.00	73,224,838.23					2,143,160.18	41,221,749.39	11,949,010.84	253,919,259.44	108,070,000.00	73,224,838.23				16,765,742.85	33,103,261.52		231,163,682.60		
Add: Adjustments for changes in accounting policies																					
Adjustments for correction of accounting errors in prior year																					
Business combination under common control																					
Other																					
II. Balance at the beginning of this year	108,070,000.00	73,224,838.23				2,143,160.18	41,221,749.39	11,949,010.84	253,919,259.44	108,070,000.00	73,224,838.23					16,765,742.85	33,103,261.52		231,163,682.60		
III. Increases (decreases) in the current year						4,391,202.66	(10,071,954.63)	28,900,235.76	119,231,556.60							4,887,418.13	8,118,873.7	11,949,910.84	24,753,388.84		
(I) Total comprehensive income		59,812,042.81				4,391,202.66	(10,071,954.63)	28,900,235.76	119,231,556.60							4,887,418.13	8,118,873.7	11,949,910.84	24,753,388.84		
(II) Capital contributed or reduced by shareholders		59,812,042.81					35,385,848.03	(7,099,724.24)	28,286,123.79										60,089.19	45,176,386.84	
1. Common shares contributed by shareholders								36,000,000.00	132,012,042.81										12,000,000.00	120,000,000.00	
2. Amounts of share-based payments recognized in shareholders' equity																					
3. Others																					
(III) Profit distribution						4,391,202.66	(4,391,202.66)		(41,066,800.00)												
1. Withdrawal of surplus reserve						4,391,202.66	(4,391,202.66)														
2. Distribution to shareholders																					
3. Others																					
(IV) Internal carry-forward of shareholders' equity																					
1. Conversion of capital reserves into share capital																					
2. Conversion of surplus reserves into share capital																					
3. Surplus reserves offsetting losses																					
4. Other comprehensive income transferred to retained earnings																					
5. Others																					
(V) Special reserves																					
1. Withdrawal in the current period																					
2. Used in the current period																					
(VI) Others																					
IV. Balance as at the end of this year	144,170,000.00	133,136,881.04				2,634,362.84	31,149,794.76	40,850,166.60	376,150,826.04	108,070,000.00	73,224,838.23					21,453,160.98	41,221,749.39	11,949,910.84	253,919,259.44		

Head of the Accounting Department:

Accounting principal:

Legal Representative:

Parent Company Statement of Changes in Shareholders' Equity

Year 2025

Unit: RMB

Prepared by: Impression Dahongpao Co., Ltd.

Item	2025				2024				Total shareholders' equity
	Share capital	Capital reserve	Less: treasury stock	Other comprehensive income	Share capital	Capital reserve	Less: treasury stock	Other comprehensive income	
I. Balance at the end of the previous year	108,070,000.00	73,224,833.23		76,094,618.81	108,070,000.00	73,224,833.23		16,765,742.85	261,329,486.72
Adj.: Adjustments for changes in accounting policies									
Adjustments for correction of accounting errors in prior year									
Other									
II. Balance at the beginning of this year	108,070,000.00	73,224,833.23		76,094,618.81	108,070,000.00	73,224,833.23		16,765,742.85	261,329,486.72
III. Increases/Decreases in the current year (*) (for decreases)	36,100,000.00	59,912,042.81		(1,545,776.08)	98,657,469.39			4,687,418.13	14,453,181.30
(I) Total comprehensive income				43,912,026.58	43,912,026.58			4,687,418.13	48,874,181.30
(II) Capital contributed or reduced by shareholders	36,100,000.00	59,912,042.81			96,012,042.81				
1. Common shares contributed by shareholders	36,100,000.00	59,912,042.81			96,012,042.81				
2. Amounts of state-based payments recognized in shareholders' equity									
3. Others									
(III) Profit distribution				(46,457,802.66)	(41,066,600.00)			4,381,202.66	(32,421,000.00)
1. Withdrawal of surplus reserve				(4,381,202.66)	(4,381,202.66)			4,687,418.13	
2. Distribution to shareholders				(41,066,600.00)	(41,066,600.00)				
3. Others									
(IV) Internal carry-forward of shareholders' equity									
1. Conversion of capital reserves into share capital									
2. Conversion of surplus reserves into share capital									
3. Surplus reserves offsetting losses									
4. Other comprehensive income transferred to retained earnings									
5. Others									
(V) Special reserves									
1. Withdrawal in the current period									
2. Use in the current period									
(VI) Others									
IV. Balance as at the end of this year	144,170,000.00	133,136,876.04		74,468,842.73	108,070,000.00	73,224,833.23		21,453,160.98	275,782,618.02

Legal Representative:

Accounting principal:

Head of the Accounting Department:

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

I. CORPORATE INFORMATION

Impression Dahongpao Co., Ltd. (hereinafter referred to as the “Company”) was a joint stock company established by Mount Wuyi Tourism (Group) Co., Ltd. (武夷山旅遊(集團)有限公司), Fujian Province Nanping City State-owned Assets Investment and Operation Co., Ltd. (福建省南平市國有資產投資經營有限公司), Mount Wuyi Tourism Resort Development Co., Ltd. (武夷山旅遊度假產業開發有限責任公司) on 21 January 2009. The Company converted into a joint stock company with limited liability on 28 January 2016 with registered capital of RMB82.50 million, presented by a total share capital of 82.50 million shares, each with a par value of RMB1.

According to the Proposal on issuance of shares and increase in registered capital of the Company 《關於公司定向發行股份暨增加註冊資本的議案》) dated 20 July 2016, the Company issued 7,170,000 Shares of RMB1.58 each to Mount Wuyi Landscape Impression Cultural Tourism Investment Partnership (LLP) (武夷山山水印象文化旅遊投資合夥企業(有限合夥)), a company with the management and core employees of the Company as its investors. The registered capital increased by RMB7.17 million and the premium was recorded in capital reserve, which was fully paid by our Shareholders before 7 July 2016. Upon completion of the capital injection, the total share capital of the Company increased to 89.67 million and the registered capital increased to RMB89.67 million. This was verified by BDO China Shu Lun Pan Certified Public Accountants LLP who issued the Capital Verification Report (XIN KUAI SHI BAO ZI [2016] No. 124490) on 20 July 2016.

As approved by the “Gu Zhuan Xi Tong Han [2016] No. 9706” from the National Equities Exchange and Quotations Co., Ltd. (全國中小企業股份轉讓系統有限責任公司), the Company’s shares have been listed on National Equities Exchange and Quotations since 20 January 2017, with stock name as “Impression Co., Ltd.” (印象股份) and stock code as 870608.

In accordance with the “Proposal on the Company’s First Share Issuance Plan in 2018 《關於公司2018年第一次股票發行方案的議案》)” approved at the 2019 first extraordinary general meeting held by the Company on 27 February 2019, the Company applied for the issuance of 18.40 million shares of RMB3.40 each. The registered capital increased by RMB18.40 million and the premium was recorded in capital reserve., which was fully paid by our Shareholders before 4 April 2019. Upon completion of the capital injection, the total share capital of the Company increased to 108.07 million and the registered capital increased to RMB108.07 million. This was verified by Grant Thornton Zhitong Certified Public Accountants LLP who issued the Capital Verification Report (ZHI TONG YAN ZI [2019] No. 351ZA0004) on 18 April 2019.

Upon being filed with China Securities Regulatory Commission and approved by the Hong Kong Stock Exchange, the Company was listed and traded on the Main Board of the Hong Kong Stock Exchange on 22 December 2025. The Company offered 36.10 million H Shares (nominal value RMB1.00 per H Share) at an offering price of HK\$3.60 per H Share with stock code as 2695.HK.

The Company obtained a corporate legal person business licence with a unified social credit code of 913507826830976210 authorised by the Administration for Market Regulation of Nanping. As of 31 December 2025, the registered capital of the Company is RMB144.17 million, and the legal representative is Zhong Baiyi.



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

I. CORPORATE INFORMATION (continued)

Registered office: Inside the Digital Tea Expo Hall, Tea Expo Park, Resort Area, Mount Wuyi City.

Head office: Impression Villa (Yinxiang Bieyuan), 62 Sangu Street, Resort Area, Mount Wuyi City, Nanping City, Fujian Province.

The principal business of the Company: commercial performance; cultural and artistic exchange and planning; investment in and operation of tourism projects; planning and management of tourism projects; accommodation services; catering services; and conference and exhibition services.

The financial statements and notes to the financial statements were approved for disclosure at the 17th meeting of the third session of the Board of the Company on 30 March 2026.

II. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the PRC Accounting Standards for Business Enterprises and its application guideline issued by the Ministry of Finance, the interpretations and other relevant regulations (collectively, the “ASBEs”). In addition, relevant financial information as required to be disclosed by the Company according to the “Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.15 – General Rules on Financial Reporting (2023 Revised)” issued by China Securities Regulatory Commission.

The financial statements also disclose information in accordance with the relevant disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules of the Hong Kong Stock Exchange.

The financial statements are prepared on a going-concern basis.

The Company’s accounting is measured on an accrual accounting basis. Except for certain financial instruments, the financial statements are measured based on historical cost. In case of asset impairment, impairment provisions shall be made accordingly under relevant regulations.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Company determines the revenue recognition policy according to its own production and operation characteristics. See Note III. 21 for specific accounting policies.

1. Statement on Compliance with the Accounting Standards for Business Enterprises

The financial statements meet the Accounting Standards for Business Enterprises and truly and completely reflect the consolidated and company’s financial position as at 31 December 2025 and consolidated and company’s operating results and cash flows for the year then ended, of the Company.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

2. Accounting period

The Company adopts the calendar year as the accounting year, which commences on 1 January and ends on 31 December of each year.

3. Operating cycle

The Company's operating cycle is 12 months.

4. Functional currency

RMB is adopted as the functional currency of the Company and its domestic subsidiaries. The currency adopted by the Company is RMB when preparing the financial statements.

5. Determination of materiality criteria and basis of selection

Item	Criteria of significance
Significant balance of trade payables	The single amount accounts for more than 5% of the ending balance of trade payables and is more than RMB1 million
Significant balance of other payables	The single amount accounts for more than 5% of the ending balance of other payables and is more than RMB1 million
Changes in significant construction in progress	The ending balance or the amount incurred in the period of a single project in construction is more than RMB1 million
Significant advances from customers	The single amount accounts for more than 5% of the ending balance of advances from customers and is more than RMB1 million
Significant contract liabilities	The single amount accounts for more than 5% of the ending balance of contract liabilities and is more than RMB1 million
Significant non-wholly owned subsidiaries	The net assets of the subsidiary as at the end of the period account for more than 5% of the net assets of the Group as at the end of the period, or the net profit of the subsidiary for the period accounts for more than 5% of the net profit of the Group for the period
Major associates	The book value of the long-term equity investment in a single investee accounts for more than 5% of the Group's net assets, or the investment profit or loss under the equity method of the long-term equity investment accounts for more than 5% of the Group's consolidated net profit



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Accounting treatment of business combination under common control and not under common control

(1) *Business combination under common control*

For the business combination involving entities under common control, the assets and liabilities of the party being merged that are obtained in the business combination by the absorbing party shall be measured at the carrying amounts as recorded by the ultimate controlling party in the consolidated financial statements at the combination date. The difference between the carrying amount of the consideration paid for the combination and the carrying amount of the net assets obtained in the combination is charged to the capital reserve (share capital premium). If the capital reserve (share capital premium) is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combinations involving entities under common control and achieved in stages

The assets and liabilities of the party being merged that are obtained at the combination by the absorbing party shall be measured at the carrying value as recorded by the ultimate controlling party in the consolidated financial statements at combination date. The difference between the sum of the carrying value from original shareholding portion and the new investment cost incurred at combination date and the carrying value of net assets obtained at combination date shall be adjusted to capital reserve (share capital premium), if the balance of capital reserve is not sufficient to absorb the differences, any excess is adjusted to retained earnings. The long-term investment prior to the absorbing party obtaining the control of the party being merged, the recognised profit or loss, comprehensive income and other change of owners' equity at the closer date of the acquisition date and combination date under common control shall separately offset the opening balance of retained earnings and profit or loss during comparative statements.

(2) *Business combination not under common control*

For business combinations involving entities not under common control, the cost for each combination is measured at the aggregate fair value at acquisition date, of assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. At acquisition date, the acquired assets, liabilities or contingent liabilities of acquiree are measured at their fair value.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, and subsequently measured on the basis of its cost minus accumulative impairment provision; where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in the current profit or loss after reassessment.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Accounting treatment of business combination under common control and not under common control (continued)

(2) *Business combination not under common control* (continued)

Business combinations involving entities not under common control and achieved in stages

The combination cost is the sum of consideration paid at acquisition date and fair value of the acquiree's equity investment held prior to acquisition date; the cost of equity of the acquiree held prior to acquisition date shall be remeasured at the fair value at acquisition date, the difference between the fair value and carrying amount shall be recognised as investment income or loss for the period. Other comprehensive income and changes of investment equity related with acquiree's equity held prior to acquisition date shall be transferred to investment profit or loss for period at acquisition date, except for the other comprehensive income incurred by the changes of net assets or net liabilities due to the re-measurement of defined benefit plans and other comprehensive income related to investments in non-trading equity instruments that were initially designated as measured at fair value through other comprehensive income.

(3) *Transaction fees attribution during business combination*

The audit, legal, valuation advisory and other intermediary fees and other relevant administrative expenses arising from business combinations are recognised in the current profit or loss when incurred. Transaction costs of equity or debt securities issued as the considerations of business combination are included in the initial recognition amounts.

7. Criteria for judging control and preparation of consolidated financial statements

(1) *Criteria for judging control*

The scope of consolidation of the consolidated financial statements is determined on the basis of control. The term "control" refers to the fact that the Company has power over the investee and is entitled to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns. The Company re-evaluates when changes in relevant facts and circumstances result in changes to the relevant elements involved in the definition of control.

In determining whether to include a structured entity in the scope of consolidation, the Company evaluates whether to control the structured entity on the basis of a combination of all the facts and circumstances, which includes an assessment of the purpose for which the structured entity was established and its design, an identification of the type of variable returns, and whether it has assumed part or all of the return variability through its participation in its related activities.



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

7. Criteria for judging control and preparation of consolidated financial statements (continued)

(2) Basis for preparation of the consolidated financial statements

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information. In preparing the consolidated financial statements, the accounting policies and accounting periods of the Company and its subsidiaries shall be consistent, and intracompany significant transactions and balances are eliminated.

A subsidiary and its business acquired through a business combination involving entities under common control during the reporting period shall be included in the scope of the consolidation of the Company from the date of being controlled by the ultimate controlling party, and its operating results and cash flows from the date of being controlled by the ultimate controlling party are included in the consolidated profit or loss statement and the consolidated statement of cash flows, respectively.

For a subsidiary and its business acquired through a business combination involving entities not under common control during the reporting period, its income, expenses and profits are included in the consolidated profit or loss statement, and cash flows are included in the consolidated statement of cash flows from the acquisition date to the end of the reporting period.

The shareholders' equity of the subsidiaries that is not attributable to the Company is presented under shareholders' equity in the consolidated balance sheet as non-controlling interests. The portion of net profit or loss of subsidiaries for the period attributable to non-controlling interests is presented in the consolidated income statement under the "profit or loss attributable to non-controlling interests". When the amount of loss attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount shall be allocated against non-controlling interests.

(3) Acquisition of non-controlling interests in subsidiaries

The difference between the long-term equity investments costs acquired by the acquisition of non-controlling interests and the share of the net assets from subsidiaries from the date of acquisition or the date of combination based on the new shareholding ratio, as well as the difference between the proceeds from the partial disposal of the equity investment without losing control over its subsidiary and the disposal of the long-term equity investment corresponding to the share of the net assets of the subsidiaries from the date of acquisition or the date of combination, is adjusted to the capital reserve (share capital premium), if the capital reserve is not sufficient, any excess is adjusted to retained earnings.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

7. Criteria for judging control and preparation of consolidated financial statements (continued)

(4) Accounting treatment of loss of control over subsidiaries

For the loss of control over a subsidiary due to disposal of a portion of the equity investment or other reasons, the remaining equity is measured at fair value on the date when the control is lost. The difference arising from the sum of consideration received for disposal of equity interest and the fair value of remaining equity interest over the sum of the share of the carrying amount of net assets of the former subsidiary calculated continuously from the purchase date based on the shareholding percentage before disposal and the goodwill is recognised as investment income in the period when the control is lost.

Other comprehensive income relating to equity investments in the original subsidiaries shall be accounted for at the time of loss of control on the same basis as the direct disposal of the related assets or liabilities by the original subsidiaries. The other changes in ownership interests relating to the original subsidiaries involving changes in ownership interests under the equity method of accounting shall be transferred to profit or loss at the time of loss of control.

8. Foreign currency operations

The foreign currency operations of the Company are translated into the functional currency at the prevailing spot exchange rate on the date of exchange.

On the balance sheet date, foreign currency monetary items shall be translated at the spot exchange rate on the balance sheet date. The exchange difference arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate upon initial recognition or the last balance sheet date will be recognised in the current profit or loss. The foreign currency non-monetary items measured at historical cost shall still be measured by the functional currency translated at the spot exchange rate on the date of the transaction. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date of determination of the fair value. The difference between the amounts of the functional currency before and after the translation will be recognised in the current profit or loss or other comprehensive income for the period based on the nature of the non-monetary items.



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(1) Recognition and derecognition of financial instruments

Financial asset or financial liability will be recognised when the Company became one of the parties under a financial instrument contract.

Financial asset that satisfied any of the following criteria shall be derecognised:

- ① the contract right to receive the cash flows of the financial asset has terminated;
- ② the financial asset has been transferred and meets the derecognition criteria for the transfer of financial asset as described below.

A financial liability (or a part thereof) is derecognised only when the present obligation is discharged in full or in part. If an agreement is entered between the Company (debtor) and a creditor to replace the existing financial liabilities with new financial liabilities, and the contractual terms of the new financial liabilities are substantially different from those of the existing financial liabilities, the existing financial liabilities shall be derecognised and the new financial liabilities shall be recognised.

Conventionally traded financial assets shall be recognised and derecognised at the trading date.

(2) Classification and measurement of financial assets

The Company classifies the financial assets according to the business model for managing the financial assets and characteristics of the contractual cash flows into three categories as follows: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through current profit or loss.

