

CONTENTS

	Pages
Corporate Information	02
Highlights	04
Chairperson's Statement	05
Management Discussion and Analysis	06
Directors and Senior Management's Profile	18
Corporate Governance Report	22
Directors' Report	38
Environmental, Social and Governance Report	60
Independent Auditor's Report	90
Consolidated Statement of Profit or Loss and Other Comprehensive Income	95
Consolidated Statement of Financial Position	96
Consolidated Statement of Changes in Equity	98
Consolidated Statement of Cash Flows	100
Notes to the Consolidated Financial Statements	102
Five Years Financial Summary	166

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Lake Mozi (*Chairperson*)
Mr. Cheng Li

Non-Executive Directors

Mr. Zhang Haihua
Ms. Song Yuanyuan

Independent Non-Executive Directors

Mr. Zhao Zhen
Mr. Manley Poon
Ms. Nicole Huang Meng Ting

BOARD COMMITTEES

Audit Committee

Mr. Manley Poon (*Chairperson*)
Ms. Song Yuanyuan
Ms. Nicole Huang Meng Ting

Nomination Committee

Mr. Zhang Lake Mozi (*Chairperson*)
Mr. Zhao Zhen
Ms. Nicole Huang Meng Ting

Remuneration Committee

Ms. Nicole Huang Meng Ting (*Chairperson*)
Mr. Zhao Zhen
Mr. Cheng Li

COMPANY SECRETARY

Mr. Zhang Lake Mozi

AUTHORISED REPRESENTATIVES

Mr. Cheng Li
Mr. Zhang Lake Mozi

AUDITOR

Confucius International CPA Limited

LEGAL ADVISERS TO OUR COMPANY

As to Hong Kong Law

Jingtian & Gongcheng LLP
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REGISTERED OFFICE IN THE CAYMAN ISLANDS

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Cayman Islands

CORPORATE INFORMATION

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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21 Andemen Avenue
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Nanjing, Jiangsu Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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No. 56 Parkes Street, Jordan
Kowloon
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANK

Bank of China (Nanjing Chengnan Sub-branch)
25 Andemen Avenue, Yuhuatai District
Nanjing, Jiangsu Province, The PRC

STOCK CODE

1736

COMPANY WEBSITE

www.ci123.com

HIGHLIGHTS

KEY HIGHLIGHTS

For 20 years, CI Web has been deeply rooted in the maternal and infant industry, always adhering to its original aspiration of “doing practical things for users and serving more families”, and is committed to providing better services for young Chinese families. At the same time, it focuses on both internal and external development, not only building an all-round ecosystem but also exploring new fields to achieve a win-win situation for all parties.

FINANCIAL HIGHLIGHTS

The following table sets forth the highlights of the consolidated statements of profit or loss of our Group for the year ended 31 December 2025.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Revenue	57,527	56,439
Gross profit	15,887	15,603
Loss for the year attributable to owners of the Company	(20,208)	(5,281)

CHAIRPERSON'S STATEMENT

Dear Shareholders,

On behalf of the Board of directors of China Parenting Network Holdings Limited (the "Company", "we" or "CI Web") and its subsidiaries (collectively referred to as the "Group"), I am pleased to present to you the annual results of the Group for the year ended 31 December 2025 (the "Year" or "Reporting Period").

In 2025, the state introduced a series of childbirth support policies, including childcare subsidies and the expansion of childcare services, leading to profound changes in the industry landscape. Meanwhile, the demands of the new generation of parents for maternal and infant products have exhibited new characteristics: there has been a surge in demand for scientific and diversified offerings, AI-powered smart parenting has gradually become mainstream, and environmental and emotional factors are also profoundly influencing people's parenting philosophies. These changes have propelled the industry into a new stage of competition, prompting companies to accelerate the upgrading and iteration of their products and services.

In response to diverse parenting demands, our group leverages its strong digital technology operation capabilities to closely connect with users through content, private domains, e-commerce and O2O services, promoting the symbiotic and mutually beneficial growth of the brand and its users. We have collaborated with authoritative institutions such as the China Youth Development Foundation's Children's Development Research Center to build a comprehensive home-school curriculum system. This not only strengthens the user base and promotes business growth, but also provides solid support for partner brands. In terms of business operations, CPN deepens cooperation with existing customers, actively expands domestic and overseas businesses, and enriches the customer composition. It conducts marketing through its own CI website, strengthens e-commerce layout. At the same time, it upgrades technology and gradually implements new skills to enhance its influence on partners and the core competitiveness of its operation. In 2025, our group focuses on the entire family consumption chain, explores emerging fields to create a full-scale ecosystem, and comprehensively improves operational efficiency and financial performance, achieving mutual benefits for all parties.

The Group places great emphasis on fulfilling its corporate citizenship responsibilities. Over the past year, we have actively engaged in public welfare initiatives, providing tangible assistance and warmth to special groups, and continuously transmitting positive energy to society through practical actions. Meanwhile, closely centered around our sustainable development strategy, we have deeply integrated environmental protection concepts into every aspect of our business operations, sparing no effort to contribute our corporate strength to protecting the environment and promoting green development.

In 2025, the Parenting Network achieved steady business growth and orderly expansion of its market territory through precise strategic planning and efficient execution. Looking to the future, the Group will steadily advance its established strategic plans: On one hand, it will accelerate platform-based operation in the overseas market, using a localized strategy to open up new growth spaces for overseas business; on the other hand, it will deeply invest in the silver economy sector, accurately exploring the consumption value of the family's entire life cycle. We will also continue to deepen the operation of core businesses and further strengthen the overall operational capabilities.

On behalf of the board of directors, I would like to extend our sincere gratitude to all shareholders for their continuous support and care over the years. We also deeply appreciate the hard work of all employees. It is your professional dedication that has enabled the Group to achieve its current success. Looking forward to the future, CPN will remain true to its original intentions, closely meet the needs of new-generation parents, improve the ecological layout with more scientific, professional and efficient services, and continuously innovate technologies to contribute more to social progress.

Chairperson

Zhang Lake Mozi

31 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is a leading mother-child platform in China, providing users with content, community, new media, e-commerce, smart hardware and other related services through a portfolio of websites and APPs including CI Web, Mama BBS APP, Pregnancy Tracker APP, new media matrix and mother-child online communities, covering areas including new retail, health, education, home entertainment and family travel, etc, committed to providing personalized smart home solutions for young Chinese families. CI Web advocates a confident, free and natural attitude toward life, leads an advanced, practical and scientific parenting method, and accompanies parents and children to grow together.

INDUSTRY OVERVIEW

In 2025, China's maternal and child industry underwent a pivotal transition from scale-driven expansion to value-oriented development, driven by demographic changes, evolving consumer behaviour and technological advancement. The overall industry landscape experienced profound structural changes. While birth rates remained under periodic pressure, the government has intensified policy support for the fertility ecosystem, reinforcing the industry's underlying fundamentals. In particular, the introduction of the national inclusive childcare subsidy policy in 2025, which provides an annual subsidy of RMB3,600 per child aged 0-3, together with initiatives to expand affordable childcare services and enhance supporting measures, effectively alleviated household burdens and stimulated consumption demand for maternal and child products and services, injecting fresh momentum into the industry.

From a market perspective, the industry has entered a phase of stock-based competition, with growth drivers shifting towards consumption upgrading and category expansion. Consumption potential in lower-tier markets continues to be released, with younger parents demonstrating increasingly rational purchasing behaviour as they balance brand positioning against value-for-money considerations. This has driven the industry to focus on delivering high-quality, cost-effective products and enhancing service capabilities. On the demand side, post-95 and post-00 consumers have become the core user groups. Their preference for scientific, diversified and personalised parenting approaches has driven three key trends: first, the rise of precision nutrition, with maternal and child food and supplements becoming increasingly segmented and tailored by age and physical condition; second, the advancement of AI-enabled smart parenting, with intelligent devices evolving from standalone products to integrated ecosystems embedded across family scenarios; and third, the parallel growth of green consumption and self-care awareness, with increasing demand for environmentally friendly products alongside greater emphasis on parental well-being and emotional value.

In terms of channels and competition, omni-channel integration between online and offline platforms has become the industry norm. Live-streaming e-commerce continues to evolve, instant retail addresses fulfilment gaps in time-sensitive consumption scenarios, and private domain operations deepen lifecycle user value, gradually forming a closed-loop omni-channel ecosystem. Brand competition is characterised by the rise of domestic brands alongside cross-sector integration. Local brands, leveraging their deep understanding of domestic demand, have established leadership in core categories, while companies from technology, fashion and other sectors are entering the market, further expanding industry boundaries and stimulating innovation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

With over two decades of experience in the maternal and child services sector, CI Web has remained committed to its mission of “serving more families with practical solutions.” Focusing on young Chinese families, CI Web is dedicated to providing personalised and intelligent household solutions. In 2025, in alignment with industry trends, it leveraged its four core pillars — content, private domain, e-commerce and O2O services — to connect the full family consumption value chain. By balancing organic growth with strategic expansion, CI Web strengthened its commercial foundation through enhanced user engagement, while building a multi-scenario ecosystem to unlock incremental brand value. Meanwhile, three key strategic priorities were advanced: deepening client collaboration, upgrading existing platforms and expanding into new business areas, thereby enhancing operational efficiency and financial performance and achieving a win-win outcome for users, brands and the Group.

Deepening User Operations to Unlock Lifecycle Value

In 2025, CI Web continued to focus on the core needs of next-generation maternal and child families, leveraging high-quality content and professional endorsement to strengthen user engagement, while expanding its private domain ecosystem and implementing refined operational strategies to maximise user value. In terms of content and professional services, it developed a scientific, professional and user-friendly guidance system covering pregnancy and childcare, and further strengthened collaboration with authoritative institutions such as the China Working Committee for the Care of the Next Generation and the National Health Commission and co-developed a curriculum system for parents of children aged 0-6, enhancing service capability and effectively alleviating parenting anxiety. Meanwhile, CI Web integrated resources from over 3,200 high-quality influencers and more than 800 authoritative parenting experts to establish a content matrix combining “expert consultation and youth-oriented content.” Through diversified formats such as Q&A services and expert consultation, it supported scientific parenting among young families while enabling partner brands to strengthen consumer mind-share.

In private domain operations, CI Web continued to expand its diversified community network and build a highly engaged user ecosystem. Total private domain coverage exceeded 5.26 million users, with more than 27,300 communities spanning multiple segments of the maternal and child consumption landscape. These communities include mommy store owner groups, group leader distribution groups, maternal and child exchange groups, local travel groups and IP fan communities. Supported by a comprehensive user acquisition framework, refined operating strategies and repeat-purchase conversion mechanisms, CI Web established a full-chain operating system that enhanced private domain monetisation and unlocked greater lifecycle user value, thereby reinforcing the foundation for sustainable growth.

Strengthening Client Collaboration and Expanding Market Coverage

With digital marketing services at its core, CI Web continued to deepen collaboration with existing clients, including advertising agencies, maternal and child product manufacturers, traditional e-commerce platforms and family service providers. At the same time, it intensified efforts to acquire new clients both domestically and internationally, placing strategic focus on the elderly care sector and comprehensive family services. This has enabled the Group to build a diversified client portfolio across regions and categories, thereby broadening business boundaries and optimising client structure. The sales and marketing team actively capitalised on childcare subsidy policies by encouraging clients to increase marketing investment and capture market share within a competitive environment. The effectiveness of these initiatives began to materialise in the fourth quarter of 2025, providing strong support for the Group’s revenue growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Upgrading Existing Platforms to Reinforce Core Omni-channel Capabilities

In 2025, CI Web enhanced its platform capabilities through the optimisation of functionalities, innovation in marketing scenarios and integration of supply chain resources, thereby improving platform influence and conversion efficiency. On the marketing front, leveraging its proprietary website, CI Web conducted diversified thematic marketing campaigns and continued its 11-year tradition of organising the “Reputable Maternal and Child Products” awards. At the same time, it capitalised on key consumption occasions, including Double 11, Christmas and the New Year, to launch promotional campaigns, in collaboration with major e-commerce platforms such as Taobao, Pinduoduo, Douyin and Xiaohongshu. These initiatives further strengthened the Group’s e-commerce presence and effectively drove growth in merchandise sales across the platform.

On the technology front, CI Web upgraded its website and applications by integrating AI-powered parenting tools and professional knowledge databases, while enhancing data analytics capabilities to enable precise user profiling and targeted marketing delivery. These upgrades have further expanded the platform’s user reach and strengthened its attractiveness to both clients and suppliers, while enabling dual growth in marketing services and merchandise sales. The newly introduced functionalities were progressively rolled out throughout 2025. On the supply chain integration front, CI Web increased its investment in infrastructure platforms and established the “Mommy’s Purchase” supply chain platform. By integrating its long-standing brand clients with upstream and downstream supply chain resources, the platform is open to small and medium-sized merchants and wholesalers, thereby expanding trade and e-commerce service scenarios. These initiatives have strengthened CI Web’s influence across the value chain and enabled it to capture a broader range of business opportunities. In addition, leveraging the Group’s core expertise in internet technology, operations, content and e-commerce, it launched a comprehensive integrated internet solutions offering, which was formally implemented in August 2025. This initiative supports overseas clients in enhancing their internet operational capabilities and further amplifies the value of the Group’s platform services.

Building an Omni-Channel Ecosystem and Unlocking Incremental Value

Focusing on the full family consumption value chain, CI Web implemented multi-dimensional initiatives across content empowerment, platform operations, PR and marketing, local services, channel management and smart services to build an open, omni-channel and multi-scenario ecosystem. These efforts enhanced the effectiveness of external communication and delivered incremental brand value. By leveraging content as a core driver linking brand strategy and consumption scenarios, CI Web enhanced communication efficiency and conversion effectiveness. It strengthened engagement with younger consumer segments and improved product discovery efficiency while balancing brand building with commercial outcomes. Through integrated e-commerce operations, including traditional, content-driven and livestreaming e-commerce, CI Web achieved synergies between client acquisition and sales conversion. At the same time, through initiatives such as authoritative endorsements, thematic campaigns and ESG practices, CI Web enhanced brand positioning and market influence. It also strengthened its presence in local service scenarios, integrating online and offline consumption pathways to improve traffic conversion efficiency.

In terms of channel development, CI Web built a stable and efficient distribution ecosystem. Its Mommy Store SaaS system serves over 25,000 retail outlets, while its education system JWB collaborates with more than 40,000 educational institutions. Through systematic initiatives, including industry training programmes, industry summits and channel development activities, CI Web further integrated its online and offline channels, strengthening collaboration between brands and channel partners. These efforts enabled synergistic growth in user conversion, brand value and sales revenue, while delivering sustainable business growth for partner brands.

MANAGEMENT DISCUSSION AND ANALYSIS

Exploring New Business Areas and Cultivating Growth Drivers

To expand beyond its traditional focus, CI Web actively explored new business areas in 2025. Through external partnerships, it expanded into sectors including new retail, family healthcare, family education and internet technology, aiming to build a comprehensive family service ecosystem. In response to the growth of the elderly population, CI Web launched the “Worry-Free Elderly Care Center” IP, entering the silver economy and extending its service coverage beyond the maternal and child segment, thereby increasing user engagement and unlocking broader family consumption potential. At the same time, CI Web advanced preparations for overseas expansion, initiating the development of an international parenting platform and application to support future market entry.

FUTURE PROSPECTS

In 2025, CI Web capitalised on industry transformation opportunities and favourable policy developments. Leveraging its established business model, refined user operations and innovative business initiatives, it achieved steady business growth and expanded its business footprint in an orderly manner. Looking ahead, it will remain committed to its core mission of serving families, with innovation as a key driver. CI Web will continue to enhance its smart family ecosystem, focusing on strengthening its core businesses while expanding into emerging sectors. It will also steadily advance the implementation of its 2026 strategic initiatives, with a view to achieving high-quality and sustainable development.

In its core business operations, CI Web will continue to deepen the operation of its existing platforms, optimise intelligent functionalities and supply chain systems, and further strengthen its omni-channel operational capabilities. It will also deepen cooperation with clients both domestically and internationally, consolidating relationships with existing clients while expanding its base of high-quality new clients to unlock growth potential. In addition, CI Web will enhance its refined user operations by continuously upgrading its content services and private domain ecosystem, thereby activating user lifecycle value and strengthening user engagement and platform influence.

In emerging businesses and overseas expansion, CI Web will focus on leveraging its established operational experience in the domestic maternal and child internet platform to support overseas clients in enhancing user operations, platform development and customer acquisition capabilities in the China market, thereby unlocking new growth opportunities in its international business. At the same time, it will continue to expand into emerging sectors, including new retail, family healthcare and family education, while further developing the “Worry-Free Elderly Care Center” IP in the silver economy. Through these efforts, CI Web aims to enhance its comprehensive family service ecosystem and unlock consumption potential across the full lifecycle.

Looking forward, CI Web will continue to optimise its product and service offerings and strengthen its position as a trusted service partner for young families in China, enabling more families to benefit from a more convenient and reassuring parenting experience. At the same time, CI Web will continue to empower its brand partners with efficient solutions, driving sustainable growth and achieving a balanced enhancement of commercial value and social value, while maintaining steady and long-term development across both the maternal and child services sector and the broader family services market.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 December 2025 was approximately RMB57.5 million, representing an increase of approximately 1.9% over approximately RMB56.4 million for the year ended 31 December 2024. Total revenue recorded a slight increase as compared to that of 2024. Revenue from the sale of goods increased in 2025. The increase in revenue from the sale of goods was primarily due to the addition of new overseas e-commerce customers.

Cost of sales

The Group's cost of sales for the year ended 31 December 2025 was approximately RMB41.6 million, representing an increase of approximately 2.0% over approximately RMB40.8 million for the year ended 31 December 2024. The increase was primarily due to a rise in revenue, leading to a corresponding increase in costs.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 December 2025 was approximately RMB15.9 million, representing an increase of approximately 1.8% over approximately RMB15.6 million for the year ended 31 December 2024. During the year ended 31 December 2025, the Group's gross profit margin decreased from approximately 27.7% for the year ended 31 December 2024 to approximately 27.6%, primarily due to the expansion of the e-commerce sales business during the year, which carries a lower gross profit margin compared to the advertising business, thereby dragging down the overall gross profit margin.

Other income, gains and losses, net

The Group's other income, gains and losses, net, for the year ended 31 December 2025 was approximately RMB5.6 million, primarily due to the gain on disposal of subsidiaries during the Year, details of which are set out in note 6 to the consolidated financial statements.

Selling and distribution expenses

The Group's selling and distribution expenses for the year ended 31 December 2025 were approximately RMB9.6 million, representing an increase of approximately 5.3% over approximately RMB9.1 million for the year ended 31 December 2024, primarily attributable to the increase in marketing and promotion expenses as a result of the expansion of overseas customers.

Administrative expenses

The Group's administrative expenses for the year ended 31 December 2025 were approximately RMB5.0 million, representing a decrease of approximately 40.2% over approximately RMB8.3 million for the year ended 31 December 2024, primarily attributable to the decrease in staff costs and rental expenses, which is consistent with the Group's reduced headcount and overall cost-control measures.

Research and development costs

The Group's research and development ("R&D") costs for the year ended 31 December 2025 were approximately RMB8.7 million, representing an increase of approximately 163.1% over approximately RMB3.3 million for the year ended 31 December 2024, primarily due to the upgrade of the self-owned system of the Group during the year ended 31 December 2025 and the system updates for compliance with new regulatory requirements. This represented a strategic and compliance-related investment during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Income tax

The Group's income tax expense for the year ended 31 December 2025 was RMB6 thousand, while the income tax for the year ended 31 December 2024 was nil.

Loss for the Year

As a result of the factors described above, the Group's net loss for the year ended 31 December 2025 was approximately RMB20.2 million, a substantial increase over the net loss of approximately RMB5.3 million for the year ended 31 December 2024. This was mainly attributable to increased R&D expenditure, higher expected credit loss allowances on other receivables, and a larger fair value loss on financial assets at FVTPL.

Loss per share

During the Year, the loss per share was approximately RMB0.4677, as compared with a loss per share of approximately RMB0.1304 in 2024 (restated to reflect the share consolidation completed in 2025).

Gearing ratio

As at 31 December 2025, the gearing ratio of the Group, calculated as total liabilities divided by total assets, was 180.7% (2024: 112.3%).

Capital expenditure

The Group's capital expenditure was nil for the year ended 31 December 2025 (2024: RMB0.06 million). The Group's capital expenditures were mainly related to the purchases of servers, computers and office equipment.

Liquidity and capital resources

As at 31 December 2025, the net current liabilities of the Group were approximately RMB24.3 million (2024: net current liabilities of the Group were approximately RMB20.4 million), and the cash and cash equivalents were approximately RMB4.1 million, which is higher than the cash and cash equivalents balance of RMB2.8 million in 2024.

As at 31 December 2025, the Group had borrowings of approximately RMB24.3 million (2024: approximately RMB21.5 million).

The Group maintains internal budgeting and cash flow management systems designed to ensure that adequate financial resources are available to support major expenditures, maintain daily operations and meet contractual obligations as they fall due.

The Group primarily finances its operations through cash generated from operating activities, supplemented by inflows from interest income and receivable collections. The principal drivers of cash inflows continue to be the Group's sales performance and collection efficiency, and there were no material changes in these underlying drivers during the Reporting Period.

Foreign exchange exposure

The Group's transactions are mainly denominated in RMB. Part of the cash and bank deposits of the Group are denominated in Hong Kong dollars. During the year ended 31 December 2025, the Group did not experience any material impact or liquidity problems in its operation resulting from the changes in exchange rate nor enter into hedging transaction or forward contract arrangement. However, the management closely monitors foreign exchange exposure to ensure appropriate measures are implemented in a timely and effective manner. In this regard, the Group is not exposed to any significant foreign currency exchange risk in its operation.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital structure

The shares of the Company were listed on the GEM of the Stock Exchange on 8 July 2015 and the listing of shares of the Company has been transferred to the Main Board of the Stock Exchange on 8 October 2018. The capital structure of the Company comprised ordinary shares and 43,207,792 shares in issue as at 31 December 2025.

Employees, training and remuneration policy

The remuneration committee of the Company will review and determine the remuneration and compensation packages of Directors with reference to their responsibilities, workload, and the time devoted to the Group and the performance of the Group. In general, the Group determines employees' salaries based on their performance and length of services. The Board believes the salaries and benefits provided to the employees are competitive with local market standards. The Group also contributes to the social insurance in the PRC.

The Group has implemented training for new employees during their course of employment in order to ensure that employees are able to meet the job requirements. In addition, the Group will occasionally arrange internal and external trainings for the Group's employees. For external trainings, external speakers who have extensive experience in information technology may be invited to attend the Group's office to perform the training, and for internal trainings, the topics may include finance, accounting, risk management or information technology and such trainings will be conducted by the relevant department. The Group considers these on job trainings are necessary for the employees to handle issues which may arise in their day to day operations and can enhance their ethic and morale.

As at 31 December 2025, the Group had a total of 30 employees including executive Directors (2024: 50 employees). Total staff costs were approximately RMB3.3 million for the year ended 31 December 2025 (2024: approximately RMB6.7 million).

Material acquisitions and disposals of subsidiaries

On 1 April 2025, Star Universal Holdings Limited ("Star Universal"), an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with an independent third party, pursuant to which Star Universal agreed to sell and the independent third party agreed to purchase the equity interest of Xibai (Nanjing) Information Technology Co., Ltd.* (矽柏(南京)信息技術有限公司) ("Nanjing Xibai") at the consideration of RMB500,000. Pursuant to the series of contractual arrangements entered into by, among others, Nanjing Xibai, Nanjing Xinchuang Micro Machinery and Electric Technology Company Limited* (南京芯創微機電技術有限公司) ("Nanjing Xinchuang") and the registered shareholders of Nanjing Xinchuang, Nanjing Xinchuang was also in effect disposed of following the disposal of Nanjing Xibai. Relevant details are set out in the Company's announcements dated 1 April 2025 and 15 April 2025.

Events after the reporting period

On 19 January 2026, 4,629,630 shares of the Company have been successfully subscribed by four subscribers (the "Subscribers"), who are independent third parties, at the subscription price HK\$0.433 per share pursuant to the terms and conditions of the subscription agreements dated 29 December 2025 entered into between the Company and each of the Subscribers, details of which are set out in the Company's announcements dated 29 December 2025, 30 December 2025 and 19 January 2026.

Charges of assets

As at 31 December 2025, the Group did not make any pledged bank deposit (2024: Nil).

Contingent liabilities

As at 31 December 2025, the Group did not have any significant contingent liabilities (2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDEND

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

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND PROFIT AND LOSS

The Group held certain investments in unlisted equity securities that were measured at fair value through profit or loss (“FVTPL”) and designated at fair value through other comprehensive income (“FVTOCI”). During the Year, changes in the fair value of financial assets measured at FVTPL resulted in a loss of approximately RMB5,611,000 being recognised in the financial statement. Following the disposal of subsidiaries during the Year, the Group no longer held any financial assets designated at FVTOCI. Prior to such disposal, a fair value gain of approximately RMB174,000 was recognised in other comprehensive income.

LOAN TO OTHER ENTITIES

The balance represents loan extended to an unrelated third party, bearing interest rate of 6.0% per annum for periods of 24 months. The entering into these loan agreements with the third party is for the long-term interest of the Group.

Details of the Company’s loan to other entity as at 31 December 2025 is set out in note 20 to the consolidated financial statements.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2025 and up to the date of this report.

INVESTMENT OBJECTIVES AND POLICIES

The Group is a leading vertical online platform serving the CBM (children, babies and maternity) market. Building on its established core business and family-focused user base, the Group leverages internet technology to address the evolving needs of modern households across a range of family-oriented consumption scenarios, including early education, entertainment, health and related services. Through this approach, the Group has continued to broaden its maternal and child ecosystem into a more diversified family services platform, extending beyond traditional maternal and child offerings into adjacent sectors such as health, education, finance and entertainment through investment and strategic cooperation. This has enabled the Group to expand its service offering and customer reach, deepen user engagement and better address the increasingly diversified needs of family users.

Against a backdrop of rapid change in the internet industry and increasing competition across online advertising, e-commerce and related O2O services, the Group continues to explore carefully selected opportunities in adjacent sectors such as new retail, family healthcare, family education and internet technology. By investing in companies operating in these sectors, the Group aims to accelerate market access, strengthen its technology capabilities, broaden its service offering and enhance access to complementary user traffic and business resources, thereby supporting its long-term strategic development.

The Company has adopted an internal investment policy (the “Investment Policy”) which sets out, among other things, the objectives, guidelines, management and responsibilities of investment activities conducted by the Group. Details of the Investment Policy are set out below:

MANAGEMENT DISCUSSION AND ANALYSIS

Investment objectives

The Group's investment objective is to enhance the efficiency of capital utilization and generate stable returns within an acceptable risk framework, with a view to broadening the Group's revenue streams, supporting its long-term strategic development and creating sustainable value for shareholders.

Investment scope

The Company's investment activities encompass both long-term and short-term investments, depending on its strategic needs and the prevailing market conditions. Long-term investments focus on growth and strategy, while short-term investments prioritize liquidity, operational support and capital stability. In general, the Company prefers long-term investments (typically over one year) over short-term ones.

Investment strategy

In line with its principal business and long-term development strategy, the Company focuses on investment opportunities in entities principally engaged in the CBM and broader family-related value chain, as well as in related technology research and development. Depending on the circumstances of each opportunity, the Company may undertake equity investments through the acquisition of shareholdings in target entities or provide loan financing to selected counterparties. In evaluating such investments, the Company takes into account factors including expected rate of return, which generally targets not less than 6% per annum or the prevailing one-year fixed deposit interest rate published by the People's Bank of China (whichever is higher), potential strategic collaboration with the investee, commercial terms agreed with counterparties, and compliance with applicable legal and regulatory requirements. As a general principle, and in order to maintain an appropriate balance between strategic participation and operational focus, the Company does not typically invest in more than a 20% equity interest in target entities.

Permissible and prohibited investments

Pursuant to the Investment Policy, the Company may invest in a range of assets including shares, bonds, investment funds, insurance products and bank deposits, while it is restricted from conducting short-term investments in low-rate (i.e. non-investment grade (below BB+ rating)) unsecured bonds or investing in emerging industries depending on the prevailing market at the time of making investment, leveraged derivative financial products, or other speculative investment transactions.

The Board's assessment on shareholder value enhancement

The Board has assessed the Company's investment activities and is of the view that they are aligned with the objective of optimizing shareholder returns. By deploying idle funds into a diversified portfolio of permissible investments, the Company aims to generate stable returns and additional income to support the Group's long-term strategic projects and improve its financial stability. The Board believes that these activities, managed within a controlled risk framework, help expand revenue streams and enhance overall shareholder value while maintaining operational liquidity and core business growth.

In addition to financial returns, the Directors believe that the Group's investment activities can create meaningful strategic synergies for the business, including the enhancement of technological capabilities, enrichment of content offerings and expansion of value-added service coverage, which in turn may improve operational efficiency, user experience and user reach. Depending on the nature of the investee company, the Group may also benefit from collaboration in areas such as technology sharing, selected content cooperation, user traffic support, platform promotion and other resources that support the Group's provision of value-added services to its users.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group manages its investment activities with due regard to prevailing market conditions, business developments and risk factors, with a view to ensuring that its investment strategy remains aligned with its long-term corporate objectives and shareholder interests. As with any investment activity, returns may be affected by changes in market conditions and industry developments, and the Group therefore continues to monitor such factors closely as part of its overall risk management framework.

Investment Team

The Group has formed an investment team (the “Investment Team”). The Investment Team’s member consisted of the Group’s chief executive officer, chief financial officer, marketing director, technical director and operation director who are experienced in the Internet industry. The Investment Team has been continuously paying attention to the market influence and technological development of the investment areas related to the CBM business chain.

The Investment Team is led by Mr. Cheng Li, the Chief Executive Officer and Mr. Zhang Lake Mozi, the Chief Financial Officer. Their experience and qualifications are detailed in the section headed “Directors and Senior Management’s Profile” in this report.

Other members of the Investment Team provide specialised expertise that enhances the overall effectiveness of investment decision-making. The Marketing Director offers valuable insights into market trends and consumer behavior, improving the evaluation of potential investments. The Technical Director contributes in-depth technical knowledge and industry insights relevant to the internet sector, facilitating informed assessments of technological opportunities. Meanwhile, the Operations Director ensures that investments are operationally feasible and align with the Group’s capabilities.

