

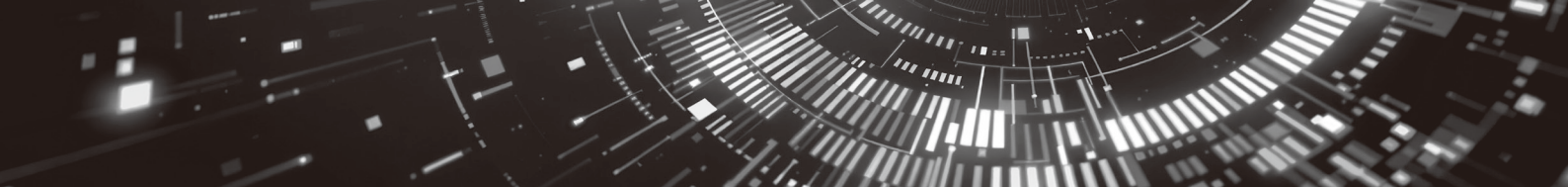
**edensoft**  
**EDENSOFT HOLDINGS LIMITED**  
**伊登軟件控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 1147)



**2025**  
**ANNUAL REPORT**



## CONTENTS

|   | Pages |
|---|-------|
| Corporate Information                                   | 2     |
| Chairman's Statement                                    | 4     |
| Management Discussion and Analysis                      | 8     |
| Biographical Details of Directors and Senior Management | 19    |
| Report of the Directors                                 | 23    |
| Environmental, Social and Governance Report             | 40    |
| Corporate Governance Report                             | 87    |
| Independent Auditor's Report                            | 101   |
| Consolidated Statement of Profit or Loss                | 107   |
| Consolidated Statement of Comprehensive Income          | 108   |
| Consolidated Statement of Financial Position            | 109   |
| Consolidated Statement of Changes in Equity             | 111   |
| Consolidated Statement of Cash Flows                    | 113   |
| Notes to Financial Statements                           | 115   |
| Financial Summary                                       | 192   |

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Ms. Ding Xinyun (*Chairman & Chief Executive Officer*)  
Ms. Li Yi

#### Independent Non-Executive Directors

Mr. Leung Chu Tung  
Ms. Zhu Weili  
Mr. Cai Jiong

### COMPANY SECRETARY

Ms. Peng Hui

### AUDIT COMMITTEE

Mr. Leung Chu Tung (*Chairman*)  
Ms. Zhu Weili  
Mr. Cai Jiong

### REMUNERATION COMMITTEE

Ms. Zhu Weili (*Chairman*)  
Mr. Leung Chu Tung  
Mr. Cai Jiong

### NOMINATION COMMITTEE

Ms. Ding Xinyun (*Chairman*)  
Mr. Leung Chu Tung  
Ms. Zhu Weili

### AUTHORISED REPRESENTATIVES

Ms. Li Yi  
Ms. Peng Hui

### REGISTERED OFFICE

71 Fort Street  
P.O. Box 500  
George Town  
Grand Cayman KY1-1106  
Cayman Islands

### HEADQUARTERS IN THE PRC

West, 2nd Floor, Building A  
Shenzhen International Innovation Center  
(Futian Technology Square)  
Hua Fu Street, 1006 Shennan Road  
Futian District, Shenzhen, PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1918, 19/F  
Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
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

### AUDITOR

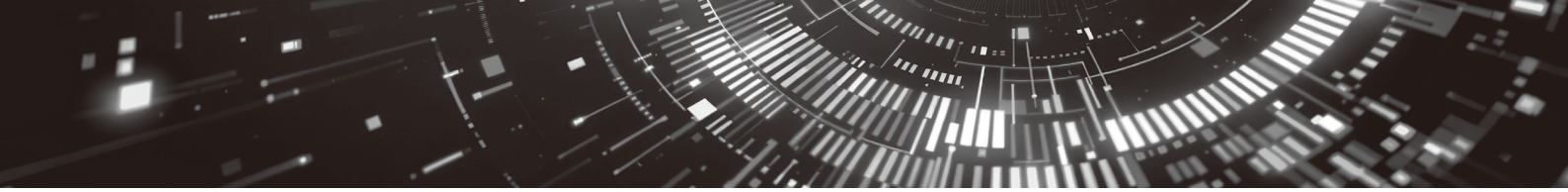
Ernst & Young  
*Certified Public Accountants*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

### PRINCIPAL BANKERS

China Merchants Bank  
Room No. B1, 1st Floor, Anlian Plaza  
No. 4018 Jintian Road  
Futian District, Shenzhen, China

DBS Bank (Hong Kong) Limited  
11th Floor, The Centre  
99 Queen's Road Central  
Hong Kong

Industrial and Commercial Bank of China  
1st Floor, Shenzhen Bairuida Hotel  
Long Ping Road, Huawei Base  
Bantian, Longgang District  
Shenzhen, China



## CORPORATE INFORMATION

### **LEGAL ADVISER**

*As to Hong Kong law*

Loong & Yeung Solicitors

Room 1603, 16/F

China Building

No. 29 Queen's Road Central

Central, Hong Kong

### **STOCK CODE**

1147

### **WEBSITE**

[www.edensoft.com.cn](http://www.edensoft.com.cn)



## CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the “**Board**”) of Edensoft Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”), I hereby present the Group’s annual report for the year ended 31 December 2025, together with a detailed review of the strategic achievements attained during the year together with an outlook for the future.