Financial assets are measured at fair value on initial recognition. For financial assets at fair value through current profit or loss, the related transaction costs are recognized directly in the current profit or loss. For other categories of financial assets, the related transaction costs are included in the initial recognition amount. For receivables arising from the sale of products or provision of services that do not contain or give rise to a significant financing element, the Company shall take the consideration amount expected to be entitled to receive as the initial recognition amount.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

(2) Classification and measurement of financial assets (continued)

Financial asset measured at amortized cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at fair value through other comprehensive income:

- The Company's business model for managing such financial assets is to collect contractual cash flows;
- The contractual terms of the financial asset stipulate that cash flows generated on specific dates are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in the current profit or loss when the financial asset is derecognised, amortised using the effective interest method or with impairment recognised.

Financial assets measured at fair value through other comprehensive income

A financial asset is classified as measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated at fair value through current profit or loss:

- The Company's business model for managing such financial assets is achieved both by collecting contractual cash flows and selling such financial assets;
- The contractual terms of the financial asset stipulate that cash flows generated on specific dates are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are subsequently measured at fair value. Interest calculated using the effective interest method, impairment losses or gains and foreign exchange gains and losses are recognised in the current profit or loss, and other gains or losses are recognised in other comprehensive income. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to profit or loss.



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

(2) **Classification and measurement of financial assets** (continued)

Financial assets measured at fair value through current profit or loss

The Company classifies the financial assets other than those measured at amortised cost and measured at fair value through other comprehensive income as financial assets measured at fair value through current profit or loss. During initial recognition, the Company irrevocably designates certain financial assets that are required to be measured at amortised cost or at fair value through other comprehensive income as financial assets measured at fair value through current profit or loss in order to eliminate or significantly reduce accounting mismatch.

Upon initial recognition, such financial assets are measured at fair value. Except for those held for hedging purposes, gains or losses (including interests and dividend income) arising from such financial assets are recognised in the current profit or loss.

The business model for managing financial assets refers to how the Company manages its financial assets in order to generate cash flows. That is, the Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Company determines the business model for managing financial assets on the basis of objective facts and specific business objectives for managing financial assets determined by key management personnel.

The Company assesses the characteristics of the contractual cash flows of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on a specific date are solely payments of principal and interest on the principal amount outstanding. The principal refers to the fair value of the financial assets at the initial recognition. Interest includes consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks, costs and profits. In addition, the Company evaluates the contractual terms that may result in a change in the time distribution or amount of contractual cash flows from a financial asset to determine whether it meets the requirements of the above contractual cash flow characteristics.

All affected financial assets are reclassified on the first day of the first reporting period following the change in the business model where the Company changes its business model for managing financial assets; otherwise, financial assets shall not be reclassified after initial recognition.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

(3) Classification and measurement of financial liabilities

At initial recognition, financial liabilities of the Company are classified as financial liabilities measured at fair value through current profit or loss and financial liabilities measured at amortised cost. For financial liabilities not classified as measured at fair value through current profit or loss, relevant transaction costs are included in the amount initially recognised.

Financial liabilities measured at fair value through current profit or loss

Financial liabilities measured at fair value through current profit or loss comprise held-for-trading financial liabilities and financial liabilities designated at fair value through current profit or loss upon initial recognition. Such financial liabilities are subsequently measured at fair value, and the gains or losses from the change in fair value and the dividend or interest expenses related to the financial liabilities are included in the profit or loss of the period.

Financial liabilities measured at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, and the gains or losses arising from derecognition or amortisation are recognised in the current profit or loss.

A financial liability is a liability if:

- ① it has a contractual obligation to pay in cash or other financial assets to other parties.
- ② it has a contractual obligation to exchange financial assets or financial liabilities under potential adverse condition with other parties.
- ③ it is a non-derivative instrument contract which will or may be settled with the entity's own equity instruments, and the entity will deliver a variable number of its own equity instruments according to such contract.
- ④ it is a derivative instrument contract which will or may be settled with the entity's own equity instruments, except for a derivative instrument contract that exchanges a fixed amount of cash or other financial asset with a fixed number of its own equity instruments.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

(3) *Classification and measurement of financial liabilities* (continued)

Financial liabilities measured at amortised cost (continued)

If the Company cannot unconditionally avoid the performance of a contractual obligation by paying cash or delivering other financial assets, the contractual obligation meets the definition of financial liabilities.

Where a financial instrument must or may be settled with the Company's own equity instruments, the Company's own equity instruments used to settle such instrument should be considered as to whether it is as a substitute for cash or other financial assets or for the purpose of enabling the holder of the instrument to be entitled to the remaining interest in the assets of the issuer after deducting all of its liabilities. For the former, it is a financial liability of the Company; for the latter, it is the Company's own equity instruments.

(4) *Fair value of financial instruments*

See Note III.10 for the method for determining the fair value of financial assets and financial liabilities.

(5) *Impairment of financial assets*

Based on expected credit losses, the Company performs impairment treatment on the following items and recognizes the provision for loss:

- Financial assets measured at amortised cost;
- Receivables and debt instrument investments measured at fair value through other comprehensive income;
- Contract assets as defined in the Accounting Standards for Business Enterprises No. 14 – Revenue;
- Lease receivables;
- Financial guarantee contracts (except those measured at fair value through current profit or loss or formed by continuing involvement of transferred financial assets or the transfer does not qualify for derecognition).

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

(5) Impairment of financial assets (continued)

Measurement of expected credit losses

expected credit losses are the weighted average of credit losses of financial instruments weighted by the risk of default. Credit losses refer to the difference between all contractual cash flows receivable according to the contract and discounted according to the original effective interest rate and all cash flows expected to be received, i.e. the present value of all cash shortages.

The Company takes into account reasonable and well-founded information such as past events, current conditions and forecasts of future economic conditions, and calculates the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to be received weighted by the risk of default to confirm expected credit losses.

The Company measures expected credit losses of financial instruments at different stages. If the credit risk of the financial instrument did not increase significantly upon initial recognition, it is at Stage 1, and the Company makes provision for impairment based on the expected credit losses within the next 12 months; if the credit risk of a financial instrument increased significantly upon initial recognition but has not yet incurred credit impairment, it is at Stage 2, and the Company makes provision for impairment based on the lifetime expected credit losses of the instrument; if the financial instrument incurred credit impairment upon initial recognition, it is at Stage 3, and the Company makes provision for impairment based on the lifetime expected credit losses of the instrument.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that the credit risk did not increase significantly upon initial recognition, and makes provision for impairment based on the expected credit losses within the next 12 months.

Lifetime expected credit losses represent the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month expected credit losses are the expected credit losses resulting from possible default events on a financial instrument within 12 months (or a shorter period if the expected life of the financial instrument is less than 12 months) after the balance sheet date, and is a portion of lifetime expected credit losses.

The maximum period to be considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk, including renewal options.



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

(5) Impairment of financial assets (continued)

Measurement of expected credit losses (continued)

For the financial instruments at Stages 1 and 2 and with low credit risks, the Company calculates the interest income based on the book balance and the effective interest rate before deducting the impairment provisions. For financial instruments at the third stage, interest income is calculated based on the amortised cost after deducting impairment provisions made from the book balance and the effective interest rate.

Bills receivable, trade receivables and contract assets

For bills receivable, trade receivables and contract assets, regardless of whether there is a significant financing component, the Company always makes provision for impairment at an amount equal to lifetime expected credit losses.

When the Company is unable to assess the information of expected credit losses for an individual financial asset or contract asset at a reasonable cost, it classifies bills receivable, trade receivables and contract assets into portfolios based on the credit risk characteristics, and calculates the expected credit losses on a portfolio basis. The basis for determining the portfolios is as follows:

Trade receivables

- Trade receivables portfolio 1: Ticket payments, etc.
- Trade receivables portfolio 2: Intra-group company payments

Other receivables

The Company classifies other receivables into portfolios based on credit risk characteristics, and calculates the expected credit losses on a portfolio basis. The basis for determining the portfolios is as follows:

- Other receivables portfolio 1: Deposits and security deposits
- Other receivables portfolio 2: Petty cash
- Other receivables portfolio 3: Advances
- Other receivables portfolio 4: Intra-group company payments
- Other receivables portfolio 5: Government subsidies
- Other receivables portfolio 6: Others

For other receivables classified as a portfolio, the Company calculates the expected credit losses based on exposure at default and the expected credit loss rate over the next 12 months or the entire lifetime.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

(5) Impairment of financial assets (continued)

Measurement of expected credit losses (continued)

Long-term receivables

The Company's long-term receivables are performance bond receivable.

The Company classifies long-term receivables into portfolios based on credit risk characteristics, and calculates the expected credit losses on a portfolio basis. The basis for determining the portfolios is as follows:

- Portfolio of long-term receivables: performance bond

For performance bond, the Company calculates the expected credit losses based on exposure at default and the expected credit loss rate over the next 12 months or the entire lifetime by reference to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions.

Assessment of significant increase in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly upon initial recognition, the Company compares the risk of default of the financial instrument at the balance sheet date with that at the date of initial recognition to determine the relative change in risk of default within the expected lifetime of the financial instrument.

In determining whether the credit risk has increased significantly upon initial recognition, the Company considers reasonable and well-founded information, including forward-looking information, which can be obtained without unnecessary extra costs or efforts. Information considered by the Company includes:

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

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

(5) Impairment of financial assets (continued)

Assessment of significant increase in credit risk (continued)

Depending on the nature of the financial instruments, the Company assesses whether there has been a significant increase in credit risk on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on their common credit risk characteristics, such as past due information and credit risk ratings.

If the overdue period exceeds 30 days, the Company determines that the credit risk of financial instruments has increased significantly.

The Company believes that financial assets are subject to default in the following circumstances:

- it is unlikely that the borrower will pay the amount owed to the Company in full, and this assessment does not take into account recourse actions by the Company, such as realizing the collateral (if held); or
- The financial assets are overdue for more than 90 days.

Credit-impaired financial assets

At balance sheet date, the Company assesses whether financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have an adverse effect on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- For economic or contractual reasons relating to the debtor's financial difficulty, the Company having granted to the debtor a concession that would not otherwise consider;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

(5) Impairment of financial assets (continued)

Presentation of provisions for expected credit losses

Expected credit losses are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk upon initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in the current profit or loss. For financial assets measured at amortised cost, the provisions of impairment are deducted from the carrying amount of the financial assets presented in the balance sheet; for debt investments at fair value through other comprehensive income, the Company makes provisions of impairment in other comprehensive income without reducing the carrying amount of the financial asset.

Write-offs

The book balance of a financial asset is directly written off to the extent that there is no realistic prospect of recovery of the contractual cash flows of the financial asset (either partially or in full). Such write-off constitutes derecognition of such financial asset. This is generally the case when the Company 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

If a write-off of financial assets is subsequently recovered, the recovery is credited to profit or loss in the period in which the recovery occurs.

(6) Transfer of financial assets

Transfer of financial assets refers to the transfer or delivery of financial assets to another party other than the issuer of such financial assets (the transferee).

If the Company transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, the financial asset shall be derecognised. If the Company retains substantially all the risks and rewards of ownership of a financial asset, the financial asset shall not be derecognised.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it accounts for the transaction as follows: if the Company does not retain control, it derecognises the financial asset and recognises any resulting assets or liabilities; if the control over the financial asset is not waived, the relevant financial asset is recognised according to the extent of its continuing involvement in the transferred financial asset and the relevant liability is recognised accordingly.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

(7) *Offset of financial assets and financial liabilities*

If the Company owns the legitimate rights of offsetting the recognised financial assets and financial liabilities, which are enforceable currently, and the Company plans to realise the financial assets or to clear off the financial liabilities on a net amount basis or simultaneously, the net amount of financial assets and financial liabilities shall be presented in the balance sheet upon offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting.

10. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures the relevant asset and liability at fair value, based on the presumption that the orderly transaction to sell the asset or transfer the liability takes place either in the principal market for the relevant asset or liability, or in the absence of a principal market, in the most advantageous market for the relevant asset or liability. The principal or the most advantageous market must be a trading market accessible by the Company at the measurement date. The Company adopts the presumption that market participants would use when pricing the asset or liability in their best economic interest.

If there exists an active market for a financial asset or financial liability, the Company uses the quotation on the active market as its fair value. If the market for a financial instrument is inactive, the Company uses valuation technique to recognise its fair value.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its best use or by selling it to another market participant that would use the asset in its best use.

The Company adopts valuation techniques that are appropriate in the current circumstance and for which sufficient data and other information are available, prioritises the use of relevant observable inputs and uses unobservable inputs only under the circumstances where such relevant observable inputs cannot be obtained or practicably obtained.

Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. Level 1: based on quoted prices (unadjusted) in active markets for identical assets or liabilities obtainable at the measurement date. Level 2: observable inputs for the relevant asset or liability, either directly or indirectly, except for Level 1 input. Level 3: unobservable inputs for the relevant assets or liability.

At each balance sheet date, the Company reassesses assets and liabilities measured at fair value that are recognised in the financial statements on a recurring basis to determine whether transfers have occurred between fair value measurement hierarchy levels.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Inventories

(1) Classification

The inventories of the Company are goods in stock.

(2) Measurement for dispatched inventories

Inventories of the Company are measured at their actual cost when obtained. Goods in stock will be calculated with first-in-first-out method when being dispatched.

(3) Base for recognition of and provision for inventory impairment

At the balance sheet date, inventories are measured at the lower of cost or net realizable value. Provision for inventory impairment is made when the net realizable value is lower than the cost.

Net realisable value of inventories refers to the amount of the estimated price of inventories less the estimated cost incurred upon completion, estimated selling expenses and taxes and surcharges. The realisable value of inventories shall be determined on the basis of definite evidence, purpose of holding the inventories and effect of events after the balance sheet date.

At the balance sheet date, in case the factors causing inventory impairment no longer exists, the original provision for inventory impairment shall be reversed.

(4) Inventory system

The Company adopts perpetual inventory system.

(5) Amortisation of low-value consumables

Low-value consumables of the Company are amortised using one-off write-off method.

12. Long-term equity investments

Long-term equity investments include the equity investments in subsidiaries, joint ventures and associates. Associates of the Company are those investees that the Company imposes significant influence over.

(1) Determination of initial investment cost

Long-term equity investments acquired through business combinations: for a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of the owners' equity under the consolidated financial statements of the ultimate controlling party on the date of combination. For a long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost of the long-term equity investment shall be the cost of combination.

Long-term equity investments acquired through other means: for a long-term equity investment acquired by cash payment, the initial investment cost shall be the purchase cost actually paid; for a long-term equity investment acquired by issuing equity securities, the initial investment cost shall be the fair value of equity securities issued.



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

12. Long-term equity investments (continued)

(2) Subsequent measurement and method for profit or loss recognition

Investments in subsidiaries shall be accounted for using the cost method, except for the investments which meet the conditions of holding for sale. Investment in associates and joint ventures shall be accounted for using the equity method.

For a long-term equity investment accounted for using the cost method, the cash dividends or profits declared by the investees for distribution shall be recognised as investment gains and included in the current profit or loss, except the case of receiving the actual consideration paid for the investment or the declared but not yet distributed cash dividends or profits which is included in the consideration.

For a long-term equity investment accounted for using the equity method, where the initial investment cost exceeds the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the investment cost of the long-term equity investment. Where the initial investment cost is less than the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, adjustment shall be made to the carrying amount of the long-term equity investment, and the difference shall be charged to current profit or loss.

Under the equity method, investment gain and other comprehensive income shall be recognised based on the Company's share of the net profits or losses and other comprehensive income made by the investee, respectively. Meanwhile, the carrying amount of long-term equity investment shall be adjusted. The carrying amount of long-term equity investment shall be reduced based on the Group's share of profit or cash dividend distributed by the investee. In respect of the other changes in net profit or loss, other comprehensive income and profit distribution of investee, the carrying amount of long-term equity investment shall be adjusted and included in the capital reserves (other capital reserves). The Company shall recognise its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto according to the accounting policies and accounting periods of the Company.

For additional equity investment made in order to obtain significant influence or common control over investee without resulted in control, the initial investment cost under the equity method shall be the aggregate of fair value of previously held equity investment and additional investment cost on the date of transfer. For investments in non-trading equity instruments that were previously classified as at fair value through other comprehensive income, the cumulative fair value changes associated with them that were previously included in other comprehensive income are transferred to retained earnings upon the change to the equity method of accounting.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

12. Long-term equity investments (continued)

(2) *Subsequent measurement and method for profit or loss recognition* (continued)

In the event of loss of common control or significant influence over investee due to partial disposal of equity investment, the remaining equity interest after disposal shall be accounted for according to the Accounting Standard for Business Enterprises No. 22 – Recognition and measurement of Financial Instruments. The difference between its fair value and carrying amount shall be included in the current profit or loss. In respect of other comprehensive income recognised under previous equity investment using equity method, it shall be accounted for in accordance with the same accounting treatment of direct disposal of relevant asset or liability by investee at the time when equity method was ceased to be used. Changes in other owners' equity related to the previous equity investment shall be transferred to current profit or loss.

In the event of loss of control over investee due to partial disposal of equity investment, the remaining equity interest which can apply common control or impose significant influence over the investee after disposal shall be accounted for using equity method. Such remaining equity interest shall be treated as accounting for using equity method since it is obtained and adjustment was made accordingly. For the remaining equity interest which cannot apply common control or impose significant influence over the investee after disposal, it shall be accounted for using the Accounting Standard for Business Enterprises No. 22 – Recognition and measurement of Financial Instruments. The difference between its fair value and carrying amount as at the date of losing control shall be included in the current profit or loss.

If the shareholding ratio of the Company is reduced due to the capital increase of other investors, and as a result, the Company loses the control of but still can apply common control or impose significant influence over the investee, the net asset increase due to the capital increase of the investee attributable to the Company shall be recognised according to the new shareholding ratio, and the difference with the original carrying amount of the long-term equity investment corresponding to the shareholding ratio reduction part that should be carried forward shall be recorded in the current profit or loss; and then it shall be adjusted according to the new shareholding ratio as if equity method is used for accounting when acquiring the investment.

In respect of the transactions between the Company and its associates and joint ventures, the share of unrealised gain or loss arising from internal transactions shall be eliminated by the portion attributable to the Company. Investment gain or loss shall be recognised accordingly. However, any unrealised loss arising from internal transactions between the Company and an investee is not eliminated to the extent that the loss is impairment loss of the transferred assets.