The experience and qualifications of other members of the Investment Team are as follows:

Mr. Wang Wei (“Mr. Wang”), aged 39, is the Technical Director of the Company. Mr. Wang responsible for the strategic planning and management of the development department of the Group. Mr. Wang joined the Group as a PHP programmer in July 2012 and has been in charge of the development work of the Group. Due to his outstanding technical ability and overall management ability, he has gradually been promoted to the management level of the Group. Mr. Wang graduated from Nanjing Population Cadre Management College (南京人口幹部管理學院) in June 2009, majoring in e-commerce.

Ms. Duan Liangxian (“Ms. Duan”), aged 33, is the Marketing Director of the Company. Ms. Duan is responsible for the overall planning and management of advertising sales and customer service of the Group. Ms. Duan joined the Group in September 2015. Initially, she worked as a client executive, responsible for client connection, project implementation and collection. Later, she led a team to coordinate marketing plans and resources across departments. Eventually, she was promoted to the management level of the Group. Ms. Duan graduated from Zhongbei College of Nanjing Normal University (南京師範大學中北學院) in June 2014, majoring in journalism.

Ms. Wang Tingwen (“Ms. Wang”), aged 41, is the operations director of the Company Ms. Wang is responsible for the execution and implementation of marketing promotion for the Group. Ms. Wang joined the Group in December 2007 and has 18 years of industry experience. She has been deeply involved in the new media industry, focusing on content operation. She can accurately grasp user needs and has a strong ability to integrate resources. Ms. Wang graduated from Nanjing Jinling Institute of Technology (南京金陵科技學院) in June 2007, majoring in animation.

MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT AND CONTROL MEASURES IN RESPECT OF THE INVESTMENT POLICY

Defined risk and counterparty risk

The Group adopts a prudent and selective approach to investment risk management, assessing each investment on its individual merits and risk profile rather than applying inflexible general thresholds. To protect capital and manage downside exposure, the Group may implement appropriate risk mitigation measures, including exit mechanisms where considered necessary in light of market conditions. In evaluating each investment, the Group carefully considers counterparty risk, including, among other factors, the credit profile of the investment (if applicable), the size, reputation and business standing of the issuer, and whether the counterparty is a licensed corporation in Hong Kong or overseas.

Liquidity management

The Group places strong emphasis on maintaining a sound liquidity position to support its working capital needs and operational flexibility. As a general principle, the Group seeks to maintain sufficient cash and bank deposits to cover approximately six months of working capital requirements. Although the Investment Policy does not prescribe a fixed quantitative threshold, the Group aims to maintain a balanced and prudent liquidity profile across cash, bank deposits and investments. The Group also maintains a disciplined funding approach, under which borrowed funds and funds earmarked for ongoing operations are not used for investment purposes. All existing investments of the Group have been, or will be, financed through internal resources.

Ongoing risk management and control measures

The Group implements ongoing risk management and control measures through comprehensive internal controls, including regular performance reviews, strict approval workflows, and periodic monitoring of investment projects. The Investment Team oversees these investments, prepares half-yearly performance reports, and regularly reevaluates counterparties and investment targets. They continuously monitor market influences and technological developments related to the CBM business chain. The Investment Team must promptly inform the Board of any significant adverse changes in the Group's investments, evaluated based on the investment's nature and size. They are required to report any ongoing irrecoverable losses or material changes in circumstances that deviate from the Group's investment strategy, including increased risk due to macroeconomic factors.

Investment decision making process and approval and oversight mechanisms

Investment decisions within the Group are guided by a structured governance framework. The Investment Team is tasked with identifying and executing suitable investment opportunities. According to the Investment Policy, the Investment Team has the authority to approve investments below RMB3 million. Any investment exceeding RMB3 million requires review and approval from the Board.

The following steps outline the internal control procedure:

Step 1: Origination & Preliminary Screening

The process begins when a potential investment is identified. The Investment Team conducts a high-level review and size test to assess the opportunity's strategic fit and identify any potential conflicts of interest. Based on this evaluation, the Investment Team decides whether to reject the opportunity or approve it for formal due diligence.

MANAGEMENT DISCUSSION AND ANALYSIS

Step 2: Due Diligence & Analysis

For opportunities that proceed, a focused due diligence phase is initiated. The Investment Team leads the commercial assessment, evaluating strategic alignment and potential synergies. Simultaneously, the financial manager conducts an independent financial analysis to assess viability and risks. External experts may be engaged for legal or technical assessments as necessary. The findings from this phase serve as the basis for the final decision.

Step 3: Approval & Final Decision

The approval pathway is determined by the investment's size according to the due diligence findings. For smaller investments, final approval is required from the Investment Team. For investments of a larger scale, it will be escalated to the Board. The Investment Team presents the due diligence findings to the Board, supported by the financial analysis, leading to a final vote. Following the Board's decision, the Investment Team and the company secretary will prepare necessary filings and announcements in compliance with regulatory requirements.

Measures to enhance shareholders' value

The Company is committed to enhancing shareholder value through a prudent capital allocation strategy. This includes:

Dividend policy

The Company considers returns from its investment portfolio as a potential source for future dividends. The Board adopts a prudent dividend policy, declaring dividends based on overall profitability, cash flow, and long-term financial needs. Income from these investments enhances the ability to provide competitive returns to shareholders.

Capital allocation policy & strategy

The Company's capital allocation strategy follows a hierarchy:

1. First, to ensure adequate working capital and resources for ongoing operations and the development of its core business.
2. Thereafter, any surplus capital not required for immediate operational needs shall be allocated to a diversified portfolio of listed securities. The objective is to achieve financial optimization rather than strategic alignment, by securing returns that surpass standard bank deposit rates, thereby enhancing return on equity and the asset base for shareholders.

This strategy ensures active management of shareholder capital to create additional value, enhancing the Company's financial metrics and supporting its commitment to shareholder returns.

The Board is dedicated to regularly reviewing the capital allocation strategy to ensure it effectively utilizes shareholders' funds and aligns with their investment expectations, in accordance with the Stock Exchange's guidance.

DIRECTORS AND SENIOR MANAGEMENT'S PROFILE

DIRECTORS

Executive Directors

Mr. Cheng Li (程力), aged 43, is an executive Director and our chief executive officer. Mr. Cheng was appointed as a Director on 11 February 2015. He is also the legal representative of Nanjing Yiran Information Technology Co., Ltd. (南京怡然信息技術有限公司) and Nanjing Yilaoyixiao Information Technology Company Limited, and a member of the remuneration committee. Mr. Cheng is responsible for management of the day-to-day operations of our Group. Mr. Cheng joined our Group as a graduate program engineer of Nanjing Xinchuang in April 2005. Mr. Cheng has more than 15 years of working experience in the information technology industry. During his employment with our Group in the past years, Mr. Cheng was initially responsible for website development and maintenance and has been gradually promoted to the management level of our Group responsible for overseeing the general operation and management of our Group. Mr. Cheng obtained a bachelor degree in management majoring in e-commerce in June 2006 from Southeast University (東南大學) in the PRC. He obtained his Master of Business Administration degree from China Europe International Business School in November 2017.

Mr. Zhang Lake Mozi, aged 40, is an executive Director, chairperson, chief financial officer and company secretary. Mr. Zhang was appointed as a Director on 11 February 2015. Mr. Zhang was appointed as the chairperson of the Board and the chairperson of Nomination Committee on 31 July 2020. Mr. Zhang is responsible for the overall management, strategic planning and management of finance and investors' relationship of our Group. Mr. Zhang was a director of Kingdom Music Education Group Limited in 2017. Mr. Zhang was a director of CHINA MA Investment Limited (香港中馬投資有限公司) which he co-founded in August 2012. From February 2011 to August 2012, Mr. Zhang worked as a marketing director in Beijing Xuyihe Culture Media Co., Ltd. (北京旭羿和文化傳媒有限公司). Mr. Zhang obtained a bachelor degree of arts majoring in economics and minoring in mathematics from the University of Alberta in Canada in June 2009. Mr. Zhang has obtained a postgraduate degree from the EMBA program at Guanghua School of Management of Peking University in January 2021.

DIRECTORS AND SENIOR MANAGEMENT'S PROFILE

Non-executive Directors

Mr. Zhang Haihua (張海華), aged 58, is a non-executive Director. Mr. Zhang was appointed as a Director on 31 July 2020. Mr. Zhang has been serving as a non-executive director of Beijing Taikong Works Culture Development Co., Ltd. (北京華映星球文化發展股份有限公司) (NEEQ Stock Code: 836846) since May 2020. He has been acting as a partner and the general manager of Shanghai AMVC Culture Investment Management Center (上海早鳥文化投資管理中心) since January 2020. From August 2011 to December 2019, Mr. Zhang served as a manager of CHS Media Co., Ltd. (強視傳媒有限公司). From January 2008 to July 2011, Mr. Zhang worked in Zhejiang Hengdian TV and Film Production Co., Ltd. (浙江橫店影視製作有限公司) as the chief executive officer and the supervisor of the TV drama division. From March 2007 to December 2007, he worked as the general manager of Zhejiang Hengdian Catering Management Co., Ltd. (浙江橫店餐飲管理有限公司). From February 2004 to February 2007, Mr. Zhang worked as the general manager of Zhejiang Hengdian World Studios Management Service Co., Ltd. (浙江橫店影視城管理服務有限公司) and the responsible person of the Hengdian Performers Association (橫店演員公會). From March 2002 to January 2004, Mr. Zhang worked as the general manager of Shandong Heze Prataculture Development Co., Ltd. (山東菏澤草業發展有限公司) and Shandong Heze Husbandry Development Co., Ltd. (山東菏澤畜牧發展有限公司). From March 2000 to February 2002, he acted as the general manager of Hengdian Ecological Engineering Co., Ltd. (橫店生態工程有限公司). From August 1997 to February 2000, Mr. Zhang served as the office supervisor of Zhejiang Hengdian World Studios Co., Ltd. (浙江橫店影視城有限公司). From August 1988 to July 1997, he acted as the secretary of Youth League Committee of the Bureau of Education of Dongyang City, Zhejiang Province (浙江省東陽市教育局). Mr. Zhang graduated as an undergraduate from Zhejiang Wanli University in China in 1988, majoring in mechatronics. He graduated from the School of Management, Shanghai Jiaotong University in 2003, majoring in business administration.

Ms. Song Yuanyuan (宋媛媛), aged 46, has been appointed as a non-executive Director from 28 March 2024. Ms. Song is a professional investor and invests in listed companies and private companies in industries such as IT services, media and real estate. Ms. Song previously held a financial management position at "CEC NEIC (CEC中電熊貓)". Ms. Song graduated from China University of Geosciences (Beijing), majoring in accounting.

DIRECTORS AND SENIOR MANAGEMENT'S PROFILE

Independent Non-executive Directors

Mr. Zhao Zhen (趙臻), aged 57, is an independent non-executive Director. Mr. Zhao was appointed as a Director on 19 June 2015. Mr. Zhao is a member of the remuneration committee and the nomination committee. Mr. Zhao worked as a Manager of System/Software Engineering in Hewlett-Packard from March 2004 to March 2008. Mr. Zhao obtained a bachelor degree majoring in aero-engine from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) (formally known as Nanjing Aeronautics College (南京航空學院)) in July 1990. He obtained a master degree of science in January 1996 and a master degree of science in October 1997 both from Rutgers, The State University of New Jersey in the United States.

Mr. Manley Poon (潘文梃), aged 52, has been appointed as an independent non-executive Director with effect from 13 April 2023. Mr. Poon has over 10 years of business experience. Mr. Poon had worked as a financial controller for CannAwake Corporation, the shares of which are traded in the OTC markets. He previously worked at well-known accounting and consulting firms, during which he provided business and operational consulting services to multinational corporations, state-owned enterprises and private equity funds in the United States and the PRC, focusing in the natural resources industries. Mr. Poon holds a Bachelor of Arts degree in Economics from the University of Tennessee, USA. He is a Certified Practitioner of Asset Management Association in China.

Ms. Nicole Huang Meng Ting (黃夢婷), aged 35, has been appointed as an independent non-executive Director with effect from 5 December 2024. Ms. Huang has over 8 years of experience in credit management and marketing within the financial and e-commerce sectors. From July 2016 to December 2020, Ms. Huang served as the credit control manager at Bank of China Consumer Finance Co., Ltd., a subsidiary of the Bank of China, headquartered in Shanghai, during which she oversaw credit management for various branches and accounts across China. From October 2012 to April 2016, Ms. Huang served as the marketing manager at Shanghai Kaytune Industrial Co., Ltd., an e-commerce company, where she handled various marketing activities. Ms. Huang graduated with a Bachelor's degree in Marketing from Anqing Normal University.

Save as disclosed above, there are no other directorships held by our Directors in any listed company whose securities are listed on any stock exchange in Hong Kong or overseas within the three years preceding the date of this annual report.

DIRECTORS AND SENIOR MANAGEMENT'S PROFILE

SENIOR MANAGEMENT

Mr. Wang Wei (王煒), aged 39, is the technology director of the Company responsible for the strategic development planning and management of the development department of the Group. Mr. Wang joined the Group in July 2012. Mr. Wang graduated from Nanjing Population Management Cadre College (南京人口幹部管理學院) in June 2009, majoring in e-commerce.

Ms. Zhang Wanting (張婉婷), aged 33, is the account director of the Company responsible for the overall planning and management of the Group's advertisement sales and customer services. Ms. Zhang joined the Group in June 2015. Ms. Zhang obtained a bachelor's degree in management from the Department of Humanities of Nanjing Normal University in June 2015, majoring in advertising management. Ms. Zhang resigned on 31 December 2025.

Ms. Duan Liangxian (段良嫻), aged 33, is the Marketing Director of the Company and is responsible for the overall planning and management of advertisement sales and customer service of the Group. Ms. Duan joined the Group in September 2015. She graduated from Zhongbei College of Nanjing Normal University (南京師範大學中北學院) in June 2014, majoring in Journalism. Ms. Duan was appointed as the Marketing Director on 1 January 2026.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the change of Directors' information of the Company during the year ended 31 December 2025 are as follows:

Mr. Zhang Lake Mozi has agreed to waive his director's remuneration for the year ended 31 December 2025.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company believes that good corporate governance practices are very essential for maintaining and promoting investor confidence as well as the sustainable growth of the Company. The Board sets appropriate policies and implements relevant corporate governance practices with a view to further develop our business and achieve business growth. The Board is committed to strengthening the Company's corporate governance practices, to ensure transparency and accountability of the Company's operations.

The Group has adopted the code provisions set out in the corporate governance code (the "CG Code") contained in Appendix C1 of the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange. In the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code for the year ended 31 December 2025.

The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix C3 to the Listing Rules as its code of conduct regarding the Directors' dealings in securities of the Company. Having made specific enquiry to all the Directors of the Company, the Directors confirmed that they have complied with the Model Code during the year ended 31 December 2025.

WRITTEN GUIDELINES FOR RELEVANT EMPLOYEES IN RESPECT OF THEIR DEALINGS IN SECURITIES

The Company has established written guidelines on the employees' dealings in the securities of the Company on terms which are no less exacting than the Model Code (the "Employees Written Guidelines") to regulate the dealings in the securities of the Company by employees (including the Directors or employees of the subsidiaries or holding company of the Company) who are likely to possess inside information of the Company and/or its securities. The Company is not aware of any non-compliance of the Employees Written Guidelines by the employees during the year ended 31 December 2025.

Should the Company becomes aware of any restricted period for dealings in the Company's securities, the Directors and relevant employees shall be notified in advance.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The Board consists of seven Directors, including two executive Directors: Mr. Zhang Lake Mozi (Chairperson of the Board), Mr. Cheng Li; two non-executive Directors: Ms. Song Yuanyuan and Mr. Zhang Haihua; three independent non-executive Directors: Mr. Manley Poon, Mr. Zhao Zhen and Ms. Nicole Huang Meng Ting.

The Board is responsible for supervising the management of the business and affairs of the Company and ensuring that it is managed in the best interests of the Shareholders and the Company as a whole while also taking into account the interests of other stakeholders of the Company. The Board is also responsible for formulating the business strategy, reviewing and monitoring the business performance of the Company, approving the financial statements and annual budgets as well as directing and supervising the management of the Company. Execution of operational matters and the powers thereof are delegated to the management by the Board with clear directions. Our management will provide updated reports to the Board on a regular basis to give a fair and understandable assessment of the performance, position, recent development and prospect of the Company in sufficient details.

The biographical details of the Directors are set out in the section headed “Directors and Senior Management’s Profile” of this annual report. There is no relationship (including financial, business, family or other material/relevant relationships) between the members of the Board. Each executive Director is suitably qualified for his/her position, and has sufficient experience to hold the position so as to carry out his/her duties effectively and efficiently.

Details of each Director’s remuneration for the year ended 31 December 2025 are set out in note 9 to the consolidated financial statements.

CHAIRPERSON AND THE CHIEF EXECUTIVE OFFICER

The Company supports the division of responsibilities of the Chairperson of the Board and the Chief Executive Officer in order to ensure balance of power and authorities. Mr. Zhang Lake Mozi is the Chairperson of the Company and Mr. Cheng Li is the Chief Executive Officer of the Company.

The Chairperson provides leadership and is responsible for the overall operation and strategic planning of the Company, ensuring the effective functioning of the Board in accordance with good corporate governance practice and facilitating all Directors to contribute responsibly and diligently to the Board, while the Chief Executive Officer focuses on the daily management of the business of the Group, and implements such objectives, policies, strategies and business plans as approved and instructed by the Board.

INDEPENDENT ADVICE

The Board has established a mechanism to ensure that the Board has access to independent views and opinions and the Board reviews the implementation and effectiveness of the mechanism on an annual basis.

The Directors and their committees shall have access to independent professional advisers’ advices if considered necessary. The Directors may also seek independent professional advices on matters related to the Company to fulfill their responsibilities at the Company’s expense after obtaining the approval of the Chairperson of the Board.

CORPORATE GOVERNANCE REPORT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Independent non-executive Directors play a significant role in the Board by providing their independent judgments at the Board meeting and scrutinizing the Company's performance. Their views carry significant weight in the Board's decisions, in particular, they bring an impartial view on issues regarding the Company's strategy, performance and control. The independent non-executive Directors possess various skills and experience in their respective fields and provide their independent advices on the Company's business strategies, results and management and ensure that all interests of Shareholders have been taken into account and the interests of the Company and its Shareholders are protected. The independent non-executive Directors of the Company are suitably qualified for their position, and have sufficient experience to hold the position so as to carry out their duties effectively and efficiently.

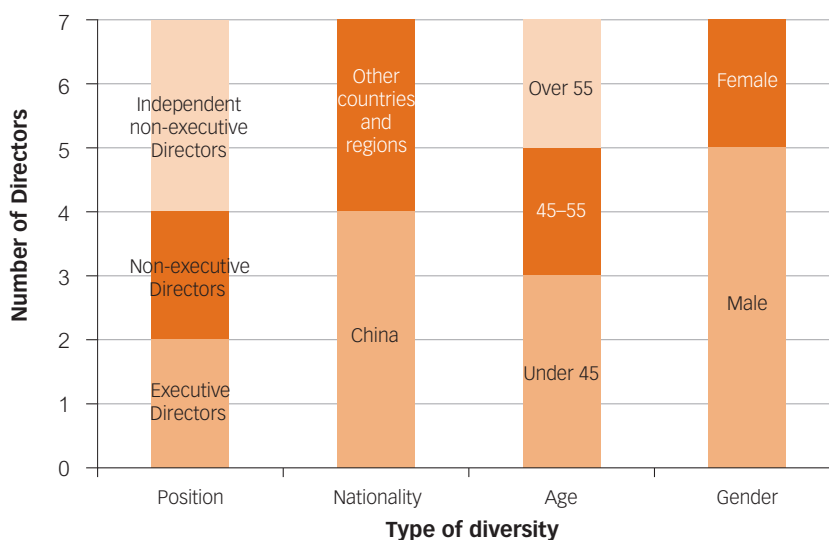
As at the date of this report, the Company has three independent non-executive Directors, representing at least one-third of the Board as required under Rules 3.10(1) and 3.10A, respectively of the Listing Rules. Furthermore, one of the independent non-executive Directors, namely Mr. Manley Poon possesses professional financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The Company has received the annual confirmations of independence from each of the existing independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules. As at the date of this report, none of the independent non-executive Directors has held any directorship in each other's companies or has any significant relationship with other Directors. Based on the contents of such confirmations, the Company considers that all the independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

BOARD DIVERSITY POLICY

The Company recognizes and embraces the benefits of board diversity. The Board adopted a board diversity policy on 19 June 2015. Selection of candidates will be conducted by the Board based on diversified perspectives, including but not limited to gender, race, cultural background, educational background, industry and professional experience so as to enhance the Board's operational efficiency and maintain a high standard of corporate governance. Measurable objectives under the board diversity policy include age and gender. As at 31 December 2025, the Company was of the view that it has complied with the board diversity policy and the diversity of the Board was as follow:

Composition of the Board



CORPORATE GOVERNANCE REPORT

- (i) In terms of gender diversity of the Board, the Board currently has 7 Directors, including 2 female Directors. The Board believes that compared with a single-gender board, we have achieved gender diversity to a certain extent.
- (ii) The Board will uphold the principles of openness, equity and fairness, and take into consideration the board diversity policy in recruitment and promotion, so as to ensure that the Board has diversified channels for candidates to fill management positions when vacancies arise.

The perspectives, skills and experience of the Board members including but not limited to:

- Commercial operations and technical experience in related industry sectors
- Executive management and leadership skills
- Professional financial management expertise
- International/domestic business experience
- Government, legal and public policy experience
- Investment and financing experience

The final decision on the nomination of candidates to be elected as the Board members will be made based on the merits of relevant candidates and his/her possible contribution to the Board after taking into account the benefits of board diversity without focusing on a single diversity aspect. As at the date of this report, the nomination committee and the Board believe that the existing diversity of the Board will maintain its effective operation. The nomination committee and the Board will review the board diversity policy on a regular basis to ensure its effectiveness and achieve higher standard in a timely manner.

For details of the members of the Board, please refer to "Directors and Senior Management's Profile".

As at 31 December 2025, the Group had a total of 30 employees (including the Directors and senior management), of whom 67% were female and 33% were male. Although we have not set any measurable objective to achieve gender diversity at the level of employees, we will continue to abide by the Company's human resources policy and diversity policy, giving equal consideration and opportunities to all qualified candidates.

CORPORATE GOVERNANCE REPORT

TRAINING AND SUPPORT FOR DIRECTORS

All Directors know their responsibilities as directors and the operation and business activities of the Company. The Company would give any newly appointed Director an induction package covering the Group's operations, businesses, governance policies and the statutory regulatory obligations and responsibilities of a director of a listed company. The Directors have been informed of the requirement under Rule 3.09F of the Listing Rules regarding continuous professional development. According to the records maintained by the Company, all Directors have received the training during the year ended 31 December 2025 on the roles, functions and duties of a director of a listed company, the subjects of which covered corporate governance, regulations and regulatory updates and industry trends related to the Company's business, so as to be in line with the requirements of the Listing Rules (including the CG Code) on continuous professional development. The Directors participated in the sustainable development during the Reporting Period were as follows:

Name of Director	Types of Training
<i>Executive Directors</i>	
Mr. Zhang Lake Mozi	A and B
Mr. Cheng Li	A and B
<i>Non-executive Directors</i>	
Ms. Song Yuanyuan	A and B
Mr. Zhang Haihua	A and B
<i>Independent non-executive Directors</i>	
Mr. Zhao Zhen	A and B
Mr. Manley Poon	A and B
Ms. Nicole Huang Meng Ting	A and B

A: Attend training/meetings arranged by the Company or other external parties (including in person or by electronic means of communication)

B: Reading the relevant materials

DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged appropriate insurance coverage in respect of potential legal actions against its Directors and officers.

CORPORATE GOVERNANCE REPORT

MEETINGS

The Board meets to discuss the overall strategy as well as the operation and financial performance of the Company from time to time. Directors may participate either in person or through electronic means of communications. The Board should hold at least 4 meetings annually. In 2025, the Board has held 4 regular meetings. Apart from regular Board meetings, the chairman also held 3 meetings with all independent non-executive Directors during the Year.

The attendance record of each Director at the meetings of the Board for the year ended 31 December 2025 is set out below:

Name of Director	Attendance/Number of Meeting(s) of the Board
<i>Executive Directors</i>	
Mr. Zhang Lake Mozi	7/7
Mr. Cheng Li	7/7
<i>Non-executive Directors</i>	
Mr. Zhang Haihua	7/7
Ms. Song Yuanyuan	7/7
<i>Independent non-executive Directors</i>	
Mr. Zhao Zhen	7/7
Mr. Manley Poon	7/7
Ms. Nicole Huang Meng Ting	7/7

All Directors are provided with relevant materials relating to the matters brought before the meetings. Where queries are raised by Directors, steps would be taken to respond as promptly and fully as possible. All Directors have the opportunity to include matters in the agenda for Board meetings. Notices of the regular Board meetings are given to the Directors at least 14 days in advance and Board procedures are complied with the articles of association of the Company (the "Articles of Association"), as well as relevant rules and regulations.

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025, the Company convened one annual general meeting on 30 June 2025 and one extraordinary general meeting was convened on 9 May 2025. The attendance of each Director is set out below:

Name of Director	Attendance/Number of General Meeting(s)
<i>Executive Directors</i>	
Mr. Zhang Lake Mozi	1/2
Mr. Cheng Li	2/2
<i>Non-executive Directors</i>	
Mr. Zhang Haihua	0/2
Ms. Song Yuanyuan	2/2
<i>Independent non-executive Directors</i>	
Mr. Zhao Zhen	1/2
Mr. Manley Poon	2/2
Ms. Nicole Huang Meng Ting	0/2

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of the executive Directors and non-executive Directors has entered into a service contract with the Company for an initial term of three years, which will continue therefore until terminated by not less than three months' notice in writing served by either party on the other.

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

The Directors are subject to retirement by rotation and re-election of each Director at an annual general meeting at least once every three years in accordance with the Articles of Association. According to provisions in the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. The Articles of Association have no provisions relating to retirement of Directors upon reaching any age limit. The Articles of Association provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

CORPORATE GOVERNANCE REPORT

At the forthcoming annual general meeting of the Company (the “2025 AGM”), Mr. Zhang Lake Mozi, Ms. Song Yuanyuan and Mr. Manley Poon shall retire by rotation on the 2025 AGM in accordance with Articles of Association. All of the said retiring Directors are eligible and are willing to be re-elected at the 2025 AGM. The Board and the Nomination Committee recommended the reappointment of these Directors. The circular of 2025 AGM of the Company containing the detailed information of the above retiring Directors as required by the Listing Rules will be sent in accordance with articles of association of the Company and the Listing Rules.

No Director proposed for re-election at the 2025 AGM has entered into a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than the normal statutory obligations.

BOARD COMMITTEES

The Board has established (i) an audit committee, (ii) a remuneration committee; and (iii) a nomination committee, with defined terms of reference. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice and other assistance under the appropriate circumstances, at the Company’s expenses.

AUDIT COMMITTEE

The primary duties of the audit committee of the Company are mainly to make recommendations to the Board on the appointment and removal of external auditor; review the financial statements and material advice in respect of the financial reporting matters; and oversee internal control procedures of our Company. During the Reporting Period, the audit committee of our Company consists of three members, namely the independent non-executive Director Mr. Manley Poon, the independent non-executive Director Ms. Nicole Huang Meng Ting, and the non-executive Director Ms. Song Yuanyuan. Mr. Manley Poon is the chairman of the audit committee of the Company. Members of the audit committee of the Company comply with Rule 3.21 of the Listing Rules. The written terms of reference of the audit committee are posted on the Hong Kong Stock Exchange’s website and the Company’s website.

The audit committee of the Company had reviewed the Company’s audited annual results for the year ended 31 December 2025, and was of the opinion that the relevant financial statements have been prepared in accordance with the applicable accounting standards and requirements and that adequate disclosure has been made. The audit committee of the Company has also reviewed the accounting principles and practices adopted by the Group, and the selection and appointment of the external auditor. In addition, the audit committee of the Company have reviewed the risk management and internal control system of the Company for the year 2025.

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025, the audit committee held three meetings to consider and approve among others the following:

- (a) to review the Company's consolidated financial result for the year ended 31 December 2024 and the six months ended 30 June 2025 before submission to the Board, with a focus on compliance with accounting standards, the Listing Rules and other requirements in relation to financial reporting of the audit committee;
- (b) to discuss the effectiveness of the internal controls system throughout the Company, including financial, operational and compliance controls, and risk management;
- (c) to review the accounting principles and practices adopted by the Company and other financial reporting matters;
- (d) to review the engagement of the auditor and to make recommendations to the Board; and
- (e) to review the terms of reference of the audit committee in order to comply with the codes and rules in effect from time to time as amended by the Hong Kong Stock Exchange.

The individual record of each member of the audit committee at the meeting is set out below:

Name of Director	Attendance/Number of Audit Committee Meeting(s)
Mr. Manley Poon	3/3
Ms. Song Yuanyuan	2/3
Ms. Nicole Huang Meng Ting	2/3

In addition to the above audit committee meeting, the independent non-executive Directors of the audit committee has also held one separate meeting during the Year.

REMUNERATION COMMITTEE

The primary duties of the remuneration committee of our Company are to make recommendation to the Board on the overall remuneration policy and structure of all Directors and senior management of our Company; to review performance-based remuneration; and to ensure none of our Directors or any of their associates (as defined under the Listing Rules) determine their own remuneration. The remuneration committee consists of three members, namely the independent non-executive Director Ms. Nicole Huang Meng Ting, the independent non-executive Director Mr. Zhao Zhen and the executive Director Mr. Cheng Li. Ms. Nicole Huang Meng Ting is the chairman of the remuneration committee. The written terms of reference of the remuneration committee are posted on the Hong Kong Stock Exchange's website and the Company's website.

During the Year, the remuneration committee had surveyed peer companies' remuneration package and reviewed the remuneration packages of the executive Directors and the senior management. The remuneration committee also reviewed the Share Option Scheme and the Share Award Plan adopted by the Company, as well as the benefit plans to the key employees.

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025, the Company has held one remuneration committee meeting. The record of attendance is set out below:

Name of Director	Attendance/Number of Remuneration Committee Meeting(s)
Ms. Nicole Huang Meng Ting	1/1
Mr. Zhao Zhen	1/1
Mr. Cheng Li	1/1

NOMINATION COMMITTEE

The primary duties of the nomination committee are to review the structure, size and composition of the Board on regular basis; identify individuals suitably qualified to become Board members; assess the independence of the independent non-executive Directors; and make recommendations to the Board on matters related to the appointment or re-appointment of Directors. The nomination committee consists of three members, namely the executive Director Mr. Zhang Lake Mozi, the independent non-executive Director Ms. Nicole Huang Meng Ting and the independent non-executive Director Mr. Zhao Zhen. Mr. Zhang Lake Mozi is the chairperson of the nomination committee.

The written terms of reference of the nomination committee have been revised and adopted with effect from 9 December 2025. The primary regulation of the nomination committee is when making any recommendation, the nomination committee shall be bound by the restriction that a majority of the members of the Board shall at all times be persons who are Chinese nationals in accordance with the Nationality Law of the People's Republic of China. The written terms of reference of the nomination committee are posted on the Hong Kong Stock Exchange's website and the Company's website.

Nomination Policy

In assessing the suitability of a proposed candidate, the nomination committee uses the following factors as reference: (a) reputation; (b) available time; (c) diversity in all aspects of the Board, which representing the interests of the relevant sectors, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and service tenure; and (d) balanced distribution of skills and experience of the Board members, in order to provide different points of view, perspectives and insights, which enable the Board to perform its duties effectively and formulate appropriate strategies for the Company's core business as well as implement its succession plan and development. The above factors are for reference only and are not intended to cover all aspects. The final decision will be based on the merits of relevant candidates and his/her potential contribution to the Board.

For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation. The Nomination Committee shall then evaluate such candidate based on the criteria as set out in the nomination policy and recommend to appoint the appropriate candidate for directorship.

During the Year, the Nomination Committee has reviewed the structure, size and the composition of the Board to ensure that the Board has a balance of speciality, skills and experience; reviewed and recommended the re-election of the retiring Directors standing for re-election at the Company's annual general meeting held on 18 June 2025, and considered diversified policy of Directors when selecting candidates of Directors; and made assessment of the independence of all the independent non-executive Directors.

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025, the Company has held one nomination committee meeting. The record of attendance is set out below:

Name of Director	Attendance/Number of Nomination Committee Meeting(s)
Mr. Zhang Lake Mozi	1/1
Ms. Nicole Huang Meng Ting	1/1
Mr. Zhao Zhen	1/1

DELEGATION OF THE CORPORATE GOVERNANCE FUNCTION

The Board has delegated the responsibilities of corporate governance as set out under Code Provision A.2.1 of the CG Code to the Audit Committee. During the Year, the Audit Committee has reviewed and monitored the corporate governance policies and practices of the Company; the training and continuous professional development of the Directors and senior management; the compliance status of the Company on such policies and practices as required by the laws and regulations, the Model Code and the Employees' Written Guidance; the compliance status of the Company on the CG Code; and the disclosure set out in the Corporate Governance Report.

COMPANY SECRETARY

The company secretary of the Company is Mr. Zhang Lake Mozi. Mr. Zhang Lake Mozi was appointed as the company secretary on 11 February 2015 and act as the sole company secretary of the Company from 20 August 2018. Mr. Zhang Lake Mozi's biographical details are set out in the section headed "Directors and Senior Management's Profile" of this annual report. Mr. Zhang Lake Mozi has informed the Company that he has received no less than 15 hours of professional training and satisfied the requirements under the Rule 3.29 of the Listing Rules in 2025. The Company considers the training of the company secretary in 2025 is in compliance with the requirements under Rule 3.29 of the Listing Rules.

FINANCIAL REPORTING

The Board, supported by the chief financial officer and the finance department, is responsible for the preparation of the financial statements of the Company and the Group for each financial year which shall give a true and fair view of the financial position, performance and cash flow of the Company and its subsidiaries for the Year.

The responsibilities of Confucius International CPA Limited, the Company's external auditors, on the financial statements are set out in the section headed "Independent Auditor's Report" of this annual report.

CORPORATE GOVERNANCE REPORT

AUDITOR'S REMUNERATION

The audit committee is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the authorized external auditors, to approve the remuneration and terms of engagement of the external auditors, and to deal with any questions regarding the resignation or dismissal of the external auditors.

The Company proposed to re-appoint Confucius International CPA Limited as the auditor of the Company. For the year ended 31 December 2025, the total fee paid/payable in respect of audit and non-audit services provided by the Company's external auditors is set out below:

Items of auditor's services	2025 Amount RMB'000
Audit services: Annual audit service	800
Total	800

RISK MANAGEMENT AND INTERNAL CONTROLS

The Group recognises that good risk management is essential for the long-term and sustainable growth of a business. The Board is responsible for maintaining adequate and effective risk management and internal controls to protect assets of Shareholders and the Group and is also responsible for its effectiveness. The Board entrusts the audit committee to review the Group's internal control system. Management is responsible for the design, implementation and maintenance of a sound and effective internal control system underpinning the risk management framework. While taking into full account of the requirements under the Listing Rules relating to risk management and internal control, the management also takes into consideration of the Group's actual business and operating environment in formulating the risk management and control framework.

The objectives of the risk management and internal control framework of the Group include:

- to enhance the risk management and internal control of the Group in compliance with the requirement of Listing Rules;
- to establish and constantly improve the risk management and internal control system;
- to implement a top-down and company-wide risk management system that covers every aspect of the business; and
- to keep the baseline risk within an acceptable range.

CORPORATE GOVERNANCE REPORT

Risk Management Process

The Group was engaged in the internet industry, so its business is characterized by diversity and rapid change. The Group has adopted a three-tier risk management approach to dynamically identify, assess, mitigate and handle risks. At the first line of defence, business units are responsible for identifying, assessing and monitoring risks associated with each business or deal, and report such results to the management. As the second line of defence, the management collects, sorts out and analyzes the significant risks of the Group to formulate its control policies and adopt appropriate corresponding strategies and shall report to the audit committee before reporting to the Board. The management ensures that the first line of defence is effective. As the final line of defence, the audit committee of the Company ensures that to assess and determine the nature of risk and its acceptability to ensure achieving strategic goals, and the first and second lines are effective through continuous inspection and monitoring.

Internal Control

We are in compliance with the five key factors of the entire internal control structure issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), which includes environment control, risk assessment, control activity, information and communication and supervision for setting up the internal control system.

The management of the Group is responsible for designing, implementing and maintaining the effectiveness of the internal control system. The Board and the audit committee are responsible for supervising and monitoring the appropriateness of the management's internal control and whether such internal control is effectively implemented.

The Group's internal control system clearly defines the management's responsibilities, authorizations and approvals of the parties regarding key actions, and formulates clear policies and procedures on important business processes and conveyed such policies and procedures to its employees. They mainly covered:

- sales and money collection management
- procurement and payment management
- asset management (including fixed asset and intangible asset)
- research and development management
- human resources and remuneration management
- capital management
- financial report management
- tax management
- general control of information system

The Group has its internal control manual on cash and treasury management in place to ensure that any future investments into structured deposits and/or wealth management products will comply with Chapter 14 of the Listing Rules. Relevant staff training has also been enhanced.

CORPORATE GOVERNANCE REPORT

The Board and the audit committee review the effectiveness and adequacy of risk management and internal controls semi-annually. The Board and audit committee also took adequacy of resources, capacity and experience of employees, training courses and relative budget of the Company's accounting and financial reporting function into consideration.

Such procedures could reasonably but not absolutely guarantee that there was no material error, omission and fraud, and reduce but not remove mistakes in the Company's operating system and target business procedures.

The Company has conducted a promotion of business ethics for our Directors, staff and others who have contacts with the Company (e.g. clients and suppliers) in order to enhance its fraud prevention and control. The Company has also established various reporting channels in accordance with different types of fraud and misconduct or persons of different ranks with a policy to protect whistleblowers.

During the Year, the Group has conducted a quarterly review on whether there is a need for an internal audit department. Given the Group's relatively simple organisational structure and operation structure, as opposed to diverting resources to establish a separate internal audit department, the Board, supported by the audit committee, is directly responsible for risk management and internal control systems of the Group and for reviewing its effectiveness. The Group will continue to review whether necessary changes should be made regarding the establishment of an independent internal audit department at the appropriate time.

During the Year, based on information furnished to it and on its own observations, the Board, through the audit committee had reviewed and is satisfied with the effectiveness and adequacy of present internal controls and risk management of the Company and considers that the Group's risk management and internal control systems for the year ended 31 December 2025 was effective and adequate.

DISCLOSURE OF INSIDE INFORMATION

The Company acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The Company has established a policy on disclosure of inside information and reviewed its effectiveness regularly. The procedures and internal controls for the handling and dissemination of inside information include:

- the Company conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Company has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Company has strictly prohibited unauthorised use of confidential or inside information;
- the Company has established and implemented procedures for responding to external enquiries about the Company's affairs, so that only the executive Directors, company secretary and investor relations officers are authorised to communicate with parties outside the Company; and
- if any employee is aware of any project, transaction, information or event which may constitute insider information, he/she should contact the Company Secretary as soon as possible. Analysis and consultations with the Directors and senior executives will be made so as to identify whether any such information constitutes inside information and is required to be disclosed to the public pursuant to the Securities and Futures Ordinance.

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of maintaining clear, timely and effective communication with the Shareholders and investors of the Company. Therefore, the Company is committed to maintaining a high degree of transparency to ensure the investors and the Shareholders receiving accurate, clear, comprehensive and timely information of the Group by the publication of annual reports, interim reports, announcements and circular. The Company also publishes all corporate correspondence on the Company's website www.ci123.com. The Board maintains regular dialogues with institutional investors and analysts from time to time to keep them informed of the Company's strategies, operations, management and plans.

The Company also encourages Shareholders' active participation in annual general meetings and other general meetings or other proper means. As such, the Company must send notices to Shareholders for convening of annual general meetings not less than twenty-one (21) clear days before the meeting and not less than fourteen (14) clear days for all other general meetings including extraordinary general meeting. Members of the Board and of the various Board committees will attend the annual general meeting of the Company and answer questions raised during the meeting. The Company's external auditor will also attend the annual general meeting to answer questions relating to the conduct of the audit, the auditor's report and auditor independence. The Company's Shareholders may also propose candidates for election as a Director of the Company according to the procedures set out in the Company Website.

Separate resolutions would be proposed at the general meeting on each substantially separate issue. The chairman of the general meetings of the Company would explain the procedures for conducting poll before putting a resolution to vote. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll. An external scrutineer will be appointed to monitor and count the votes cast by poll. The results of the voting by poll will be declared at the meeting and published on the websites of The Stock Exchange of Hong Kong Limited and the Company respectively.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to convene an extraordinary general meeting and put forward proposals at general meetings

Pursuant to Article 58 of the Articles of Association, the Board may convene an extraordinary general meetings whenever it thinks fit. Any one or more Members holding at the date of deposit of the requisition no less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be convened by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. Shareholders who wish to propose a resolution may request the convening of a general meeting of Shareholders and submit a resolution at the meeting in accordance with the above requirements and procedures.

CORPORATE GOVERNANCE REPORT

Procedures for Shareholders to send their enquiries and concerns to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to Mr. Zhang Lake Mozi, the company secretary of the Company via following:

Recipient: Mr. Zhang Lake Mozi

Address: Room 1001, 10th Floor, Wecan Technology Building, 21 Andmen Street, Yuhuatai District, Nanjing City, Jiangsu Province, the PRC

Telephone number: 025-69571992

The company secretary of the Company is responsible for forwarding communications relating to matters within the Board's direct responsibilities to the Board and communications relating to ordinary business matters, such as suggestions and inquiries, to the chief executive officer of the Company.

Based on the above, the Board considered the implementation of the Shareholders' communication policy was effective during the year ended 31 December 2025.

DIVIDEND POLICY

The Company has formulated its dividend policy. Any final dividends declared by the Company must be approved by an ordinary resolution of the Shareholders at a general meeting and must not exceed the amount recommended by the Board. The Board may from time to time pay to the Shareholders such interim dividends. The proposed declaration of dividends will be at the discretion of our Directors and will depend on our earnings, financial condition, capital requirements, surplus and any other factors that our Directors may consider relevant. The declaration and payment of the dividend is also subject to any restrictions under the Companies Law of the Cayman Islands and the Articles of Association. The Dividend Policy will be reviewed and revised from time to time by the Board when necessary and there can be no assurance that dividends will be paid in any particular amount for any given period. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

CONSTITUTIONAL DOCUMENTS

For the year ended 31 December 2025, there had been no other significant change to the Articles of Association.

DIRECTORS' REPORT

The Directors are pleased to present their report and audited accounts of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 1 to the consolidated financial statements.

BUSINESS REVIEW

Detailed business review and future development of business is set out in the sections of "Chairperson's Statement" and "Management Discussion and Analysis" of this annual report. Relevant review and discussions form part of this directors' report. As far as the Board is aware, the Company and its subsidiaries have complied in material respects with the relevant laws and regulations that have a significant impact on their business and operation. An analysis of the Group's performance during the year using financial key performance indicators is set out in the section of "Management Discussion and Analysis" of this annual report.

SUMMARY FINANCIAL INFORMATION

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out on the last page of the annual report. The summary does not form part of the audited financial statements.

RESULTS AND DIVIDEND

The Group's results for the year ended 31 December 2025 are set out in the consolidated financial statement of the report.

No interim dividend was paid by the Company during the financial year of 2025.

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

ANNUAL GENERAL MEETING

The 2025 AGM of the Company will be held on 30 June 2026 (Tuesday). The notice of the AGM and other relevant documents will be published and despatched to the shareholders of the Company in due course in the manner prescribed by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the transfer books and register of members of the Company will be closed from 25 June 2026 (Thursday) to 30 June 2026 (Tuesday), both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the AGM, all shares transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 24 June 2026 (Wednesday).

DIRECTORS' REPORT

PROPERTY, PLANT AND EQUIPMENT

Details of the movement in the Group's property, plant and equipment during the Year are set out in note 14 to the consolidated financial statements.

BORROWINGS

Particulars of the borrowings of the Group as at 31 December 2025 are set out in note 25 to the consolidated financial statements.

SHARE CAPITAL

Details of the movement in the Company's share capital during the Year are set out in note 26 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

RESERVES

Details of the movement in reserves of the Company and the Group during the Year are set out in note 28 and consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves that are available for distribution, calculated in accordance with the Companies Law, amounted to RMBNil (2024: RMBNil).

DIRECTORS' REPORT

DIRECTORS

The Directors as of 31 December 2025 and up to the date of this report are:

Executive Directors

Mr. Zhang Lake Mozi (*Chairperson*)

Mr. Cheng Li

Non-executive Directors

Mr. Zhang Haihua

Ms. Song Yuanyuan

Independent non-executive Directors

Mr. Zhao Zhen

Mr. Manley Poon

Ms. Nicole Huang Meng Ting

Pursuant to the Articles of Association, three Directors of the Company, including Mr. Zhang Lake Mozi, Ms. Song Yuanyuan and Mr. Manley Poon shall retire at the 2025 AGM and, being eligible, offer themselves for re-election at the 2025 AGM.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors and non-executive Directors has entered into a service contract with the Company for an initial term of three years, which will continue therefore until terminated by not less than three months' notice in writing served by either party on the other.

Each of Mr. Cheng Li and Mr. Zhang Lake Mozi entered into a service contract with the Company for an initial term of three years commencing from 8 July 2015. Mr. Zhang Lake Mozi has been appointed as the chairperson of the Board on 31 July 2020. Mr. Zhang Lake Mozi has agreed to waive his director's remuneration for the year ended 31 December 2025.

Mr. Zhang Haihua has entered into a service contract with the Company for a term of three years commencing from 31 July 2020, which will continue thereafter unless and until terminated by not less than three months' notice in writing served by either party to the other.

Ms. Song Yuanyuan has entered into a Director service contract with the Company for a term of three years commencing from 28 March 2024, which will continue thereafter unless and until terminated by not less than three months' notice in writing served by either party on the other.

Mr. Zhao Zhen has entered into a letter of appointment with the Company for an initial term of three years commencing from 8 July 2015, which will continue therefore until terminated by not less than three months' notice in writing served by either party on the other.

Mr. Manley Poon has entered into a letter of appointment with the Company as an independent non-executive Director on 13 April, 2023. The independent non-executive Directors of the Company are appointed for a specific term of three years.

Ms. Nicole Huang Meng Ting has entered into a letter of appointment with the Company as an independent non-executive Director on 5 December 2024. The independent non-executive Directors of the Company are appointed for a specific term of three years.

DIRECTORS' REPORT

Save as disclosed above, none of the Directors who proposed to be re-elected at the 2025 AGM of the Company has entered into a service contract that are not determinable within one year without payment of compensation (other than statutory compensation).

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in the section headed "Connected Transactions" of this report and note 31 (Related Party Transactions) to the consolidated financial statements, no Director nor any entity related to the Directors had a material interest, either directly or indirectly, in any transactions, arrangements and contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the Year.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

At no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

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

As at 31 December 2025, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise have been notified to the Company and the Hong Kong Stock Exchange pursuant to Appendix C3 of the Listing Rules are as follows:

LONG POSITIONS IN THE SHARES OF THE COMPANY

Name of Director	Nature of Interest	Number of Shares or Underlying Shares	Approximate Percentage of Shareholding
Mr. Cheng Li ⁽¹⁾	Interest in a controlled corporation	3,000,000	6.94%
Ms. Song Yuanyuan ⁽²⁾	Interest in a controlled corporation	1,555,817	3.60%

Notes:

- (1) Victory Glory Holdings Limited ("Victory Glory") is directly and wholly owned by Mr. Cheng Li, who is therefore deemed to be interested in all the shares held by Victory Glory.
- (2) XI-F-AI PTE.LTD. ("XI-F-AI") is directly and wholly owned by Ms. Song Yuanyuan, who is therefore deemed to be interested in all the shares held by XI-F-AI.

DIRECTORS' REPORT

INTERESTS IN OTHER MEMBERS OF THE GROUP (LONG POSITIONS)

Name of Director	Name of Subsidiary	Nature of Interest	Approximate Percentage of Shareholding
Mr. Cheng Li	Nanjing Yilaoyixiao Information Technology Company Limited ("Nanjing YLYX")	interest in a controlled corporation (Note 2)	90%
Ms. Song Yuanyuan	Nanjing Yilaoyixiao Information Technology Company Limited	interest in a controlled corporation (Note 3)	10%

Notes:

- (1) Pursuant to the contractual arrangement, each of Nanjing Yilaoyixiao is deemed to be a wholly owned subsidiary of the Company.
- (2) Nanjing Xilan Information Technology Co., Ltd.* (南京希瀾信息技術有限公司) ("Nanjing Xilan") is the sole general partner of Nanjing Xilan Information Technology Partnership (Limited Partnership)* 南京希瀾信息技術合夥企業(有限合夥) ("LLP1") and is held as to 90% by Mr. Cheng Li. Nanjing YLYX is held as to 90% by LLP1 and therefore Mr. Cheng Li is deemed to be interested in Nanjing YLYX.
- (3) Nanjing Xilan is the sole general partner of LLP1 and is held as to 10% by Ms. Song Yuanyuan. Nanjing YLYX is held as to 90% by LLP1 and therefore Ms. Song Yuanyuan is deemed to be interested in Nanjing YLYX.

Save as disclosed above, as at 31 December 2025, none of the Directors nor chief executives of the Company held an interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or were recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the required standard of dealings by Directors pursuant to Appendix C3 to the Listing Rules.

DIRECTORS' REPORT

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

So far as the Directors are aware, as at 31 December 2025, the following persons (not being Directors or chief executives of the Company) have or be deemed or taken to have interests and/or short positions in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO:

LONG POSITIONS IN THE SHARES OF THE COMPANY

Name	Nature of Interest	Number of Shares or Underlying Shares	Approximate Percentage of Shareholding
Maria Rachel Mai Decolongon Tatoy ⁽¹⁾	Beneficial owner	2,418,785	
	Interest in a controlled corporation	2,990,040	
	Total :	5,408,825	12.52%
Victory Glory ⁽²⁾	Beneficial owner	3,000,000	6.94%
Tan Chiu Lan Francine	Beneficial owner	4,194,751	9.71%
Gan Kwang Lee ⁽³⁾	Interest of spouse	4,194,751	9.71%
Lee Yong Soon ⁽⁴⁾	Beneficial owner	3,099,329	7.17%

Notes:

- (1) Ms. Maria Rachel Mai Decolongon Tatoy holds 2,990,040 Shares through her wholly-owned subsidiary, Prime Wish Limited and directly holds 2,418,785 Shares.
- (2) Victory Glory is directly and wholly owned by Mr. Cheng Li, an executive Director.
- (3) Mr. Gan Kwang Lee is the spouse of Ms. Tan Chiu Lan Francine.
- (4) Mr. Lee Yong Soon holds 2,081,661 Shares through his wholly-owned subsidiary, Dilligent Ally Private Limited and directly holds 1,017,668 Shares.

Save as disclosed above, as at 31 December 2025, no person, other than the Directors of the Company whose interests and short positions are set out in the section headed "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporation" above, had registered an interest or a short position in the shares or underlying shares of the Company as recorded in the register of interests required to be kept pursuant to Section 336 of the SFO.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme and Share Award Plan as set out in this annual report, no equity-linked agreements were entered into by the Group, or subsisted during the year ended 31 December 2025.

DIRECTORS' REPORT

ISSUE OF NEW SECURITIES

On 29 December 2025 (after trading hours), the Company and each of Mr. Xu Shunlin, Ms. Zhao Shimin, Ms. Tan Chiu Lan, Francine and Mr. Woo Keng Hong (the "Subscribers") entered into the subscription agreements (the "Subscription Agreements"), pursuant to which and subject to the terms and conditions therein, the Company agreed to allot and issue, and the Subscribers agreed to subscribe for, an aggregate 4,629,630 Subscription Shares at a subscription price of HK\$0.433 per Subscription Share (representing a discount of approximately 13.4% over the closing price of HK\$0.50 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and (ii) a discount of approximately 19.8% over the average closing price of HK\$0.54 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the last trading day for the Shares prior to the date of the Subscription Agreements (the "Subscription"). The 4,629,630 Subscription Shares represented approximately 9.68% of the total number of Shares in issue and as enlarged by the allotment and issue of the Subscription Shares. The Subscription was completed on 19 January 2026. The net proceeds from the Subscription amounted to approximately HK\$2 million, which was intended to be used for repayment of part of the Group's outstanding professional fees and expense of the Group. As at the date of this report, HK\$2 million of the net proceeds had been utilised to repay the Group's outstanding professional fees and expense of the Group.

SHARE AWARD PLAN

As stated in the Prospectus, the Company adopted a share award plan (the "Plan") within 12 months from the Listing Date, so as to recognize and appreciate the contribution of all qualified employees towards the growth and development of the Group. The Board has adopted the Plan on 6 July 2016. Mr. Hsieh Kun Tse, the former non-executive Director of the Company, has transferred the entire issued share capital of Properous Commitment Holdings Limited ("Properous Commitment") which in turn holds 1,290,000 of the Shares, to the trustee at nil consideration on 8 September 2016. The trustee will hold on trust the award Shares for the benefit of the selected employees in accordance to the terms of the trust deed, until such award Shares are vested in the relevant selected employees in accordance with this Plan.

The Plan is discretionary-based, and the Board has authorized the Share Award Plan Committee to manage the Plan, member of which include the executive Director Mr. Cheng Li. Subject to the requirements of the Main Board Listing Rules and all applicable laws from time to time, the Share Award Plan Committee shall make recommendations for the Board's approval. The Share Award Plan Committee shall be responsible for the administration of the Plan as well as communication with the trustee and the selected employees, including but not limited to the allocation of the award Shares to the selected employees upon obtaining such approval/authorization from the Board, and purchasing the award Shares on the market, as well as transferring the vested Shares to the selected employees. Before the vesting date, the selected employees have no right or interest in the award Shares (including the right to the dividends). The vesting date of the share awards granted is the date on which a selected employee's entitlement to the awarded shares accrues in accordance with the conditions imposed by the Directors, if any.

The maximum number of award Shares under the Plan shall not exceed 10% of the issued share capital of the Company (including new Shares and existing Shares) from time to time, whereas the maximum number of Shares to be granted to a selected employee shall not exceed one percent (1%) of the issued share capital of the Company from time to time. The Directors have confirmed that the Company does not currently intend to issue any new Shares under the Plan. If new shares are to be issued under the Plan and assuming there are no existing shares to be used under the Plan, the maximum number of new shares to be issued will be 3,030,779 Shares as at the date of this report, (after taking into account the existing issued share capital of 43,207,792 Shares and 1,290,000 Shares granted and vested) representing approximately 7.0% of the existing issued share capital of the Company. The Company will seek a specific mandate in this regard as the grantees may be connected persons of the Company.

The Plan shall have valid and effect for ten years from the date of adoption to 5 July 2026.

Details of the awarded shares movement for the twelve months ended 31 December 2025 are as follows:

DIRECTORS' REPORT

Grantee	Date of grant	Average price per share (HK\$) (Note)	Outstanding at 1 January 2024	Granted during period	Awards vested during period	Forfeited during period	Outstanding as at 30 June 2024	Vesting Date
Employees	11 December 2023	-	10,320,000	-	10,320,000	-	-	11 January 2024

Note:

These shares were purchased by Properous Commitment at nil consideration.

For details of the Plan, please refer to the announcements of the Company dated 7 July 2016 and 14 July 2016 respectively. So far as the Directors are aware, Properous Commitment and TMF Trust (HK) Limited have complied with the terms of trust deed as at the date of this report.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 19 June 2015 (the "Share Option Scheme") for the purpose of providing incentive or rewarding eligible persons (including the Directors or employees (whether full time or part time), consultants or advisors of our Group) for their contribution to, and continuing efforts to promote the interests of our Group and for such other purposes as the Board may approve from time to time. No share option has been granted under the Share Option Scheme since its adoption by the Company.

The Share Option Scheme became effective on the date of the Company's listing (8 July 2015) and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme is 2,500,000 shares, representing 10% of the shares of the Company in issue as at the date of adoption of the Share Option Scheme and 5.23% of the shares of the Company in issue as at the date of this annual report. The maximum number of shares issuable under share options granted to each eligible participant in the Share Option Scheme (including both exercised and outstanding options) within any 12-month period is limited to 1% of the shares of the Company in issue. Any grant or further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting. A grant of share options under the Share Option Scheme to a Director, chief executive or substantial Shareholder of the Company, or to any of their associates, is subject to approval in advance by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Option). In addition, any share options granted to a substantial Shareholder or an independent non-executive Director of the Company, or to any of their associates, which would result in the shares issued and to be issued, upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding), to such person in the 12-month period up to and including the date of the grant in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5,000,000, are subject to Shareholders' approval in advance at a general meeting.

The offer of a grant of share options may be accepted within 30 days from the date of offer upon payment of a nominal consideration of RMB1 in total by the grantee. The exercise period of the share options granted is determined by the Directors, save that such a period shall not be more than 10 years from the date of offer of the share options and subject to the provisions for early termination as set out in the Share Option Scheme. There is no requirement of a minimum period for which an option must be held before it can be exercised.

DIRECTORS' REPORT

The exercise price of the share options shall be not less than the highest of (i) the Hong Kong Stock Exchange closing price of the Company's shares on the date of offer of the share options, which must be a date on which the Hong Kong Stock Exchange is open for business of dealing in securities; (ii) the average Hong Kong Stock Exchange closing price of the Company's shares for the five trading days immediately before the date of offer; and (iii) the nominal value of the Company's share as at the date of offer.

No share options were granted from the date of adoption to the year ended 31 December 2025 and no share options were outstanding under the Share Option Scheme accordingly.

The Share Option Scheme has expired on 8 July 2025.

COMPLIANCE WITH QUALIFICATION REQUIREMENTS AND LAWS AND REGULATIONS

The Group's principal business is classified as value-added telecommunications services, and foreign investment in this industry is subject to significant restrictions under current Chinese laws and regulations. Accordingly, Nanjing Yiran has entered into a series of contractual arrangements (the "Structured Contracts") with Nanjing Yilaoyixiao, 南京希藍信息技術合夥企業(有限合夥) and 南京希蘭信息技術合夥企業(有限合夥) as well as their respective registered shareholders to conduct the aforementioned business. These arrangements empower the management to control the operations of Nanjing Yiran, Nanjing Yilaoyixiao, Nanjing Xilan, and the other entity (if applicable), enabling the Company to enjoy the economic benefits derived therefrom. For details regarding these contractual arrangements, please refer to the section titled "Contractual Arrangements" in this annual report.

In addition, under the current PRC laws and regulations, a foreign investor wishing to acquire any equity interest in a value-added telecommunications business in the PRC must also demonstrate a good track record and operating experience in providing value-added telecommunications services overseas ("Qualification Requirements").

As far as the Directors are aware, as at the date of this report, the Company has taken all reasonable steps to ensure that such Qualification Requirements are met if and when the PRC laws and competent authorities substantially allow foreign investors to invest in value-added telecommunications services in the PRC. The Company will continue to communicate with the relevant governmental authorities and provide updates where necessary.

Due to the nature of our business, the Company is significantly affected by PRC laws and regulations, including laws and regulations of telecommunications services, those relevant to advertising service, information security and privacy protection as well as intellectual property rights. As far as the Directors are aware, the Company had no material breach of any relevant laws and regulations or received any legal litigation in 2025. The Company reduced its potential legal risk through different management and monitoring systems, such as regular review of the effectiveness of internal control system, defined duty division and provided training to employees and management related to such laws and regulations and recruit legal adviser as professional consultant.

DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

None of the Directors and substantial Shareholders or their respective associate had material interest in any business that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2025.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS

As disclosed in the section headed "Contractual Arrangement" of this annual report, the business operations of the PRC Contractual Entities constitute a business restricted to foreign investment in the PRC, therefore, we cannot directly acquire equity interests in the PRC Contractual Entities. As a result, our Group has entered into Structured Contracts narrowly tailored to provide our Group with control over the PRC Contractual Entities and grant our Group the right to acquire the equity interests of the PRC Contractual Entities when and to the extent permitted by the PRC laws and regulations. Under the Contractual Arrangement, our Group supervises and controls the business operations of the PRC Contractual Entities and derives economic benefit from the PRC Contractual Entities.

The independent non-executive Directors of the Company have, for the purpose of Rule 14A.55 of the Listing Rules, reviewed the continuing connected transactions set out above and confirmed that these continuing connected transactions have been entered into by the Group (i) in the ordinary and usual course of its business; (ii) on normal commercial terms or better; and (iii) according to the agreements governing such transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Moreover, our independent non-executive Directors have reviewed the Contractual Arrangement and confirmed that: (i) the transactions carried out during the year ended 31 December 2025 have been entered into in accordance with the relevant provisions of the Contractual Arrangement so that the revenue generated by the PRC Contractual Entities have been mainly retained by our Group; and (ii) no dividends or other distributions have been made by the PRC Contractual Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group.