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

12. Long-term equity investments (continued)

(3) Basis for determining the common control and significant influence on the investee

Common control is the contractually agreed sharing of control over an arrangement, which relevant activities of such arrangement must be decided by unanimously agreement from parties who share control. When determining if there is any common control, it should first be identified if the arrangement is controlled by all the participants or the group consisting of the participants, and then determined if the decision on the arranged activity can be made only with the unanimous consent of the participants sharing the control. If all the participants or a group of participants can only decide the relevant activities of certain arrangement through concerted action, it can be considered that all the participants or a group of participants share common control on the arrangement. If there are two or more participant groups that can collectively control certain arrangement, it does not constitute common control. When determining if there is any common control, the relevant protection rights will not be taken into account.

Significant influence is the power of the investor to participate in the financial and operating policy decisions of an investee, but to fail to control or joint control the formulation of such policies together with other parties. When determining if there is any significant influence on the investee, the influence of the voting shares of the investee held by the investor directly and indirectly and the potential voting rights held by the investor and other parties which are exercisable in the period and converted to the equity of the investee, including the warrants, stock options and convertible bonds that are issued by the investee and can be converted in the period, shall be taken into account.

When the Company holds directly or indirectly through the subsidiary 20% (inclusive) to 50% of the voting shares of the investee, it is generally considered to have significant influence on the investee, unless there is concrete evidence to prove that it cannot participate in the production and operation decision-making of the investee and cannot pose significant influence in this situation. When the Company owns less than 20% (exclusive) of the voting shares of the investee, it is generally considered that it has not significantly influenced on the investee, unless there is concrete evidence to prove that it can participate in the production and operation decision- making of the investee and cannot pose significant influence in this situation.

(4) Impairment test method and Impairment provision

See the Note III.18 for investments in subsidiaries, associates and joint ventures, as well as the method for provision of asset impairment.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

13. Investment property

Investment property refers to real estate held to earn rentals or for capital appreciation, or both. The investment property of the Company includes leased land use rights, land use rights held for sale after appreciation, and leased buildings.

The investment property of the Company is measured initially at cost upon acquisition, and subject to depreciation or amortisation in the relevant periods according to the relevant provisions on fixed assets or intangible assets.

Details of the method for making impairment provision for the investment property measured at cost subsequently are set forth in Note III.18.

When an investment property is sold, transferred, retired or damaged, the amount of proceeds on disposal of the property net of the carrying amount and related tax and surcharges is recognised in the current profit or loss.

14. Fixed assets

(1) Conditions for recognition

Fixed assets represent the tangible assets held by the Company using in the production of goods, rendering of services and for operation and administrative purposes with useful life over one year.

Fixed assets are recognised when it is probable that the related economic benefits will flow to the Company and the costs can be reliably measured.

The Company's fixed assets are initially measured at the actual cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Company and the related cost can be reliably measured. The cost of routine repairs of fixed assets that do not qualify as capitalised subsequent expenditure is charged to current profit or loss or included in the cost of the related assets in accordance with the beneficiary object when incurred. The carrying amount of the replaced part is derecognised.

(2) Depreciation methods for fixed assets

The Company adopts the straight-line method for depreciation. Provision for depreciation will be started when the fixed asset reaches its expected usable state, and stopped when the fixed asset is derecognised or classified as a non-current asset held for sale. Without regard to the depreciation provision, the Company determines the annual depreciation rate by category, estimated useful lives and estimated residual value of the fixed assets as follows:

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Fixed assets (continued)

(2) Depreciation methods for fixed assets (continued)

Category	Useful life (year)	Residual value rate %	Annual depreciation rate (%)
Buildings	20.00-35.00	5.00	4.75-2.71
Motor vehicles	8.00	5.00	11.88
Infrastructure	3.00-5.00	5.00	31.67-19.00
Other equipment	3.00-8.00	5.00	31.67-11.88

Where, for the fixed assets for which impairment provision is made, to determine the depreciation rate, the accumulated amount of the fixed asset impairment provision that has been made shall be deducted.

- (3) Details of the impairment test method and impairment provision method of the fixed assets are set forth in Note III.18.
- (4) The Company will re-check the useful lives, estimated net residual value and depreciation method of the fixed assets at the end of each year.

When there is any difference between the useful lives estimate and the originally estimated value, the useful lives of the fixed asset shall be adjusted. When there is any difference between the estimated net residual value estimate and the originally estimated value, the estimated net residual value shall be adjusted.

(5) Disposal of fixed assets

A fixed asset is derecognised on disposal or when it is expected that there shall be no economic benefit arising from using or after disposal. Where the fixed assets are sold, transferred, retired or damaged, the income received after disposal after deducting the carrying amount and related taxes are recognised in the current profit or loss.

15. Construction in progress

Construction in progress is recognised based on the actual construction expenditures incurred. It consists of all types of expenditures necessarily to be incurred, capitalised borrowing costs on related borrowed funds before the asset is ready for its intended use, and other related expenditures during the period of construction.

Construction in progress is transferred to fixed assets when the asset is ready for intended use.

Provision for impairment of construction in progress is set forth in Note III.18.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

16. Biological assets

(1) Recognition criteria for biological assets

Biological assets refer to the assets formed by living animals and plants. Biological assets are recognized when the following criteria are satisfied simultaneously:

- ① The enterprise owns or controls the biological assets due to past transactions or events;
- ② The economic benefits or service potential related to the biological assets are likely to flow into the enterprise;
- ③ The cost of the biological assets can be measured reliably.

(2) Classification of biological assets

The biological assets of the Company are productive biological assets.

Productive biological assets refer to biological assets held for the purpose of producing agricultural products, providing labor services or renting, etc., including economic forests, etc. Productive biological assets shall be initially measured at cost. The costs of any productive biological asset by way of self-cultivating or self-breeding are necessary expenses occurred prior to the completion of predetermined production and operating purpose of such asset and directly attributable to such asset, including borrowing costs eligible for capitalization conditions.

The management and protection and breeding expenses incurred after the productive biological assets are closed or achieve the predetermined production and operation purpose shall be included in the current profit or loss.

The depreciation of a productive biological asset is calculated under the straight-line method. The depreciation rate is recognized as follows according to estimated useful lives of various biological assets deducting the residual value:

Category of productive biological assets	Useful life (year)	Residual value rate %	Annual depreciation rate (%)
Cherry blossom seedlings	10.00	0	10.00

The Company, at least at the end of each year, shall review the service life, estimated net residual value, and the depreciation method for the productive biological assets. Any changes in the service life, estimated net residual value or depreciation method will be treated as the changes in accounting estimates.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

16. Biological assets (continued)

(2) Classification of biological assets (continued)

The difference of the income from disposal of fixed assets such as sales, inventory losses, death or damage deducting their book values and related taxes should be included into current profit or loss.

(3) Treatment of impairment of biological assets

If the realizable net value of any consumptive biological asset is lower than its book value, the Company shall, on the basis of the difference between the realizable net value and the book value, make provision for the depreciation of the biological asset and shall record it in the current profit or loss. If the factors which cause any impairment of a consumptive biological asset have disappeared, the amount of write-down shall be resumed and shall be reversed from the provision for the loss on decline in value of the consumptive biological asset which has been made. The reversed amount shall be included in the current profit or loss.

Provision for impairment of Productive biological assets is set forth in Note III.18.

17. Intangible assets

The Company's intangible assets include land use rights, etc.

Intangible assets are initially measured at cost and their useful lives are analyzed and judged at the time of acquisition. An intangible asset with finite useful life shall be amortized over the expected useful life using method which can reflect the expected realization of the economic benefits related to the assets from when the intangible asset is available for use. An intangible asset whose expected realization can't be reliably determined is amortized using straight-line amortization; an intangible asset with indefinite useful life shall not be amortized.

Amortization of an intangible asset with finite useful life is as follows:

Category	Useful life (year)	Determination basis of useful life	Amortization method
Franchise	15.00	Expected useful life	Straight-line method
Commercial land	33.00	Expected useful life	Straight-line method

For an intangible asset with a finite useful life, the Company reviews the useful life and amortization method at the end of each financial year, if it is different from the previous estimates, adjust the previous estimates and deal with it according to changes in accounting estimates.

If it is estimated on the balance sheet date that certain intangible asset can no longer bring future economic benefit to the company, the book value of the intangible asset will be entirely transferred into current profit or loss.

Provision for impairment of intangible assets is set forth in Note III.18.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

18. Impairment of assets

Impairment of long-term equity investments in subsidiaries and associates, investment property, fixed assets, construction in progress, productive biological assets measured at cost, right-of-use assets, intangible assets and others (excluding inventories, deferred income tax assets and financial assets) subsequently measured at cost is determined as follows:

The Company determines if there is any indication of asset impairment as at the balance sheet date. If there is any evidence indicating that an asset may be impaired, recoverable amount shall be estimated for impairment test. Goodwill arising from business combinations, intangible assets with an indefinite useful life and intangible assets that have not reached their intended use will be tested for impairment annually, regardless of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. The Company estimates the recoverable amount of an individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company shall determine the recoverable amount of the asset group to which the asset belongs. The determination of an asset group is based on whether major cash inflows generated by the asset group are independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or an asset group is less than its book value, the book value is reduced to its recoverable amount. The reduction amount is charged to profit or loss and an impairment provision is made accordingly.

An impairment loss recognised shall not be reversed in a subsequent period.

19. Long-term deferred expenses

Long-term deferred expenses of the Company are amortized over the benefit period. If a long-term deferred expense cannot benefit the future accounting period, the residue value of such project not amortized yet shall be transferred to the profit or loss in the period.

20. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to multiform remuneration or compensation offered by an enterprise in order to get services provided by its employees or terminate the labor relation. Employee benefits include Short-term remuneration, post-employment benefits, dismissal benefits and other long-term employee benefits. The benefits provided to employees' spouses, children, dependents, family dependants of the deceased employee and other beneficial owners also belong to employee benefits.



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

20. Employee benefits (continued)

(2) Short-term remuneration

The Company will recognize the employee salary, bonus, social security contributions (such as medical insurance premium, work injury insurance premium and birth insurance premium) and housing fund paid for the employees according to the prescribed standards and proportions incurred in the accounting period in which the employees provide service as liabilities and record into the profit and loss for the period or the relevant asset cost.

(3) Post-employment benefits

Post-employment benefit plans include defined contribution schemes and defined benefit schemes. A defined contribution scheme is a post-employment welfare plan under which the Company pays fixed contributions into a separate fund and the Company has no further obligations for payment. A defined benefit scheme is a post-employment welfare plan other than a defined contribution scheme.

Defined contribution schemes

Defined contribution schemes include basic pension insurance, unemployment insurance and pension plan.

During the accounting period in which an employee provides service, the amount of pension insurance calculated under defined contribution scheme shall be recognised as a liability and recorded in profit and loss of the period or in the cost of relevant assets.

(4) Dismissal benefits

Where the Company provides dismissal benefits to employees, employee benefits incurred from dismissal benefits are recognized as liabilities and recorded into the current profit or loss at the earlier date of: when the Company is unable to unilaterally withdraw the dismissal benefits provided in the plan on the cancellation of labor relationship or the layoff proposal; when the Company recognizes the cost related to restructuring concerning payment of dismissal benefits.

For the early retirement plans, economic compensations before the actual retirement date were classified as termination benefits. During the period from the date of cease of render of services to the actual retirement date, relevant wages and contribution to social insurance for the employees proposed to be paid are recognised in the current profit or loss on a one-off basis. Economic compensation after the official retirement date, such as normal pension, is accounted for as post-employment benefits.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

20. Employee benefits (continued)

(5) Other long-term benefits

The Company provides other long-term employee benefits to its employees. For those falling within the scope of defined contribution scheme, the Company shall account for them according to relevant requirements of the defined contribution scheme. For those falling within the scope of defined benefit scheme, the Company shall account for them according to relevant requirements of the defined benefit scheme, except that the “changes in the net liability or net asset of the re-measurement of the defined benefit scheme” in the benefits cost is recognised in the current profit or loss or the related asset cost.

21. Revenue

(1) General principles

When the Company has implemented the performance obligation in the contract, namely, when the customer obtains the right to control relevant goods or services, revenues will be recognised.

Where a contract has two or more performance obligations, the Company allocates the transaction price to each performance obligation based on the percentage of respective unit price of goods or services guaranteed by each performance obligation, and recognises as revenue based on the transaction price that is allocated to each performance obligation.

If one of the following conditions is fulfilled, the Company performs its performance obligation within a certain period; otherwise, it performs its performance obligation at a point of time:

- ① when the customer simultaneously receives and consumes the benefits provided by the Company when the Company performs its obligations under the contract.
- ② when the customer is able to control the goods in progress in the course of performance by the Company under the contract.
- ③ when the goods produced by the Company under the contract are irreplaceable and the Company has the right to payment for performance completed to date during the whole contract term.

Where performance obligations are fulfilled within a certain period of time, the Company shall recognize the revenue according to the performance progress. When the progress of performance cannot be reasonably determined, if the costs incurred by the Company are expected to be compensated, the revenue shall be recognised at the amount of costs incurred until the progress of performance can be reasonably determined.



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

21. Revenue (continued)

(1) *General principles* (continued)

For performance obligation performed at a point of time, the Company recognises revenue at the point of time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Company considers the following indications:

- ① The Company has the current right to receive payment for the goods, which is when the customer has the current payment obligations for the goods.
- ② The Company has transferred the legal title of the goods to the customer, which is when the client possesses the legal title of the goods.
- ③ The Company has transferred the physical possession of goods to the customer, which is when the customer obtains physical possession of the goods.
- ④ The Company has transferred all of the substantial risks and rewards of ownership of the goods to the customer, which is when the customer obtains all of the substantial risks and rewards of ownership of the goods to the customer.
- ⑤ The customer has accepted the goods or service.
- ⑥ Other information indicates that the customer has obtained control of the goods.

(2) *Specific methods*

Specific recognition methods for revenue of the Company are as follows:

Ticket sales income: will be recognized after the end of ticket sales, audience admission and performance.

Hotel operating incomes: the source of income includes guest rooms, catering, commodity sales, etc. Income from catering services is recognized at the time point when the provision of services is terminated, income from the sales of goods is recognized as revenue when the control of goods is transferred to the customer, and service income from other hotel operations is recognized in the accounting period when the services are provided.

Income from leasing services: recognized by stages during the lease period according to the corresponding contract. See Note III. 25 Lease for details.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

22. Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs (e.g., sales commissions, etc.) that the Company incurs to obtain a contract with a customer. The Company recognises as an asset the incremental costs of obtaining a contract with a customer if it is expected to recover those costs. Other expenses incurred by the Company for obtaining the contract, except for the incremental costs expected to be recovered, are recognised in the current profit or loss when incurred.

If the costs of the Company to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Company recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- ① the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Company entered into the contract;
- ② the costs increase the resources of the Company for fulfilling its performance obligations in the future;
- ③ the costs are expected to be recovered.

Assets recognised for the incremental costs of obtaining a contract and the costs to fulfil a contract (the “assets related to contract costs”) are amortised on a systematic basis that is consistent with the transfer to the customer of the goods to which the assets relate and recognised in the current profit or loss.

The Company makes impairment provision and recognises an impairment loss on the asset for the exceeding part to the extent that the carrying amount of an asset related to contract costs exceeds:

- ① remaining amount of consideration that the Company expects to receive in exchange for the goods to which the asset relates;
- ② the costs that relate directly to providing those goods that have not yet been recognised as expenses.



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Government subsidies

Government subsidies are recognized when the conditions attached to the government subsidies are met and the grant can be received.

Government subsidies in respect of monetary assets are measured at the amount received or receivable. Government subsidies for non-monetary assets are measured at fair value or, if the fair value cannot be reliably obtained, at the nominal amount of RMB1.

Asset-related government subsidies are government subsidies obtained by the Company for the purpose of acquiring or otherwise forming long-term assets; otherwise, they are treated as revenue-related government subsidies.

For government subsidies that do not have a specific target in government documents and are able to form long-term assets, the portion of government subsidies that corresponds to the value of the assets is recognized as asset-related government subsidies, and the remaining portion is recognized as revenue-related government subsidies; if it is difficult to distinguish between the two types of government subsidies, the entire amount of government subsidies is recognized as revenue-related government subsidies.

Asset-related government subsidies are used to reduce the carrying value of the relevant assets or recognized as deferred income and recognized in profit or loss on a rational and systematic basis over the useful lives of the related assets. Revenue-related government subsidies are recognized in the current profit or loss or used to offset the relevant costs when they are used to compensate for costs or losses that have been incurred, and in deferred income when they are used to compensate for costs or losses that will be incurred in future periods, and are recognized in the current profit or loss or used to offset the relevant costs in the period in which the costs or losses are recognized. Government subsidies that are measured at nominal amounts are recognized directly in the current profit or loss. The Company applies a consistent approach to the same or similar government subsidies.

Government subsidies related to ordinary activities are recognized in other income based on the nature of the economic activity. Government subsidies that are not related to ordinary activities are included in non- operating incomes.

When government subsidies are to be refunded, the carrying amount of the asset is adjusted if the initial recognition of the grant reduces the carrying amount of the asset; if there is a deferred revenue balance, the book balance of deferred revenue is deducted, and the excess is credited to current profit or loss; in other cases, the excess is credited to profit or loss directly for the period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Deferred income tax assets and deferred income tax liabilities

Income tax comprises current income tax expense and deferred income tax expense, which are included in the current profit or loss as income tax expenses, except for deferred income tax related to transactions or events that are directly recognised in owners' equity which are recognised in owners' equity, and deferred income tax arising from a business combination, which is adjusted against the carrying amount of goodwill.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base at the balance sheet date of the Company shall be recognised as deferred income tax using the balance sheet liability method.

All the taxable temporary differences are recognised as deferred income tax liabilities except for those incurred in the following transactions:

- (1) The initial recognition of goodwill, and the initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs (other than single transactions where the initial recognition of assets and liabilities results in the creation of equivalent taxable temporary differences and deductible temporary differences);
- (2) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognises a deferred income tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised, except for those incurred in the following transactions:

- (1) The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs (other than single transactions where the initial recognition of assets and liabilities results in the creation of equivalent taxable temporary differences and deductible temporary differences);
- (2) The deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred income tax asset is recognised when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future, and it is probable that taxable profits will be available in the future, against which the temporary difference can be utilised.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their tax effect is reflected accordingly.



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Deferred income tax assets and deferred income tax liabilities (continued)

At the balance sheet date, the Company reviews the book value of a deferred income tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred income tax asset to be utilised, the book value of the deferred income tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are presented on a net basis upon offsetting when both of the following conditions are met:

- (1) The taxable entity within the Company has the legal right to settle current income tax assets and current income tax liabilities on a net basis;
- (2) the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxing authority on the same taxable entity within the Company.