Confucius International CPA Limited, the Company's auditor, were engaged to report on the Group's Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. After performing the procedure related to continuing connected transactions, Confucius International CPA Limited confirmed that:

Based on the foregoing, in respect of the disclosed continuing connected transactions:

- a. nothing has come to our attention that causes us to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors.
- b. nothing has come to our attention that causes us to believe that the transactions were not entered into, in all material respects, in accordance with a business cooperation agreement entered by a subsidiary of the Company, Xibai (Nanjing) Information Technology Company Limited ("Nanjing Xibai") with Nanjing Yilaoyixiao Information Technology Company Limited ("Nanjing Yilaoyixiao") and the relevant shareholders, 南京希藍信息技術合夥企業(有限合夥) and 南京希蘭信息技術合夥企業(有限合夥), on 15 November 2024 governing such transactions.

DIRECTORS' REPORT

- c. nothing has come to our attention that causes us to believe that the transactions were not entered into, in all material respects, in accordance with a business cooperation agreement entered by a subsidiary of the Company, Yiran (Nanjing) Information Technology Company Limited (“Nanjing Yiran”) with Nanjing Yilaoyixiao and the relevant shareholders, 南京希藍信息技術合夥企業(有限合夥) and 南京希蘭信息技術合夥企業(有限合夥), on 20 February 2025 governing such transactions.
- d. for those transactions with Nanjing Yilaoyixiao under the contractual arrangements, nothing has come to our attention that causes us to believe that the dividends or other distributions have been made by Nanjing Yilaoyixiao to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group.

Confucius International CPA Limited have issued their letter containing their findings and conclusions in respect of the Continuing Connected Transactions in accordance with Rule 14A of the Listing Rules.

CONTRACTUAL ARRANGEMENT

On 20 February 2025, Nanjing Yiran Information Technology Co., Ltd.* (南京怡然信息技術有限公司) (the “New WFOE”), 南京希藍信息技術合夥企業(有限合夥) and 南京希蘭信息技術合夥企業(有限合夥) (collectively, the “New Registered Shareholders”) entered into the exclusive business cooperation agreement, the exclusive option agreement, the equity interest pledge agreement and the power of attorneys; and Nanjing Xibai entered into the business and asset transfer agreement with the New WFOE, pursuant to which the business and certain assets of Nanjing Xibai shall be transferred to the New WFOE. On 1 March 2025, Nanjing Xibai, Nanjing Yilaoyixiao and the New Registered Shareholders entered into the termination agreement to terminate the contractual arrangement of Nanjing Xibai. Please refer to the announcement of the Company dated 20 February 2025 for further details of the New WFOE Contractual Arrangements.

Nanjing Yilaoyixiao is deemed to be an indirect wholly-owned subsidiary of our Company pursuant to the New WFOE Contractual Arrangements and is principally engaged in the provision of marketing and promotional services and the e-commerce business. It was established as a limited liability company in the PRC.

Summary of the information in relation to the New WFOE Contractual Arrangement and the operating company are as follows:

1. The PRC Contractual Entity (Nanjing Yilaoyixiao)

1.1 Information on the Operating Company and its Registered Owners

Nanjing Yilaoyixiao is deemed to be a wholly-owned subsidiary of the Company pursuant to the New WFOE Contractual Arrangement.

The registered shareholders of Nanjing Yilaoyixiao are 南京希藍信息技術合夥企業(有限合夥) and 南京希蘭信息技術合夥企業(有限合夥).

DIRECTORS' REPORT

1.2 Business Overview of the Operating Company

Nanjing Yilaoyixiao is principally engaged in the provision of marketing and promotional services and the e-commerce business.

Nanjing Yilaoyixiao holds an ICP license and License for Production and Distribution of Radio or Television Programs (廣播電視節目製作經營許可證) (the "TV License") which are required to carry out the Principal Business. Nanjing Yilaoyixiao produces and distributes videos on its online platform to enrich the website content and attract potential customers. Foreign investors are prohibited from holding equity interest in an entity conducting radio and television programme production in the PRC.

Our New WFOE, namely Nanjing Yiran Information Technology Co., Ltd.* (南京怡然信息技術有限公司), ("Contractual Control Entity"), entered into the New WFOE Contractual Arrangement with our PRC Contractual Entity and the New Relevant Shareholders (being the registered shareholders of our PRC Contractual Entity) in order to conduct the Principal Business in the PRC and to assert management control over the operations of, and enjoy all economic benefits of, each of our PRC Contractual Entity.

Pursuant to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2020) (外商投資准入特別管理措施(負面清單) (2020年)) promulgated by the National Development and Reform Commission and the MOFCOM on 23 June 2020, which took effect on 23 July 2020, foreign equity share in a value-added telecommunications business shall not exceed 50% (excluding e-commerce, multi-party domestic communication, store and forward, call center).

We are primarily engaged in operation of online platform focusing on the CBM market (the "Principal Business"), which is considered to be value-added telecommunications services, a sector where foreign investment is subject to significant restrictions under PRC laws and regulations. Accordingly, we cannot acquire equity interest in the PRC Contractual Entity, which hold certain licences and permits required for the operation of our Principal Business.

As a result, our Contractual Control Entity, entered into the New WFOE Contractual Arrangement with our PRC Contractual Entity and the New Relevant Shareholders (being the registered shareholders of our PRC Contractual Entity) in order to conduct the Principal Business in the PRC and to implement management control over the operations of, and enjoy all economic benefits of, each of our PRC Contractual Entity. Pursuant to the New WFOE Contractual Arrangement, all substantial and material business decisions of the PRC Contractual Entity will be instructed and supervised by our Group, through the Contractual Control Entity, and all risks arising from the business of the PRC Contractual Entity are also effectively borne by the Contractual Control Entity.

DIRECTORS' REPORT

1.3 Summary of the Major Terms of the New WFOE Structured Contracts under the New WFOE Contractual Arrangement

Set out below are the principal terms of each of the New WFOE Structured Contracts:

1. Exclusive Business Cooperation Agreement

The New WFOE and Nanjing YLYX entered into an exclusive business cooperation agreement (the "Exclusive Business Cooperation Agreement") with the following terms:

Parties:	(1) the New WFOE; and (2) Nanjing YLYX
Term:	The Exclusive Business Cooperation Agreement shall remain effective unless (1) terminated by the New WFOE in accordance with the provisions of the Exclusive Business Cooperation Agreement; (2) Nanjing YLYX is bankrupt, liquidated or dissolved; (3) all the equity interest of Nanjing YLYX has been legally transferred to the New WFOE or the nominee(s) designated by the New WFOE; or (4) the New WFOE is permitted under the PRC laws to directly hold the equity interest of Nanjing YLYX and to engage in the business of Nanjing YLYX and its subsidiaries (if any).
Subject:	<p>Nanjing YLYX agrees to engage the New WFOE as its exclusive provider of various services including but not limited to management consultancy, technology and software research and development, technical consultation, promotion planning and market promotion.</p> <p>The Exclusive Business Cooperation Agreement provides that without the prior written approval from the New WFOE, Nanjing YLYX shall not and shall procure its subsidiaries (if any) not to, accept the same or similar services provided by any third party, except for any parties designated by the New WFOE.</p> <p>The Exclusive Business Cooperation Agreement further provides that the New WFOE shall have the exclusive ownership of all intellectual property rights developed or created during the performance of the Exclusive Business Cooperation Agreement.</p>
Service fee:	Nanjing YLYX shall pay the New WFOE a service fee within 30 days from the beginning of each quarter for the services provided in the preceding quarter. The service fee shall be equivalent to the net profit attributable to Nanjing YLYX in that preceding quarter Other Key Terms Thereunder.

DIRECTORS' REPORT

Undertaking: Pursuant to the Exclusive Option Agreement, Nanjing YLYX and/or the Registered Shareholder undertake(s) to perform certain acts and refrain from performing certain acts, including but not limited to the following:

- (1) without the prior written consent of the New WFOE, the Registered Shareholders and Nanjing YLYX shall not sell, transfer, mortgage or dispose of in any manner any assets, legal or beneficial interest in the business or revenue of Nanjing YLYX or its subsidiaries (if any) (except in the ordinary course of business), or allow the creation of any security interest thereon; and
- (2) without the prior written consent of the New WFOE, the Registered Shareholders shall not sell, transfer, mortgage or dispose of in any manner their legal or beneficial interest in the equity interest of Nanjing YLYX, or allow the creation of any security interest thereon.

2. *Equity Interest Pledge Agreement*

The New WFOE, the Registered Shareholders and Nanjing YLYX entered into an equity interest pledge agreement (the "Equity Interest Pledge Agreement") with the following terms:

Parties:

- (1) the New WFOE, as pledgee;
- (2) the Registered Shareholders, as pledgers; and
- (3) Nanjing YLYX

Term: The Equity Interest Pledge Agreement shall take effect upon registration with the relevant regulatory authority and shall remain valid until the New WFOE Structure Contracts expire or are terminated, and all amounts owed by the pledgers to the pledgee under the New Structured Contracts are settled; or until the pledgee has realized its right of pledge in accordance with the provisions of the Equity Interest Pledge Agreement.

Subject: Each of the Registered Shareholders agrees to (i) pledge all of their respective equity interest in Nanjing YLYX to the New WFOE as a security interest; and (ii) grant a first priority of security interest in their equity interest of Nanjing YLYX, to guarantee the performance of the contractual obligations of each of the Registered Shareholders and Nanjing YLYX under the New WFOE Structured Contracts.

DIRECTORS' REPORT

3. *Power of Attorney*

Each of the Registered Shareholders entered into a power of attorney (the "Power of Attorney") with the following terms:

- Parties: the Registered Shareholders
- Term: The Power of Attorney shall remain effective and terminate upon (1) the New WFOE gives a prior notice in writing; (2) the New WFOE is permitted under the PRC laws to directly hold the equity interest of Nanjing YLYX and engage in the business of Nanjing YLYX and its subsidiaries; or (3) the New WFOE or its assignee exercise its rights under the Exclusive Option Agreement to purchase all of the equity interest and assets in Nanjing YLYX and engage in the business of Nanjing YLYX and its subsidiaries (if any).
- Subject: Each of the Registered Shareholders irrevocably and unconditionally appoints the New WFOE or its designated persons to act as its exclusive attorney on its behalf to exercise all rights in connection with matters concerning its rights as a shareholder of Nanjing YLYX, including but not limited to:
- (1) attending shareholders' meeting of Nanjing YLYX and signing the minutes and resolutions of the meetings on behalf of the relevant Registered Shareholder;
 - (2) exercising the right to vote as shareholders of Nanjing YLYX or disposing and dealing with equity interest of Nanjing YLYX held by the relevant Registered Shareholder;
 - (3) appointing or electing the legal representatives, directors, supervisors, general managers or other senior management of Nanjing YLYX on behalf of the relevant Registered Shareholder;
 - (4) signing and keeping the legal documents of Nanjing YLYX on behalf of the relevant Registered Shareholder and filing documents with the relevant governmental authority; and
 - (5) exercising all other shareholder's rights as specified in the relevant PRC laws and regulations and the constitutional documents of Nanjing YLYX on behalf of the relevant Registered Shareholder.

DIRECTORS' REPORT

Other Key Terms Thereunder

Dispute Resolution

Each of the New WFOE Structured Contracts provides for dispute resolution by way of arbitration in Shanghai by the arbitral body of Shanghai International Economic and Trade Arbitration Commission (上海國際經濟貿易仲裁委員會) (the "SIETAC") in accordance with its then prevailing arbitration rules. The arbitration ruling shall be final and binding on all parties. Any party shall have the right to apply to courts with competent jurisdiction for enforcement of arbitration awards after the relevant arbitration award comes into effect. During the dispute settlement period, except for the matters in dispute, the parties shall continue to exercise their respective rights and perform their respective obligations under the New WFOE Structured Contracts.

The tribunal may award remedies over the equity interest or assets of Nanjing YLYX, or injunctive relief such as for the conduct of business or to compel the transfer of assets; or order the winding-up of Nanjing YLYX. The courts of Hong Kong, the Cayman Islands and the PRC also have jurisdiction to grant interim remedies and/or enforce an arbitral award or interim remedies against the equity interest or properties of Nanjing YLYX.

Arrangements to Address Potential Conflicts of Interest

Each of the Registered Shareholders has given their irrevocable undertakings and certain restrictive covenants under the New WFOE Structured Contracts which address potential conflicts of interest that may arise in connection with the New WFOE Contractual Arrangement.

Liquidation

In the event of a mandatory liquidation required by the PRC laws, the Registered Shareholders shall give the proceeds they received from liquidation as a gift to the New WFOE or its designee(s) to the extent permitted by the PRC laws.

Insurance

The Company does not maintain an insurance policy to cover the risks relating to the New WFOE Contractual Arrangement.

2. Revenue and Assets in relation to the Contractual Arrangement

During the year ended 31 December 2025, revenue attributable to Nanjing YLYX was approximately RMB19.2 million. As at 31 December 2025, the total asset and net asset attributable to Nanjing YLYX was approximately RMB12.4 million and RMB6.3 million respectively.

3. Risks Related to our Contractual Arrangement

Risks and Limitations relating to the New WFOE Contractual Arrangement

1. *There is no assurance that the New WFOE Contractual Arrangement could comply with future changes in the regulatory requirements in the PRC and the PRC government may determine that the New WFOE Contractual Arrangement does not comply with applicable regulations.*

Despite there is currently no indication that the New WFOE Contractual Arrangement will be interfered or objected to by any PRC regulatory authorities, there is a possibility that the relevant PRC regulatory authorities may have different opinions on the interpretation of the relevant regulations and would not agree that the New WFOE Contractual Arrangement comply with the current PRC laws or those that may be adopted in future, and the authorities may deny the validity, effectiveness and enforceability of the New WFOE Contractual Arrangement.

2. *The Company relies on Nanjing YLYX to provide certain services that are critical to its business and the breach or termination of any of its service agreements with Nanjing YLYX or any failure of or significant quality deterioration in these services could materially adversely affect its business, financial condition and results of operations.*

The Company relies on Nanjing YLYX to provide certain services to its customers that are critical to its business. Since the Company only controls Nanjing YLYX through the New WFOE Contractual Arrangement, it faces certain risks with respect to its performance of arrangement by Nanjing YLYX. If Nanjing YLYX breaches any of its obligations under the New WFOE Contractual Arrangement, the Company may not be able to find a suitable alternative service provider or be able to establish and operate its platform in a legal or timely manner. The breach by Nanjing YLYX under the New WFOE Contractual Arrangement could materially adversely affect the Group's business, financial condition and results of operations.

3. *The Company depends upon the New WFOE Contractual Arrangement with Nanjing YLYX in conducting its operations and receiving payments through Nanjing YLYX, which may not be as effective in providing operational control as direct ownership.*

The Company has no equity ownership in the equity interest of Nanjing YLYX, and conduct substantially its operations, and generate substantially its revenue, through the New WFOE Contractual Arrangement, which may not be as effective in providing the Company with control over Nanjing YLYX as if it is a direct wholly-owned subsidiary of the Company.

The New WFOE Contractual Arrangement is governed by PRC laws and provides for the resolution of disputes through arbitration in the PRC. Accordingly, these contracts would be interpreted in accordance with PRC laws and any disputes would be resolved in accordance with PRC legal procedures. If Nanjing YLYX or any of the Registered Shareholders fails to perform its obligations under the New WFOE Contractual Arrangement, the Company may have to rely on legal remedies under the PRC laws, including seeking specific performance or injunctive relief, and claiming damages, which the Company cannot be sure would be effective. The legal environment in the PRC is not, however, as developed as in other jurisdictions. As a result, uncertainties in the PRC legal system could limit the Company's ability to enforce the New WFOE Contractual Arrangement.

In addition, any suits, arbitration or any other form of legal or dispute resolution proceedings against any of the Registered Shareholders may require all assets held by such shareholder to be kept under court custody during the proceedings. If such were the case, there is no assurance that the equity interests held by such shareholders in Nanjing YLYX can be transferred to the Group in accordance with the New WFOE Contractual Arrangement.

DIRECTORS' REPORT

4. *Certain terms of the New WFOE Structured Contracts may not be enforceable under the PRC laws.*

The New WFOE Contractual Arrangement provides for dispute resolution by way of arbitration in accordance with the arbitration rules of the SIETAC in Shanghai, the PRC. The New WFOE Structured Contracts contain provisions to the effect that the arbitral body may award remedies over the equity interest and/or assets of Nanjing YLYX, injunctive relief and/or winding up of Nanjing YLYX. In addition, the New WFOE Structured Contracts contain provisions to the effect that courts in Hong Kong and the Cayman Islands are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal or in other appropriate cases.

However, the PRC Legal Advisor is of the view that pursuant to the PRC laws, the SIETAC may have no power to grant the aforementioned remedies or injunctive relief or to order the winding up of Nanjing YLYX. In addition, even though the New WFOE Contractual Agreement provides that overseas courts in Hong Kong and the Cayman Islands shall have the power to grant certain relief or remedies, such relief or remedies may not be recognised or enforced under the PRC laws. As a result, in the event that Nanjing YLYX or any of the Registered Shareholders breaches the terms of the New WFOE Contractual Arrangement, the New WFOE may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over Nanjing YLYX could be materially and adversely affected.

5. *The New WFOE Contractual Arrangement may be subject to scrutiny by the PRC tax authorities and additional taxes may be imposed.*

Under the PRC laws and regulations, arrangements and transactions among related parties may be subject to audit and/or challenge by the PRC tax authorities. The Group may face material adverse tax consequences if the PRC tax authorities determine that the New WFOE Contractual Arrangement does not represent arm's length negotiations between the parties and they may adjust income and expenses of the New WFOE and/or Nanjing YLYX and its subsidiaries (if any) for PRC tax purposes, which could result in higher tax liabilities on the New WFOE and/or Nanjing YLYX and its subsidiaries (if any). The operating and financial results of the Group may be materially and adversely affected if the tax liabilities of the New WFOE and/or Nanjing YLYX and its subsidiaries (if any) increase significantly or if they are required to pay interest and other penalties on late payments.

6. *The Company does not have any insurance coverage for the risks relating to the New WFOE Contractual Arrangement.*

The Company's operation is dependent on the validity, legality and enforceability of the New WFOE Structured Contracts. The Company has not yet taken out any insurance to cover risks relating to the New WFOE Structured Contracts. If the New WFOE Structured Contracts and/or the New WFOE Contractual Arrangement with Nanjing YLYX and the Registered Shareholders are adjudicated to be in violation of any existing or future PRC laws or regulations, or in the event that the relevant PRC regulatory authorities require the Company to unwind the New WFOE Contractual Arrangement under the New WFOE Structured Contracts, its business will be adversely affected.

DIRECTORS' REPORT

7. *A substantial amount of costs and time may be involved in transferring the ownership of Nanjing YLYX to the New WFOE under the Exclusive Option Agreement.*

The Exclusive Option Agreement provides the New WFOE or its designee an exclusive right to purchase part or all of the equity interest and/or assets of Nanjing YLYX at a minimum purchase price permitted under the PRC laws. Nevertheless, such rights can only be exercised by the New WFOE as and when permitted by the relevant PRC laws and regulations, in particular, when there are no limitations on (i) foreign ownership in PRC companies that provide value-added telecommunications, Internet content and information services and (ii) the eligibility of foreign invested enterprises to apply for the required licence for operating an Internet content platform in the PRC. In addition, a substantial amount of costs and time may be involved in transferring the ownership of Nanjing YLYX to the New WFOE or its designee if the New WFOE chooses to exercise the exclusive right to acquire all or part of the equity interest and assets in Nanjing YLYX under the Exclusive Option Agreement, which may have a material adverse impact on the Group's business, prospects and results of operation.

4. No Material Change

As at the date of this annual report, there is no material change in the New WFOE Contractual Arrangement and/or the circumstances under which they were adopted.

5. Unwinding of the New WFOE Contractual Arrangement

It is the intention of the Group to unwind the New WFOE Contractual Arrangement when foreign investment in value-added telecommunication services is no longer restricted in the PRC.

However, as at the date of this report, there is no unwinding of any of the New WFOE Contractual Arrangement or failure to unwind when the restrictions that led to the adoption of the New WFOE Contractual Arrangement are removed.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Company during the Reporting Period are set out in note 31 to the consolidated financial statements. The Company confirms that such related party transactions does not fall under the definition of connected transaction or continuing connected transaction in Chapter 14A of the Listing Rules and therefore it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

PENSION SCHEME

Details of the pension scheme are set out in note 9 to the consolidated financial statements.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The details of remuneration of Directors and senior management of the Company are set out in the notes 9 and 10 to the consolidated financial statements.

DIRECTORS' REPORT

PERMITTED INDEMNITY PROVISION

During the year ended 31 December 2025, pursuant to the Articles of Association, the Directors were indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they might incur in connection with the execution of their duty.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

RISKS AND UNCERTAINTIES

Our Group believes that there are certain risks and uncertainties in our operations, some of which are beyond the Group's control, including:

- (i) The Group is unable to guarantee that the Contractual Arrangement with the PRC Contractual Entities will be deemed by the relevant governmental and judicial authorities to be in compliance with existing PRC laws and regulations or that it will comply with future PRC laws and regulations, including but not limited to the new draft of the Foreign Investment Law of PRC (中華人民共和國外國投資法).

Our Directors have already formulated monitoring measures and examine the risk evaluation and report regularly, the details of which are set out in the Contractual Arrangement.

- (ii) The revenue of the Group relies significantly on the marketing and promotional services provided and new businesses may not be successfully developed and introduced going forward.

Since the operational environment in the Internet industry has never-ending changes and improvements, we believe we should timely keep track of the industry, market and customer demands development to review our business strategies. We jointly make investigation and assessment with industry experts and partners in addition to monitoring the market and industry by ourselves.

We optimize our sales and promotion models constantly through innovation to satisfy the demand of existing customers and explore new customers at the same time.

The Group will develop diversified business actively to anticipate comprehensive income. We will continue to propel industry chain cooperation and upgrade strategies, exploit more demands from mother-child households and formulate project management system to explore high-quality and suitable cooperation projects.

Research and development of technology is our significant support in business development. We have management system in place for technological research and development, so as to facilitate effective business development through technology.

DIRECTORS' REPORT

- (iii) The Company's investment scale is expanding which results in the failure to carry out timely and effective management may affect realization of investment expectations.

The Company pays close attention to investment risks and has established an investment team to make recommendations on investment matters. Our financial department, legal advisers and technical team are responsible for the follow-up of post-investment management so as to continuously monitor the status of business development and financial risks of investees. The Company has established an investment management system to implement relevant risk management and internal control measures. The Company also obtains relevant professional experience and knowledge by consulting external experts. Due to the uncertainties of the epidemic, the Group will continue to monitor the development of the epidemic, evaluate its impact, respond in an active manner and make timely disclosures.

- (iv) At the date of this report, the Group expects that the impact of the outbreak of the novel coronavirus epidemic on its business would be limited. However, due to the uncertainties of the epidemic, it is difficult to estimate its influence in the future. The Group will continue to monitor the development of the epidemic, evaluate its impact, respond in an active manner and make timely disclosures.

ENVIRONMENTAL POLICY AND PERFORMANCE

We keep on enhancing our operation in the environment, society and governance, corporate governance and risk management aspects to create and provide sustainable values for all stakeholders. In view of our business nature, we are not aware of any environmental laws and regulations that have material impact on the Group. However, the Group will continue to adopt measures in low-carbon works, green procurement and encourage environmental protection actions for the market and the society. Meanwhile, we encourage employees to be responsible for environment from their behaviors. During the Year, the Group performed its corporate citizen responsibility actively through rendering community services, organizing public welfare activities and made social donations. Meanwhile, we also encourage employees and more individuals to participate in public welfare activities. The details regarding the sustainable development of our market promotion, working environment, community and environment are set out in the section under the Environment, Social and Governance Report, which was reviewed by our Directors.

EMPLOYEES, MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the aggregate sales attributable to the Group's five largest customers accounted for 57.7% (2024: 66.41%) of the Group's total sales and the sales attributable to the Group's largest customer was approximately 15.1% (2024: 20.47%) of the Group's total sales. The aggregate purchases attributable to the Group's five largest suppliers were approximately 66.5% (2024: 63.86%) of the Group's total purchases and the purchase attributable to the Group's largest supplier was approximately 19.8% (2024: 20.35%) of the Group's total purchases.

As far as the Directors are aware, none of the Directors or any of their associates or any Shareholder of the Company (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had beneficial interests in the Group's top five suppliers or customers referred to above.

The Group has not relied on any individual customer and supplier as regard to its business which has a significant impact on the Group.

DIRECTORS' REPORT

The Group adopts people-oriented approach, provides employees with reasonable working rewards and continues to improve systems in salary and benefits, training, professional health and safety to retain talents. The Group maintains good relationship with customers and establishes channels for solving customers' problems and giving feedback to ensure the quality of service. The Group also maintains good relationship with suppliers and conducts fair and strict review about suppliers.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors as at the date of this annual report, there was a sufficient prescribed public float of the issued shares of the Company under the Main Board Listing Rules.

PROFESSIONAL TAX ADVICE

If the Shareholders of the Company are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the shares of the Company, they are advised to consult an expert.

AUDITOR

The resolution on re-appointment of Confucius International CPA Limited as the auditor of the Company will be proposed by the Company at the 2025 AGM.

By the order of the Board
China Parenting Network Holdings Limited
Cheng Li
Executive Director and Chief Executive Officer

Nanjing, 31 March 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORT FRAMEWORK AND SCOPE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT

This report describes the Group’s ESG responsibilities in 2025. The Board has determined, quantified and reported on the relevant performance of the Group.

Unless otherwise specified, this reporting period and the report (the “ESG Report”) cover all consolidated subsidiaries from 1 January 2025 to 31 December 2025 (the “Year” or the “Reporting Period”), and cover the Group’s businesses, namely (i) provision of marketing and promotional service; and (ii) sale of goods business. The Group’s principal places of operation are located in offices rented in Nanjing, China and Hong Kong.

REPORT STANDARDS AND PRINCIPLES OF ESG REPORT

The ESG Report of the Group was prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) set out in Appendix C2 to the Listing Rules, and reported based on the “comply or explain” provisions and the following principles as required by the ESG Reporting Guide:

Materiality

Important impacts on investors and other stakeholders are assessed.

Quantitative

Key performance indicators (“KPIs”) are measured and compared with a view to reducing particular impact and assessing and validating the effectiveness of policies.

Balance

Possible inappropriate influence on readers’ judgment are avoided and performance of the Group are fairly reflected.

Consistency

Consistent disclosure and calculation methodologies are used and meaningful comparison are made to facilitate comparison with historical data.

OUR ESG OBJECTIVES

Adhering to the corporate philosophy of “Integrity, Professionalism, Faith, Persistence”, the Group sincerely rewards the society, advocates the core parenting values of health, happiness, self-confidence, efficient, and prompt, and actively bears environmental and social responsibilities. All of these are the major objectives for the Group’s management and operations so as to achieve harmonious, long-term and sustainable development between the Group and the society, environment and the economy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG FRAMEWORK

We have established a two-tier ESG governance structure comprising the Board and the Environmental, Social and Governance Working Group (the “Working Group”). The Board has overall responsibility for ESG strategy and reporting. The Board has mandated the Working Group to implement ESG strategies and policies, risk management and internal control and to prepare ESG reports. The Working Group is composed of independent directors, senior management, authorised representatives and internal and external members who have extensive experience in the Group’s business. The Working Group reports to the Board on a regular basis.

The main responsibilities of the Board:

- Oversee, formulate and disclose the Group’s overall vision for ESG issues and short-term, medium-term and long-term management strategies
- Identify the strategical importance of the Group’s ESG-related risks and opportunities to the Group, and undertake review, refinement and improvement in a timely manner

The main responsibilities of the Working Group:

- Carry out risk management and internal control, establish reporting requirements and scope, and implement the Group’s overall ESG management policies and strategies
- Set and track the Group’s quantitative or directional goals
- Measure and assess priority and management importance of ESG-related issues
- Collect and review data on the Group’s key performance and related reporting scope and confirm the consistency of preparation
- Strengthen internal and external materiality assessment, establish good relationship with external stakeholders, and maintain communication and interaction on a long-term basis
- Consider budgetary options for ESG benefits
- Disclose “comply or explain” matters and reasons for non-disclosure: (i) immaterial; (ii) confidentiality restrictions; (iii) specific legal prohibitions; (iv) no relevant information

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS AND SIGNIFICANT ISSUES ASSESSMENT

We attach great importance to communication with stakeholders, pay close attention to their expectations of our environmental and social responsibilities, and also conduct regular communication every year. We use various channels to enhance stakeholder participation in our business strategy formulation, including but not limited to ongoing communications, questionnaires, meetings and training courses. The Board considers this move can:

- effectively balance the expectations, opinions and goals of all parties, strive for the best long-term interests for all stakeholders, and jointly shoulder more social responsibilities;
- give us more advantages in resource utilization, talent development and innovation management, and improve our competitiveness; and
- improve the risk control ability and make the possibility of negative events such as violations and lawsuits less likely.

• Communication with Stakeholders

We have identified stakeholders with influence, decision-making power and high relevance to the development of the Group. The main stakeholders we have identified are as follows:

Stakeholders	Major Issues	Major Communication Channels
Users/customers	Product and service quality Protection and management of user/customer information Integrity and commercial practices	User/customer services Online and offline questionnaire Conveying corporate culture and business ethics
Shareholders/investors	Investment return Business development strategies Sustainable development and long-term interest Corporate governance transparency	General meetings Corporate announcements Investors meeting Investor relation services
Employees	Remuneration and benefits Career development planning Occupational health and safety initiatives Work-life balance Equal opportunity Low-carbon office	Periodic performance review Staff training and activities Employee satisfaction survey Corporate internal information platform and internal journal Face-to-face communication and letter box
Governments/regulatory authorities	Compliance management Policy compliance Supporting policies Local regulations and actual practices Public engagement	Meetings Periodic report Policy consultation Joining industry associations Cooperation in company visit

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholders	Major Issues	Major Communication Channels
Suppliers	Product and service quality Order/contract execution Environmental responsibilities Business ethics	Suppliers assessment Site visits Periodic communication Audit
Community and public	Promoting employment Volunteer services Charity and donation Contribution to society Environmental responsibilities	Self-owned public welfare project platform and resources Social media Non-profit welfare organization Employee participation in volunteers and charity activities

- **Assessment of the Importance of ESG issues**

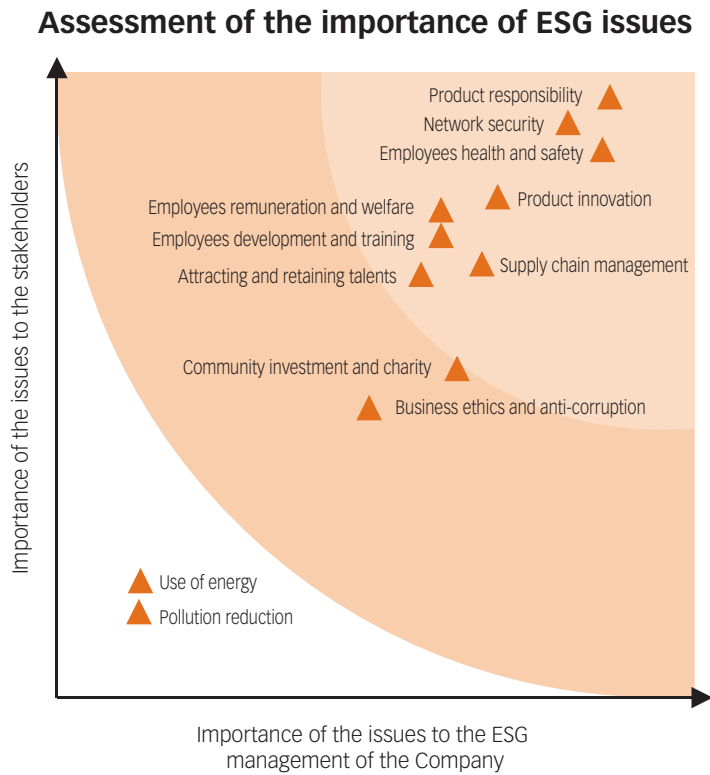
By analyzing the HKEX ESG report guidelines, communicate with internal and external stakeholders of the Company on important issues, understand their expectations for the Company, and identify a list of important issues related to the Group's business.

- Internal stakeholders mainly consider from the perspective of meeting the Company's long-term development strategy, existing competitive edges, and grasping changing market development opportunities
- External stakeholders mainly consider from the perspective of the degree of influence created by the relevant groups themselves, the urgency of decision-making of the Group and the improvement of market conduct

During the Reporting Period, we conducted a total of 4 telephone interviews and online questionnaires with internal and external stakeholders to understand their concerns on the Group's ESG practices. We also identified the list of important issues of the Group through media search, benchmarking analysis, and participation in government-organised social responsibility-related meetings and social activities. From the two aspects of the impact on the Group's strategic management and the impact on stakeholders, according to the ranked importance of issues on the list, we completed the assessment of the importance of issues of the Year. The Board has reviewed and approved the results of this assessment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ASSESSMENT OF THE IMPORTANCE OF ISSUES



ENVIRONMENT

The Group values management of environment. We recognizes the importance of sustainable environmental development to on-going business operation. In the course of business, we introduced the concept of environmental protection, complied with the requirements of local regulatory authorities and specific guidelines in the industry and are committed to the social responsibility of protecting environment as a corporate. Our environmental protection policies advocate low-carbon office, green procurement and promotion of environmental protection to the market and society. As the Group is an internet corporate, our operation has relatively small impact on the environment.

The Company complies with “Environmental Protection Law of the People’s Republic of China 《中華人民共和國環境保護法》”, “Atmospheric Pollution Prevention Law of the People’s Republic of China 《中華人民共和國大氣污染防治法》”, “Water Pollution Prevention Law of the People’s Republic of China 《中華人民共和國水法》” and “Energy Conservation Law of the People’s Republic of China 《中華人民共和國節約能源法》”, and actively study the environmental protection condition issued by the local environmental management authority and the guidelines of enterprise management standards.

In 2025, to the best knowledge of the Group, there was no material non-compliance with relevant standards, rules and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

• Environmental Goals

We understand that companies need to shoulder the social responsibility of protecting the environment. As of 31 December 2025, the Group has set preliminary directional goals in terms of energy efficiency, water efficiency, waste reduction and greenhouse gas emissions. We will review and examine the implementation progress of various environmental protection goals and measures, and monitor various emission sources to identify more opportunities for energy conservation and emission reduction. In the future, we will set more specific quantitative environmental goals to ensure that resources are used properly and contribute to mitigating climate change.

Environmental Scope	Goal
Energy Efficiency and Greenhouse Gas Emissions	Actively implement, maintain or gradually reduce electricity consumption in accordance with the Group's electricity saving measures
Water Efficiency	Actively implement, maintain or gradually reduce water consumption in accordance with the Group's water conservation measures
Waste Reduction	Actively implement, maintain or gradually reduce waste generation according to the Group's material saving measures

• Carbon Dioxide Emissions

The Group's main emission was carbon dioxide indirectly emitted from consumption of electricity purchased from the Bureau of Electricity in the ordinary course of business and operating activities. Our direct electricity consumption mainly comes from offices in the properties where the Group's business operations are located. We calculated the data of carbon dioxide emissions indirectly produced according to the electricity bill provided by the properties. As reviewed by the Group, the carbon dioxide emissions of the Group during the Reporting Period were as follows:

Carbon Dioxide Emissions	Unit	2025	2024
PRC Headquarters Electricity Indirect Emissions ⁽¹⁾	Metric Tons of Carbon Dioxide Equivalent	21.27	49.99
Intensity of PRC Headquarters ⁽²⁾	Metric Tons of Carbon Dioxide Equivalent/square meter	0.05	0.05

Notes:

- (1) The businesses owned or controlled by the Group do not involve GHG emissions directly generated in scope 1 (directly generated greenhouse gas emissions), mainly generated from electricity purchased from power companies in scope 2 (electricity and gas emissions).
- (2) Data for Nanjing, China is calculated in accordance with the average CO₂ emission factors of power grid in Jiangsu Province listed on the "Calculating Method and Data Form for CO₂ Emission (《二氧化碳排放核算方法及數據核查表》)" published by Ministry of Ecology and Environment of the People's Republic of China.

The decrease in total indirect electricity emissions and intensity in 2025 compared to 2024 was due to the Group's rational arrangement of office space and economical use of electricity based on its business and headcount. We will keep focusing on and improving such performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

• Resources Utilisation

Due to the nature of our business, our operating process consumes less resources than other major industrial manufacturers. The main resources we consume are purchased electricity for daily official duties and operations in the premises. In 2025, the use of resources of the Group was as follows:

Energy and Resource	Unit	2025	2024
Purchased electricity	Thousands of kWh	36.51	66.67
Intensity	Thousands of kWh/m ²	0.09	0.07
Water consumption	Cubic meters	43.00	80.00
Intensity	Cubic meters/m ²	0.10	0.08
Printing paper	Metric tons	0.40	0.40
Intensity	Metric tons/m ²	0.00	0.00
Packaging paper	Metric tons	3.96	4.23
Intensity	Metric tons/m ²	0.00	0.00

The decrease in purchased electricity, water consumption and intensity in 2025 compared to 2024 was due to the corresponding decline in water consumption as a result of the decrease in the headcount of the Group, as well as the reduction in electricity as a result of the Group's rational arrangement of office space and economical use of electricity. We will keep focusing on and improving such performance.

• Energy-saving and Emission Reduction Measures

The Group believes that reasonable utilisation of resources is an area of focus in its sustainable development. Enhancing energy efficiency in operation will not only help environmental conservation, but also reduce costs and boost operational efficiency in the long run. The Group proposes "low-carbon office" and enhances its management system constantly in many aspects including improving energy utilisation rate, saving water, electricity and energy as well as recycling and reusing wastes, and at the same time encourages employees to develop a "low-carbon habit". During the Reporting Period, we implemented the following major measures:

— **Water consumption**

Since our water was domestic water generated from offices in the properties where our business operations were located, no problems were found when obtaining the applicable water source. Such water data was calculated mainly based on water bills provided by the properties. We posted water-saving notices in toilets as reminders. We strengthened our daily maintenance management of water equipment, repaired damaged water supply facilities in a timely manner and checked and replaced faucets and pipe valves regularly.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

— **Paper consumption**

With the co-operation of every department, we continuously increased online approvals for OA systems to reduce paper approvals.

We reduced colour printing configuration for several printers, and posted energy-conservation operating requirements such as black and white printing, double-side printing, recycle of used paper, and fully use of ink cartridges in printing area.

We have already reduced unnecessary printing and strictly control issuance of printing materials to avoid unnecessary wastage.

We strictly controlled the usage of courier bills, carton boxes and file envelopes required by post. We have cooperated with courier companies to reduce the size of courier bills to strengthen reuse.

— **Meetings and travels**

The Group advocated to reduce any non-necessary business travel.

The Group established no fleet, therefore there was no direct gasoline emissions. It also encouraged employees to use public transport for business trips and work.

Meetings for cross-regional communication were encouraged to be held by electronic means wherever feasible.

— **Electricity-saving measures**

Through enhancing air tightness of walls and summer shading of windows, repairing air-conditioning system and cleaning pipeline network, energy consumption by air-conditioning operation was reduced.

Through altering part of office layout to enhance the control of temperature and usage time in air-conditioning areas, the efficiency of energy usage was improved.

Through applying innovative technologies to data center, the server usage efficiency was increased and the use of cabinets was reduced.

Energy-saving and environmental protection office equipment was procured and configured.

Automatic sleep mode was used for air conditioners and office equipment to reduce power consumption.

Aged electrical appliances with low-efficiency were replaced.

Electricity-saving labels were added, and non-necessary equipment was timely shutdown under patrol supervision.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

— **Employee training and activities**

The Group considered low-carbon and energy-saving as employees' performance evaluation standard and incorporated such areas into regular training to push its policy forward.

We conducted promotional campaigns for our employees on World Earth Day every year to raise low-carbon office awareness and public environmental protection awareness.

• **Wastes Treatment and Recycling**

Owing to its business nature, the Group was not aware of any material hazardous wastes generated. Owing to our business nature, our operations generate less waste than other types of enterprises. Our wastes were mainly generated in the office. Our discharge water volume was as equivalent to office water consumption in calculation. Our wastes were mainly office wastes, domestic waste in offices and packaging materials for courier services.

Our recyclable wastes mainly included waste paper, waste cardboard, obsolete office furniture, home appliances, computers, and a small amount of materials used in office renovation (excluding relocation and decoration).

Our special waste mainly included discarded print cartridges, ink cartridges and waste lamp etc. which were produced from the printing equipment in our office premises. In 2025, the Group's waste measurement was as follows:

Waste	Unit	2025	2024
Discharge Water Volume	Cubic meters	43.00	80.00
Intensity	Cubic meters/m ²	0.1	0.08
Recyclable Wastes	Kg	155	750
Intensity	Kg/m ²	0.39	0.74
Special Waste	Kg	17	18
Intensity	Kg/m ²	0.02	0.02

Compared to 2024, the total amount of waste decreased slightly in 2025, due to the decrease in overall usage in office operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have reduced waste generation and achieved effective waste recycling through the following measures:

- Advocate waste sorting and recycling. Our waste was mainly divided into recyclable waste, kitchen waste and other waste.
- Special waste such as discarded print cartridges and ink cartridges are recycled and disposed of by qualified suppliers.
- Some of the food wastes and other wastes have been disposed by the property management company where they are located and cannot be measured separately. The Company has made urban waste disposal payment, which is based on the number of employees, according to the invoice issued by the municipal management fee collection bureau.
- Reduce the use of disposable items such as paper cups and chopsticks.
- Put up slogans to advocate food cherishing and kitchen waste reduction.
- Advocate less consumption of office supplies and better use of public facilities.
- Advocate waste recycling, such as making discarded items into creative decorations.

In 2025, our Directors considered that the Group's energy-saving measures were slightly refined and resources utilisation was overall slightly improved as compared with 2024. We will keep focusing on and improving such performance.

• Climate Change

The Group is well aware of the adverse effects of climate change. The Working Group has identified the following climate-related risks based on climate-related financial disclosures:

Extreme Events	Impact on the Group Extreme weather creates safety concerns for employees	Mitigation Provide employees with safety training to increase their safety awareness and develop contingency plans to ensure prompt responses in emergency situations
Policy Risks	Impact on the Group Enhanced understanding of sustainability reporting and ratings of key local and international guidelines, with particular emphasis on climate change	Mitigation Monitor regulatory trends and ensure that the Group's operations comply with relevant ESG requirements; identify areas for ESG improvement and implement relevant measures where applicable

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIETY

- **Employment and Labour Practices**

The Group upholds the philosophy of “people-oriented” by providing a desirable working environment to employees, safeguarding their health and safety and encouraging them to align personal growth with corporate development so as to facilitate the mutual development of employees and the Group. We strongly believe that talent is our most valuable asset and the cornerstone of our long term development.

- **Labour Standards**

The Group has formulated a comprehensive human resource policy in terms of employment, dismissal, promotion, vacation, training and welfare, etc. to support our work in human resources. During the Reporting Period, after reviewed by the board of directors, the Group has complied with “Labour Law of the People’s Republic of China 《中華人民共和國勞動法》”, “Labour Contract Law of the People’s Republic of China 《中華人民共和國勞動合同法》”, “Law of the People’s Republic of China on the Protection of Minors 《中華人民共和國未成年人保護法》”, “Law of the People’s Republic of China on the Protection of Women’s Rights and Interests 《中華人民共和國婦女權益保障法》”, and employment regulations in the relevant jurisdictions where our business is located. We sign labour contracts with employees in accordance with the law, follow the principle of voluntariness and never force employees to provide labour by means of violence, threats or illegal restrictions on personal freedom; the Group has strictly abided by the fair employment opportunities in different regions; During the recruitment process, we require each job seeker to provide information on identity document, educational background, qualifications and work experience, which will be reviewed and verified by the Human Resources Department. This allows us to hire the right people for the job and avoid child labour. During the Reporting Period, the Group did not have any non-compliance incidents involving child labour or forced labor or employment disputes.

The Group continues to improve regulatory framework including “Employee Manual”, “Human Resources Management System”, “Employees Performance Management System” and “Attendance Management System”, which provide clear regulations for employment, dismissal, remuneration and welfare and performance evaluation. These systems are established and maintained in accordance with relevant laws, regulations and market practices. The Human Resources Department is responsible for the publicity and promotion of the rules and systems above to ensure that employees understand the corporate policies and their entitlement to equitable, fair and reasonable labour rights.

- **Remuneration and Benefits**

Our remuneration policy is performance-oriented, and designed to reward well-performed and highly motivated employees. We have a well-established performance management system. While performance assessment for each employee is conducted quarterly by his/her supervisor, he/she shall also perform self-assessment or report his/her work as required. Performance target is set by employees together with their supervisors. Supervisors are encouraged to provide constructive feedback to every employee from time to time.

During the Reporting Period, in order to further motivate staff members and teams to be innovative and encourage them to take challenges, the Company organised innovative project selection activities and set up innovation funds and target achievement awards.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- **Employee Resignation**

We attach importance to the relationship with leaving employees and handle employees' resignation strictly in accordance with applicable laws and regulations. The Company maintains a respectful employment relationship with its employees. Employees can terminate the employment relationship on their own. The Human Resources Department will arrange proper communication with the resigned employees, understand their reasons for resignation and suggestions for improvement, and welcome them to reapply to work for the Company.

As at 31 December 2025, turnover rate of the Group's staff (excluding interns) are as follows:

Annual employee turnover rate by year: 23%

(By gender) Percentage of resigned male employees: 33%

Percentage of resigned female employees: 67%

(By age group) Percentage of resigned employees aged 30 and below: 33%

Percentage of resigned employees aged 31 to 50: 67%

Percentage of resigned employees aged 51 and above: 0%

(By region of employment) Percentage of resigned employees from Mainland China: 100%

Percentage of resigned employees from Hong Kong: 0%

- **Employee Communication**

We are dedicated to establishing comprehensive communication channels for employees so as to improve the internal information platform of the Company in accordance with the needs of employees and enhance the communication efficiency. Currently, official channels are in place for employees to voice their views and receive feedbacks. The Company conveys its corporate strategy, culture and corporate development situation to employees through releasing electric publications on a regular basis. We conduct employee satisfaction surveys with employees every year to collect their suggestions and opinions.

- **Health and Safety**

The Group complies with the "Safety Production Law of the People's Republic of China 《中華人民共和國安全生產法》", "Fire Protection Law of the People's Republic of China 《中華人民共和國消防法》", "Occupational Disease Prevention Law of the People's Republic of China 《中華人民共和國職業疾病防治法》" and other laws and regulations related to occupational health and safety and fire safety in the workplace. The Group strives to maintain high occupational safety and health standards, and provides a safe workplace for its employees. The Group formulates policies related to health and safety and arranges health and safety training for all new employees to strengthen their health and safety awareness. As far as the Group is aware, there was no material non-compliance with relevant standards, rules and regulations in 2025. In 2025, the Company mainly focused on the situation where employees may have potential chronic occupational hazards in their working environment and environmental pollution, and strengthened the management of employees' health and safety.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group adopted the following health and safety measures:

- Adjusted and replaced the lighting facilities to make lighting in office more comfortable for eyes;
- Maintained first-aid kits with proper placement of medical and pharmaceutical supplies and conducted monthly checking on medicine stock and their expiry dates to ensure the medicine provided by the Group can fulfil employees' daily health and first-aid needs; and provided suitable labour protection supplies for employees;
- Performed periodic cleaning on drinking facilities and air-conditioning, and carried out pest control and dust removal regularly and enhanced sterilisation measures in office during epidemic period;
- Added air purification equipment in office and enhanced ventilation in office;
- Made appropriate alterations to office area and added adequate living facilities in functional area and set up nursing room for breast feeding female employees as well as added more green plants;
- Centralised the use of higher power electric household appliances and established standards for electrical safety for the employees and strengthened fire-fighting devices;
- Promoted employees' awareness of travel safety and made appropriate adjustment of attendance under extreme weather conditions such as rainstorm and snowstorm;
- The Group built a fitness room in the office area and set up a number of fitness equipment. At the same time, the Group has established a yoga club, a swimming club and other leisure clubs for our staff and provided activity funds for those clubs;
- Offered health and safety training for new employees;
- The Group provided employees (including interns) with employment and annual physical examination and purchased commercial insurance related to health and safety for them;
- Upgraded access control system to reinforce access management, enhanced safety monitoring and inspection in office areas, created a smoke-free office environment, advised employees to quit smoking and strengthen exercise.

During the year ended 31 December 2025, the Group did not encounter any major accident during daily operation. There was no work-related fatality or work-related injury.

Number of fatalities due to work in 2023, 2024 and 2025: 0

Number of working days lost due to work-related injuries during the Reporting Period: 0

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Work-life Balance**

In addition to complying with national statutory holidays and the “Implementation Measures for Paid Annual Leave for Employees of Enterprises 《企業職工帶薪休假實施辦法》”, the Company has also added other holiday leave, and compensatory leave vouchers according to the actual situation.

In terms of working hours, the Group strictly follows the requirements of the “Labour Law of the People’s Republic of China 《中華人民共和國勞動法》” and implements the standard working hour system. For overtime work, subsidies or compensatory leaves are granted to avoid adverse effects on physical health due to long working hours.

- Development and Training**

The Group attaches great importance to personnel training and cultural construction, and has established a “Training Management System” to standardize training management, clarify training objectives and establish a training system. We have set up our own enterprise college “Orange College”. Orange College provided different training courses to employees at their different stages of career, the main course training includes:

Professional development skills	65%
Management skills and personal improvement	15%
Health, safety, etiquette, interest, environmental protection	5%
Corporate culture, systems and processes, legal knowledge, professional ethics	15%

The “Orange College” set up theme courses such as “Orange Growth Camp”, “ Youke College”, “Orange Sharing”, and “Orange Innovation”.

“Orange Growth Camp” is a training program for targeted new employees. Two sessions are held each year, each taking one month. Classes are taught by internal lecturers to help new employees understand corporate culture and systems, train work skills, and learn teamwork methods.

“Orange Sharing” aims to make use of the existing talent advantages and resource advantages. Through sharing, it helps employees to develop new ideas and upgrade their skills, promotes the integration between new and old employees, encourages them to explore and expand jointly and efficiently.

“Orange Innovation” advocates employees to maintain the drive to learn and create. In this training, it helps employees understand knowledge such as the project structure, the product’s production chain, and the business system, and encourages employees to plan and practice innovative technologies, services and business solutions.

In addition, Orange College also set up an online learning platform and uploaded some courses in videos to allow employees to retrieve at anytime and anywhere. All employees of the Group (applicable to all male and female employees), including ordinary employees, middle management and senior management are required to participate in training courses of not less than 4 hours each year.

In 2025, Orange College organized a total of 48 employee training sessions, with an average participation time of about 2 hours per person. A total of 30% of the employees were awarded the “Medal of Honor” by the Orange College as excellent participants.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- **Operating Practices**

CI Web is a leading vertical online platform for the Children-Babies-Maternity market in the PRC, aiming at providing young families in the PRC with value-added services such as new media, content, community, smart hardware, e-commerce and cross-border services. The Group adheres to the principle that integrity comes first and conducts business according to the operating practices which are in compliance with local and international laws. Our employees are required to follow the code of conduct.

- **Supply Chain Management**

In 2025, the Group had a total of 76 suppliers, of which 4 were Hong Kong suppliers and the rest were PRC suppliers. In 2025, a total of 7 suppliers provided contract values of RMB1 million and above to the Group and all 7 of them were independent third parties. During the year, the Group was not aware that these 7 suppliers had any significant actual and potential negative impact on business ethics, environmental protection, human rights and labor practices or any incidents of non-compliance with human rights.

The Group has established and implemented the procurement management system and supplier management system to maintain the integrity, fairness, safety, and premier quality of supply chain, while striving to increase the indirect economic benefits to be generated and positive impact on environmental protection, labor and safety. Our practices for engaging and managing suppliers include:

- The Group generally carries out procurement through price comparison and sentinel procurement. In the selection of suppliers, we conduct screening and assessment based on their quality and prices. We obtain price quotation from at least three suppliers, and carry out inspection on the suppliers' compliance qualifications.
- We also evaluate whether suppliers have complied with our ESG standards. Suppliers are required to provide a "Supplier Social Responsibility Questionnaire" for us to review their work environment, occupational health and safety, child labor, environmental management, and anti-corruption. At the same time, we reflect relevant clauses in the contract to encourage suppliers to understand and comply with them. Through our evaluation, a database of qualified suppliers has also been established.
- The Group conducts annual evaluation on the performance of suppliers. Apart from key standards including quality, costs and services, we also evaluate their compliance with our ESG standards. We communicate with suppliers who do not get good results in our evaluation for correction or improvement. If the current supplier ceases operation or major violations of laws and disciplines have occurred, we will use a backup supplier from the qualified supplier database to ensure the normal operation of our products or services.
- To ensure suppliers' capabilities in quality assurance, safety and other environmental management, we conduct on-site investigations on suppliers as and when required to ensure the safety of supply chain, and conduct regular on-site investigations on logistic suppliers and data center suppliers.
- In terms of inspecting the social responsibility of suppliers and protecting the environment, suppliers formally employed by the Group's Purchasing Department need to agree to the terms contained in the statement and commitment on anti-commercial bribery, and the terms contained in the commitment on labour rights, health and safety, and environmental protection when conducting business with the Group. Suppliers shall fully comply with local policies and regulations regarding environmental protection and demonstrate relevant qualifications. Priority cooperation evaluation shall be given to suppliers who provide advanced solutions and active measures in environmental protection.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- We advocate establishing mutual trust between suppliers and us which will help us manage potential environmental and social risks and improve operation effectiveness. In 2025, we invited 2 technical service suppliers to conduct a satisfaction survey in order to review the performance of our procurement personnel in terms of integrity and fairness. We also learned from suppliers about their latest developments and their opinions in order to strengthen our cooperation, and we conveyed our business philosophy of sustainable development to them. We have invited 1 logistics supplier to communicate and negotiate to improve courier materials to reduce waste and increase recyclability.
- We engage internal auditor and legal advisers to review suppliers' compliance and performance of the personnel involved in the procurement process.
- In order to improve business ethics and social responsibility awareness among employees, and abide by the code of conduct of corporate compliance procurement, we educated staff who are involved in the procurement process to reduce the risk of fraud such as commercial bribery.

PRODUCT RESPONSIBILITY

The Group is committed to providing the best user experience. We attach great importance to the quality and reputation of its information services and products to fulfill our promises on service quality and truthfulness of information. We have protection and monitoring measures in place for user complaints, user services and establishment of intellectual property.

• Customer Services and Complaints

For the services and products provided by the Group, we have customer service channels to solve customers' problems and complaints to ensure they will be handled promptly. We ensure that complaints will be handled no later than 8 hours. We also have special personnel responsible for investigations and taking monitoring measures regarding the complaints. During the year of 2025, there were 19 customers' complaints and all of them were handled promptly. The Group also voluntarily accepts supervision of local government, market and quality control department as well as the public. During the year of 2025, to the best knowledge of the Group, there was no material non-compliance with relevant standards, rules and regulations.

For products in kind sold in the Group's e-commerce activities, except for the situation through special consultation with the after-sales department, users shall return the products that they do not want in original appearance and packing and obtain either refund in full or replacement within 5 working days. Certain products can be returned unconditionally within 15 days. Before delivery, we have dedicated personnel to carefully inspect and pack products to be delivered. If users have a request for return or exchange after purchasing a product, they can initiate an application on the platform's sales page, or contact customer service for help through the guide. Customer service will review the request within 24 hours, and after the review and receipt of the goods returned by the customer, refunds, exchanges, and returns will be processed. If the product is defective due to quality, Apart from refund, we also undertake the corresponding losses caused to users. During the year of 2025, to the best of the Group's knowledge, there was no return of product due to safety and health reasons.

For hospitals, doctors and experts partners, the Company strictly supervised their qualifications. The cooperating doctors are mainly doctors from the 3A hospitals. The Company also requires staff in editorial positions to obtain the national senior baby nursing certificate to enhance the professionalism of our services.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- **Stability of Systems and Project Development Management**

To safeguard the successful operation of the Company's business and provide users with high-quality experience, the Company keeps on improving the operational stability of its products and platform server as well as its network infrastructure. At the structural level, measures such as traffic limitation, downgrade, isolation, overtime, retry, and clustering are adopted to ensure system stability. The Company has formulated the "System Security Maintenance System" and "Engine Room Security Review System" to maintain its normal operation. It has also set up a disaster recovery mechanism accordingly to support data disaster recovery function and conduct drills and adopt emergency measures. For operation and maintenance system, we have upgraded the underlying technology and self-developed monitoring system for many times and plotted the overall data index of the system in real time to protect the self-recovery capability and timely and effective alarm capability of the system.

The Company continuously improves the standardization of its project management and research and development processes, and the documentation and standardization of software management and software processing. We define the Company's standard software processing.

In terms of product development and maintenance and optimization, the project and development within the Group are coordinated and managed by the technology platform. It provides important capabilities such as high productivity development, resource scheduling, data platform, business integration, and public services, and provides comprehensive support for project specification, sharing, deployment, operation and maintenance, integration and governance. At the same time, it offers faster and more efficient technical upgrades for our product clients. It also provides corresponding solutions in APP loading and display, content storage, data embedding and processing, and analyzes user habits and preferences to update the product continuously.

- **User Privacy**

The Group pays attention to the protection of user's information and privacy in daily operation. On one hand, we continue to minimise the risk of leaking user's information through enhancing our security technology measures such as adopting the technology of storage encryption and controlling information access authority. On the other hand, we strictly incorporate and implement the regulatory requirements about privacy protection in our internal compliance processes. We follow the principles of legality, justification and necessity when collecting user information. To ensure that users understand how we protect their personal information and enhance the transparency of our data collection and processing, we published our privacy protection policy on respective product websites and applications of respective products. The main basis that formulated in accordance with compliance control has no material breach of the "Regulations on Technological Measures for Internet Security Protection (《互聯網安全保護技術措施規定》)".

The user privacy policies of all APPs under our Company stuck to the requirements of the "Cyber Security Law (《網絡安全法》)", the "Law on the Protection of Consumer Rights and Interests (《消費者權益保護法》)", in order to protect the security of personal data and protect the legitimate rights of users. Users will be notified and asked for permission each time an update or instruction on acquisition of new information is made, and the information is used only after obtaining the user's consent. When we collect personal data, we express the rules for information collection in an easy, simple and clear manner, and obtained the consent by the subject of personal data collection. Users will not be forced to authorize in disguise by default, bundling, or ceasing installation. When we provide push notifications services, users may choose to reject these push notifications.

In accordance with the "Cyber Security Law of the People's Republic of China (《中華人民共和國網絡安全法》)", we provide user data acquisition, processing and protection of related privacy awareness or regulatory training to suppliers, customers and all our employees involved in the personal data processing, and sign user data privacy compliance agreement in due course.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- **Internet Security**

In order to further establish an internet system that complies with national regulations together with a sound network and information security protection, the Company has formulated “Website Security Protection Initiatives”, “Information Security Confidentiality Management System”, “User Information Security Management System”, which are in line with the automated network security guarantee system, hence the multi-layered protection for our Internet system have been strengthened.

- **Intellectual Property**

The Company emphasises the importance of intellectual property compliance and protection. Majority of our main intellectual property related to our operations is obtained from sources and we have a procurement process in place for intellectual property purchase. We formulate and implement the systems and procedures of declaration, registration, procurement, use and infringement monitoring of trademarks, patents, copyrights and domain names so as to safeguard our interests. We convey intellectual property protection and confidentiality awareness to our employees regularly and ensure their strict implementation. We also actively reduce the risk of our users infringing the intellectual property rights of others that may exist in the course of using our services through technical monitoring, manual review and market research. Given that we do not use or adopt any third party content to generate direct income, in the event of any litigation with respect to such area, our PRC legal advisor considers and our Directors concur that the risk of material adverse impact on the financial condition of the Company in relation to the claims from third party is low. The main basis that formulated in accordance with compliance control has no material breach of the “Copyright Law of the PRC (《中華人民共和國著作權法》)”, “Trademark Law of the PRC (《中華人民共和國商標法》)” and “Regulations on Protection of Information Network Transmission (《信息網絡傳播保護條例》)”.