25. Lease

(1) Identification of leases

On the beginning date of the contract, the Company (as a lessee or lessor) assesses whether the customer in the contract has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use and has the right to direct the use of the identified asset throughout the period of use. If a party of the contract conveys the right to control the use of an identified asset and multiple identified assets for a period of time in exchange for consideration, the Company identifies such contract is, or contains, a lease.

(2) The Company as lessee

On the beginning date of the lease, the Company recognises right-of-use assets and lease liabilities for all leases, except for short-term lease and low-value asset lease with simplified approach.

The accounting policy for right-of-use assets is set out in Note III.26.

The lease liability is initially measured at the present value of the lease payments that are not paid at the beginning date of the lease using the interest rate implicit in the lease. Where the interest rate implicit in the lease cannot be determined, the incremental borrowing rate is used as the discount rate. Lease payments include fixed payments and in-substance fixed payments, less any lease incentives receivable; variable lease payments that are based on an index or a rate; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; payments for terminating the lease, if the lease term reflects the lessee exercising that option of terminating; and amounts expected to be payable by the lessee under residual value guarantees. Subsequently, the interest expense on the lease liability for each period during the lease term is calculated using a constant periodic rate of interest and is recognised in the current profit or loss. Variable lease payments not included in the measurement of lease liabilities are charged to profit or loss in the period in which they actually arise.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

25. Lease (continued)

(2) *The Company as lessee* (continued)

Short-term lease

Short-term leases refer to leases with a lease term of less than 12 months from the commencement date, except for those with a purchase option.

Lease payments on short-term leases are recognised in the cost of related assets or current profit or loss on a straight-line basis over the lease term.

(3) *The Company as lessor*

When the Company is a lessor, a lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of asset ownership to the lessee. All leases other than financial leases are classified as operating leases.

Operating lease

Lease payments under operating leases are recognised in the current profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in relation to operating leases are capitalised and amortised over the lease term on the same basis as rental income and recognised in the current profit or loss. The variable lease payments obtained in relation to operating leases that are not included in the lease payments are recognised in the current profit or loss in the period in which they actually incurred.

26. Right-of-use assets

(1) *Conditions for recognition of right-of-use assets*

A right-of-use asset is the right of the Company, as lessee, to use the leased asset during the lease term.

At the commencement date of the lease term, the right-of-use asset is measured initially at cost, which includes: the initial measurement of the lease liability; lease payments made on or before the commencement date of the lease term, net of amounts related to lease incentives received, if any; initial direct costs incurred by the Company as lessee; and costs that the Company, as lessee, expects to incur in dismantling and removing the leased asset, restoring the leased asset to its original location, or returning the leased asset to its condition as specified in the terms of the lease. The Company, as lessee, recognizes and measures costs such as dismantling and restoring in accordance with Accounting Standard for Business Enterprises 13 – Contingencies. Subsequent adjustments are made for any remeasurement of the lease liability.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

26. Right-of-use assets (continued)

(2) Depreciation method for right-of-use assets

The Company uses the straight-line method of depreciation. Depreciation is provided over the remaining useful life of the leased asset if the Company, as lessee, is reasonably certain that it will obtain ownership of the leased asset by the end of the lease term. If it is not reasonably certain that the Company will obtain ownership of the leased assets by the end of the lease term, then depreciation is provided over the shorter of the lease term or the remaining useful life of the leased assets.

(3) For the methods of impairment testing and provision for impairment on right-of-use assets, please refer to Note III.18.

27. Significant accounting judgments and estimates

The Company constantly evaluates significant accounting estimates and key assumptions used based on historical experience and other factors, including reasonable expectations of future events. The significant accounting estimates and key assumptions that have a significant risk that the carrying amounts of assets and liabilities will be materially adjusted in the next fiscal year are listed below:

Measurement of expected credit loss of trade receivables

The Company calculates the expected credit loss of trade receivables based on EAD and the expected credit loss ratio of trade receivables and determines the expected credit loss ratio based on the possibility of default and the default loss ratio. In determining the expected credit loss ratio, the Company uses the internal historical credit loss experience and other data and makes adjustments to the historical data based on the current conditions and forward-looking information. The indicators used by the Company in considering the forward-looking information include the risks on economic decline the external market environment, the technical environment and the changes in the customers. The Company regularly monitors and reviews assumptions related to the calculation of expected credit losses.

Deferred income tax assets

Deferred income tax assets shall be recognized based on all the unutilized tax losses to the extent that there are enough taxable profits to offset the losses. It is required that the Company's management use a lot of judgment to estimate the occurring time and amount of future taxable profits, combined with tax planning strategies, to determine the amount of deferred income tax assets which shall be recognized.

28. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

There were no changes in significant accounting policies in the period.

(2) Changes in accounting estimates

There were no changes in accounting estimates of the Company required to be disclosed in the period.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

IV. TAXES

1. Main tax types and tax rates

Tax type	Tax basis	Statutory rate %
Value-added tax	Taxable income	3, 6, 9, 13
Urban maintenance and construction tax	Turnover tax payable	7
Property tax	Ad valorem levy (residual value)	1.2
Foundation for water works	Taxable income	0.09
Corporate income tax	Taxable income	25

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Monetary funds

Item	Balance at the end of the period	Balance at the end of last year
Cash on hand		
Bank deposits	195,407,521.88	101,083,309.29
Total	195,407,521.88	101,083,309.29

Among them, restricted monetary funds are listed as follows:

Item	Balance at the end of the period	Balance at the end of last year
ETC margin	250.00	250.00
POS deposit	1,500.00	1,500.00
Total	1,750.00	1,750.00

Foreign currency information is disclosed in "Note V.49 Foreign currency monetary items".

2. Financial assets held for trading

Item	Balance at the end of the period	Balance at the end of last year
Financial assets measured at fair value through profit or loss	3,520,596.64	
Including: Wealth management products	3,520,596.64	

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Trade receivables

Trade receivables are primarily recognised based on transaction date, and the aging presented based on the recognition date is substantially consistent with that presented based on the invoice date.

(1) Disclosure by aging

Aging	Balance at the end of the period	Balance at the end of last year
Within 1 year	3,866,162.32	4,160,071.57
1-2 years	3,590,692.00	12,942.24
2-3 years	12,942.24	14,106.75
Over 3 years	14,106.75	
Sub-total	7,483,903.31	4,187,120.56
Less: Provision for bad debts	934,255.50	692,331.57
Total	6,549,647.81	3,494,788.99

(2) Disclosure by the provision method for bad debts

Category	Balance at the end of the period				
	Book balance	Provision for bad debt			Book value
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debt based on individual assessment	6,657,715.27	88.96	876,821.45	13.17	5,780,893.82
Provision for bad debt based on collective assessment	826,188.04	11.04	57,434.05	6.95	768,753.99
Including: Ticket payment, etc.	826,188.04	11.04	57,434.05	6.95	768,753.99
Total	7,483,903.31	100.00	934,255.50	12.48	6,549,647.81

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Trade receivables (continued)

(2) Disclosure by the provision method for bad debts (continued)

Continued:

Category	Book balance		Balance at the end of last year		Book value
	Amount	Ratio (%)	Provision for bad debt	Expected credit loss rate (%)	
Provision for bad debt based on individual assessment	3,547,661.99	84.73	657,360.44	18.53	2,890,301.55
Provision for bad debt based on collective assessment	639,458.57	15.27	34,971.13	5.47	604,487.44
Including:					
Ticket payment, etc.	639,458.57	15.27	34,971.13	5.47	604,487.44
Total	4,187,120.56	100.00	692,331.57	16.53	3,494,788.99

Trade receivables with the provision for bad debts made on a single basis:

Name	Balance at the end of the period			Reason of provision
	Book balance	Provision for bad debt	Expected credit loss rate (%)	
Fujian Spring Restaurant Management Co., Ltd.	6,642,982.28	862,088.46	12.98	Significant change in the credit risk characteristics
Xiamen Zhudianquan Tourism Development Co., Ltd.	14,732.99	14,732.99	100.00	Occurrence of litigation and the counterparty's inability to repay
Total	6,657,715.27	876,821.45	13.17	/

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Trade receivables (continued)

(2) Disclosure by the provision method for bad debts (continued)

Continued:

Name	Book balance	Balance at the end of last year		Reason of provision
		Provision for bad debt	Expected credit loss rate (%)	
Fujian Spring Restaurant Management Co., Ltd.	3,532,929.00	642,627.45	18.19	Significant change in the credit risk characteristics
Xiamen Zhudianquan Tourism Development Co., Ltd.	14,732.99	14,732.99	100.00	Occurrence of litigation and the counterparty's inability to repay
Total	3,547,661.99	657,360.44	18.53	/

Trade receivables accrued for provision for bad debts on a collective basis

Provision for portfolio: Ticket and others

Aging	Balance at the end of the period			Balance at the end of last year		
	Book balance	Provision for bad debt	Expected credit loss rate (%)	Book balance	Provision for bad debt	Expected credit loss rate (%)
Within 1 year	756,109.04	37,805.45	5.00	627,142.57	31,357.13	5.00
1-2 years	57,763.00	11,552.60	20.00	8,480.00	1,696.00	20.00
2-3 years	8,480.00	4,240.00	50.00	3,836.00	1,918.00	50.00
Over 3 years	3,836.00	3,836.00	100.00			
Total	826,188.04	57,434.05	6.95	639,458.57	34,971.13	5.47

(3) Details of provisions for bad debts made, recovered or reversed during the period

Item	Provision for bad debts
Balance at the beginning of the period	692,331.57
Provision for the period	241,923.93
Cancellation in the period	
Balance at the end of the period	934,255.50

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Trade receivables (continued)

(4) No trade receivables were written-off in the period

(5) Top five trade receivables by debtors at the end of the period

Entity	Balance of trade receivables at the end of the period	Proportion in the total balance of trade receivables at the end of the period (%)	Balance of provision for bad debts of trade receivables at the end of the period
Fujian Spring Restaurant Management Co., Ltd.	6,642,982.28	88.76	862,088.46
Fuzhou Thai Natural Wellbeing Management Group Ltd.	219,175.55	2.93	10,958.78
Sanming Pengcheng Urban Operation Management Co., Ltd. (三明市鵬誠城市運營管理有限公司)	112,707.32	1.51	10,930.37
Wuyishan Shuizhuang Aviation Service Co., Ltd. (武夷山水莊航空服務有限公司)	90,000.00	1.20	4,500.00
Mount Wuyi Tourism Vocational School (武夷山旅遊職業中專學校)	37,524.00	0.50	1,876.20
Total	7,102,389.15	94.90	890,353.81

4. Prepayments

(1) Prepayments disclosed by aging

Aging	Balance at the end of the period		Balance at the end of last year	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,145,736.67	100.00	1,183,519.85	100.00
Sub-total	1,145,736.67	100.00	1,183,519.85	100.00
Less: Provision for impairment loss				
Total	1,145,736.67	100.00	1,183,519.85	100.00

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Prepayments (continued)

(2) Top 5 units in terms of the ending balance of prepayments by payees

Entity	Balance of prepayments at the end of the period	Proportion in the total balance of prepayments at the end of the period (%)
Mount Wuyi National Tourism Resort Construction and Development Corporation (武夷山國家旅遊度假區建設發展總公司)	499,583.33	43.60
Fujian Mount Wuyi Travel Development Co., Ltd. (福建武夷山旅遊發展股份有限公司)	162,061.10	14.14
Wuyishan Digital Wuyi E-Commerce Development Co., Ltd. (武夷山市數字武夷電子商務發展有限公司)	111,737.60	9.75
Fujian Mount Wuyi Travel Development Co., Ltd. (福建武夷山旅遊發展股份有限公司)	85,426.10	7.46
Mount Wuyi Jiuding Culture Media Co., Ltd. (武夷山九鼎文化傳媒有限公司)	49,999.97	4.36
Total	908,808.10	79.31

5. Other receivables

Item	Balance at the end of the period	Balance at the end of last year
Interests receivable		
Dividends receivable		
Other receivables	1,198,877.34	1,355,646.01
Total	1,198,877.34	1,355,646.01

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Other receivables (continued)

(1) Other receivables

① Disclosure by aging

Aging	Balance at the end of the period	Balance at the end of last year
Within 1 year	383,081.42	770,251.25
1-2 years	590,000.00	485,744.55
2-3 years	280,000.00	
Over 3 years	171,000.00	171,000.00
Sub-total	1,424,081.42	1,426,995.80
Less: Provision for bad debts	225,204.08	71,349.79
Total	1,198,877.34	1,355,646.01

② Disclosure by nature of payment

Item	Amount at the end of the period			Balance at the end of last year		
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value
Petty cash and advance payment	662,081.42	118,104.08	543,977.34	603,967.80	30,198.39	573,769.41
Deposits and security deposit	202,000.00	10,100.00	191,900.00	201,000.00	10,050.00	190,950.00
Government subsidies	100,000.00	5,000.00	95,000.00	162,028.00	8,101.40	153,926.60
Others	460,000.00	92,000.00	368,000.00	460,000.00	23,000.00	437,000.00
Total	1,424,081.42	225,204.08	1,198,877.34	1,426,995.80	71,349.79	1,355,646.01

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Other receivables (continued)

(1) Other receivables (continued)

③ Provision for bad debts

Provision for bad debts in Stage 1 at the end of the period

Category	Book balance	Expected	Provision	Book value
		credit loss rate in the next 12 months (%)		
Provision for bad debt based on individual assessment				
Provision for bad debt based on collective assessment	1,424,081.42	15.81	225,204.08	1,198,877.34
Petty cash and advance payment	662,081.42	17.84	118,104.08	543,977.34
Deposits and security deposit	202,000.00	5.00	10,100.00	191,900.00
Government subsidies	100,000.00	5.00	5,000.00	95,000.00
Others	460,000.00	20.00	92,000.00	368,000.00
Total	1,424,081.42	15.81	225,204.08	1,198,877.34

At the end of the period, the Company had no other receivables in the second and third stages.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Other receivables (continued)

(1) Other receivables (continued)

③ Provision for bad debts (continued)

Provision for bad debts in Stage 1 at the end of the previous year

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debt	Book value
Provision for bad debt based on individual assessment				
Provision for bad debt based on collective assessment	1,426,995.80	5.00	71,349.79	1,355,646.01
Petty cash and advance payment	603,967.80	5.00	30,198.39	573,769.41
Deposits and security deposit	201,000.00	5.00	10,050.00	190,950.00
Government subsidies	162,028.00	5.00	8,101.40	153,926.60
Others	460,000.00	5.00	23,000.00	437,000.00
Total	1,426,995.80	5.00	71,349.79	1,355,646.01

At the end of the previous year, the Company had no other receivables in the second and third stages.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Other receivables (continued)

(1) Other receivables (continued)

④ Details of provisions for bad debts made, recovered or reversed during the period

Provision for bad debt	Stage 1 Expected credit losses in the next 12 months	Stage 2 Expected credit losses throughout the duration (without credit impairment)	Stage 3 Expected credit losses throughout the duration (with credit impairment)	Total
Balance at the beginning of the period	71,349.79			71,349.79
In the period, balance at the beginning of the period				
– Transfer to Stage 2				
– Transfer to Stage 3				
– Reversal to Stage 2				
– Reversal to Stage 1				
Provision for the period	153,854.29			153,854.29
Reversal in the period				
Write-off in the period				
Cancellation in the period				
Other changes				
Balance at the end of the period	225,204.08			225,204.08

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Other receivables (continued)

(1) Other receivables (continued)

⑤ No other receivables were written-off in the period.

⑥ Top five other receivables by debtors at the end of the period

Entity	Nature of payment	Balance of other receivables at the end of the period	Aging	Proportion in the total balance of other receivables at the end of the period (%)	Provision for bad debt Balance at the end of the period
Wuyishan Jinglong Fine Brewing Wine Industry Co., Ltd. (武夷山井龍精釀酒業有限公司)	Others	460,000.00	1-2 years	32.30	92,000.00
Wu Wenyi	Advanced payment	380,000.00	1-2 years: 100,000.00; 2-3 years: 280,000.00	26.68	104,000.00
Fuzhou Thai Natural Wellbeing Management Group Ltd.	Advanced payment	201,714.78	Within 1 year	14.16	10,085.74
Mount Wuyi Municipal Engineering Service Center (武夷山市市政工程服務中心)	Deposits and security deposit	100,000.00	Above 5 years	7.02	5,000.00
Discipline inspection committee of the Communist Party Committee of the Mount Wuyi City	Government subsidies	100,000.00	Within 1 year	7.02	5,000.00
Total		1,241,714.78		87.18	216,085.74

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

6. Inventories

Item	Balance at the end of the period			Balance at the end of last year		
	Book balance	Provision for depreciation/ provision for impairment of contract performance costs	Book value	Book balance	Provision for depreciation/ provision for impairment of contract performance costs	Book value
Stock commodities	3,168.33		3,168.33	47,323.54		47,323.54

7. Other current assets

Item	Balance at the end of the period	Balance at the end of last year
Excess VAT paid for future offsetting	168,270.19	210,381.04
Input tax to be deducted	4,786,381.93	1,477,330.97
Listing and issuance costs		5,548,163.99
Total	4,954,652.12	7,235,876.00

8. Long-term receivables

(1) Disclosure of long-term receivables by nature

Item	Balance at the end of the period			Balance at the end of last year		
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value
Performance bond	1,000,000.00	365,242.75	634,757.25	1,000,000.00	393,447.44	606,552.56
Less: Long-term receivables due within one year						
Total	1,000,000.00	365,242.75	634,757.25	1,000,000.00	393,447.44	606,552.56

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Long-term receivables (continued)

(2) Provision for bad debts

Category	Balance at the end of the period					Balance at the end of last year					
	Book balance		Provision for bad debt		Net book assets	Book balance		Provision for bad debt		Net book assets	
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)		Value	Amount	Ratio (%)	Amount		Expected credit loss rate (%)
Provision for bad debt based on individual assessment											
Provision for bad debt based on collective assessment	1,000,000.00	100.00	365,242.75	36.52	634,757.25	1,000,000.00	100.00	393,447.44	39.34	606,552.56	
Including:											
Performance bond	1,000,000.00	100.00	365,242.75	36.52	634,757.25	1,000,000.00	100.00	393,447.44	39.34	606,552.56	
Total	1,000,000.00	100.00	365,242.75	36.52	634,757.25	1,000,000.00	100.00	393,447.44	39.34	606,552.56	

Provision for bad debt based on collective assessment

Portfolio provision items: performance bond

Aging	Balance at the end of the period			Balance at the end of last year		
	Long-term receivables	Provision for bad debt	Expected credit loss rate (%)	Long-term receivables	Provision for bad debt	Expected credit loss rate (%)
Over 3 years	1,000,000.00	365,242.75	36.52	1,000,000.00	393,447.44	39.34

Details of provisions for bad debts made, recovered or reversed during the period

Item	Provision for bad debts
Balance at the beginning of the period	393,447.44
Reversal in the period	28,204.69
Balance at the end of the period	365,242.75

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

9. Long-term equity investments

Investee	Balance (book value) at the beginning of the period	Additional/ new investment	Increase/decrease during the period		Cash dividends or profits declared to be paid	Balance at the end of the period (Book value)	Balance of provision for impairment at the end of the period
			Reduced investment	Profit or loss on investments recognized under the equity method			
Associate:							
Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd. (武夷山印象大红袍文化 产业有限公司)	1,975,596.22			12,793.33		1,988,389.55	
Wuyishan Shanmenghaishi Cultural Tourism Co., Ltd. (武夷山山盟海誓文化旅游有限公司)	214,682.26			(49,407.32)		165,274.94	
Total	2,190,278.48			(36,613.99)		2,153,664.49	

10. Investment property

Item	Buildings
I. Original carrying amount	
1. Balance at the beginning of the period	355,557.20
2. Increase in the period	
3. Decrease in the period	
4. Balance at the end of the period	355,557.20
II. Accumulated depreciation and accumulated amortization	
1. Balance at the beginning of the period	32,361.92
2. Increase in the period	12,135.72
(1) Provision or amortization	12,135.72
3. Decrease in the period	
4. Balance at the end of the period	44,497.64
III. Provision for impairment	
IV. Book value	
1. Carrying amount at the end of the period	311,059.56
2. Carrying amount at the beginning of the period	323,195.28

11. Fixed assets

Item	Balance at the end of the period	Balance at the end of last year
Fixed assets	119,710,218.40	81,922,169.59
Disposal of fixed assets		
Total	119,710,218.40	81,922,169.59

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

11. Fixed assets (continued)

(1) Fixed assets

Item	Buildings	Motor vehicles	Infrastructure	Other equipment	Total
I. Original carrying amount:					
1. Balance at the beginning of the period	68,392,082.34	2,045,806.86	45,348,981.68	19,280,865.01	135,067,735.89
2. Increase in the period			47,166,797.44	144,233.52	47,311,030.96
(1) Purchase			928,265.33	144,233.52	1,072,498.85
(2) Transfer of construction in progress			46,238,532.11		46,238,532.11
3. Decrease in the period			631,449.71	45,744.80	677,194.51
(1) Disposal or scrapping			631,449.71	45,744.80	677,194.51
4. Balance at the end of the period	68,392,082.34	2,045,806.86	91,884,329.41	19,379,353.73	181,701,572.34
II. Accumulated depreciation					
1. Balance at the beginning of the period	14,852,856.04	1,402,771.34	29,316,620.78	7,573,318.14	53,145,566.30
2. Increase in the period	2,412,174.24	108,049.84	4,512,173.82	2,445,164.64	9,477,562.54
(1) Provision	2,412,174.24	108,049.84	4,512,173.82	2,445,164.64	9,477,562.54
3. Decrease in the period			599,877.23	31,897.67	631,774.90
(1) Disposal or scrapping			599,877.23	31,897.67	631,774.90
4. Balance at the end of the period	17,265,030.28	1,510,821.18	33,228,917.37	9,986,585.11	61,991,353.94
III. Provision for impairment					
IV. Book value					
1. Carrying amount at the end of the period	51,127,052.06	534,985.68	58,655,412.04	9,392,768.62	119,710,218.40
2. Carrying amount at the beginning of the period	53,539,226.30	643,035.52	16,032,360.90	11,707,546.87	81,922,169.59

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

11. Fixed assets (continued)

(1) Fixed assets (continued)

Fixed assets with pending certificate of title

Item	Book value	Reasons for outstanding certificates of title
Administrative office	149,156.95	In processing
Creative supermarket	382,230.39	In processing
High and low voltage power distribution room	420,342.69	In processing
Theater Corridor (Riverside Section)	707,030.46	In processing
Total	1,658,760.49	

12. Construction in progress

Item	Balance at the end of the period	Balance at the end of last year
Construction in progress	163,018.87	8,791,370.95
Project materials		
Total	163,018.87	8,791,370.95

(1) Construction in progress

① Details of construction in progress

Item	Balance at the end of the period			Balance at the end of last year		
	Book balance	Provision for impairment	Net book amount	Book balance	Provision for impairment	Net book amount
Other sporadic projects	163,018.87		163,018.87			
Production of Moonlight stage integration equipment				8,633,114.07		8,633,114.07
Construction of Impression Market project				158,256.88		158,256.88
Total	163,018.87		163,018.87	8,791,370.95		8,791,370.95

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

12. Construction in progress (continued)

(1) Construction in progress (continued)

② Changes to significant construction in progress

Project name	Balance at the beginning of the period	Increase in the period	Fixed asset transferred in	Other decreases - transferred to long-term deferred expenses	Accumulated capitalization amount of interest	Including: Capitalization amount of interest in the period	Capitalization rate of interest in the period (%)	Balance at the end of the period
Production of Moonlight stage integration equipment	8,633,114.07	47,958,715.60	46,238,532.11	10,353,297.56				
Project of performance scenery, and props and landscaping improvement for Dahongpao Theater		1,090,530.00		1,090,530.00				
Total	<u>8,633,114.07</u>	<u>49,049,245.60</u>	<u>46,238,532.11</u>	<u>11,443,827.56</u>				

Project name	Budget amount	Proportion of cumulative project investment in budget (%)	Progress of construction	Capital sources
Production of Moonlight stage integration equipment	61,500,000.00	100.00	Completed	Self-financed funds
Project of performance scenery, and props and landscaping improvement for Dahongpao Theater	<u>1,090,530.00</u>	<u>100.00</u>	Completed	Self-financed funds
Total	<u>62,590,530.00</u>			

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

13. Productive biological assets

Item	Forestry Cherry blossom seedlings
I. Original carrying amount	
1. Balance at the beginning of the period	111,884.00
2. Increase in the period	
3. Decrease in the period	
4. Balance at the end of the period	111,884.00
II. Accumulated depreciation:	
1. Balance at the beginning of the period	55,942.10
2. Increase in the period	11,188.44
(1) Provision	11,188.44
3. Decrease in the period	
4. Balance at the end of the period	67,130.54
III. Provision for impairment	
IV. Book value	
1. Carrying amount at the end of the period	44,753.46
2. Carrying amount at the beginning of the period	<u>55,941.90</u>

14. Right-of-use assets

Item	Buildings
I. Original carrying amount:	
1. Balance at the beginning of the period	21,007,609.10
2. Increase in the period	67,546,342.38
(1) New leases	67,546,342.38
3. Decrease in the period	
4. Balance at the end of the period	88,553,951.48
II. Accumulated depreciation:	
1. Balance at the beginning of the period	6,327,625.16
2. Increase in the period	4,045,859.98
(1) Provision	4,045,859.98
3. Decrease in the period	
4. Balance at the end of the period	10,373,485.14
III. Provision for impairment	
IV. Book value	
1. Carrying amount at the end of the period	78,180,466.34
2. Carrying amount at the beginning of the period	<u>14,679,983.94</u>

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

15. Intangible assets

Item	Land use right	Franchise	Total
I. Original carrying amount			
1. Balance at the beginning of the period	11,044,319.89	18,895,790.54	29,940,110.43
2. Increase in the period			
3. Decrease in the period		10,939,889.37	10,939,889.37
(1) Other decreases (Note)		10,939,889.37	10,939,889.37
4. Balance at the end of the period	11,044,319.89	7,955,901.17	19,000,221.06
II. Accumulated amortization			
1. Balance at the beginning of the period	2,940,764.46	4,253,246.04	7,194,010.50
2. Increase in the period	336,479.76	317,370.44	653,850.20
(1) Provision	336,479.76	317,370.44	653,850.20
3. Decrease in the period			
(1) Other decreases			
4. Balance at the end of the period	3,277,244.22	4,570,616.48	7,847,860.70
III. Provision for impairment			
IV. Book value			
1. Carrying amount at the end of the period	7,767,075.67	3,385,284.69	11,152,360.36
2. Carrying amount at the beginning of the period	8,103,555.43	14,642,544.50	22,746,099.93

- ① Other decreases in franchise rights are because the present value of the payment obligation was re-measured and the book value of franchise rights was reduced accordingly based on the fact that the project owner halved the operation transfer fee within the original contract period while maintaining the original lease area and lease term unchanged.
- ② There was no land use right mortgaged or guaranteed at the end of the period.
- ③ There was no indication of impairment of intangible assets at the end of the period, and no provision for impairment was required to be made.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

16. Long-term deferred expenses

Item	Balance at the beginning of the period	Increase in the period	Decrease in the period		Balance at the end of the period
			Amortization in the period	Other decreases	
Decoration of the Chatang hotel	22,369,361.59		2,375,507.52		19,993,854.07
Impression Tianjie projects	11,368,921.30	147,495.05	997,249.20		10,519,167.15
Design and construction contracting project for the Tea Museum	5,656,663.58		754,605.84		4,902,057.74
Landscape engineering for the theater	2,124,186.15	1,090,530.00	1,514,981.00		1,699,735.15
Other projects within the Tea Expo Park	679,542.26	413,984.31	163,767.58		929,758.99
Landscape renovation and upgrading project of Dahongpao Experience Center	1,274,960.51		127,496.16		1,147,464.35
Landscape renovation and upgrading project of China Wuyi Tea Expo Park	1,274,883.13		117,483.96		1,157,399.17
Qinhui Hotel	1,135,976.20		135,151.44		1,000,824.76
Amortization of stage equipment	1,192,090.14		229,902.96		962,187.18
Amortization of theater facilities	1,563,727.77	797,380.00	499,988.82		1,861,118.95
Production cost of the stage design for Moonlight Wuyi		11,077,647.32	911,265.16		10,166,382.16
Choreographed fees for Moonlight Wuyi		29,509,883.02	974,842.79		28,535,040.23
Amortization of minor expenses	4,425,222.27	1,051,036.57	1,080,406.67		4,395,852.17
Total	53,065,534.90	44,087,956.27	9,882,649.10		87,270,842.07

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

17. Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets and deferred income tax liabilities without offset

Item	Balance at the end of the period		Balance at the end of last year	
	Deductible/ taxable temporary differences	Deferred income tax assets/ liabilities	Deductible/ taxable temporary differences	Deferred income tax assets/ liabilities
Deferred income tax assets:				
Provision for credit impairment	1,524,702.33	381,175.58	1,157,128.80	289,282.21
Deductible losses	16,211,186.96	4,052,796.74	8,237,598.96	2,059,399.74
Lease liabilities	84,557,812.89	21,139,453.22	16,544,894.12	4,136,223.54
Sub-total	102,293,702.18	25,573,425.54	25,939,621.88	6,484,905.49
Deferred income tax liabilities:				
Right-of-use assets	78,180,466.34	19,545,116.59	14,679,983.94	3,669,995.99
Changes in fair value of FVPL	20,596.64	5,149.16		
Sub-total	78,201,062.98	19,550,265.75	14,679,983.94	3,669,995.99

(2) Deferred income tax assets or liabilities presented on a net basis after offsetting

Item	Amount of offsetting between deferred income tax assets and liabilities at the end of the period		Amount of offsetting between deferred income tax assets and liabilities at the end of the previous year	
	Amount of offsetting between deferred income tax assets and liabilities at the end of the period	Balance of deferred income tax assets or liabilities after offsetting at the end of the period	Amount of offsetting between deferred income tax assets and liabilities at the end of the previous year	Balance of deferred income tax assets or liabilities after offsetting at the end of the previous year
Deferred income tax assets	19,550,265.75	6,023,159.79	3,669,995.99	2,814,909.50
Deferred income tax liabilities	19,550,265.75		3,669,995.99	

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

17. Deferred income tax assets and deferred income tax liabilities (continued)

(3) Details of deductible temporary differences and deductible losses of unrecognized deferred income tax assets

Item	Balance at the end of the period	Balance at the end of last year
Deductible losses	<u>30,792,669.03</u>	<u>26,439,403.63</u>

(4) Deductible losses of unrecognized deferred income tax assets will be expired in the following years.

Year	Balance at the end of the period	Balance at the end of last year	Remark
2025	—	1,488,906.89	
2026	4,650,651.26	4,650,651.26	
2027	7,553,423.66	7,553,423.66	
2028	6,474,009.07	6,536,037.07	
2029	6,392,087.37	6,210,384.75	
2030	5,722,497.67	—	
Total	<u>30,792,669.03</u>	<u>26,439,403.63</u>	

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

18. Other non-current assets

Item	Balance at the end of the period			Balance at the end of last year		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepaid director's creation fee for Moonlight over Mount Wuyi				11,698,113.20		11,698,113.20

19. Assets with restrictions on the ownership or right of use

Item	Book balance	At the end of the period		Restriction
		Book value	Restriction type	
Monetary funds	250.00	250.00	Restriction due to freezing	ETC margin
Monetary funds	1,500.00	1,500.00	Restriction due to freezing	POS deposit
Total	1,750.00	1,750.00		

20. Trade payables

(1) Presented by nature of payables

Item	Balance at the end of the period	Balance at the end of last year
Payment for projects	25,688,714.34	99,219.64
Labor costs	618,124.22	457,506.16
Director's creative fee and quality maintenance fee	195,302.66	233,186.99
Equipment maintenance and upgrade costs	420,782.22	407,192.81
Others	337,592.64	22,805.25
Total	27,260,516.08	1,219,910.85

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Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

20. Trade payables (continued)

(2) Presented by aging based on recognition date

Aging	Balance at the end of the period	Balance at the end of last year
Within 1 year	26,983,807.09	978,859.86
Over 1 year	276,708.99	241,050.99
Total	27,260,516.08	1,219,910.85

There were no significant trade payables with aging over 1 year.

21. Advances from customers

Item	Balance at the end of the period	Balance at the end of last year
Rent received in advance	277,518.02	146,049.11

There were no significant advances from customers with aging over 1 year.

22. Contract liabilities

Item	Balance at the end of the period	Balance at the end of last year
Ticket payments received in advance	2,708,303.30	623,085.45
Membership card payments received in advance	41,790.27	39,752.25
Total	2,750,093.57	662,837.70

There were no significant contract liabilities with aging over 1 year.

23. Employee benefits payments

Item	Balance at the beginning of the period	Increase in the period	Decrease in the period	Balance at the end of the period
Short-term remuneration	6,316,159.40	35,144,665.87	37,090,551.36	4,370,273.91
Post-employment welfare - defined contribution plans	672.00	3,252,334.81	3,252,334.81	672.00
Total	6,316,831.40	38,397,000.68	40,342,886.17	4,370,945.91

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

23. Employee benefits payments (continued)

(1) Short-term remuneration

Item	Balance at the beginning of the period	Increase in the period	Decrease in the period	Balance at the end of the period
Salaries, bonuses, allowances and subsidies	6,216,040.38	31,090,880.82	33,025,001.01	4,281,920.19
Employee benefits		407,629.72	407,629.72	
Social insurance premiums		1,601,765.89	1,601,765.89	
Including: 1. Medical		1,466,281.68	1,466,281.68	
2. Work injury		44,875.42	44,875.42	
3. Maternity		90,608.79	90,608.79	
Housing fund		1,506,515.00	1,506,515.00	
Union fee and employee education expenses	100,119.02	537,874.44	549,639.74	88,353.72
Total	6,316,159.40	35,144,665.87	37,090,551.36	4,370,273.91

(2) Defined contribution schemes

Item	Balance at the beginning of the period	Increase in the period	Decrease in the period	Balance at the end of the period
Post-employment benefits	672.00	3,252,334.81	3,252,334.81	672.00
Including: Basic pension premium	672.00	2,880,063.68	2,880,063.68	672.00
Unemployment insurance premium		90,736.61	90,736.61	
Enterprise annuity contribution		281,534.52	281,534.52	
Total	672.00	3,252,334.81	3,252,334.81	672.00

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

24. Tax payments

Taxation	Balance at the end of the period	Balance at the end of last year
Value-added tax	216,107.62	594,135.90
Corporate income tax	2,002,417.56	3,398,503.54
Personal income tax	3,519.99	4,737.55
Urban maintenance and construction tax	14,168.03	11,011.31
Educational surcharge	10,150.28	7,895.49
Property tax	207,401.80	207,401.80
Land use tax	26,092.20	25,977.39
Stamp duty	46,912.96	15,996.79
Total	2,526,770.44	4,265,659.77

25. Other payables

Item	Balance at the end of the period	Balance at the end of last year
Interests payable		
Dividends payable		
Other payables	13,101,817.03	6,423,886.55
Total	13,101,817.03	6,423,886.55

(1) Other payables

Item	Balance at the end of the period	Balance at the end of last year
Deposits and security deposit	6,555,901.18	5,496,609.47
Unpaid listing costs payable	6,213,886.60	
Others	332,029.95	927,277.08
Total	13,101,817.03	6,423,886.55

There were no significant other payables with aging over 1 year.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

26. Non-current liabilities due within one year

Item	Balance at the end of the period	Balance at the end of last year
Long-term payables due within one year	440,744.77	5,279,551.57
Lease liabilities due within one year	6,684,259.00	1,402,681.10
Total	7,125,003.77	6,682,232.67

(1) Long-term payables due within one year

Item	Balance at the end of the period	Balance at the end of last year
Payable for transfer of franchise right of Tea Expo Park	440,744.77	5,279,551.57

27. Other current liabilities

Item	Balance at the end of the period	Balance at the end of last year
Output tax to be carried forward	89,873.17	21,077.71

28. Lease liabilities

Item	Balance at the end of the period	Balance at the end of last year
Lease liabilities	84,557,812.89	16,544,894.12
Less: Lease liabilities due within one year	6,684,259.00	1,402,681.10
Total	77,873,553.89	15,142,213.02

In 2025, the amount of interest expenses accrued for lease liabilities was RMB2.572 million, and the amount included in the finance expense-interest expense was RMB2.572 million.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

29. Long-term payables

Item	Balance at the end of the period	Balance at the end of last year
Long-term payables	7,897,583.46	16,494,655.69
Special payables		
Total	7,897,583.46	16,494,655.69

(1) Long-term payables (by nature)

Item	Balance at the end of the period	Balance at the end of last year
Payable for transfer of franchise right of Tea Expo Park	8,338,328.23	21,774,207.26
Less: Long-term payables due within one year	440,744.77	5,279,551.57
Total	7,897,583.46	16,494,655.69

30. Share capital (Unit: '0,000)

Item	Balance at the beginning of the period	Increase/decrease during the period (+, -)					Sub-total	Balance at the end of the period
		New shares issued	Stock dividend	Public reserve transferred to shares	Others	Public reserve		
Total shares	10,807.00	3,610.00					14,417.00	

The increase of 36.10 million H shares in the period was due to the public offering of H shares, with a par value of RMB1 per share.