- **Supervision of Advertising Operation, Internet Information Services and Other Operating Activities**

For our advertising operation, we have already applied for operator registration at the competent administration for industry and commerce. The Group has stringent management procedures in place for advertising design, production and publication. We also recruited an advertisement inspector who possesses the Ad Inspector Training Certificate issued by Jiangsu Advertisement Association. We also have the ICP licence (internet information service business and operational e-commerce business) necessary for conducting Internet communication services. The Group has technical monitoring and manual review process for Internet communication security, and at the same time, we appointed an Internet security officer who possesses the Internet Communication Security Manager Qualification Licence for Jiangsu Province issued by Jiangsu Provincial Public Security Department. The main basis that formulated in accordance with compliance control has no material breach of “Advertising Law of the PRC (《中華人民共和國廣告法》)” and “Measures for the Administration of Internet Information Services (《互聯網信息服務管理辦法》)”. We have obtained the business licence for radio and television programs production. We have obtained the business license for publishing material (online retail). We have obtained the “Food Business License”.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ANTI-CORRUPTION

In order to ensure honesty, loyalty and ethical behaviour of the employees, prevent corruption behavior such as bribery, blackmail and fraud, balance and safeguard the interests of the Group and its stakeholders, and establish long-term and solid relationships, the Group has a code of ethics and the Anti-corruption Management and Whistleblowing System in place to monitor the conduct and behaviour of all employees, senior management and Directors in daily operation in accordance with the "Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》)" and "Criminal Law of the People's Republic of China (《中華人民共和國刑法》)". The Group also performs annual self-review process to reflect the implementation of codes and regulations to ensure the codes and systems have been applied throughout the actual operation and management practices. Through internal control as well as internal and external audit, the Group monitors corruption behaviours within the Group. The Anti-corruption Management and Whistleblowing System provide channels and guidelines to report any misconduct, malpractice or illegal behaviour within the Group. The electronic reporting mailbox and a hotline have been established, so that our employees and other persons who deal with the Company (such as customers and suppliers) may report any misconduct that they have identified. The Company also asks its employees for relevant comments through annual surveys. All reports will be treated in a cautious and confidential manner. The Audit Committee will double check and review the complaints and conduct investigations and handle the comments and report to the board of directors. Upon the completion of investigations, those employees found and proven to have committed corruption will be penalised or face immediate dismissal in accordance with the anti-corruption management requirements and corrective actions will be taken based on findings. Any corruption act that is in violation of any relevant laws or regulations will be reported to relevant government authorities. The Group has also developed and implemented whistleblowing protection system to ensure that all kinds of violations are reported openly and honestly without fear of retaliation or potential retaliation. During the Year, the Company has conducted anti-corruption and anti-fraud training on the above-mentioned relevant regulations and systems. The training was conducted both online and offline to ensure that all directors, senior management and employees complete the training and register for attendance.

The Group believes that a clean working environment depends on everyone working together. As far as the Group is aware, there was no material non-compliance with relevant standards, rules and regulations in 2025. Moreover, neither the Group nor its employees was involved in any litigation cases regarding corruption.

COMMUNITY INVESTMENT

The Group values harmonious and inclusive relationship between the Group and the community where it operates and maintains positive communication with the community and community partners. It regularly participates in conferences and investigations that are organised by the community and neighbourhood management department to ensure public welfare is considered by the Group during its business operation. The Group actively exercises its corporate social responsibility in various forms such as the provision of community services, organisation of public welfare activities and social donations. To establish long-term and effective community participation, we also take into account geographical factors, concerns of main stakeholders and synergy effects of our own resources. We formulate and implement the Public Welfare Project Management System which contains the approval process of public welfare projects organised by the Company and relevant requirements regarding security, compliance, transparency and effectiveness of project implementation. The Group treasures individual public welfare power and supports employees to participate in community volunteer activities and social public welfare affairs and integrates the resources of the Company to encourage more individuals to take part in those activities and affairs.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- **Labour Demand**

The Group signed internship cooperation agreements with universities and colleges where we operate to help solve the internship and employment problems of local university and college students. In addition to providing healthy and safe internship environment for interns, we also arranged professionals within the Company to be their mentors in assisting them to conduct subject research and graduation project through practice. The Company was also invited by a university to provide professional topic lectures to their students.

- **Community Help**

The Group proactively fulfills its responsibilities as a corporate citizen. In the process of participating in charitable activities, the Group also attaches importance to individual charity engagement. The Group supports employees to take part in social public welfare affairs and provides an organisational platform for more charity-caring people.

In 2015, the Group set up the charity platform “Nurture with Love (育見愛)”, aiming to allow more individuals to participate in organising charitable activities, provide assistance to disadvantaged mothers and infants, and send more positive energy to the society. Our employees and charity-caring people initiated a number of charitable activities, including charity sales, visits to children with special diseases, donation to welfare homes, guarding the COVID-19 patients activities through such platform.

We organized the “Love Market” to give away idle mother-child products on the community platform. In this event, recyclable or brand-new mother-child products can be donated and received among community users according to their needs, so as to achieve the purpose of environmental protection and energy saving, and the Company provided postage subsidies for the event.

- **Education**

Since 2010, the Group has launched and constantly maintained its charity channel, JG Web, which is a platform for providing teaching and learning resources to handicapped children. On the first anniversary of its listing, the Group set up the Asia Children’s Charity Foundation (亞洲兒童慈善基金會), which aims at offering medical, education and vocational skills to Chinese and Asian children in need.

The healthy growth of children is an important concern for the society. The Group has learned from helping children in difficulty that it is particularly important to provide spiritual care and character education to children, so that they can feel the care and love from all walks of life and build confidence, overcome difficulties and grow up healthily and happily.

- **Health**

The Company attaches great importance to the health of its employees. By providing comprehensive physical examination services to all employees annually and establishing health record tracking management, it pays continuous attention to the physical and mental health of its employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group is well aware of the significance of communication with stakeholders. In the fiscal year 2025, we identified and evaluated material issues based on global sustainability priorities, international best practices, operational risks, and stakeholder feedback.

- **Materiality Matrix**

We developed a survey to solicit stakeholder opinions and summarized the results as follows:

- Priority Issues: Privacy and data protection (especially for minors' data), product liability (content review), customer experience, anti-corruption, employee rights.
- Relevant Issues: Greenhouse gas emissions management, development and training, supply chain management, labor standards.
- Routine Issues: Resource utilization, waste management, community development.

CLIMATE-RELATED DISCLOSURE

- **Governance**

The Board of Directors is responsible for determining the strategic direction of the Group, comprehensively considering climate-related risks and opportunities, and integrating them into the policy supervision system. Environmental, social and governance considerations have been incorporated into the decision-making process to balance short-term financial impacts with long-term resilience. The Board regularly reviews the progress of climate goals and provides relevant training to senior management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- **Strategy**

Climate-related risks and opportunities

Risk Type	Description	Time Horizon	Impact on Business Model	Impact on Value Chain	Mitigation Strategy
Physical Risk (Acute)	Extremely high temperatures, extremely low temperatures; rainfall, floods	Short term	Increased demand for air conditioning in offices and data centers; employee commuting disrupted by extreme weather	Disruption of supply chain delivery; reduced insurance availability for assets in high-risk areas	Initiate emergency plans and implement flexible work arrangements during extreme weather
Transition Risk (Regulatory)	Increased carbon pricing, mandatory reporting obligations	Medium to long term	Increased compliance costs; higher cloud service costs due to rising electricity costs	Structural changes in compliance across the entire value chain	Monitor market trends and changes in legal requirements, and provide high-quality climate disclosures
Market Opportunity	Shift in consumer preference towards green and sustainable baby products	Medium to long term	Open up new "green baby" revenue streams; increase market share of green enterprises	Incentivize sustainable innovation throughout the value chain	Promote an eco-friendly baby lifestyle and invest in energy-efficient office technologies to reduce costs

Note: We have determined the following timeframes (indicating the period during which climate-related risks may affect the operations of the Group) to guide the implementation of the strategy: within two years after the reporting period is considered short-term, two to five years after the reporting period is considered medium-term, and more than five years after the reporting period is considered long-term.

The climate strategy of the Group is implemented in three phases: in the short term, it focuses on improving energy efficiency and compliance management in the production process to address immediate climate risks and seize green opportunities; in the medium term, it focuses on optimizing the energy structure and technological innovation to break through the bottlenecks of sustainable development and reserve future opportunities; in the long term, it centers on the green upgrading of the industrial chain and the construction of a carbon asset management system to address long-term climate risks and explore strategic value. Through the establishment of multi-level cooperation mechanisms, precise matching of measures and timeframes at each stage is achieved, forming a full-cycle closed-loop management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Transformation Plan

The Group has established a complete climate transformation strategy framework, based on the national “dual carbon” goals, industry green trends, and enterprise characteristics. It focuses on three major directions: energy structure transformation, technological innovation paths, and strengthening of carbon policy constraints. The strategy implementation relies on four supporting systems: funds, research and development, supply chain, and policy incentives. The plan is implemented by setting phased goals to promote its execution.

The plan for achieving climate-related goals

To achieve the climate strategy goals of the enterprise, a special team needs to be established to coordinate the planning, clearly define the responsibilities of each department and break down the tasks into annual and quarterly indicators at different levels; increase investment in green technological innovation; establish a supply chain collaboration institution to promote the signing of environmental protection procurement contracts by the upstream and downstream enterprises; establish a semi-annual monitoring and evaluation system to assess the results and optimize strategies based on feedback, ensuring that the measures are implemented efficiently and meet the standards.

- **Financial Position, Performance and Cash Flow**

Current Financial Impact

In the daily operation management and decision-making process, the Group has always placed sustainable development factors in an important position, deeply integrating them into the Group’s strategic layout and daily business activities. Although these efforts are mainly aimed at addressing physical and transitional climate risks, during the period covered by this report, they have not had any significant current financial impact on the Group’s financial health, profit performance, or cash flow. Moreover, after a rigorous assessment and analysis by the Group, the possibility of significant adjustments to the book value of the Group’s assets and liabilities due to climate-related matters within the time period corresponding to the next annual report is extremely low, and there are no major risk concerns.

The current risk of climate change has significantly increased, and stricter carbon emission regulations will raise the production costs for suppliers of childcare products, indirectly affecting the Company’s procurement and supply chain stability. Extreme weather conditions have led to an increase in the loss rate of goods storage, and the risk of inventory depreciation has risen. Although these two types of asset impairments do not directly increase liabilities, they will reduce current profits and may affect long-term profitability due to rising shortage costs and decreased advertising conversion rates. At the same time, a slowdown in inventory turnover or forcing enterprises to increase operating capital investment will change the asset-liability structure.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Forecasting Financial Impacts

Looking ahead, the Company anticipates that climate-related factors will affect its financial position, performance, and cash flows at different timeframes:

- Short to medium term (1–5 years): Extreme weather may cause unstable power supply to servers and disrupt data transmission, increasing the costs of backup power and remediation; fluctuations in energy prices will raise the operating costs of cloud services. However, emergency response mechanisms and flexible procurement contracts can buffer the impact, and the Company expects only a moderate and manageable increase in expenditure without significant shocks. As consumers' environmental demands rise, the Company will increase investment in green product research and development, although R&D costs will increase, it is expected to drive sales. Under carbon-related regulations or carbon pricing mechanisms, the energy costs of data centers will increase, but energy-saving measures can moderately control the growth of operating expenses.
- Medium to long term (5–10 years): To adapt to the low-carbon trend, the Company will invest in replacing old servers and data center facilities, increasing capital expenditures and causing changes in the financial position. However, new equipment is energy-efficient, which can reduce fuel and maintenance costs and improve operational reliability in the long term; as carbon pricing increases, the Company will increase the use of renewable energy, and after the initial investment, it can reduce carbon costs and enhance financial resilience. During the low-carbon transformation, the Company will continue to innovate technologically and transform its business to maintain competitiveness, although it will have an impact on finances, it can improve in the long term. As consumers' demands for green parenting products and services upgrade, the Company will launch new businesses, which will require initial investment but can increase revenue and improve financial health and cash flow after market acceptance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- **Climate Resilience**

Assessment of Climate Resilience as of the Reporting Date

The Group refers to reports from internationally renowned climate research institutions and the IPCC, selecting multiple scenarios that cover different trends such as low and high emissions and are consistent with the goals of the Paris Agreement for analysis. These scenarios include different temperature rises, precipitation changes, and increased frequency of extreme weather events, comprehensively considering transition risks such as the growth of carbon pricing and physical risks such as extreme weather. The analysis time range covers the short, medium, and long term, and the operational scope covers all major operational locations and business units of the Group. Based on the above analysis, the following conclusions are drawn:

— *Impact of Analysis Results on Strategies and Business Models*

Under the scenario of frequent extreme weather, the regions where the Group's servers are located may face the risk of power outages, which will directly affect the stability of online services and business continuity. Therefore, the Group will strengthen the construction of data center infrastructure, equip reliable backup power systems, and optimize data storage and backup strategies to ensure rapid service recovery in the event of extreme weather events.

If in a scenario of increasing carbon pricing, the Group's energy costs will significantly rise, especially the operating costs of high-energy-consuming equipment in data centers. This will prompt the Group to adjust its energy procurement strategy, increase the proportion of renewable energy use, and optimize the energy efficiency of server equipment to reduce overall energy consumption. In addition, it is necessary to re-evaluate the product pricing strategy to cope with the pressure of rising costs.

— *Major Uncertainties in Climate Resilience Assessment*

The scientific understanding of climate change is still deepening, and there is uncertainty about the future trends and intensity of climate change, making it difficult to accurately predict the frequency and severity of extreme weather events. In terms of policy, the response policies and regulations of governments around the world to climate change are constantly evolving, and carbon pricing mechanisms, environmental protection standards, etc. may be adjusted at any time, bringing uncertainty to the Group's operations and costs. In addition, changes in market demand are also uncertain, and consumers' demands for green parenting products and services may be affected by various factors such as economic conditions and social concepts, making it difficult to predict precisely.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

— *Ability to Adjust Strategies and Business Models*

The Group has a strong ability to adjust short-term, medium-term, and long-term strategies and business models in response to climate development.

In the short term, the Group has established an emergency response mechanism that can quickly respond to the impact of extreme weather and other emergencies on business. At the same time, through flexible energy procurement contracts, the cost pressure brought by fluctuations in energy prices can be buffered to a certain extent. In the medium term, the Group plans to gradually invest in upgrading data center facilities, adopt more energy-efficient and high-performance server equipment, and reduce energy consumption and carbon emissions. In addition, it will increase the research and development and promotion of green parenting products to meet the market demand for environmentally friendly products. In the long term, the Group will be committed to building a sustainable business model, strengthening cooperation with suppliers, and promoting the green transformation of the entire supply chain. At the same time, it will actively explore new business areas, such as carbon footprint tracking services based on blockchain technology, to provide consumers with more comprehensive sustainable parenting solutions. During the analysis process, the Group makes the following key assumptions: economic growth remains stable to maintain consumer demand for parenting products and services; technology progresses as expected to support energy conservation and emission reduction measures; the policy environment remains relatively stable, and the government's climate change policies and regulations can be gradually implemented, leaving sufficient adaptation time; the competitive landscape remains stable, ensuring the Group's competitiveness and market share in the market. The Group conducts a comprehensive analysis every year and discloses it in the annual report. In the event of significant climate change dynamics or events, it will promptly carry out temporary analysis and assessment to ensure timely response to the challenges and opportunities brought by climate-related changes. Through the above assessment and analysis, the Group will better respond to climate risks and opportunities, enhance business resilience and sustainable development capabilities.

RISK MANAGEMENT AND INDICATORS

Our Group incorporates climate risks into its overall risk management framework. Through a multi-level approach supervised by the Board and supported by the operation team, it promotes risk identification, mitigation, and control. During the reporting period, the Group conducted climate scenario analysis, using the scenarios of the IPCC, to deeply understand potential physical and transformational risks. In terms of climate-related risk disclosure, the Group comprehensively considers qualitative factors (such as policies, market trends, etc.) and quantitative indicators to assess the nature, possibility, and degree of risk impact; compared with other risks, physical risks that affect business continuity are classified as high priority, and transformational risks have their priority adjusted according to policy dynamics; it conducts scenario analysis regularly based on past data and monitors risk dynamics in real time; compared with the previous reporting period, the quantitative assessment model has been optimized, more precise climate data has been introduced, and the assessment accuracy has been improved.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

METRICS AND TARGETS

At present, the Group bases its work on internal data and management processes to formulate and monitor climate-related key performance indicators and targets. It has not yet introduced external third parties for verification. During the reporting period, there were no significant adjustments to the methods used for formulating and monitoring such key performance indicators and targets. Additionally, the Group's key performance indicators and targets are not set based on industry decarbonization methods. We set the following phased targets as the base year of 2025:

Indicator	Target Description
Energy Consumption Density	Reduce by 3% in the short term (by 2025); reduce by 10% in the long term
Harmless Waste Density	Reduce by 3% in the short term; reduce by 10% in the long term
Greenhouse Gas Emission Density	Reduce by 3% in the short term; reduce by 10% in the long term

• Greenhouse Gas Emissions

As the Group does not own any vehicles, direct emissions (Scope 1) are not applicable.

Greenhouse gas emissions range	Unit	2025	2024
Scope 1 (Direct emissions)	tCO ₂ e	Not applicable	Not applicable
Scope 2 (Purchased electricity)	tCO ₂ e	15.20	16.45
Scope 3 (Business travel/Waste paper)	tCO ₂ e	7.65	7.12
Total emissions	tCO₂e	22.85	23.57
Emission density (per area)	tCO ₂ e/square meter	0.025	0.026

Notes:

1. The greenhouse gas emission data disclosed in this report are presented in terms of carbon dioxide equivalents. The calculation process strictly follows a series of authoritative standards and guidelines, including the "Greenhouse Gas Inventory Protocol: Enterprise Accounting and Reporting Standards" jointly released by the World Resources Institute and the World Business Council for Sustainable Development, the "How to Prepare Environmental, Social and Governance Reports — Appendix II: Environmental Key Performance Indicator Reporting Guidance" issued by the Hong Kong Stock Exchange, the "2024 PowerChina Sustainable Development Report" released by PowerChina Holdings Limited, and the latest emission factor released by the Environmental Protection Association of the United States.
2. The density data is calculated based on the building area and is also used as the basis for calculating other density-related indicators.
3. As the heating system for this year was uniformly supplied by the building management department, the Group did not conduct direct measurement and data collection of gas consumption.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- **Waste management**

- Hazardous waste: Mainly consists of discarded electronic devices. We comply with local regulations and have licensed collectors handle the disposal.
- Non-hazardous waste: Includes office waste paper and cardboard boxes. We have launched a “Low-carbon Green Office Campaign”, reducing paper consumption by approximately 12% in 2025.

- **Climate-related transition risks**

The current climate transition-related risks of our group can be disregarded.

- **Climate-related physical risks**

In terms of climate-related physical risks, the group has also conducted detailed assessment work. According to statistics, the businesses that are vulnerable to climate-related physical risks mainly include the warehousing operations of the group’s own e-commerce self-operated sales, as well as the warehousing operations of the Group’s own fixed assets. The total amount is 28,000, accounting for 0.10% of the total assets.

- **Climate-related opportunities**

The current climate-related opportunities of our group can be disregarded.

- **Capital Deployment**

During the period covered by this report, the Group did not identify any capital expenditures, financing activities or investment projects specifically targeted at climate-related risks and opportunities.

- **Internal carbon pricing**

Currently, the group has not introduced an internal carbon pricing mechanism in its business and investment decisions. Given the nature of the business and the current emission scale, this mechanism is not yet a key or necessary means for promoting emission reduction at this stage. In the future, the group will continuously assess the applicability of this mechanism as regulatory changes and climate strategies progress.

- **Salary**

Currently, when formulating its salary policies, the Group has not taken climate-related factors into consideration. In the existing salary system, there are no incentive measures or adjustment mechanisms based on environmental performance indicators or carbon pricing.

- **Industry Indicators**

As the issuer, our group, when determining the industry indicators for the annual report disclosure, referred to the “Industry Disclosure Guidelines for International Financial Reporting Sustainability Disclosure Standard S2” and other mainstream international ESG reporting frameworks, as well as the industry indicator requirements related to the disclosure theme. We also combined our own industry characteristics and business realities for screening. Our group selected specific industry indicators, such as carbon emissions per unit of output, proportion of renewable energy usage, etc. for disclosure. These indicators can directly reflect the performance of our group in sustainable development.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- **Climate-related targets**

The Group has established a climate-related strategic system and a quantitative assessment framework. The implementation effectiveness is evaluated based on core indicators such as the cumulative annual carbon emissions, carbon footprint per unit of economic output, the proportion of renewable energy, energy-saving technology achievements, the market share of green products, and the level of carbon asset management. The climate goals have been fully integrated into the operational strategies of all domestic and overseas wholly-owned and controlled subsidiaries. Among them, the total amount of greenhouse gas emissions and the proportion of renewable energy are absolute value targets, with clear numerical standards set; the carbon emission density per unit product and the progress of energy-saving technology renovations are intensity targets, with relative reduction rates set based on the data of the base year. Based on the Paris Agreement and the low-carbon transformation requirements of various countries, the enterprise has optimized the compliance management system to ensure that the goals are both scientific and forward-looking. They do not only meet the current environmental regulatory requirements but also provide systematic solutions to address future uncertainties.

The Group has established a comprehensive climate target evaluation system, conducting professional evaluations on the rationality of the targets and forming evaluation reports that include the analysis of reasons for non-compliance and improvement plans. At the same time, a quantitative indicator monitoring system based on the progress of greenhouse gas emission reduction, the reduction rate of carbon emissions per unit output, the improvement of renewable energy utilization, and the changes in carbon asset management level has been established. The system uses monthly data tracking, quarterly assessment, and semi-annual review as mechanisms to ensure the implementation of strategic goals. This year, based on the national “dual carbon” strategy, the pressure of industry low-carbon transformation, and the enterprise’s green technological innovation achievements, the Company optimized and adjusted the phased targets. The cost reduction brought about by the expansion of the global renewable energy market and technological progress has further enhanced the feasibility of the targets. The revised plan not only conforms to the sustainable development strategy direction but also aligns with the macroeconomic policy orientation.

The climate improvement efforts of this group have been remarkable. Greenhouse gas emissions have continued to decline, the energy utilization rate and sales proportion of green products have steadily increased, and energy-saving renovations have accelerated the process of green transformation. With the support of technological innovation and strengthened financial resources, the carbon reduction and sustainable development goals will be further achieved efficiently.

- **Greenhouse gas emission targets**

When the Group established the framework for achieving net-zero greenhouse gas emissions, it utilized the carbon credit trading mechanism to assist in reducing emissions. The classification included ecological carbon sinks based on natural carbon sequestration and industrial emission reduction driven by technology. The selected carbon credits all comply with domestic and international carbon trading regulations. The carbon sink projects have undergone feasibility assessments by professional institutions to ensure the continuous and stable effect of emission reduction. At the same time, a full-process carbon credit management system was established, and regular monitoring was implemented to ensure the authenticity, completeness and reliability of the data, thereby enhancing the operational efficiency of the assets.

INDEPENDENT AUDITOR'S REPORT



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To the shareholders of China Parenting Network Holdings Limited

中國育兒網絡控股有限公司

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Parenting Network Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 95 to 165, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3 to the consolidated financial statements, which indicated that the Group incurred a net loss attributable to owners of the Company of approximately RMB20,208,000 for the year ended 31 December 2025, and at the same date, the Group’s current liabilities exceeded its current assets by approximately RMB24,278,000, and its total liabilities exceeded its total assets by approximately RMB23,947,000. These conditions, along with other matters as set forth in note 3 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Our audit opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in "Material Uncertainty Related to Going Concern" section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter

How our audit addressed the key audit matter

Assessment of expected credit loss of other receivables

Refer to notes 20 and 34 to the consolidated financial statements.

As at 31 December 2025, the carrying amount of the Group's other receivables was RMB7,394,000, net of provision for impairment allowance of RMB9,451,000. For the year ended 31 December 2025, the Group recognised expected credit loss ("ECL") of RMB6,802,000 for other receivables, which was recorded in the consolidated statement of profit or loss and other comprehensive income.

The ECL for other receivables is measured at an amount equal to 12-month ECLs unless the credit risk has increased significantly since initial recognition, in which case the Group measures the ECL at an amount equal to lifetime ECLs.

Management considers various factors in estimating the ECL such as the financial status of the debtor, the historical repayment records. All of these factors involve significant management judgments and estimates. Management engaged an independent qualified professional valuer to assist in the assessment of the ECL.

We consider the assessment of ECLs for other receivables a key audit matter because the estimation of the ECL is subject to management estimation and assumptions which are inherently uncertain.

Our audit procedures to assess the ECL of other receivables included, but not limited to, the following:

- obtaining an understanding of, and evaluating the design and implementation of, key internal controls relating to the ECL of other receivables, including the process for determining whether a debtor is credit-impaired;
- evaluating the Group's policy for estimating the ECL with reference to the requirements of the applicable accounting standard;
- evaluating the competence, capabilities and objectivity of the independent qualified professional valuer engaged by management;
- evaluating the key parameters and methodology adopted by the independent external valuer in the calculation of ECL, and assessing the reasonableness of the key assumptions and appropriateness of data used in the calculation of the ECL;
- testing the mathematical accuracy of the calculation of impairment allowance of other receivables; and
- assessing the adequacy of the Group's disclosures in the consolidated financial statements in connection with the impairment of other receivables.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

Confucius International CPA Limited

Certified Public Accountants

Ho Pak Tat

Practising Certificate Number: P05215

Hong Kong

31 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	5	57,527	56,439
Cost of sales		(41,640)	(40,836)
Gross profit		15,887	15,603
Other income, gains and losses, net	6	5,580	10,532
Selling and distribution expenses		(9,616)	(9,135)
Administrative expenses		(4,960)	(8,295)
Research and development costs		(8,665)	(3,293)
Impairment losses on financial and contract assets, net	7	(6,617)	(2,646)
Fair value changes on financial assets at fair value through profit or loss ("FVTPL")		(5,611)	(3,141)
Gain on reclassification of financial assets from amortised cost to FVTPL		–	680
Finance costs	8	(6,200)	(5,586)
Loss before tax	7	(20,202)	(5,281)
Taxation	11	(6)	–
Loss for the year attributable to owners of the Company		(20,208)	(5,281)
Other comprehensive income (expense):			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Fair value changes on financial assets designated at fair value through other comprehensive income ("FVTOCI")		174	(39,306)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		632	(317)
Other comprehensive income (expense) for the year		806	(39,623)
Total comprehensive expense for the year attributable to owners of the Company		(19,402)	(44,904)
		RMB cents	RMB cents (Restated)
Loss per share attributable to owners of the Company			
Basic and diluted	13	(46.77)	(13.04)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current Assets			
Property, plant and equipment	14	28	164
Right-of-use assets	15(a)	696	756
Other receivables	20	–	13,551
Other financial assets	16	–	844
		724	15,315
Current Assets			
Inventories	17	6	16
Trade receivables	18	17,051	19,043
Contract assets	19	7	41
Prepayments, deposits and other receivables	20	7,844	1,982
Other financial assets	16	–	5,671
Cash and cash equivalents	21	4,055	2,758
		28,963	29,511
Current Liabilities			
Trade payables	22	8,200	7,523
Contract liabilities	23	91	175
Other payables and accruals	24	20,368	15,518
Lease liabilities	15(b)	299	346
Borrowings	25	24,283	21,545
Tax payable		–	4,816
		53,241	49,923
Net Current Liabilities		(24,278)	(20,412)
Total Assets less Current Liabilities		(23,554)	(5,097)
Non-current Liabilities			
Lease liabilities	15(b)	393	419
Net Liabilities		(23,947)	(5,516)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Capital and Reserves			
Share capital	26	1,982	14,510
Reserves		(25,929)	(20,026)
Capital Deficiency		(23,947)	(5,516)

The consolidated financial statements on pages 95 to 165 were approved and authorised for issue by the board of directors on 31 March 2026 and are signed on its behalf by:

Cheng Li
Director

Zhang Lake Mozi
Director

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to Owners of the Company								
	Share capital	Share premium*	Reserve fund*	Other reserve*	Exchange fluctuation reserve*	Fair value reserve of financial assets designated at FVTOCI*	Share-based payments reserve*	Accumulated losses*	(Capital deficiency) total equity
	RMB'000	Note (i) RMB'000	Note (ii) RMB'000	Note (iii) RMB'000	Note (iv) RMB'000	Note (v) RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	11,891	231,307	19,960	16,842	19,536	(180,751)	-	(82,705)	36,080
Loss for the year	-	-	-	-	-	-	-	(5,281)	(5,281)
Other comprehensive expense for the year:									
Fair value changes on financial assets designated at FVTOCI	-	-	-	-	-	(39,306)	-	-	(39,306)
Exchange differences arising on translation of foreign operations	-	-	-	-	(317)	-	-	-	(317)
Total comprehensive expense for the year	-	-	-	-	(317)	(39,306)	-	(5,281)	(44,904)
Issue of new shares under placing agreement	2,619	(1)	-	-	-	-	-	-	2,618
Capital contribution by equity holders (Note 1(v))	-	-	-	29	-	-	-	-	29
Release upon disposal of subsidiaries (Note 29(b) & (c))	-	-	(2,506)	(5,000)	-	28,150	-	(20,644)	-
Release upon disposal of financial assets designated at FVTOCI	-	-	-	-	-	150	-	(150)	-
Release upon derecognition of financial assets designated at FVTOCI	-	-	-	-	-	94,700	-	(94,700)	-
Share award arrangements	-	-	-	-	-	-	661	-	661
Vesting of awarded shares	-	-	-	-	-	-	(661)	661	-
At 31 December 2024 and 1 January 2025	14,510	231,306	17,454	11,871	19,219	(97,057)	-	(202,819)	(5,516)
Loss for the year	-	-	-	-	-	-	-	(20,208)	(20,208)
Other comprehensive income for the year:									
Fair value changes on financial assets designated at FVTOCI	-	-	-	-	-	174	-	-	174
Exchange differences arising on translation of foreign operations	-	-	-	-	632	-	-	-	632
Total comprehensive (expense) income for the year	-	-	-	-	632	174	-	(20,208)	(19,402)
Capital contribution by equity holders (Note 1(v))	-	-	-	971	-	-	-	-	971
Share reduction (Note 26(iii))	(12,528)	-	-	-	-	-	-	12,528	-
Release upon disposal of subsidiaries (Note 29(a))	-	-	(17,454)	(2,000)	-	96,883	-	(77,429)	-
At 31 December 2025	1,982	231,306	-	10,842	19,851	-	-	(287,928)	(23,947)

* These reserve accounts comprise the negative consolidated reserves of approximately RMB25,929,000 (2024: negative consolidated reserves of approximately RMB20,026,000) in the consolidated statement of financial position.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

Notes:

- (i) The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company. The application of share premium is governed by Section 34 of Companies Act of the Cayman Islands and the provision of the Company's memorandum and articles of association.
- (ii) Reserve fund, which is non-distributable, is appropriated from the profit after taxation of the Group's PRC subsidiaries under the applicable laws and regulations in the PRC. The Company's subsidiaries established and operated in the PRC are required to appropriate 10% of the profit after taxation (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to the reserve fund until the reserve balance reaches 50% of the registered capital. The transfer to reserve fund must be made before distribution of a dividend to equity owners. The reserve fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase paid-in capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.
- (iii) Other reserve represents (i) movement arising from acquisition of non-controlling interests upon completion of the reorganization in 2014; and (ii) movement arising from the capital injection of the PRC operating entities under contractual arrangements.
- (iv) Exchange fluctuation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.
- (v) Fair value reserve of financial assets designated at FVTOCI comprises the accumulated gains and losses arising from the fair value change of financial assets designated at FVTOCI and is dealt with in accordance with the accounting policies adopted.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Operating activities			
Loss before tax		(20,202)	(5,281)
Adjustments for:			
Depreciation of property, plant and equipment	14	9	39
Depreciation of right-of-use assets	15(a)	304	1,291
Finance costs	8	6,200	5,586
Impairment loss (reversal of impairment loss) on financial and contract assets, net:			
— Trade receivables	7	(16)	(98)
— Contract assets	7	(169)	(13)
— Other receivables	7	6,802	2,757
Bank interest income	6	(35)	(48)
Other interest income	6	(720)	(940)
Fair value changes of financial assets at FVTPL		5,611	3,141
Gain on termination of lease arrangement		—	(14)
Gain on reclassification of financial assets from amortised cost to FVTPL		—	(680)
Staff costs arising from interest-free loans to employees		—	45
Gain on disposal of subsidiaries	6	(4,459)	(4,858)
Gain on deemed disposal of subsidiaries	6	—	(3,192)
Loss on write-off of property, plant and equipment	6	10	18
Loss on disposal of property, plant and equipment	6	97	—
Share-based payment expenses		—	661
Operating cash flows before working capital changes		(6,568)	(1,586)
Decrease in inventories		10	214
Decrease (increase) in trade receivables		1,362	(12,030)
Decrease in contract assets		203	2,286
Decrease in prepayments, deposits and other receivables		241	956
Increase in trade payables		1,274	2,489
Decrease in contract liabilities		(84)	(3,394)
Increase (decrease) in other payables and accruals		475	(488)
Cash used in operations		(3,087)	(11,553)
Interest portion of lease payments		(27)	(82)
Income tax paid		(6)	—
Net cash used in operating activities		(3,120)	(11,635)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Investing activities			
Interest received		35	1,048
Purchase of property, plant and equipment	14	–	(59)
Repayment of loans from third parties		–	660
Repayment of loans from employees		–	75
Proceeds from disposal of financial assets designated at FVTOCI		–	150
Proceeds from disposal of property, plant and equipment		3	–
Issue of new shares under placing agreement		–	2,618
Net cash inflow on disposal of a subsidiary	29(a), (b)	500	19,090
Net cash outflow arising from deemed disposal of subsidiaries	29(c)	–	(67)
Capital contribution by equity holders		971	29
Net cash generated from investing activities		1,509	23,544
Financing activities			
Bank loans raised		–	5,000
Other borrowings raised		3,235	912
Repayment of bank loans		–	(22,500)
Principal portion of lease payments		(304)	(1,389)
Interest paid		–	(269)
Net cash generated from (used in) financing activities		2,931	(18,246)
Net increase (decrease) in cash and cash equivalents		1,320	(6,337)
Cash and cash equivalents at beginning of the year		2,758	9,277
Effect on foreign exchange rate changes, net		(23)	(182)
Cash and cash equivalents at end of the year	21	4,055	2,758

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

China Parenting Network Holdings Limited (the "Company") was incorporated in the Cayman Islands on 13 October 2014 as an exempted company with limited liability under the Companies Law (2013 Revision) of the Cayman Islands and its shares are listed in the Main Board of The Stock Exchange (the "Stock Exchange"). The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is Unit 2, 7/F, Royal Commercial Centre, No. 56 Parkes Street, Jordan, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively, the "Group") are principally engaged in (i) the provision of marketing and promotional services through the Group's platform, including CI Web, mobile CI Web, Mobile Application Software ("APPS") and IPTV APPs and (ii) sale of goods. These consolidated financial statements are presented in RMB, which is different from the Company's functional currency of Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated. The directors of the Company determined that RMB better reflects the economic substance of the Company as the Company mainly holds subsidiaries whose underlying operations are primarily in the People's Republic of China (the "PRC") with RMB being the functional currency.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company name	Place/ date of incorporation/ registration	Issued/ registered share capital	Equity interest held		Principal activities and place of operation
			Direct	Indirect	
Directly held by the company					
Shining World Investments Limited (note (i))	British Virgin Islands ("BVI")/18 August 2014	United States dollars ("US\$") 50,000	100%	–	Investment holding, BVI
Indirectly held by the Company					
Star Universal Holdings Limited	Hong Kong/ 5 September 2014	HK\$10,000	–	100%	Investment holding, and technical support and consultancy related services, Hong Kong
Nanjing Yiran Information Technology Company Limited ("Nanjing Yiran") (notes (ii) and (iii))	The PRC/ 30 December 2024	HK\$2,000,000	–	100%	Technical support and consultancy related services, the PRC
Indirectly held by the Company					
Nanjing Yilaoyixiao Information Technology Company Limited ("Nanjing Yilaoyixiao") (notes (ii), (iv) and (v))	The PRC/ 27 September 2024	RMB1,000,000	–	100%	Provision of marketing and promotional services and technical support and consultancy related services; and sale of goods, the PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Notes:

- (i) As at 31 December 2025 and 2024, the Group has unpaid portion of registered share capital of US\$50,000 (equivalent to approximately RMB351,000) (2024: US\$50,000 (equivalent to approximately RMB365,000)) for injection into Shining World Investments Limited.
- (ii) The English names of companies incorporated in the PRC referred to herein represent management's best effort at translating the Chinese names of these companies as no English name has been registered.
- (iii) Nanjing Yiran is a Wholly Foreign Owned Enterprise established in the PRC. As at 31 December 2025, the Group has unpaid portion of registered share capital HK\$1,000,000 (equivalent to approximately RMB916,000) (2024: HK\$2,000,000 (equivalent to approximately RMB1,852,000)) for injection into Nanjing Yiran.
- (iv) Nanjing Yilaoyixiao is a limited liability company established in the PRC (the "PRC Operating Entity") and included in the Group's consolidated financial statements as if it is the Group's subsidiary through the contractual arrangement outlined in the directors' report and note 4 to the consolidated financial statements.
- (v) During the year ended 31 December 2025, the Group paid RMB971,000 as a capital injection into Nanjing Yilaoyixiao (2024: RMB29,000). Accordingly, there was no unpaid portion of registered share capital as at 31 December 2025 (2024: RMB971,000).

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

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

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

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

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

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all the new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and position of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Going concern basis

The Group incurred a net loss attributable to owners of the Company of approximately RMB20,208,000 for the year ended 31 December 2025, the increase in net loss was mainly attributable to non-operating losses arising from a fair value loss of approximately RMB5,611,000 on financial assets at FVTPL and expected credit losses of approximately RMB6,802,000 on other receivables, and at the same date, the Group's current liabilities exceeded its current assets by approximately RMB24,278,000 and its total liabilities exceeded its total assets by approximately RMB23,947,000.

The above conditions indicate the existence of material uncertainty which could potentially affect the Group's ability to continue as a going concern. However, the factors below are mitigating and improving the financial conditions of the Company.

The consolidated financial statements have been prepared on the assumptions that the Group will continue to operate as a going concern notwithstanding the conditions prevailing as at 31 December 2025 and subsequently thereto up to the date when the consolidated financial statements are authorised for issue. In order to mitigate the liquidity pressure, to improve its financial position, and to sustain the Group as a going concern, certain plans and measures have been and will be taken by the Group which include, but are not limited to, the following:

- a) A shareholder of the Company ("Shareholder A"), has undertaken to provide adequate funds to enable the Group to meet its liabilities and to pay financial obligations to third parties as and when they fall due so that the Group can continue as a going concern and carry on its business without a significant curtailment of operations for the twelve months from the date of this report;
- b) The Group has approximately RMB24,283,000 of other borrowings, which are repayable on demand or within one year and approximately RMB18,602,000 of relevant interest payables and extension fee payables included in other payables and accruals as at 31 December 2025, in which approximately RMB21,130,000 of other borrowings and approximately RMB16,690,000 of relevant interest payables and extension fee payables, totaling RMB37,820,000 in aggregate are owed to two shareholders of the Company ("Shareholder B" and "Shareholder C"). Taking into account that most of these debts are owed to these shareholders and they agreed to engage in negotiations for debt restructuring including but not limited to loan capitalisation, the directors of the Company believe that these shareholders will not exercise its discretionary rights to demand immediate repayment of such debts. The directors of the Company are of the opinion that these shareholders are willing to accept the debt restructuring plan proposed by the Group;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Going concern basis (continued)

- c) Pursuant to the debts mentioned in (b), the remaining balance of other borrowings of RMB3,153,000 and the relevant interest payables and extension fee payables included in other payables and accruals of approximately RMB1,912,000 as at 31 December 2025, totaling RMB5,065,000, are owed to two independent lenders. Taking into account that these lenders agreed to engage in negotiations for debt restructuring, including but not limited to loan capitalisation, the directors of the Company believe that these lenders will not exercise their discretionary rights to demand immediate repayment of such debts upon the maturity date. The directors of the Company are of the opinion that the lenders are willing to accept the debt restructuring plan proposed by the Group;
- d) The subscription of 4,629,630 shares between the Company and the subscribers was completed on 19 January 2026. The directors of the Company believe that the proceeds of approximately RMB1,764,000 (equivalent to HK\$2,005,000) from the subscription will strengthen the cash flow of the Group and allow the Group to improve its liquidity, details of which are set out in the Company's announcement dated 19 January 2026;
- e) The directors of the Company will strengthen and implement measures aimed at improving the working capital and cash flow of the Group, including closely monitoring the general administrative expenses and operating costs; and
- f) The Group will seek to obtain additional new financial support including but not limited to borrowing loans, issuing additional equity or debt securities.

The directors of the Company have carried out a detailed review of the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from the date of this report. On the basis of the successful implementation of the plans and measures described above in the foreseeable future, after assessing the Group's current and forecasted cash positions, the directors of the Company are of the opinion that the Group will have adequate funds to finance its operations and to meet its liabilities as and when they fall due for at least twelve months from the date of this report. Accordingly, the directors of the Company consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue in business as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for any further liabilities and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full consolidation.

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments ("IFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e., only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group derives its revenue from (i) the provision of marketing and promotional services through the Group's platform; and (ii) sale of goods.

Provision of service

The majority of the online advertising contracts are entered into with a lump-sum consideration covering multiple deliverables of marketing and promotional services for a fixed period with no guaranteed minimum number of clicks. The lump-sum consideration for and timing of rendering each deliverable has been pre-agreed and evidenced by written contracts entered between the Group and its customers. The consideration is allocated into each deliverable based on their best estimated selling price, and the related revenue is recognised over the period during which the service for the relevant deliverable is provided. Significant assumptions and estimates have been made in estimating the selling price of each unit of deliverable, and changes in judgements on these assumptions and estimates could materially impact the timing of advertising revenue recognition. In all contracts, there are no future obligations after the completion of the contract and no rights of refund related to the number of clicks. If collectability from the customers cannot be assessed as reasonably assured at the outset of the contracts, revenue is only recorded until cash is received from the customers.

Revenue from the provision of marketing and promotional services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group. The normal credit term is 90 to 180 days upon issuance of invoice at completion of services.

Sale of goods

Sale of goods related to baby care, personal care and family care products. Revenue is recognised at the point when control of the asset is transferred to the customer, generally on delivery of the products. A receivable is recognised by the Group when the goods are delivered to the customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before the payment is due. The normal credit term is 0 to 30 days upon issuance of invoice at product delivery.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such a contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies to the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follows:

Buildings	3 years
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The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (continued)

The Group as lessee (continued)

Refundable rental deposits

Refundable rental deposits paid are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid on that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

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

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the exchange fluctuation reserve.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in the PRC are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of property, plant and equipment and right-of-use assets (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include cash, which comprises cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

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

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

Classification and subsequent measurement of financial assets

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

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

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective hedging instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve of financial assets designated at FVTOCI; and are not subject to impairment assessment. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, and is transferred to accumulated losses.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade receivables, deposits and other receivables, cash and cash equivalents), and other item (i.e. contract assets) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast for future economic conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from financial analysts, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(i) Significant increase in credit risk (continued)

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (continued)

(v) Measurement and recognition of ECL (continued)

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the fair value reserve of financial assets designated at FVTOCI is not reclassified to profit or loss, but is transferred to accumulated losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including trade payables, other payables and accruals, lease liabilities and borrowings are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "Other income, gains and losses, net" line item in profit or loss (note 6) as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Related parties

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's material accounting policies, which are described in note 3 to the consolidated financial statements, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern consideration

The directors of the Company have prepared the consolidated financial statements on the assumption that the Group will be able to operate as a going concern in the foreseeable future, which is a critical judgement that has the most significant effect on the amounts recognised in the consolidated financial statements. The assessment of the going concern assumption involves making a judgment by the directors about the future outcome of events or conditions which are inherently uncertain. The directors of the Company consider that, after taking into account of all major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt upon the going concern assumption as set out in note 3 to the consolidated financial statements, the Group has the capability to continue as a going concern.

Contractual arrangements

As set out in note 1(iv), the Group exercises control over the PRC Operating Entity and enjoys substantially all economic benefits and is exposed to risk of the PRC Operating Entity through the contractual arrangements. The Company does not have any direct equity interest in the PRC Operating Entity. However, as a result of the contractual arrangements, the Company has power over the PRC Operating Entity, has rights to variable returns from its involvement with the PRC Operating Entity and has the ability to affect those returns through its power over the PRC Operating Entity. Consequently, the Company regards the PRC Operating Entity as an indirectly owned subsidiary and has consolidated the financial position and results of the PRC Operating Entity in the consolidated financial statements over the years. Nevertheless, the contractual arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the PRC Operating Entity and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights to the results, assets and liabilities of the PRC Operating Entity.

During the year ended 31 December 2025, revenue attributable to the PRC Operating Entity was approximately RMB19,205,000 (2024: RMB40,089,000). As at 31 December 2025, the total assets attributable to the PRC Operating Entity were approximately RMB12,441,000 (2024: RMB20,378,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision matrix is initially based on the Group's historical observed default rates. The provision rates are based on the days past due to groupings of various customer segments that have similar loss patterns. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historically observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is set out in notes 18, 19 and 34 to the consolidated financial statements.

Provision for expected credit losses on other financial assets at amortised costs

The measurement of impairment loss of ECLs on other financial assets at amortised costs requires judgement and estimation on the amount and timing of future cash flows with, in particular, assessment of the collateral values and a significant increase in credit risk. During the judgement process, the allowance of ECLs on other financial assets at amortised costs is assessed on 12-month ECL basis as there has been no significant increase in credit risk since initial recognition unless there has been a significant increase in credit risk of the receivables, in which case the impairment loss is measured at an amount equal to lifetime ECL. In measuring whether the credit risk of receivables has increased significantly, the management of the Group has taken into accounts the occurrence of default event and aging of overdue receivables with recurrent assessment of adjusted collateral values for the recovery and both the current and forecast general economic conditions.

The provision of ECLs is sensitive to changes in estimates. The information about the ECLs and the Group's other financial assets at amortised costs is set out in notes 20 and 34 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Estimates of income tax

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional tax will be due. Where the final tax outcomes of these matters are different from the amount that was initially recorded, such differences will impact the current income tax and liabilities in the period in which such determination is made.

Fair value of financial instruments

The Group has a significant amount of financial assets, including unlisted equity securities and convertible loans to third parties which measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. Details of fair value of financial assets are set out in note 16 to the consolidated financial statements. The information about the valuation techniques is set out in note 33 to the consolidated financial statements.

Deferred taxes

As at 31 December 2025 and 2024, the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately RMB17,594,000 (2024: RMB156,090,000) and other deductible temporary differences of approximately RMB46,694,000 (2024: RMB149,419,000) as it is not probable that future taxable profits against which the temporary differences can be utilised will be available in the relevant tax jurisdiction of the entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION

(a) Revenue from contracts with customers

(i) Disaggregation of revenue from contracts with customers

	2025 RMB'000	2024 RMB'000
Marketing and promotional services	46,498	50,120
Sale of goods	11,029	6,319
	57,527	56,439

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

Contracts with customers for provision of marketing and promotional services always have an original expected duration of less than one year. Contracts with individual customers for sales of goods are always satisfied within one month.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 and therefore the information about remaining performance obligations is not disclosed for contracts that have an original expected duration of one year or less.

(b) Segment information

The Group determines its operating segments based on internal reports reviewed by the chief operating decision makers, which are the executive directors of the Company, for the purpose of allocating resources to the segments and to assess their performance.

The Group's reportable and operating segments have been identified as follows:

- (i) Marketing and promotional services, including advertising services, market research services, and software development services; and
- (ii) Sale of goods, including baby care, personal care, and family care products.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (continued)

The amount of each significant category of revenue recognised during the reporting period is as follows:

	For the year ended 31 December 2025		
	Marketing and promotional services RMB'000	Sales of goods RMB'000	Total RMB'000
Disaggregated by timing of revenue recognition			
Over time	46,498	–	46,498
Point in time	–	11,029	11,029
Segment revenue	46,498	11,029	57,527
Segment results	15,243	644	15,887
	For the year ended 31 December 2024		
	Marketing and promotional services RMB'000	Sales of goods RMB'000	Total RMB'000
Disaggregated by timing of revenue recognition			
Over time	50,120	–	50,120
Point in time	–	6,319	6,319
Segment revenue	50,120	6,319	56,439
Segment results	15,576	27	15,603

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (continued)

	2025 RMB'000	2024 RMB'000
Segment results	15,887	15,603
Unallocated		
Other income, gains and losses, net	5,580	10,532
Selling and distribution expenses	(9,616)	(9,135)
Administrative expenses	(4,960)	(8,295)
Research and development costs	(8,665)	(3,293)
Impairment losses on financial and contract assets, net	(6,617)	(2,646)
Fair value changes on financial assets at FVTPL	(5,611)	(3,141)
Gain on reclassification of financial assets from amortised cost to FVTPL	–	680
Finance costs	(6,200)	(5,586)
Loss before tax	(20,202)	(5,281)

Segment results during the year represent the gross profit of each segment without allocation of other income, gains and losses, net, selling and distribution expenses, administrative expenses, research and development costs, impairment losses on financial and contract assets, net, fair value changes on financial assets at FVTPL, gain on reclassification of financial assets from amortised cost to FVTPL and finance costs. This is the measure reported to the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

No segment assets and segment liabilities and other segment information are presented as such amounts are not reviewed by the Group's chief operating decision makers for the purpose of resource allocation and performance assessment or otherwise regularly provided to the Group's chief operating decision makers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (continued)

Geographical information

The Group's operations are principally located in Hong Kong and the PRC. The following table provides an analysis of the Group's revenue from external customers by geographical region in which the operations are located:

	Marketing and promotional services		Sales of goods		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
<i>Geographical region:</i>						
— Hong Kong	18,328	14,588	10,516	—	28,844	14,588
— PRC	28,170	35,532	513	6,319	28,683	41,851
	46,498	50,120	11,029	6,319	57,527	56,439

The following is an analysis of the carrying amounts of non-current assets (excluding financial instruments) by geographical area in which the assets are located:

	2025 HK\$'000	2024 HK\$'000
Hong Kong	17	18
PRC	707	14,453
	724	14,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (continued)

Information about major customers

Revenue from customers for the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2025 RMB'000	2024 RMB'000
Customer A ¹	7,331	N/A*
Customer B ²	8,660	–
Customer C ¹	N/A*	11,555
Customer D ¹	–	10,896
Customer E ¹	6,542	–

¹ Revenue from marketing and promotional services.

² Revenue from sale of goods.

* Less than 10% of the Group's revenue in the respective years.

6. OTHER INCOME, GAINS AND LOSSES, NET

	2025 RMB'000	2024 RMB'000
Bank interest income	35	48
Other interest income	720	940
Government grants	–	880
Loss on disposal of property, plant and equipment	(97)	–
Loss on write-off of property, plant and equipment	(10)	(18)
Gain on disposal of subsidiaries (notes 29(a) and 29(b))	4,459	4,858
Gain on deemed disposal of subsidiaries (note 29(c))	–	3,192
Sundry income	473	632
	5,580	10,532

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging (crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold		10,385	6,292
Cost of services provided		31,255	34,544
Depreciation of property, plant and equipment	14	9	39
Depreciation of right-of-use assets	15(a)	304	1,291
Auditor's remuneration		800	1,000
Selling and distribution expenses:			
Marketing and consultancy fees		9,068	6,573
Research and development costs:			
Subcontracting fees		7,426	–
Employee benefit expense (excluding directors' and chief executive's remuneration (note 9)):			
Wages and salaries		2,286	5,375
Share-based payments expenses		–	661
Pension scheme contributions (defined contribution scheme)		231	685
Impairment losses (reversal of impairment loss) on financial and contract assets, net:			
— Trade receivables	18	(16)	(98)
— Contract assets	19	(169)	(13)
— Other receivables	20	6,802	2,757

8. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on bank loans	–	248
Interest on other borrowings	6,173	5,256
Interest on lease liabilities	27	82
	6,200	5,586

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance are as follows:

	2025 RMB'000	2024 RMB'000
Fees	813	750
Other emoluments:		
Salaries, bonus, allowances and benefits in kind	497	749
Pension scheme contributions	59	67
	556	816
	1,369	1,566

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Mr. Zhao Zhen	92	91
Mr. Ge Ning (note (i))	–	84
Mr. Manley Poon	92	91
Ms. Nicole Huang Meng Ting (note (ii))	91	7
	275	273

The independent non-executive directors' emoluments shown above were for their services as directors of the Company. There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

Notes:

- (i) Mr. Ge Ning resigned as an independent non-executive director on 5 December 2024.
- (ii) Ms. Nicole Huang Meng Ting was appointed as an independent non-executive director on 5 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (CONTINUED)

(b) Executive directors and non-executive directors

For the year ended 31 December 2025

	Fees RMB'000	Salaries, bonus, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
<i>Executive directors:</i>				
Mr. Cheng Li (note (i))	–	497	59	556
Mr. Zhang Lake Mozi	–	–	–	–
<i>Non-executive directors:</i>				
Ms. Song Yuanyuan	446	–	–	446
Mr. Zhang Haihua	92	–	–	92
	538	497	59	1,094

For the year ended 31 December 2024

	Fees RMB'000	Salaries, bonus, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
<i>Executive directors:</i>				
Mr. Cheng Li	–	497	67	564
Mr. Zhang Lake Mozi	–	252	–	252
Mr. Lin Luofeng (note (ii))	–	–	–	–
Ms. Ng Kwok Ying Isabella (note (iii))	–	–	–	–
<i>Non-executive directors:</i>				
Ms. Song Yuanyuan (note (iv))	447	–	–	447
Mr. Zhang Haihua	–	–	–	–
Ms. Li Juan (note (v))	30	–	–	30
	477	749	67	1,293

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (CONTINUED)

(b) Executive directors and non-executive directors (continued)

Notes:

- (i) Mr. Cheng Li is also the chief executive officer.
- (ii) Mr. Lin Luofeng resigned as an executive director on 13 June 2024.
- (iii) Ms. Ng Kwok Ying Isabella resigned as an executive director on 13 June 2024.
- (iv) Ms. Song Yuanyuan was appointed as a non-executive director on 28 March 2024.
- (v) Ms. Li Juan resigned as a non-executive director on 28 March 2024.

During the year ended 31 December 2025 and 2024, except for Mr. Zhang Lake Mozi who agreed to waive his director's emoluments for the year ended 31 December 2025, no director waived or agreed to waive any emoluments. No emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group, while the non-executive directors' emoluments shown above were for their services as directors of the Company and its subsidiaries, if applicable.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2024: three directors), details of whose remuneration are set out in note 9 to the consolidated financial statements. Details of the remuneration for the year of the remaining three (2024: two) highest paid employees who were neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, bonus, allowances and benefits in kind	638	520
Pension scheme contributions	52	37
	690	557

The number of the highest paid employees, other than the directors and the chief executive, whose remuneration fell within the following band is as follows:

	Number of employees	
	2025	2024
Nil to HK\$1,000,000	3	2

During the reporting period, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

11. TAXATION

The Group is subject to income tax on an entity basis on assessable profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the years ended 31 December 2025 and 2024.

Under the relevant income tax law, the subsidiaries in the PRC are subject to income tax at a statutory rate of 25% on their respective taxable income.

The taxation of the Group is analysed as follows:

	2025 RMB'000	2024 RMB'000
Current tax:		
— PRC Enterprise Income Tax	6	–

The taxation for the years can be reconciled to the loss before tax per the consolidated statement of profit or loss as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	(20,202)	(5,281)
Tax calculated at the PRC statutory tax rate of 25%	(5,051)	(1,320)
Lower tax rates for specific provinces or enacted by local authority	720	481
Income not subject to tax	(2,053)	(1,867)
Expenses not deductible for tax	879	538
Tax losses not recognised	2,945	651
Utilisation of tax losses previously not recognised	(8)	–
Tax effect of unrecognised temporary differences	2,574	1,517
Tax expenses for the year	6	–

As at 31 December 2025 and 2024, the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately RMB17,594,000 (2024: RMB156,090,000) and other deductible temporary differences of approximately RMB55,788,000 (2024: RMB149,419,000) as it is not probable that future taxable profits against which the temporary differences can be utilised will be available in the relevant tax jurisdiction of the entities. Except for the tax losses of approximately RMB3,131,000 (2024: RMB141,300,000), which will expire within 5 years as disclosed in the following table, the remaining tax losses of approximately RMB14,463,000 (equivalent to approximately HK\$15,619,000) (2024: RMB14,790,000 (equivalent to approximately HK\$15,971,000)) have no expiry date under the current tax legislation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

11. TAXATION (CONTINUED)

	2025 RMB'000	2024 RMB'000
2025	–	75,552
2026	–	3,441
2027	–	3,330
2028	–	804
2029	456	58,173
2030	2,675	–
	3,131	141,300

12. DIVIDENDS

The board of directors do not recommend the payment of any dividend in respect of the years ended 31 December 2025 and 2024.

13. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2025 RMB'000	2024 RMB'000
Loss		
Loss attributable to owners of the Company for purposes of basic and diluted loss per share	(20,208)	(5,281)
	Number of shares	
	2025 '000	2024 '000 (Restated)
Number of shares		
Weighted average number of ordinary shares	43,208	40,512

There were no potential ordinary shares in issue during the years ended 31 December 2025 and 2024, and therefore the diluted loss per share is same as the basic loss per share.

Comparative figures for the weighted average number of ordinary shares for the year ended 31 December 2024 for the purpose of basic loss per share has been adjusted retrospectively for share consolidation on the basis that every eight (8) issued shares of HK\$0.05 each in the issued share capital of the Company into one (1) consolidated share of HK\$0.4 each which was completed on 13 May 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Office equipment RMB'000	Computer and servers RMB'000	Total RMB'000
Cost			
At 1 January 2024	147	2,061	2,208
Additions	59	–	59
Write-off	(14)	(292)	(306)
Exchange realignment	–	8	8
At 31 December 2024 and 1 January 2025	192	1,777	1,969
Disposals	(10)	(1,309)	(1,319)
Write-off	(127)	(8)	(135)
Disposal of subsidiaries (note 29(a))	(21)	(116)	(137)
Exchange realignment	–	(9)	(9)
At 31 December 2025	34	335	369
Depreciation			
At 1 January 2024	124	1,923	2,047
Depreciation provided for the year (note 7)	20	19	39
Write-off	(9)	(279)	(288)
Exchange realignment	–	7	7
At 31 December 2024 and 1 January 2025	135	1,670	1,805
Depreciation provided for the year (note 7)	8	1	9
Disposals	(10)	(1,209)	(1,219)
Write-off	(105)	(20)	(125)
Disposal of subsidiaries (note 29(a))	(6)	(115)	(121)
Exchange realignment	–	(8)	(8)
At 31 December 2025	22	319	341
Carrying values			
At 31 December 2025	12	16	28
At 31 December 2024	57	107	164

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis on the following bases:

Office equipment	3–5 years
Computer and servers	3–5 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. LEASES

The Group as a lessee

(a) *Right-of-use assets*

	Leased properties RMB'000
At 1 January 2024	582
Addition	2,541
Depreciation provided for the year (note 7)	(1,291)
Termination of lease arrangements	(1,080)
Exchange realignment	4
At 31 December 2024 and 1 January 2025	756
Addition	912
Depreciation provided for the year (note 7)	(304)
Disposal of subsidiaries (note 29(a))	(668)
At 31 December 2025	696

The Group leases offices for its operations with lease term of 3 years. Generally, the Group is restricted for assigning and subleasing the leased assets outside the Group. There are no lease contracts that include extension and termination options and variable lease payments.

(b) *Lease liabilities*

The carrying amount of lease liabilities and the movements during the years are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	765	703
New lease entered	912	2,541
Finance costs	27	82
Lease payments	(331)	(1,471)
Disposal of subsidiaries (note 29(a))	(681)	(1,094)
Exchange realignment	–	4
At 31 December	692	765
Analysed into:		
Non-current portion	393	419
Current portion	299	346
	692	765

The incremental borrowing rates applied to lease liabilities ranging from 3.35% to 3.70% (2024: from 3.70% to 5.00%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. LEASES (CONTINUED)

The Group as a lessee (continued)

(c) *The amounts recognised in profit or loss in relation to leases are as follows:*

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	27	82
Depreciation of right-of-use assets	304	1,291
Expenses related to short-term leases	50	227
Total amount recognised in profit or loss	381	1,600

16. OTHER FINANCIAL ASSETS

	2025 RMB'000	2024 RMB'000
Financial assets designated at FVTOCI		
— Unlisted equity securities	—	844
Financial assets at FVTPL		
— Unlisted equity securities	—	5,671
	—	6,515
Analysed into:		
Non-current portion	—	844
Current portion	—	5,671
	—	6,515

Details of fair value measurement are set out in note 33 to the consolidated financial statements.

17. INVENTORIES

	2025 RMB'000	2024 RMB'000
Finished goods at cost	6	16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

18. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	17,086	19,102
Less: Impairment allowance	(35)	(59)
	17,051	19,043

The Group's trading terms with its customers are mainly on credit. The credit period for provision of marketing and promotional services is generally 90 to 180 days from the invoice date, while the credit period for sale of goods is generally 0 to 30 days from the invoice date, in each case depending on contracts with individual customers.