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Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

31. Capital reserve

Item	Balance at the beginning of the period	Increase in the period	Decrease in the period	Balance at the end of the period
Share premium	73,224,838.23	59,912,042.81		133,136,881.04

The newly increased share capital premium this year was due to the global offering of 36.1 million H shares at an issue price of HKD3.6/share. The total proceeds amounted to RMB117,925,700. After deducting the issuance costs, the actual net proceeds amounted to RMB96,012,042.81, of which the newly increased share capital was RMB36,100,000, and the balance of RMB59,912,042.81 was transferred to the capital reserve.

32. Surplus reserves

Item	Balance at the beginning of the period	Increase in the period	Decrease in the period	Balance at the end of the period
Statutory surplus reserve	21,453,160.98	4,391,202.66		25,844,363.64

The increase of RMB4,391,202.66 in the period was due to the withdrawal of statutory surplus reserves at 10% of the annual net profit of the parent company.

33. Undistributed profit

Item	Amount during the period	Amount during the same period last year
Undistributed profit as at the end of last period before adjustment	41,221,349.39	33,103,281.52
Total undistributed profit as at the beginning of the adjustment period (+ for increase and - for decrease)		
Undistributed profits at the beginning of the period after adjustment	41,221,349.39	33,103,281.52
Add: Net profit attributable to shareholders of the parent company in the period	35,385,848.03	45,226,486.00
Less: Withdrawal of statutory surplus reserves	4,391,202.66	4,687,418.13
Common stock dividend payable	41,066,600.00	32,421,000.00
Undistributed profits as at the end of the period	31,149,394.76	41,221,349.39

According to the resolution of the 10th meeting of the third session of Board of the Company and upon deliberation and approval at the Company's 2024 annual general meeting, the Company distributed a cash dividend of RMB41,066,600.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

34. Operating incomes and operating costs

(1) Operating incomes and operating costs

Item	Amount during the period		Amount during the same period last year	
	Revenue	Costs	Revenue	Costs
Main business	149,033,386.84	79,133,606.58	140,185,097.15	61,165,547.72
Other business	1,885,866.74	489,191.18	1,141,369.38	164,564.12
Total	150,919,253.58	79,622,797.76	141,326,466.53	61,330,111.84

(2) Operating incomes and operating costs by industry

Main industry	Amount during the period		Amount during the same period last year	
	Revenue	Costs	Revenue	Costs
Main business:				
Ticket selling	142,214,036.99	68,397,819.77	129,826,329.90	49,373,960.63
Hotel operation	3,686,943.01	8,937,210.66	4,324,781.95	9,727,598.52
Cultural tourism business	3,132,406.84	1,798,576.15	6,033,985.30	2,063,988.57
Sub-total	149,033,386.84	79,133,606.58	140,185,097.15	61,165,547.72
Other business:	1,885,866.74	489,191.18	1,141,369.38	164,564.12
Total	150,919,253.58	79,622,797.76	141,326,466.53	61,330,111.84

(3) Operating incomes and operating costs by timing of goods transferred

Item	Ticket selling		Amount during the period		Cultural tourism business	
	Revenue	Costs	Hotel operation Revenue	Hotel operation Costs	Revenue	Costs
Main business						
Of which: Recognised at a point in time	142,214,036.99	68,397,819.77	322,776.81	6,936,469.76	3,132,406.84	1,798,576.15
Recognised over time			3,364,166.20	2,000,740.90		
Other business						
Of which: Recognised at a point in time					922,874.61	434,295.29
Recognised over time						
Lease income					962,992.13	54,895.89
Total	142,214,036.99	68,397,819.77	3,686,943.01	8,937,210.66	5,018,273.58	2,287,767.33

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

35. Taxes and surcharges

Item	Amount during the period	Amount during the same period last year
Urban maintenance and construction tax	280,074.66	263,051.48
Educational surcharge	200,053.33	187,893.92
Property tax	414,803.60	414,803.65
Land use tax	52,701.05	53,301.91
Vehicle and vessel tax	5,160.48	4,080.48
Stamp duty	85,088.35	61,603.69
Others		3,450.00
Total	1,037,881.47	988,185.13

See Note IV. Tax for details of calculation and payment standards for various taxes and surcharges.

36. Selling expenses

Item	Amount during the period	Amount during the same period last year
Advertising and promotion expenses	3,615,109.72	2,750,105.09
Amortization of depreciation	2,849,119.53	2,610,322.90
Employee benefits	2,014,655.63	1,816,492.87
Office fees	161,485.13	134,785.15
Rental	42,813.49	141,924.49
Event planning fees	1,243,066.04	
Others	441,619.61	261,454.39
Total	10,367,869.15	7,715,084.89

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

37. Administrative expenses

Item	Amount during the period	Amount during the same period last year
Employee benefits	6,700,169.76	5,948,275.13
Amortization of depreciation	1,087,152.96	994,739.45
Office fees	841,779.60	442,063.04
Consultancy fees	2,194,343.02	1,289,308.37
Repair costs	174,929.59	160,311.50
Vehicle use fees	273,065.68	269,478.72
Travel expense	48,935.31	43,635.36
Employment security fund for the disabled	54,390.62	53,096.81
Entertainment expense	126,948.00	12,664.00
Startup costs	4,228,925.74	244,880.32
Others	1,400,895.62	1,142,332.45
Total	17,131,535.90	10,600,785.15

Note: The accountants' fees charged to administrative expenses amounted to RMB120,000.

38. Financial expenses

Item	Amount during the period	Amount during the same period last year
Interest expenses	2,957,387.46	2,287,416.28
Less: Interest income	215,654.95	108,647.93
Foreign exchange losses and gains	525,374.80	33.54
Bank charges and others	76,137.63	104,959.89
Total	3,343,244.94	2,283,761.78

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

39. Other income

Item	Amount during the period	Amount during the same period last year
Government subsidies related to deferred income		8,000.00
Government subsidies directly included in the current profit or loss	142,349.94	756,519.80
VAT reduction or exemption	46,800.00	183,091.48
Withholding handling charges on individual income tax	23.51	
Total	189,173.45	947,611.28

See Note VII. Government subsidies for details of government subsidies.

40. Investment income

Item	Amount during the period	Amount during the same period last year
Income from long-term equity investment calculated under equity method	(36,613.99)	(287,076.26)
Investment income from disposal of long-term equity investment		25,632.14
Investment income from disposal of other debt investment	81,561.00	
Investment income from disposal of financial assets held for trading (Note 1)	511,913.36	1,639,116.90
Total	556,860.37	1,377,672.78

Note 1: Details of investment income from disposal of financial assets held for trading are as follows:

Item	Amount during the period	Amount during the same period last year
Bank financial products	511,913.36	1,639,116.90

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

41. Gains from changes in fair value

Source of income from changes in fair value	Amount during the period	Amount during the same period last year
Financial assets held for trading	<u>20,596.64</u>	<u> </u>

42. Losses from credit impairment (“-” for losses)

Item	Amount during the period	Amount during the same period last year
Losses from bad debts of trade receivables	(241,923.93)	(18,828.05)
Losses from bad debts of other receivables	(153,854.29)	(32,184.53)
Losses from bad debts of long-term receivables	<u>28,204.69</u>	<u>(3,809.28)</u>
Total	<u>(367,573.53)</u>	<u>(54,821.86)</u>

43. Gains from disposal of assets (“-” for losses)

Item	Amount during the period	Amount during the same period last year
Gains from disposal of right-of-use assets (“-” for losses)	<u>(4,146.02)</u>	<u> </u>

44. Non-operating incomes

Item	Amount during the period	Amount during the same period last year	Amount included in non-recurring profit or loss in the period
Income from liquidated damages and fines		610,535.83	
Gains from the damage and scraping of non-current assets		22,761.95	
Others	<u>3,746.60</u>	<u>8,426.58</u>	<u>3,746.60</u>
Total	<u>3,746.60</u>	<u>641,724.36</u>	<u>3,746.60</u>

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

45. Non-operating expenses

Item	Amount during the period	Amount during the same period last year	Amount included in non-recurring profit or loss in the period
Donation outlay	781.05	1,738.23	781.05
Amercement and overdue fine outlay	57.41	4,387.43	57.41
Losses from the damage and scraping of non-current assets	40,919.61	30,378.26	40,919.61
Others	4,753.94	510.30	4,753.94
Total	46,512.01	37,014.22	46,512.01

46. Income tax expenses

(1) Details of income tax expenses

Item	Amount during the period	Amount during the same period last year
Current income tax calculated in accordance with tax laws and relevant regulations	14,690,196.36	15,703,141.95
Deferred income tax expenses	(3,208,250.29)	404,171.29
Total	11,481,946.07	16,107,313.24

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

46. Income tax expenses (continued)

(2) The reconciliation between income tax expenses and total profit.

Item	Amount during the period	Amount during the same period last year
Total profit	39,768,069.86	61,283,710.08
Income tax expense at the statutory (or applicable) tax rates (total profit *25%)	9,942,017.47	15,320,927.52
Effect of different tax rates applicable to subsidiaries		
Adjustment to income tax in the same period last year		
Gain or loss from associates and joint ventures by equity method	9,153.50	71,769.06
Non-taxable income (presented by "-")		
Non-deductible costs, expenses and losses	38,930.58	11,435.93
Effect on opening balance of deferred income tax due to changes in tax rate		
Tax effect of utilising unrecognized deductible losses and deductible temporary differences for prior years (presented by "-")		(849,415.46)
Tax effect of unrecognized deductible losses and deductible temporary differences	1,491,844.52	1,552,596.19
Income tax expenses	<u>11,481,946.07</u>	<u>16,107,313.24</u>

47. Notes to items of the statement of cash flows

(1) Cash received from other operating activities

Item	Amount during the period	Amount during the same period last year
Cash received from government subsidies	251,201.45	594,491.80
Interest income	215,654.95	108,647.93
Current accounts, margin and other cash receipts	1,161,681.74	1,590,134.27
Total	<u>1,628,538.14</u>	<u>2,293,274.00</u>

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

47. Notes to items of the statement of cash flows (continued)

(2) Cash paid for other operating activities

Item	Amount during the period	Amount during the same period last year
Cash paid for administrative expenses and selling expenses	16,825,301.17	7,542,319.13
Current accounts, margin and other cash payments	862,121.22	3,337,229.09
Handling charge for financial expenses	76,137.63	104,959.89
Total	17,763,560.02	10,984,508.11

(3) Cash paid for other financing activities

Item	Amount during the period	Amount during the same period last year
Amount paid to repay the lease liability	2,105,467.40	2,312,067.74
Amount paid to obtain the operation and management rights	2,881,333.33	
Listing and issuance costs	6,236,879.51	5,548,163.99
Total	11,223,680.24	7,860,231.73

(4) Changes in liabilities arising from financing activities

Item	Balance at the beginning of the period	Changes in cash		Changes in non-cash			Balance at the end of the period
		Cash inflows	Cash outflows	Accrued interest	Changes in fair value	Others	
Lease liabilities	16,544,894.12		2,105,467.40	2,572,043.79		67,546,342.38	84,557,812.89
Long-term payables	21,774,207.26		2,881,333.33	385,343.67		(10,939,889.37)	8,338,328.23
Total	38,319,101.38		4,986,800.73	2,957,387.46		56,606,453.01	92,896,141.12

- ① Lease liabilities include lease liabilities due within one year, and other changes are due to the Company's newly lease of glass sightseeing corridor of Tea Way, Moonlight Wuyi Theater and parking lot.
- ② Long-term payables include long-term payables due within one year. Other changes are because the present value of the payment obligation was re-measured and the book value of long-term payables was reduced accordingly based on the fact that the owner of the franchise right in the period halved the operation transfer fee within the original contract period while maintaining the original lease area and lease term unchanged.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

48. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

Supplementary material	Amount during the period	Amount during the same period last year
1. Net profits adjusted to cash flows from operating activities:		
Net profit	28,286,123.79	45,176,396.84
Add: Losses from asset impairment		
Losses from credit impairment	367,573.53	54,821.86
Depreciation of fixed assets, productive biological assets and investment property	9,500,886.70	7,167,592.44
Depreciation of right-of-use assets	4,045,859.98	1,628,273.94
Amortization of intangible assets	653,850.20	1,596,199.13
Amortization of long-term deferred expenses	9,882,649.10	7,940,716.26
Loss on disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	4,146.02	
Losses on write-off of fixed assets ("-" for gains)	40,919.61	7,616.31
Losses from changes in fair value ("-" for gains)	(20,596.64)	
Financial expenses ("-" for income)	3,482,762.26	2,287,449.82
Investment losses ("-" for gains)	(556,860.37)	(1,377,672.78)
Decrease in deferred income tax assets ("-" for increase)	(3,208,250.29)	4,348,753.95
Increases in deferred income tax liabilities ("-" for decreases)		(3,944,582.66)
Decrease in inventories ("-" for increase)	44,155.21	9,321.19
Decreases in operating receivables ("-" for increases)	(6,559,926.52)	(4,970,069.78)
Increase in operating payables ("-" for decrease)	1,049,305.45	2,188,549.74
Others		
Net cash generated flow from operating activities	47,012,598.03	62,113,366.26
2. Significant investment and financing activities not involving cash deposit and withdrawal:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
New right-of-use assets	67,546,342.38	529,927.28
3. Net change in cash and cash equivalents:		
Balance of cash at the end of the period	195,405,771.88	101,081,559.29
Less: Balance of cash at the beginning of the period	101,081,559.29	85,240,823.86
Add: Balance of cash equivalents at the end of the period		
Less: Balance of cash equivalents at the beginning of the period		
Net increase in cash and cash equivalents	94,324,212.59	15,840,735.43

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

48. Supplementary information to the statement of cash flows (continued)

(2) Breakdowns of cash and cash equivalents

Item	Balance at the end of the period	Balance at the end of last year
I. Cash	195,405,771.88	101,081,559.29
Including: Cash on hand		
Unrestricted bank deposits	195,405,771.88	101,081,559.29
II. Cash equivalents		
Including: Bond investments due within three months		
III. Ending balance of cash and cash equivalents	195,405,771.88	101,081,559.29

49. Foreign-currency monetary items

Item	Balance in foreign currency at the end of the period	Exchange rate of translation	Equivalent to RMB at the end of the period
Monetary funds			
Including: HKD	125,645,297.11	0.9032	113,485,345.26
Other payables			
Including: HKD	730,016.00	0.9032	659,350.60

50. Lease

(1) As a lessee

Item	Amount during the period
Short-term rental expenses	42,813.49
Low-value lease expenses	71,406.33
Total	114,219.82

(2) As lessor

Operating lease

Item	Amount during the period
Lease income	962,992.13

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

VI. RIGHTS AND INTERESTS IN OTHER ENTITIES

1. Equities in subsidiaries

(1) Structure of the enterprise group

Name of subsidiary	Registered capital/ Issued and fully paid (RMB'0,000)	Main business premise	Type of legal person	Registered address	Nature of business	Shareholding ratio %		Method of acquisition
						Direct	Indirect	
Mount Wuyi City Chatang Hot Spring Resort Co., Ltd. (武夷山茶湯溫泉度假村有限公司)	8,800	Mount Wuyi City, Fujian Province	Limited liability company	Mount Wuyi City, Fujian Province	Catering and accommodation services and tourism project development	100.00		Established by investment
Mount Wuyi Impression Dahongpao Cultural Tourism Co., Ltd. (武夷山印象大紅袍文化旅遊有限公司)	3,050	Mount Wuyi City, Fujian Province	Limited liability company	Mount Wuyi City, Fujian Province	Investment in, investment attraction for, and planning, development and construction of cultural tourism	100.00		Established by investment
Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd. (福建省月映武夷文化旅遊有限公司)	8,000	Mount Wuyi City, Fujian Province	Limited liability company	Mount Wuyi City, Fujian Province	Operation of commercial performances and performance places; performance brokerage	40.00		Established by investment

(2) Significant non-wholly owned subsidiaries

Name of subsidiary	Shareholding ratio of minority shareholders (%)	Profit or loss attributable to minority shareholders in the period	Dividends declared to be distributed to minority shareholders in the period	Balance of non-controlling interests at the end of the period
Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd. (福建省月映武夷文化旅遊有限公司)	60.00	(7,099,724.24)		40,850,186.60

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

VI. RIGHTS AND INTERESTS IN OTHER ENTITIES (continued)

1. Equities in subsidiaries (continued)

(3) Main financial information on major non-wholly-owned subsidiaries

Name of subsidiary	Current assets	Non-current assets	Balance at the end of the period			Total liabilities
			Total assets	Current liabilities	Non-current liabilities	
Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd. (福建省月映武夷文化 旅遊有限公司)	11,771,521.19	152,688,218.99	164,459,740.18	32,258,781.89	64,217,492.26	96,476,274.15

Continued:

Name of subsidiary	Current assets	Non-current assets	Balance at the end of last year			Total liabilities
			Total assets	Current liabilities	Non-current liabilities	
Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd. (福建省月映武夷文化 旅遊有限公司)	23,414,666.02	20,401,673.74	43,816,339.76			

Continued:

Name of subsidiary	Operating incomes	Amount during the period		Cash flows from operating activities
		Net profit	Total comprehensive income	
Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd. (福建省月映武夷文化 旅遊有限公司)	11,809,412.20	(11,832,873.73)	(11,832,873.73)	(7,485,019.65)

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

VI. RIGHTS AND INTERESTS IN OTHER ENTITIES (continued)

1. Equities in subsidiaries (continued)

(3) Main financial information on major non-wholly-owned subsidiaries (continued)

Continued:

Name of subsidiary	Amount during the same period last year			Cash flows from operating activities
	Operating incomes	Net profit	Total comprehensive income	
Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd. (福建省月映武夷文化 旅遊有限公司)		(183,660.24)	(183,660.24)	(258,627.24)

2. Equity in associates

(1) Summary of financial information on other insignificant associates

Item	Balance at the end of the period/ Amount during the period	Balance at the end of the previous year/ amount in the previous period
Associate:		
Total investment book value	2,153,664.49	2,190,278.48
Total amount calculated based on the following shareholding proportions	(36,613.99)	(287,076.26)
Net profit	(128,145.49)	(755,031.86)

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

VII. GOVERNMENT SUBSIDIES

1. Government subsidies included in other receivables

Type	Balance at the end of the period	Reasons for failure to receive government subsidies at the expected time point
Subsidies for service fees of Tea Integrity Education Base of Discipline Inspection Commission	<u>100,000.00</u>	Expected to be received in 2026

2. Government subsidies included in the current profit or loss by using the total amount method

Type	Amount included in profit or loss in the previous period	Amount included in profit or loss in the period	Presentation items included in profit or loss
Revenue-related government subsidies:			
Deferred amortization of tourist toilet subsidies	8,000.00		Other income
Subsidy for stabilizing employment	48,936.25	39,591.34	Other income
Rewards for service enterprises	30,000.00		Other income
Provincial special funds for integrated development of culture and tourism	500,000.00		Other income
Electricity subsidies	62,028.00		Other income
Subsidies for cross-provincial employment of poverty-stricken population in the central and western regions	5,555.55	2,758.60	Other income
Newly added incentives for service enterprise in the accommodation industry with primary operating incomes above the limit	10,000.00		Other income
Subsidies for service fees of Tea Integrity Education Base of Discipline Inspection Commission	<u>100,000.00</u>	<u>100,000.00</u>	Other income
Total	<u>764,519.80</u>	<u>142,349.94</u>	



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

VIII. RISK MANAGEMENT ON FINANCIAL INSTRUMENTS

The Company's main financial instruments include monetary funds, trade receivables, other receivables, other current assets, long-term receivables, trade payables, other payables, non-current liabilities due within one year, lease liabilities and long-term payables. Details of financial instruments are disclosed in the relevant notes. Risks associated with these financial instruments, as well as the risk management policies taken by the Company to mitigate these risks are as set out below. The Company's management manages and monitors these exposures to ensure that the risks are controlled within certain limits.

1. Risk management objectives and policies

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and commodity price risk).

The Company's objective in risk management is a proper balance between the risks and benefits and the Company aims to reduce the negative impact of risks on the Company's results of operations to a minimum level, so that the interests of shareholders and other equity investors are maximized. Based on these risk management objectives, the basic strategy of the Company's risk management is to identify and analyze the risks faced by the Company, set an appropriate bottom line for risk tolerance and conduct risk management, and timely and reliably monitor various risks to control the risks within a limited range.

The Board is responsible for planning and establishing the Company's risk management framework, specifying the Company's risk management policies and relevant guidelines, and supervising the implementation of risk management measures. The Company has formulated risk management policies to identify and analyze the risks faced by the Company. These risk management policies specify specific risks and cover many aspects such as market risk, credit risk and liquidity risk management. The Company regularly evaluates changes in the market environment and the Company's business activities to decide whether to update the risk management policies and systems. The Company's risk management is carried out by the Risk Management Committee in accordance with the policies approved by the Board. The Risk Management Committee identifies, evaluates and avoids relevant risks through close cooperation with other business departments of the Company. The Company's internal audit department regularly reviews the risk management controls and procedures, and reports the audit results to the Company's Audit Committee.

The Company diversifies the risks of financial instruments through appropriate diversified investment and business portfolios, and reduces risk concentrated on a single industry, a specific region, or a specific counterparty by formulating appropriate risk management policies.

VIII. RISK MANAGEMENT ON FINANCIAL INSTRUMENTS (continued)

1. Risk management objectives and policies (continued)

(1) Credit risk

Credit risk refers to the risk of financial loss to the Company caused by the counterparty's failure to perform its contractual obligations.

The Company's credit risk is managed by portfolio classification. Credit risks mainly arise from bank deposits, trade receivables, other receivables, long-term receivables, etc.

The bank deposits of the Company are mainly placed with state-owned banks and other large and medium-sized listed banks, and the Company does not expect that the bank deposits will be exposed to significant credit risk.

For trade receivables, other receivables and long-term receivables, the Company has established relevant policies to control credit risk exposure. The Company assesses customers' credit qualifications and sets the corresponding credit period based on customers' financial positions, credit history and other factors such as the current market conditions. The Company monitors the customers' credit records periodically; as for the customers with bad credit records, the Company adapts the methods including requesting a payment in writing or shortening or cancelling credit period so as to keep the Company's overall credit risks within controllable scope.

The debtors of the Company's trade receivables are customers in different industries and regions. The Company continuously performs credit assessment on the financial status of trade receivables and purchases credit guarantee insurance when appropriate.

The maximum credit risk exposure of the Company is the carrying amount of each financial asset in the balance sheet. The Company has not provided any other guarantees that may subject the Company to credit risk.

Among the Company's trade receivables, the trade receivables from the top five customers accounted for 94.90% (2024: 93.87%) of the Company's total trade receivables; among the Company's other receivables, the other receivables from the top five companies with the largest amounts in arrear accounted for 87.18% (2024: 86.90%) of the Company's total other receivables.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

VIII. RISK MANAGEMENT ON FINANCIAL INSTRUMENTS (continued)

1. Risk management objectives and policies (continued)

(2) Liquidity risk

Liquidity risk is the risk that the Company will encounter a shortage of funds to fulfil its obligations that are settled by the delivery of cash or other financial assets.

When managing the liquidity risks, the Company maintains sufficient cash and cash equivalents as deemed by the management and monitors the same to meet the Company's operational needs and mitigate the impact of fluctuations in cash flows. The management of the Company monitors the utilization of bank borrowings and ensures compliance with the borrowing agreements. Commitments are also obtained from major financial institutions to provide adequate standby funds to meet both short-term and long-term funding requirements.

The Company finances its operations through funds generated from its operations and bank and other borrowings.

At the end of the period, financial liabilities and off-balance sheet guarantee items held by the Company are analyzed based on maturity date of the undiscounted remaining contractual cash flows (Unit: RMB'0,000):

Item	Balance at the end of the period			Total
	Within 1 year	1-5 years	Over 5 years	
Financial liabilities:				
Trade payables	2,726.05			2,726.05
Other payables	1,310.18			1,310.18
Non-current liabilities due within one year	712.50			712.50
Lease liabilities		1,739.49	6,047.87	7,787.36
Long-term payables		254.74	535.02	789.76
Total financial liabilities	4,748.73	1,994.23	6,582.89	13,325.85

VIII. RISK MANAGEMENT ON FINANCIAL INSTRUMENTS (continued)**1. Risk management objectives and policies** (continued)**(2) Liquidity risk** (continued)

At the end of the previous year, financial liabilities and off-balance sheet guarantee items held by the Company are analyzed based on maturity date of the undiscounted remaining contractual cash flows (Unit: RMB'0,000):

Item	Balance at the end of last year			Total
	Within 1 year	1-5 years	Over 5 years	
Financial liabilities:				
Trade payables	121.99			121.99
Other payables	642.39			642.39
Non-current liabilities due within one year	668.22			668.22
Lease liabilities		646.74	867.48	1,514.22
Long-term payables		431.63	1,217.83	1,649.46
Total financial liabilities	1,432.60	1,078.37	2,085.31	4,596.28

(3) Market risk

Market risks of financial instruments refer to the risks of fluctuation in the fair values or future cash flows of financial instruments due to changes in market prices, and include interest rate risks, currency risks, and other price risks.

Interest rate risk

Interest rate risks refer to the risks of fluctuation in the fair value or future cash flows of financial instruments due to changes in market interest rate. Interest rate risk can arise from recognized interest-bearing financial instruments and unrecognized financial instruments (such as certain loan commitments).

The Company's exposure to changes in interest rates is insignificant.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

VIII. RISK MANAGEMENT ON FINANCIAL INSTRUMENTS (continued)

1. Risk management objectives and policies (continued)

(3) Market risk (continued)

Exchange rate risk

Exchange rate risk refers to the risk that fair value or future cash flows of financial instruments fluctuate due to variations in foreign exchange rate. Exchange rate risk can arise from financial instruments denominated in foreign currencies other than the local currency in which the instruments are denominated.

The Company mainly operates in China, with main business settled in RMB and few expenses settled in HKD. However, the foreign currency assets and liabilities and future foreign currency transactions that have been recognized by the Company (foreign currency assets and liabilities and foreign currency transactions are priced mainly in HKD) are still exposed to foreign exchange risks.

See Note “V. 49 Foreign currency monetary items” for the presentation of the Company’s foreign currency financial assets and foreign currency financial liabilities at the end of the period.

On 31 December 2025, if the RMB appreciates or depreciates by 1% against HKD, the Company’s profit before tax will increase or decrease by RMB1,128,234.82.

IX. FAIR VALUE

The fair value hierarchy is classified based on the lowest level of inputs in the fair value measurement which are significant to the measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: observable inputs other than quoted market prices for assets or liabilities within Level 1 that are used either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: assets or liabilities are measured using any inputs that are not based on observable market data (unobservable inputs).

(1) Items measured at fair value but with their fair values disclosed and their amounts

Assets and liabilities measured at fair value at the end of the period using the above three levels are presented below:

Item	Measured at the fair value of the 1st level	Measured at the fair value of 2nd level	Measured at the fair value of 3rd level	Total
I. Measurement at fair value on a going concern				
(I) Financial assets held for trading			3,520,596.64	3,520,596.64

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. The Company's parent company

Parent company	Registered address	Nature of business	Registered capital (RMB'0,000)	Shareholding ratio of the parent company in the Company (%)	Voting ratio of the parent company in the Company (%)
Mount Wuyi Cultural Tourism Co., Ltd.	Mount Wuyi City, Fujian Province	Tourism services	26,272.68586	51.56	51.56

The ultimate controller of the Company is: Mount Wuyi Municipal People's Government, which holds 58.54% of the Company's shares through Mount Wuyi State-owned Assets Operation Service Centre, and is the actual controller of the Company.

2. Information of the Company's subsidiaries

See Note VI. 1 for details of subsidiaries.

3. Joint ventures of the Company

The Company's associates are as follows:

Associate	Relationship with the Company
Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd. (武夷山印象大红袍文化產業有限公司)	The Company directly holds 45% of its shares
Wuyishan Shanmenghaishi Cultural Tourism Co., Ltd. (武夷山山盟海誓文化旅遊有限公司)	35% shares are directly held by Wuyishan Impression Dahongpao Cultural Tourism Co., Ltd. (武夷山印象大红袍文化旅遊有限公司)

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Information about other related parties of the Company

Name of related party	Relationship with the Company
Mount Wuyi Tourism Resort Development Co., Ltd. (武夷山旅遊度假產業開發有限責任公司)	Directly hold 9.32% and indirectly hold 2.2% of the Company's shares
Fujian Mount Wuyi Travel Development Co., Ltd. (福建武夷山旅遊發展股份有限公司)	Holding subsidiary of Mount Wuyi Tourism, and the general manager of the Company, Zheng Bin, serves as its chairman and legal representative
Impression Art Development Co., Ltd. (觀印象藝術發展有限公司)	Indirectly hold 15.27% of the Company's shares through Beijing Impression Landscape parent company of Mount Wuyi National Tourist Resort Water Supply Co., Ltd. (武夷山國家旅遊度假區自來水有限公司); sub-subsidiary of Mount Wuyi Tourism Resort Development Co., Ltd.
Mount Wuyi City Chong'an Water Supply Co., Ltd. (武夷山市崇安自來水有限公司)	
Wuyishan Digital Wuyi E-Commerce Development Co., Ltd. (武夷山市數字武夷電子商務發展有限公司)	First-tier company subordinate to Fujian Mount Wuyi Cultural Tourism Group Co., Ltd.
Fujian Mount Wuyi Yifeng Travel Agency Co., Ltd. (福建武夷山夷峰旅行社有限公司)	First-tier company subordinate to Fujian Mount Wuyi Cultural Tourism Group Co., Ltd.
Mount Wuyi Impression Dahongpao International Travel Agency Co., Ltd. (武夷山印象大紅袍國際旅行社有限公司)	Controlling subsidiary of Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd., in which the Company holds shares, and Mr. Zheng Qingrong, a deputy general manager of the Company, serves as its executive director
Mount Wuyi HongtuDi Cultural Service Co., Ltd. (武夷山紅土地文化服務有限公司)	A wholly-owned subsidiary of Fujian Province Mount Wuyi Tourism Cultural Investment Group Co., Ltd., a brother company of Fujian Mount Wuyi Cultural Tourism Group Co., Ltd., a shareholder of the Company
Fujian Province Mount Wuyi Travel Agency Co., Ltd (福建省武夷山旅行社有限公司)	Controlling subsidiary of Fujian Wuyi Tourism Group and its legal representative Luo Mengyun serves as a director of Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd.
Fujian Province Mount Wuyi Tourism Cultural Investment Group Co., Ltd.	Directors of the Company also serve as directors of Fujian Province Mount Wuyi Tourism Cultural Investment Group Co., Ltd.
Fuxing (Beijing) Cultural Tourism Development Co., Ltd. (復興文旅(北京)文化產業發展有限公司)	Company controlled by the parent company of a minority shareholder of a subsidiary
Directors, managers, chief financial officer and Board secretary	Key officers

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Related-party transactions

(1) Related party transactions on purchase and sales

① Purchase of goods and receipt of labor services

Related parties	Contents of related-party transactions	Amount during the period	Amount during the same period last year
Impression Art Development Co., Ltd. (觀印象藝術發展有限公司)	Creative and maintenance fee	13,440,349.26	12,634,861.33
Mount Wuyi City Chong'an Water Supply Co., Ltd. (武夷山市崇安自來水有限公司)	Water and sewage treatment fee	242,086.98	145,607.27
Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd. (武夷山印象大紅袍文化產業有限公司)	Purchase of tea sets	980.00	3,615.00
Fuxing (Beijing) Cultural Tourism Development Co., Ltd. (復興文旅(北京)文化產業發展有限公司) (Note)	Project creation and design fee	—	—
		—	—

Note: Moonlight Wuyi (Beijing) Cultural Media Co., Ltd. became a minority shareholder of Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd. (hereinafter referred to as "Moonlight") in July 2025. Fuxing (Beijing) Cultural Tourism Development Co., Ltd. is another enterprise controlled by the parent company of such minority shareholder; the amount of contract between Moonlight and such company (excluding tax) was RMB29,245,283.02. The performance of services under the contract has been completed by the end of May 2025, so the amount of related party transactions disclosed in the period was RMB0.

The transaction is priced based on the fair market price.

② Sales of goods and rendering of services

Related parties	Contents of related-party transactions	Amount during the period	Amount during the same period last year
Mount Wuyi Impression Dahongpao International Travel Agency Co., Ltd. (武夷山印象大紅袍國際旅行社有限公司)	Ticket sales	1,550,039.99	5,051,369.81
Fujian Mount Wuyi Yifeng Travel Agency Co., Ltd. (福建武夷山夷峰旅行社有限公司)	Ticket sales	1,380,738.74	1,500,447.01
Fujian Province Mount Wuyi Travel Agency Co., Ltd. (福建省武夷山旅行社有限公司)	Ticket sales	1,371,521.95	1,506,573.25
Wuyishan Digital Wuyi E-Commerce Development Co., Ltd. (武夷山市數字武夷電子商務發展有限公司)	Artistic performance	4,716.98	—
		—	—

The transaction is priced based on the fair market price.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Related-party transactions (continued)

(2) Related-party leases

① Leased by the Company

Lessee	Type of leased asset	Lease income recognized in the period	Lease income recognized in the previous period
Wuyishan Shanmenghaishi Cultural Tourism Co., Ltd. (武夷山山盟海誓文化旅遊有限公司)	Places of operation and office		4,128.44
Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd. (武夷山印象大紅袍文化產業有限公司)	Places of operation and office	22,935.78	

The transaction is priced based on the fair market price.

② Leased by the Company

Lessor	Type of leased asset	Lease payments payable in the period	Lease payments payable in the previous period
Mount Wuyi Tourism Resort Development Co., Ltd. (武夷山旅遊度假產業開發有限責任公司)	Places of operation and office	177,300.88	175,127.92
Fujian Province Mount Wuyi Tourism Cultural Investment Group Co., Ltd.	Moonlight Theater	2,380,952.38	
Fujian Mount Wuyi Travel Development Co., Ltd. (福建武夷山旅遊發展股份有限公司)	Advertising space	277,819.00	115,757.90
Mount Wuyi Urban Construction Investment Co., Ltd. Non-Transfer Business Centre (武夷山市城市建設投資有限公司非轉經經營中心) (Note)	Parking lots		51,750.00
Wuyishan Digital Wuyi E-Commerce Development Co., Ltd. (武夷山市數字武夷電子商務發展有限公司)	Advertising space	153,639.20	167,606.40

Note: Mount Wuyi Urban Construction Investment Co., Ltd. Non-Transfer Business Centre was a related party of the Company in 2024, but was not a related party of the Company in the period. The lease payment due for the period was RMB114,285.71.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Related-party transactions (continued)

(2) Related-party leases (continued)

② Leased by the Company (continued)

The transaction is priced based on the fair market price.

Interest expense on lease liabilities undertaken by the Company as a lessee in the current year:

Lessor	Type of leased asset	Interest expense in the period	Interest expense in the previous period
Mount Wuyi Tourism Resort Development Co., Ltd. (武夷山旅遊度假產業開發有限責任公司)	Right-of-use assets	35,887.78	42,504.58
Fujian Province Mount Wuyi Tourism Cultural Investment Group Co., Ltd.	Right-of-use assets	1,819,621.31	
Mount Wuyi Urban Construction Investment Co., Ltd. Non-Transfer Business Centre (武夷山市城市建設投資有限公司非轉經營中心) (Note)	Right-of-use assets		8,065.56

Note: Mount Wuyi Urban Construction Investment Co., Ltd. Non-Transfer Business Centre was a related party of the Company in 2024, but was not a related party of the Company in the period. The interest expenses for the period were RMB14,385.98.