An ageing analysis of the trade receivables at the end of the reporting period, based on the date of invoices and net of impairment allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	16,531	18,080
3 to 6 months	499	344
6 months to 1 year	21	22
1 to 2 years	–	597
	17,051	19,043

The movements in the impairment allowance of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of the year	59	3,457
Reversal of provision for impairment loss, net (note 7)	(16)	(98)
Write-off	–	(3,300)
Disposal of subsidiaries	(7)	–
Exchange realignment	(1)	–
At end of the year	35	59

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are determined based on days past due to groups of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

18. TRADE RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Expected credit loss rate %	Gross carrying amount RMB'000	Expected credit loss RMB'000	Net carrying amount RMB'000
Current (not past due)	0.20	17,065	(34)	17,031
Within 6 months past due	1.47	21	(1)	20
		17,086	(35)	17,051

As at 31 December 2024

	Expected credit loss rate %	Gross carrying amount RMB'000	Expected credit loss RMB'000	Net carrying amount RMB'000
Current (not past due)	0.24	18,469	(44)	18,425
More than 6 months but less than 12 months past due	1.84	22	(1)	21
More than 12 months past due	2.39	611	(14)	597
		19,102	(59)	19,043

Further details on the Group's credit policy are set out in note 34 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. CONTRACT ASSETS

	2025 RMB'000	2024 RMB'000
Contract assets arising from marketing and promotional services	7	360
Less: Impairment allowance	–	(319)
	7	41

As at 1 January 2024, contract assets amounted to approximately RMB2,314,000.

Contract assets are initially recognised for revenue earned from the marketing and promotional services as the receipt of consideration is conditional on successful completion of services. Included in contract assets for marketing and promotional services are retention receivables. Upon completion of services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Details on the Group's credit policy are set out in note 34 to the consolidated financial statements.

The expected timing of recovery or settlement for contract assets at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	7	41

The movements in the impairment allowance of contract assets are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of the year	319	856
Reversal of provision for impairment loss, net (note 7)	(169)	(13)
Write-off	(150)	(524)
At end of the year	–	319

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates for the measurement of the ECLs of the contract assets are based on those of the trade receivables, as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due for trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. CONTRACT ASSETS (CONTINUED)

Set out below is the information about the credit risk exposure to the Group's contract assets using a provision matrix:

	2025 %	2024 %
Expected credit loss rate	0.20	88.61
	RMB'000	RMB'000
Gross carrying amount	7	360
Expected credit losses	—*	319

* Amounts have been rounded to the nearest thousand.

During the year ended 31 December 2025, an impairment allowance of RMB319,000, which had been fully provided for a debtor as at 31 December 2024, was partially reversed following the partial recovery of the outstanding balance, with the remaining balance written off.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	2025 RMB'000	2024 RMB'000
Advance payments to suppliers		27	280
Prepayments		137	17
Deposits		266	467
Other receivables	(i)	16,845	22,427
Deductible value-added tax		20	1,085
Loans to third parties	(ii)	—	361
		17,295	24,637
Less: Impairment allowance		(9,451)	(9,104)
		7,844	15,533
Analysed into:			
Non-current portion		—	13,551
Current portion		7,844	1,982
		7,844	15,533

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

The movements in the impairment allowance of other receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of the year	9,104	1,635
Recognised for credit-impaired	–	6,252
Derecognised	–	(1,540)
Disposal of subsidiaries	(6,455)	–
Provision for impairment loss, net (note 7)	6,802	2,757
At end of the year	9,451	9,104

Notes:

- (i) Included in other receivables of approximately RMB16,768,000 (2024: RMB16,048,000) was a loan receivable, comprised of the outstanding principal of RMB12,000,000 (2024: RMB12,000,000) and its accumulated interest receivables of approximately RMB4,768,000 (2024: RMB4,048,000) due from a third party, namely Nanjing Qianyu Information Technology Company Limited* (南京千魚信息技術有限公司) (“Nanjing Qianyu”), bearing interest rates at 6.0% per annum and is repayable in 2026. Impairment allowance of approximately RMB9,451,000 (2024: RMB2,662,000) was recognised at 31 December 2025. The loan to Naning Qianyu was guaranteed by a company who is an independent third party.

As at 31 December 2024, included in other receivables of approximately RMB6,252,000 was a loan and interest receivable, comprised of the outstanding principal of RMB4,000,000 and its accumulated interest receivables of approximately RMB2,252,000 due from a third party, namely Beijing Hongwei Technology Company Limited* (北京宏偉科技有限公司), with interest rate at 8.0% per annum and repayable within one year, which was fully impaired in 2024. Such balances were eliminated upon the disposal of subsidiaries during the year ended 31 December 2025.

- (ii) As at 31 December 2024, included in loans to third parties were (i) a loan with outstanding amount of approximately RMB181,000, which was unsecured, bearing interest rate at 6% per annum and repayable within one year; and (ii) a loan to a former employee with an outstanding amount of RMB180,000, which was unsecured, interest-free and repayable on demand. Such balances were eliminated upon the disposal of subsidiaries during the year ended 31 December 2025.

* For identification only.

Details on the Group’s credit policy are set out in note 34 to the consolidated financial statements.

21. CASH AND CASH EQUIVALENTS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	4,055	2,758

Cash at banks earns interest at floating rates from 0.001% to 0.1% (2024: 0.001% to 0.1%) based on daily bank deposit rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

22. TRADE PAYABLES

An ageing analysis of the trade payables at the end of the reporting period, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	8,199	7,523
3 to 6 months	1	–
	8,200	7,523

The credit period for provision of marketing and promotional services is generally 90 to 180 days from the invoice date, while the credit period for sale of goods is generally 0 to 30 days from the invoice date, in each case depending on contracts with individual suppliers.

23. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Short-term advances received from customers — Marketing and promotional services	91	175

As at 1 January 2024, contract liabilities amounted to approximately RMB3,569,000. Contract liabilities include short-term advances received to deliver marketing and promotional services.

The following table shows how much of the revenue recognised in the current year related to carried-forward contract liabilities.

	2025 RMB'000	2024 RMB'000
Marketing and promotional services	175	3,569

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

24. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Other payables	19,238	13,200
Accruals	802	1,016
Receipt in advance	–	63
Other tax payables	29	918
Employee related payables	299	321
	20,368	15,518

Included in other payables are the other borrowings' interest payables and other borrowings' extension fee payables of approximately RMB18,602,000 (2024: RMB12,472,000) as at 31 December 2025.

25. BORROWINGS

	2025 RMB'000	2024 RMB'000
Other borrowings	24,283	21,545
	2025	2024
	RMB'000	RMB'000
Carrying amounts repayable:		
Within one year or on demand	24,283	21,545

The other borrowings are unsecured and repayable within one year or on demand, and bear interest at a rate of 9% per annum (2024: 9%). As at 31 December 2025, borrowings of approximately RMB23,723,000 had matured (2024: RMB20,619,000). Subsequent to maturity, these balances were subject to interest rates ranging from 23% to 36% per annum (2024: 23% to 26%) in accordance with the loan agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26. SHARE CAPITAL

	2025			2024		
	Number of shares '000	HK\$'000	Equivalent to RMB'000	Number of shares '000	HK\$'000	Equivalent to RMB'000
Ordinary shares of HK\$0.05 each						
Authorised:						
At 1 January	2,000,000	100,000		2,000,000	100,000	
Share consolidation (note (ii))	(1,750,000)	-		-	-	
Share sub-division (note (iv))	1,750,000	-		-	-	
At 31 December	2,000,000	100,000		2,000,000	100,000	
Issued and fully paid:						
At 1 January	345,662	17,283	14,510	288,052	14,402	11,891
Issue of new shares under placing agreement (note (i))	-	-	-	57,610	2,881	2,619
Share consolidation (note (ii))	(302,454)	-	-	-	-	-
Share reduction (note (iii))	-	(15,123)	(12,528)	-	-	-
At 31 December	43,208	2,160	1,982	345,662	17,283	14,510

Notes:

- (i) On 26 April 2024, the Company and the placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place through the placing agent, up to an aggregate of 57,610,390 placing shares at a price of HK\$0.0503 per placing shares (the "Placing"). The Placing has been completed on 17 May 2024. The net proceeds from the Placing amounted to approximately HK\$2.9 million. Details of which are set out in the Company's announcements dated 17 May 2024.
- (ii) Pursuant to the resolutions passed at the extraordinary general meeting of the Company held on 9 May 2025, the Company completed a share consolidation on the basis that every eight (8) issued and unissued shares of par value of HK\$0.05 each was consolidated into one (1) consolidated share of par value of HK\$0.4 each with effect from 13 May 2025.
- (iii) Pursuant to the resolutions passed at the extraordinary general meeting of the Company held on 9 May 2025, the issued share capital of the Company of HK\$17,283,117 (equivalent to RMB14,509,755) divided into 43,207,792 consolidated shares of HK\$0.4 each was reduced to HK\$2,160,389 (equivalent to RMB1,981,703) divided into 43,207,792 new shares by cancelling the paid-up capital of the Company to the extent of HK\$0.35 on each of the then consolidated share, such that the par value of each of the issued consolidated share was reduced from HK\$0.4 to HK\$0.05 with effective from 1 August 2025. The share reduction resulted in a debit of share capital of the Company with credit arising therefrom transferred to the accumulated losses.
- (iv) Immediately following the capital reduction in note (iii) above, each of the authorised but unissued consolidated shares of par value of HK\$0.4 each was sub-divided into eight (8) new shares of par value of HK\$0.05 each.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

27. SHARE-BASED PAYMENTS

Share option scheme

The Company adopted a share option scheme on 19 June 2015 (the “Share Option Scheme”) for the purpose of providing incentive or rewarding eligible persons (including director or employee (whether full time or part time), consultant or advisor of our Group) for their contribution to, and continuing efforts to promote the interests of our Group and for such other purposes as the Board may approve from time to time. No share option has been granted under the Share Option Scheme since its adoption by the Company. The Share Option Scheme became effective on the date of the Company’s listing (8 July 2015) and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The Share Option Scheme expired on 8 July 2025.

Under the Share Option Scheme, the maximum number of shares which might be issued upon exercise of all options granted and to be granted under the Share Option Scheme was 2,500,000 shares, representing approximately 5.23% (2024: 6.94%) of the shares of the Company in issue as at the date of the relevant consolidated financial statements. The maximum number of shares issuable under share options granted to each eligible participant in the Share Option Scheme (including both exercised and outstanding options) within any 12-month period was limited to 1% of the shares of the Company in issue. Any grant or further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

A grant of share options under the Share Option Scheme to a director, chief executive or substantial shareholder of the Company, or to any of their associates, was subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the Option). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, which would result in the shares issued and to be issued, upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding), to such person in the 12-month period up to and including the date of the grant in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company’s shares at the date of grant) in excess of HK\$5 million, were subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options might be accepted within 30 days from the date of offer upon payment of a nominal consideration of RMB1 in total by the grantee. The exercise period of the share options granted was determined by the directors of the Company, save that such a period shall not be more than 10 years from the date of offer of the share options and subject to the provisions for early termination as set out in the Share Option Scheme. There was no requirement for which an option must be held for a minimum period before it could be exercised.

The exercise price of the share options shall be not less than the highest of (i) the Stock Exchange closing price of the Company’s shares on the date of offer of the share options, which must be a date on which the Stock Exchange was open for business of dealing in securities; (ii) the average Stock Exchange closing price of the Company’s shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of a share of the Company on the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

No share options were granted and outstanding under the Share Option Scheme as at 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

27. SHARE-BASED PAYMENTS (CONTINUED)

Share award plan

The Company adopted a share award plan (the “Share Award Plan”) on 6 July 2016 so as to recognise and appreciate the contribution of all qualified employees towards the growth and development of the Group.

The Share Award Plan is discretionary-based, and the board has authorised the share award plan committee of the Company (“Share Award Plan Committee”) to manage the Share Award Plan, members of which include the executive director of the Company, Mr. Cheng Li, and the then independent non-executive director of the Company, Mr. Ge Ning. Subject to the requirements of the Main Board Listing Rules and all applicable laws from time to time, the Share Award Plan Committee shall make recommendations for the board’s approval. The Share Award Plan Committee shall be responsible for the administration of the Plan as well as communication with the trustee and the selected employees, including but not limited to the allocation of the award shares to the selected employees upon obtaining such approval/authorisation from the board, and purchasing the award shares on the market, as well as transferring the vested shares to the selected employees. Before the vesting date, the selected employees have no right or interest in the award shares (including the right to the dividends).

The maximum number of award shares shall not exceed 10% of the issued share capital of the Company from time to time, whereas the maximum number of shares to be granted to a selected employee shall not exceed one percent (1%) of the issued share capital of the Company from time to time. The directors of the Company have confirmed that the Company does not currently intend to issue any new shares under the Share Award Plan. If new shares are to be issued under the Share Award Plan and assuming there are no existing shares to be used under the Share Award Plan, the maximum number of new shares to be issued will be 3,030,779 shares as at the date of this report (taking into account of the issued share capital of 43,207,792 shares as at 31 December 2025 and 1,290,000 shares granted and vested in 2024), representing approximately 7.01% of the existing issued share capital of the Company. The Company will seek a specific mandate in this regard as the grantees may be connected persons of the Company.

The Share Award Plan shall remain valid and effective for ten years from the date of adoption to 5 July 2026.

During the year ended 31 December 2025, no award shares were granted and vested (2024: 1,290,000), and no share-based payments expenses were recognised (2024: RMB661,000) in relation to shares awarded by the Company. As at 31 December 2025 and 2024, no award shares were outstanding under the Share Award Plan.

28. RESERVES

The amounts of the Group’s reserves and the movements therein for the reporting period are presented in the consolidated statement of changes in equity on page 98 of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

29. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Xibai (Nanjing) Information Technology Company Limited (“Nanjing Xibai”) and its subsidiary, Nanjing Xinchuang Micro Electromechanical Technology Company Limited (“Nanjing Xinchuang”)

On 1 April 2025, the Group completed the disposal of its entire interests in Nanjing Xibai and Nanjing Xinchuang for consideration of RMB500,000 to an independent third party.

The respective amounts of assets and liabilities of Nanjing Xibai and Nanjing Xinchuang on the relevant date of disposal were as follows:

	RMB'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	16
Right-of-use assets	668
Other financial assets	1,018
Trade receivables	281
Prepayments, deposits and other receivables	1,364
Cash and cash equivalents	–*
Trade payables	(400)
Other payables and accruals	(1,409)
Lease liabilities	(681)
Tax payables	(4,816)
Net liabilities disposed of	(3,959)
Gain on disposal of subsidiaries:	
Consideration received	500
Net liabilities disposed of	3,959
	4,459
Net cash inflow arising on disposal:	
Cash consideration received	500

Reserve fund of RMB17,454,000, other reserve of RMB2,000,000 and fair value reserve of financial assets designated at FVTOCI of RMB96,883,000 were transferred to accumulated losses upon the disposal of subsidiaries.

* Amounts have been rounded to the nearest thousand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

29. DISPOSAL OF SUBSIDIARIES (CONTINUED)

(b) Disposal of Nanjing Wanhui Information Technology Company Limited (“Nanjing Wanhui”)

In March 2024, the Group completed the disposal of its entire interests in Nanjing Wanhui whose assets and liabilities were classified as held for sale as at 31 December 2023 for consideration of RMB19,090,000.

The respective amounts of assets and liabilities of Nanjing Wanhui on the relevant date of disposal were as follows:

	RMB'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	25,972
Right-of-use assets	5,071
Other receivables	818
Other payables and accruals	(17,629)
Net assets disposed of	14,232
Gain on disposal of a subsidiary	
Consideration received	19,090
Net assets disposed of	(14,232)
	4,858
Net cash inflow arising on disposal of a subsidiary:	
Cash consideration received	19,090

Reserve fund of RMB6,000 was transferred to accumulated losses upon the disposal of subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

29. DISPOSAL OF SUBSIDIARIES (CONTINUED)

(c) Deemed disposal of Nanjing Xihui Information Technology Company Limited ("Nanjing Xihui") and its subsidiary, Nanjing Xirui Information Technology Company Limited ("Nanjing Xirui")

On 31 December 2024, the Group ceased to have control over Nanjing Xihui and Nanjing Xirui due to the termination of the contractual arrangements and therefore the carrying amount related to the net liabilities of Nanjing Xihui and Nanjing Xirui was deconsolidated from the consolidated financial statements of the Group as at 31 December 2024. Details in relation to the termination of contractual arrangements are set out in the Company's announcement dated 15 November 2024.

The major classes of assets and liabilities relating to Nanjing Xihui and Nanjing Xirui as at 31 December 2024 were set out below:

	RMB'000
Analysis of assets and liabilities over which control was lost:	
Prepayments, deposits and other receivables	81
Cash and cash equivalents	67
Trade payables	(22)
Other payables and accruals	(2,536)
Tax payables	(782)
Net liabilities disposed of	(3,192)
Gain on deemed disposal of subsidiaries	
Net liabilities disposed of	3,192
Net cash outflow arising on deemed disposal of subsidiaries:	
cash and cash equivalents disposed of	(67)

Reserve fund of RMB2,500,000, other reserve of RMB5,000,000 and fair value reserve of financial assets designated at FVTOCI of RMB28,150,000 were transferred to accumulated losses upon the deemed disposal of subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

For the year ended 31 December 2025	Borrowings RMB'000	Interest payables RMB'000	Lease liabilities RMB'000
At 1 January 2025	21,545	11,226	765
Changes from financing cash flows, net	3,235	–	(304)
Exchange realignment	(497)	(325)	–
Finance costs	–	6,173	27
Interest paid classified as operating cash flows	–	–	(27)
New lease arrangement entered	–	–	912
Disposal of subsidiaries	–	–	(681)
At 31 December 2025	24,283	17,074	692

For the year ended 31 December 2024	Borrowings RMB'000	Interest payables RMB'000	Lease liabilities RMB'000
At 1 January 2024	37,747	5,802	703
Changes from financing cash flows, net	(16,588)	(269)	(1,389)
Exchange realignment	386	189	4
Finance costs	–	5,504	82
Interest paid classified as operating cash flows	–	–	(82)
New lease arrangement entered	–	–	2,541
Termination of lease arrangement	–	–	(1,094)
At 31 December 2024	21,545	11,226	765

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	77	309
Within financing activities	304	1,389
	381	1,698

31. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances detailed elsewhere in the consolidated financial statements, the Group had the following transactions and balances with related parties during the years ended 31 December 2025 and 2024:

	2025 RMB'000	2024 RMB'000
For the year ended 31 December		
Interest on other borrowings to shareholders	5,226	4,395
As at 31 December		
Other borrowings from shareholders	21,129	18,369
Other payables to shareholders	16,690	11,547

- (b) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Salaries, bonus, allowances and benefits in kind	737	1,253
Pension scheme contributions	76	102
	813	1,355

Further details of directors' and the chief executive's emoluments are included in note 9 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

32. FINANCIAL INSTRUMENTS BY CATEGORY

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

As at 31 December 2025

Financial assets

	Financial assets at amortised cost RMB'000
Trade receivables	17,051
Financial assets included in prepayments, deposits and other receivables	7,660
Cash and cash equivalents	4,055
	28,766

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables	8,200
Financial liabilities included in other payables and accruals	20,040
Borrowings	24,283
Lease liabilities	692
	53,215

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

32. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

As at 31 December 2024

Financial assets

	Financial assets at amortised cost RMB'000	Financial assets at FVTPL RMB'000	Financial assets designated at FVTOCI RMB'000	Total RMB'000
Other financial assets	–	5,671	844	6,515
Trade receivables	19,043	–	–	19,043
Financial assets included in prepayments, deposits and other receivables	14,151	–	–	14,151
Cash and cash equivalents	2,758	–	–	2,758
	35,952	5,671	844	42,467

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables	7,523
Financial liabilities included in other payables and accruals	14,216
Borrowings	21,545
Lease liabilities	765
	44,049

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(a) Fair value of the Group's financial assets that were measured at fair value on a recurring basis

Some of the Group's financial assets were measured at fair value at the end of each reporting period in accordance with the three-level fair value hierarchy defined in IFRS 13 Fair Value Measurement.

The Group's finance department is responsible for establishing policies and procedures for determining the fair value of financial instruments. At each reporting date, the finance department reviews movements in the fair values of financial instruments and evaluates the key inputs used in the valuation. The valuation results are reviewed and approved by the management. The valuation process and findings are discussed with the audit committee twice a year as part of the interim and annual financial reporting.

Information about the valuation techniques and key inputs used in determining the fair value of the financial assets is disclosed below.

Financial instruments	Fair value as at 31 December		Fair value hierarchy	Valuation techniques	Significant unobservable inputs
	2025	2024			
Unlisted equity securities measured at FVTPL	–	5,671	Level 3	Adjusted net asset value	Underlying assets' value (Note (i))
Unlisted equity securities measured at FVTOCI	–	844	Level 3	Adjusted net asset value	Underlying assets' value (Note (ii))

Notes:

- (i) An increase in the underlying assets' value would result in an increase in the fair value measurement of the financial assets at FVTPL and vice versa. 5% increase or decrease in the underlying assets' value holding all other variables constant would increase or decrease the carrying amount of financial assets at FVTPL of nil (2024: RMB284,000).
- (ii) An increase in the underlying assets' value would result in an increase in the fair value measurement of the financial assets designated at FVTOCI and vice versa. 5% increase or decrease in the underlying assets' value holding all other variables constant would increase or decrease the carrying amount of financial assets designated at FVTOCI of nil (2024: RMB42,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Reconciliation of Level 3 fair value measurement

	Financial assets at FVTPL		Financial assets designated at FVTOCI	Total RMB'000
	Unlisted equity securities RMB'000	Convertible loans to third parties RMB'000	Unlisted equity securities RMB'000	
At 1 January 2024	5,549	3,827	40,300	49,676
Loan interest receivables	–	755	–	755
Disposal	–	–	(150)	(150)
Changes in fair value recognised in profit and loss	–	(3,141)	–	(3,141)
Changes in fair value recognised in other comprehensive income	–	–	(39,306)	(39,306)
Addition (Note)	–	14,608	–	14,608
Derecognition (Note)	–	(16,049)	–	(16,049)
Exchange realignment	122	–	–	122
At 31 December 2024 and 1 January 2025	5,671	–	844	6,515
Changes in fair value recognised in profit and loss	(5,611)	–	–	(5,611)
Changes in fair value recognised in other comprehensive income	–	–	174	174
Disposal of subsidiaries	–	–	(1,018)	(1,018)
Exchange realignment	(60)	–	–	(60)
At 31 December 2025	–	–	–	–

Note:

During the year ended 31 December 2024, pursuant to the Company's circular dated 26 February 2024 and the Company's announcement dated 13 March 2024, the maturity date of a loan to Nanjing Qianyu was further extended from 29 December 2023 to 29 December 2026. Accordingly, the loan to Nanjing Qianyu with a conversion right was derecognised from other receivables and recognised as financial assets at FVTPL upon the extension of loan is approved by the shareholders at the extraordinary general meeting on 13 March 2024.

On 31 December 2024, the management of the Group decided to forfeit its right to convert the loans into the equity shares of Nanjing Qianyu. As a result, the loan to Nanjing Qianyu was subsequently derecognised from financial assets at FVTPL and recognised as other receivables.

The Group did not have any financial liabilities measured at fair value as at 31 December 2025 and 2024.

During the years ended 31 December 2025 and 2024, there were no transfers of fair value measurements between Level 1 to Level 3 for financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, interest rate risk and liquidity risk. The directors of the Company review and agree policies for managing the risks and they are summarised below.

Foreign currency risk

The Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rate, and no hedging transaction or forward contract arrangement was made by the Group during the reporting period. However, management closely monitors foreign exchange exposure to ensure appropriate measures are implemented in a timely and effective manner. In this respect, the Group is not exposed to any significant foreign currency exchange risk in its operation.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of the reporting period. The amounts presented are gross carrying amounts for financial assets.

	12-months ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
As at 31 December 2025					
Trade receivables (note (i))	–	–	–	17,086	17,086
Contract assets (note (i))	–	–	–	7	7
Financial assets included in prepayments, deposits and other receivables (note (ii))					
— Normal	343	–	–	–	343
— Doubtful	–	16,768	–	–	16,768
Cash and cash equivalents					
— Not yet past due	4,046	–	–	–	4,046
	4,389	16,768	–	17,093	38,250

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

	12-months ECLs		Lifetime ECLs		Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000			
As at 31 December 2024						
Trade receivables (note (i))	–	–	–		19,102	19,102
Contract assets (note (i))	–	–	–		360	360
Financial assets included in prepayments, deposits and other receivables (note (ii))						
— Normal	17,003	–	–		–	17,003
— Loss	–	–	6,252		–	6,252
Cash and cash equivalents						
— Not yet past due	2,733	–	–		–	2,733
	19,736	–	6,252		19,462	45,450

Notes:

- (i) For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is set out in notes 18 and 19 to the consolidated financial statements respectively.
- (ii) The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be “Normal” (Stage 1) when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “Doubtful” (Stage 2). The credit quality of the financial assets is considered to be “Loss” (Stage 3) when there is evidence indicating the asset is credit-impaired
- (iii) At the end of the reporting period, there is no significant concentration of credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

The Group's interest rate risk arises primarily from the Group's cash and cash equivalents, other receivables, loans to third parties, lease liabilities and borrowings.

No sensitivity analysis is presented since the management of the Group considers the exposure to interest rate risk to be insignificant.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

As at 31 December 2025

	Effective interest rate %	On demand RMB'000	Less than 3 months RMB'000	3 to 12 months RMB'000	1 to 3 years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount RMB'000
Trade payables		8,200	-	-	-	8,200	8,200
Financial liabilities included in other payables and accruals		20,040	-	-	-	20,040	20,040
Borrowings	9.00 to 36.00	23,723	565	-	-	24,288	24,283
Lease liabilities	3.35 to 3.70	-	80	240	399	719	692
		51,963	645	240	399	53,247	53,215

As at 31 December 2024

	Effective interest rate %	On demand RMB'000	Less than 3 months RMB'000	3 to 12 months RMB'000	1 to 3 years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount RMB'000
Trade payables	-	7,523	-	-	-	7,523	7,523
Financial liabilities included in other payables and accruals		14,216	-	-	-	14,216	14,216
Borrowings	9.00 to 26.00	20,619	940	-	-	21,559	21,545
Lease liabilities	3.70 to 5.00	-	91	278	429	798	765
		42,358	1,031	278	429	44,096	44,049

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No change was made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital by regularly reviewing the gearing ratio, which is total liabilities divided by total assets. The gearing ratio at the end of the reporting periods were as follows:

	2025 RMB'000	2024 RMB'000
Total current liabilities	53,241	49,923
Total non-current liabilities	393	419
	53,634	50,342
Total current assets	28,963	29,511
Total non-current assets	724	15,315
	29,687	44,826
	%	%
Gearing ratio	181	112

35. COMMITMENTS

Save as set out in notes 1(i), (iii) and (v) to the consolidated financial statements, the Group had no material capital commitments as at 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Non-current Assets		
Property, plant and equipment	16	16
Investment in a subsidiary	–	–
	16	16
Current Assets		
Trade receivables	18,461	14,496
Prepayments, deposits and other receivables	137	–
Due from subsidiaries	–	760
Cash and cash equivalents	11	8,930
	18,609	24,186
Current Liabilities		
Trade payables	61	7,408
Other payables and accruals	17,929	12,229
Borrowings	21,033	18,295
	39,023	37,932
Net Current Liabilities	(20,414)	(13,746)
Net Liabilities	(20,398)	(13,730)
Capital and Reserves		
Share capital	1,982	14,510
Reserves (note)	(22,380)	(28,240)
Capital Deficiency	(20,398)	(13,730)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Exchange fluctuation reserve RMB'000	Other reserve RMB'000	Share -based payments reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	231,307	24,649	–	–	(236,594)	19,362
Loss for the year	–	–	–	–	(51,732)	(51,732)
Other comprehensive income for the year:						
Exchange differences arising on translation of foreign operations	–	699	–	–	–	699
Total comprehensive income (expense) for the year	–	699	–	–	(51,732)	(51,033)
Issue of new shares under placing agreement	(1)	–	–	–	–	(1)
Share award arrangements	–	–	–	661	–	661
Vesting of awarded shares	–	–	–	(661)	661	–
Deemed distribution from a subsidiary	–	–	2,771	–	–	2,771
At 31 December 2024 and 1 January 2025	231,306	25,348	2,771	–	(287,665)	(28,240)
Loss for the year	–	–	–	–	(7,112)	(7,112)
Other comprehensive income for the year:						
Exchange differences arising on translation of foreign operations	–	444	–	–	–	444
Total comprehensive income (expense) for the year	–	444	–	–	(7,112)	(6,668)
Share reduction	–	–	–	–	12,528	12,528
At 31 December 2025	231,306	25,792	2,771	–	(282,249)	(22,380)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

37. COMPARATIVE FIGURE

Certain comparative figures have been reclassified to conform with the presentation for the year ended 31 December 2025.

38. EVENTS AFTER THE REPORTING PERIOD

On 19 January 2026, 4,629,630 shares of the Company have been successfully subscribed by four subscribers (the "Subscribers"), who are independent third parties, at the subscription price HK\$0.433 per share pursuant to the terms and conditions of the subscription agreements dated 29 December 2025 entered into between the Company and each of the Subscribers, details of which are set out in the Company's announcements dated 29 December 2025, 30 December 2025 and 19 January 2026.

FIVE YEARS' FINANCIAL SUMMARY

	Year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	57,527	56,439	57,444	84,970	93,744
Loss for the year	(20,208)	(5,281)	(48,141)	(42,005)	(55,137)
(Loss) profit attributable to:					
Owners of the Company	(20,208)	(5,281)	(48,141)	(42,241)	(51,455)
Non-controlling interests	–	–	–	236	(3,682)
	(20,208)	(5,281)	(48,141)	(42,005)	(55,137)
	As at 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Total assets	29,687	44,826	115,053	166,926	345,393
Total liabilities	(53,634)	(50,342)	(78,973)	(65,673)	(77,157)
(Capital deficiency) total equity	(23,947)	(5,516)	36,080	101,253	268,236
Attributable to:					
Owners of the Company	(23,947)	(5,516)	36,080	101,253	268,472
Non-controlling interests	–	–	–	–	(236)
	(23,947)	(5,516)	36,080	101,253	268,236