(3) Remuneration of key management members

The Company has 18 key management personnel in the period and 18 in the previous period. The remunerations paid to them are shown in the table below:

Item	Amount during the period	Amount during the same period last year
Remuneration of key management members	2,957,268.04	2,184,478.53

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Receivables from and payables to related parties

(1) Account receivables from the related parties

Project	Related parties	Balance at the end of the period		Balance at the end of last year	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Prepayments	Wuyishan Digital Wuyi E-Commerce Development Co., Ltd. (武夷山市數字武夷電子商務發展有限公司)	111,737.60		97,770.40	
Prepayments	Fujian Mount Wuyi Travel Development Co., Ltd. (福建武夷山旅遊發展股份有限公司)	247,487.20		162,061.10	
Long-term receivables	Mount Wuyi Tourism Resort Development Co., Ltd. (武夷山旅遊度假產業開發有限責任公司)	1,000,000.00	365,242.75	1,000,000.00	393,447.44
Trade receivables	Mount Wuyi HongtuDi Cultural Service Co., Ltd. (武夷山紅土地文化服務有限公司)	3,500.00	3,500.00	3,500.00	1,750.00
Trade receivables	Wuyishan Digital Wuyi E-Commerce Development Co., Ltd. (武夷山市數字武夷電子商務發展有限公司)	2,500.00	125.00		
Other receivables	Fujian Mount Wuyi Travel Development Co., Ltd. (福建武夷山旅遊發展股份有限公司)	30,078.90	1,503.95	30,000.00	1,500

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Receivables from and payables to related parties (continued)

(2) Amount due to related parties

Project	Related parties	Balance at the end of the period	Balance at the end of last year
Trade payables	Impression Art Development Co., Ltd. (觀印象藝術發展有限公司)	195,302.66	155,276.93
Trade payables	Fuxing (Beijing) Cultural Tourism Development Co., Ltd. (復興文旅(北京)文化產業發展有限公司)	2,924,528.31	
Trade payables	Mount Wuyi City Chong'an Water Supply Co., Ltd. (武夷山市崇安自來水有限公司)	10,410.80	
Other payables	Mount Wuyi Impression Dahongpao International Travel Agency Co., Ltd. (武夷山印象大紅袍國際旅行社有限公司)	152,023.48	164,518.61
Other payables	Fujian Mount Wuyi Yifeng Travel Agency Co., Ltd. (福建武夷山夷峰旅行社有限公司)	55,101.10	57,275.39
Other payables	Mount Wuyi Urban Construction Investment Co., Ltd. Non-Transfer Business Centre (武夷山市城市建設投資有限公司非轉經營中心) (Note)		155,250.00
Other payables	Fujian Province Mount Wuyi Travel Agency Co., Ltd (福建省武夷山旅行社有限公司)	94,925.39	57,720.85
Contract liabilities	Mount Wuyi Impression Dahongpao International Travel Agency Co., Ltd. (武夷山印象大紅袍國際旅行社有限公司)	248,469.76	14,278.65
Contract liabilities	Fujian Mount Wuyi Yifeng Travel Agency Co., Ltd. (福建武夷山夷峰旅行社有限公司)	41,705.83	29,338.83
Contract liabilities	Fujian Province Mount Wuyi Travel Agency Co., Ltd (福建省武夷山旅行社有限公司)	27,144.66	7,283.50
Other current liabilities	Mount Wuyi Impression Dahongpao International Travel Agency Co., Ltd. (武夷山印象大紅袍國際旅行社有限公司)	8,112.25	428.36
Other current liabilities	Fujian Mount Wuyi Yifeng Travel Agency Co., Ltd. (福建武夷山夷峰旅行社有限公司)	1,251.17	880.17

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Receivables from and payables to related parties (continued)

(2) Amount due to related parties (continued)

Project	Related parties	Balance at the end of the period	Balance at the end of last year
Other current liabilities	Fujian Province Mount Wuyi Travel Agency Co., Ltd (福建省武夷山旅行社有限公司)	814.34	218.50
Lease liabilities	Mount Wuyi Tourism Resort Development Co., Ltd. (武夷山旅遊度假產業開發有限責任公司)	596,448.63	685,746.00
Lease liabilities	Fujian Province Mount Wuyi Tourism Cultural Investment Group Co., Ltd.	64,152,739.22	
Lease liabilities	Mount Wuyi Urban Construction Investment Co., Ltd. Non-Transfer Business Centre (武夷山市城市建設投資有限公司非轉經經營中心) (Note)		323,807.37
Non-current liabilities due within one year	Mount Wuyi Tourism Resort Development Co., Ltd. (武夷山旅遊度假產業開發有限責任公司)	530,042.17	5,279,551.57
Non-current liabilities due within one year	Mount Wuyi Urban Construction Investment Co., Ltd. Non-Transfer Business Centre	103,814.50	99,899.76
Long-term payables	Mount Wuyi Tourism Resort Development Co., Ltd. (武夷山旅遊度假產業開發有限責任公司)	7,897,583.46	16,494,655.69

Note: Mount Wuyi Urban Construction Investment Co., Ltd. Non-Transfer Business Centre was a related party of the Company in 2024, but was not a related party of the Company in the period. As of the end of the period, the balance of other payables was RMB155,250.00 and the balance of lease liabilities was RMB219,992.90.

XI. COMMITMENTS AND CONTINGENCIES

1. Important commitments

As of 31 December 2025, the Company had no other commitments that should be disclosed.

2. Contingencies

As of 31 December 2025, the Company had no other contingencies that should be disclosed.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

XIII. OTHER SIGNIFICANT EVENTS (continued)

2. Five highest paid individuals

The top five highest-paid individuals in the Company this year include 2 directors (previous year: 2 directors) whose remunerations were set out in “XIII.1 Remunerations of directors and supervisors”, and 3 (previous year: 3) individuals being not directors whose remuneration is RMB735,100 (previous year: RMB735,000). The details of remunerations for this year are disclosed as follows:

Unit: RMB’0,000

Item	Amount during the period
Salaries, allowances and bonuses	66.42
Welfare expenses for retirement, medical care, housing, etc.	7.09
Total	73.51

The number of the above non-director individuals whose remuneration falling within the following ranges in the year are as follows:

Remuneration range	Number of employees in the period
0~300,000.00	3
Total	3

Note: The Company was not required to and did not pay any amounts to induce the above highest paid individuals to join the Company, nor did the Company pay any compensation for the departure of any of the above highest paid individuals.

- To ensure the smooth implementation of the new project, maintain operational independence and integrity, and achieve the Company’s investment return goals on schedule, the Company’s wholly-owned subsidiary Wuyishan Impression Dahongpao Cultural Tourism Co., Ltd. (武夷山印象大红袍文化旅游有限公司) (the “Cultural Tourism Company”) intends to terminate the cooperation agreement with the original partner, Fujian Spring Restaurant Management Co., Ltd. (“Fujian Spring”), and repurchase the investment assets (including operating rights) based on third-party professional evaluation results at a repurchase price of RMB13,125,856.00.
- Except for ticket selling, hotel operation and cultural tourism business, the Company has not operated other business that has a significant impact on its operating results. At the same time, the Company is not required to disclose segment data since it operates in only one region with revenue mainly derived from and main assets located in the territory of China.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

XIV. NOTES TO THE MAIN ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Trade receivables

(1) Disclosure by aging

Aging	Balance at the end of the period	Balance at the end of last year
Within 1 year	2,866.00	9,927.00
Less: Provision for bad debts	125.00	496.35
Total	2,741.00	9,430.65

(2) Disclosure by the provision method for bad debts

Category	Balance at the end of the period				
	Book balance		Provision for bad debt		Book value
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debt based on individual assessment					
Provision for bad debt based on collective assessment	2,866.00	100.00	125.00	4.36	2,741.00
Including:					
Ticket payment, etc.	2,500.00	87.23	125.00	5.00	2,375.00
Intra-group company payments	366.00	12.77			366.00
Total	2,866.00	100.00	125.00	4.36	2,741.00

Continued:

Category	Balance at the end of last year				
	Book balance		Provision for bad debt		Book value
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debt based on individual assessment					
Provision for bad debt based on collective assessment	9,927.00	100.00	496.35	5.00	9,430.65
Including:					
Ticket payment, etc.	9,927.00	100.00	496.35	5.00	9,430.65
Total	9,927.00	100.00	496.35	5.00	9,430.65

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

XIV. NOTES TO THE MAIN ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Trade receivables (continued)

(2) Disclosure by the provision method for bad debts (continued)

Trade receivables accrued for provision for bad debts on the basis of credit features portfolio

Provision for combined items: Ticket and others

Aging	Balance at the end of the period			Balance at the end of last year		
	Book balance	Provision for bad debt	Expected credit loss rate (%)	Book balance	Provision for bad debt	Expected credit loss rate (%)
Within 1 year	2,500.00	125.00	5.00	9,927.00	496.35	5.00

(3) Details of provisions for bad debts made, recovered or reversed during the period

Item	Provision for bad debts
Balance at the beginning of the period	496.35
Provision for the period	(371.35)
Balance at the end of the period	125.00

(4) No trade receivables were written-off in the period.

(5) Top two trade receivables by debtors at the end of the period

Entity	Balance of trade receivables at the end of the period	Proportion in the total balance of trade receivables at the end of the period (%)	Balance of provision for bad debts of trade receivables at the end of the period
Wuyishan Digital Wuyi E-Commerce Development Co., Ltd. (武夷山市數字武夷電子商務發展有限公司)	2,500.00	87.23	125.00
Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd. (福建省月映武夷文化旅遊有限公司)	366.00	12.77	
Total	2,866.00	100.00	125.00

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

XIV. NOTES TO THE MAIN ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables

Item	Balance at the end of the period	Balance at the end of last year
Interests receivable		
Dividends receivable		
Other receivables	559,140.00	7,448,072.76
Total	559,140.00	7,448,072.76

(1) Other receivables

① Disclosure by aging

Aging	Balance at the end of the period	Balance at the end of last year
Within 1 year	200.00	505,918.69
1-2 years	490,000.00	1,900,000.00
2-3 years		3,755,000.00
Over 3 years	171,000.00	1,321,000.00
Sub-total	661,200.00	7,481,918.69
Less: Provision for bad debts	102,060.00	33,845.93
Total	559,140.00	7,448,072.76

② Disclosure by nature

Item	Amount at the end of the period			Balance at the end of last year		
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value
Petty cash and advance payment	200.00	10.00	190.00	15,918.69	795.93	15,122.76
Deposits and security deposit	201,000.00	10,050.00	190,950.00	201,000.00	10,050.00	190,950.00
Intra-group company payments				6,805,000.00		6,805,000.00
Others	460,000.00	92,000.00	368,000.00	460,000.00	23,000.00	437,000.00
Total	661,200.00	102,060.00	559,140.00	7,481,918.69	33,845.93	7,448,072.76

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

XIV. NOTES TO THE MAIN ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

(1) Other receivables (continued)

③ Provision for bad debts

Provision for bad debts in Phase 1 at the end of the period

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debt	Book value
Provision for bad debt based on individual assessment				
Provision for bad debt based on collective assessment	661,200.00	15.44	102,060.00	559,140.00
Petty cash and advance payment	200.00	5.00	10.00	190.00
Deposits and security deposit	201,000.00	5.00	10,050.00	190,950.00
Intra-group company payments				
Others	460,000.00	20.00	92,000.00	368,000.00
Total	661,200.00	15.44	102,060.00	559,140.00

At the end of the period, the Company had no other receivables in the second and third stages.

Provision for bad debts in Phase 1 at the end of the previous year

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debt	Book value
Provision for bad debt based on individual assessment				
Provision for bad debt based on collective assessment	7,481,918.69	0.45	33,845.93	7,448,072.76
Petty cash and advance payment	15,918.69	5.00	795.93	15,122.76
Deposits and security deposit	201,000.00	5.00	10,050.00	190,950.00
Intra-group company payments	6,805,000.00			6,805,000.00
Others	460,000.00	5.00	23,000.00	437,000.00
Total	7,481,918.69	0.45	33,845.93	7,448,072.76

At the end of the previous year, the Company had no other receivables in the second and third stages.

XIV. NOTES TO THE MAIN ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

(1) Other receivables (continued)

④ Details of provisions for bad debts made, recovered or reversed during the period

Provision for bad debt	Stage 1 Expected credit losses in the next 12 months	Stage 2 Expected credit losses throughout the duration (without credit impairment)	Stage 3 Expected credit losses throughout the duration (with credit impairment)	Total
Balance at the beginning of the period	33,845.93			33,845.93
In the period, balance at the beginning of the period				
– Transfer to Stage 2				
– Transfer to Stage 3				
– Reversal to Stage 2				
– Reversal to Stage 1				
Provision for the period	68,214.07			68,214.07
Reversal in the period				
Write-off in the period				
Cancellation in the period				
Other changes				
Balance at the end of the period	<u>102,060.00</u>			<u>102,060.00</u>

⑤ No other receivables were written-off in the period.

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

XIV. NOTES TO THE MAIN ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

(1) Other receivables (continued)

⑥ Top five other receivables by debtors at the end of the period

Entity	Nature of payment	Other receivables Balance at the end of the period	Aging	Proportion in the total balance of other receivables at the end of the period (%)	Provision for bad debt Balance at the end of the period
Wuyishan Jinglong Fine Brewing Wine Industry Co., Ltd. (武夷山井龍精釀酒業有限公司)	Others	460,000.00	1-2 years	69.57	92,000.00
Mount Wuyi Urban Construction Investment Co., Ltd. Non-Transfer Business Centre	Deposits and security deposit	100,000.00	Above 5 years	15.12	5,000.00
Nanping Wuyi Transportation Development Co., Ltd. (南平武夷交通發展有限公司)	Deposits and security deposit	60,000.00	Above 5 years	9.07	3,000.00
Fujian Mount Wuyi Travel Development Co., Ltd. (福建武夷山旅遊發展股份有限公司)	Deposits and security deposit	30,000.00	1-2 years	4.54	1,500.00
Chen Yu	Deposits and security deposit	10,000.00	Above 5 years	1.51	500.00
Total		660,000.00		99.81	102,000.00

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

XIV. NOTES TO THE MAIN ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. Long-term equity investments

Item	Balance at the end of the period			Balance at the end of last year		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	150,500,000.00		150,500,000.00	145,000,000.00		145,000,000.00
Investment in associates	1,988,389.55		1,988,389.55	1,975,596.22		1,975,596.22
Total	152,488,389.55		152,488,389.55	146,975,596.22		146,975,596.22

(1) Investment in subsidiaries

Investee	Balance (book value) at the beginning of the period	Balance of provision for impairment at the beginning of the period	Increase/decrease during the period			Others	Balance (book value) at the beginning of the period	Balance of provision for impairment at the end of the period
			Additional investment	Reduced investment	Provision for impairment			
Mount Wuyi City Chatang Hot Spring Resort Co., Ltd. (武夷山茶湯溫泉度假村有限公司)	88,000,000.00						88,000,000.00	
Wuyishan Impression Dahongpao Cultural Tourism Co., Ltd. (武夷山印象大紅袍文化旅遊有限公司)	25,000,000.00		5,500,000.00				30,500,000.00	
Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd. (福建省月映武夷文化旅遊有限公司)	32,000,000.00						32,000,000.00	
Total	145,000,000.00		5,500,000.00				150,500,000.00	

(2) Investments in associates and joint ventures

Investee	Balance (book value) at the beginning of the period	Additional/new investment	Reduced investment	Increase/decrease during the period		Balance (book value) at the beginning of the period	Balance of provision for impairment at the end of the period
				Equity method Confirmed Investment gains or losses	Cash dividends or profits declared to be paid		
Associate Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd. (武夷山印象大紅袍文化產業有限公司)	1,975,596.22			12,793.33		1,988,389.55	
Mount Wuyi Shancha Impression Commercial Management Co., Ltd. (武夷山茶印象商業管理有限公司)							
Total	1,975,596.22			12,793.33		1,988,389.55	

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

XIV. NOTES TO THE MAIN ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

4. Operating incomes and operating costs

(1) Operating incomes and operating costs

Item	Amount during the period		Amount during the same period last year	
	Revenue	Costs	Revenue	Costs
Main business	130,488,827.80	57,518,491.95	122,668,556.32	49,373,960.63
Other business	1,076,634.86	446,431.01	842,484.87	164,564.12
Total	131,565,462.66	57,964,922.96	123,511,041.19	49,538,524.75

(2) Operating incomes and operating costs by industry

Main industry	Amount during the period		Amount during the same period last year	
	Revenue	Costs	Revenue	Costs
Main business:				
Ticket selling	130,488,827.80	57,518,491.95	122,668,556.32	49,373,960.63
Other business:				
	1,076,634.86	446,431.01	842,484.87	164,564.12
Total	131,565,462.66	57,964,922.96	123,511,041.19	49,538,524.75

(3) Operating incomes and operating costs by timing of goods transferred

Item	Amount during the period			
	Ticket selling		Cultural tourism business	
	Revenue	Costs	Revenue	Costs
Main business				
Of which: Recognised at a point in time	130,488,827.80	57,518,491.95		
Recognised over time				
Other business				
Of which: Recognised at a point in time			609,700.61	434,295.29
Recognised over time				
Lease income			466,934.25	12,135.72
Total	130,488,827.80	57,518,491.95	1,076,634.86	446,431.01

Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

XIV. NOTES TO THE MAIN ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

5. Investment income

Item	Amount during the period	Amount during the same period last year
Income from long-term equity investment calculated under equity method	12,793.33	(204,059.65)
Investment income from disposal of long-term equity investment		25,632.14
Investment income from disposal of financial assets held for trading	511,913.36	1,639,116.90
Total	524,706.69	1,460,689.39

XV. SUPPLEMENTARY INFORMATION

1. Breakdowns of non-recurring profit or loss in the period

Item	Amount during the period	Remark
Profit or loss on disposal of non-current assets, including the write-off of provision for impairment on assets	(45,065.63)	
Government subsidies recognized in the current profit or loss, except for those government subsidies that are closely related to the normal operation of the Company, in compliance with national policies and in accordance with established criteria, which have a constant impact on the Company's profit or loss	142,349.94	See Note VII for details
Gains or losses from entrusting others to invest in or manage assets	511,913.36	Bank financial products
Gains or losses from changes in fair value of financial assets held for trading	20,596.64	
Non-operating incomes and expenses other than the above-mentioned items	126,538.71	
Total non-recurring gains and losses	756,333.02	
Less: Income tax effect of non-recurring gains and losses	184,143.71	Tax rate: 25%
Net amount in non-recurring gains and losses	572,189.31	
Less: Net effect of non-recurring gains and losses attributable to minority shareholders (after tax)	(402.51)	
Non-recurring gains and losses attributable to ordinary shareholders of the Company	572,591.82	



Notes to the Financial Statements

Year 2025 (Amounts are expressed in RMB unless otherwise stated)

XV. SUPPLEMENTARY INFORMATION (continued)

2. Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	15.10	0.33	
Net profit attributable to ordinary shareholders of the Company after deducting the non-recurring profit and loss	14.86	0.32	

Impression Dahongpao Co., Ltd.

30 March 2026