### **2025 REVIEW: STRATEGIC TRANSFORMATION DELIVERING REMARKABLE RESULTS**

In 2025, artificial intelligence technologies permeated socio-economic sectors with unprecedented depth, emerging as the core engine driving industry transformation. The Group astutely seized the opportunities of the era, having established in 2024 its three strategic pillars: Focus on AI + Data, building dreams in the cloud; Focus on core industries, meticulous cultivation; Strengthen the solution system, drive innovation for development. Throughout 2025, the Group steadfastly executed these strategies, successfully transforming the “AI + Data” vision into substantial commercial outcomes.

#### **I. Focus on AI + Data: Product Launch and Commercial Closed Loop Achieved**

The global generative AI market experienced exponential growth. Leveraging our long-accumulated and stable base of cloud AI customers, the Group has demonstrated a keen insight into the core demand of corporate clients for tangible technological efficacy, successfully driving the commercialisation and implementation of our AI products.

##### ***1. Portfolio of self-developed products gaining market recognition:***

Through a deep understanding of industry needs, we developed and launched a series of self-developed AI products, including E-AI Enterprise Intelligent Assistant, eCopilot Office AI Assistant, Intelligent Knowledge Assessment System, AI Intelligent Customer Service Xiao Yi, and AI Drawing Tool Intelligent Drawing Master. These solutions rapidly gained recognition and swift adoption from customers in retail, education, finance, government, and other sectors, demonstrating the effective integration of the Group’s technological R&D capabilities with market insight.

##### ***2. Core products achieving breakthrough progress:***

As strategic centrepieces, our AI office products, namely E-AI Enterprise Intelligent Assistant and eCopilot Office AI Assistant, have evolved into mature, enterprise-grade AI office solutions through multiple technological revamps, tailoring to meet AI office demands across industries. They offer robust security, compatibility, and practicality, and have been successfully adopted across various sectors. Notably, eCopilot Office AI Assistant now supports both Microsoft and WPS Office ecosystems, efficiently handling high-frequency tasks such as content generation, slide creation, data analysis, and email processing, with local deployment options for ensuring data compliance. E-AI Enterprise Intelligent Assistant serves as an enterprise-grade agent platform, enabling the creation of enterprise knowledge hubs and custom agents tailored to business workflows, optimising internal operations and enhancing business process efficiency. Together, these products strengthen the Company’s leadership in the domestic AI office market and provide core product support for market expansion and global strategy implementation.



## CHAIRMAN'S STATEMENT

### **3. *Technological compliance and ecosystem building reaching key milestones:***

The Group's proprietary E-AI Multimodal Content Generation algorithm and core large models successfully passed the filing for deep synthesis service algorithms with the Cyberspace Administration of China during the year, clearing a critical compliance hurdle for large-scale product promotion. We also actively built a global collaboration ecosystem by becoming a Huawei Cloud Professional Partner with certifications in Kunpeng and Ascend technologies, listing products on Amazon Web Services (AWS) overseas Marketplace, Huawei Cloud Marketplace, Tencent Cloud Market and 360 Cloud Marketplace, and obtaining Microsoft's Azure Data & AI technology certification. These signified that our AI products have successfully compatible with leading domestic and international cloud platforms, equipping us to serve global customers.

### **4. *Financial performance underpinning strategic success***

Our AI strategy has reached its "harvest period". In 2025, despite a decline in core operating revenue due to challenging market conditions, the Group's profit attributable to the parent grew by 29.7% year-on-year ("YoY"), driven primarily by the full-scale commercial launch of AI products. Notably, the gross margin of our IT implementation and commercial application services segment, which includes our self-developed AI products, surged by 29.5 percentage points YoY to 25.1%. This reflected our successful shift from traditional services to a high-value, proprietary intellectual property (IP)-driven business model.

## **II. Focus on Core Industries: Deepening Services to Build Barriers**

To achieve sustainable growth, we have deeply cultivated high-potential core industries. By aligning with national industrial development priorities, we targeted strategic emerging sectors such as semiconductors and new energy. From the early stages of client development, the Group used its leading IT infrastructure and cloud services capabilities to support clients' digital transformation, thereby forging long-term, stable partnerships. This forward-looking strategy of deep industry cultivation has enabled us to establish differentiated advantages amid fierce market competition and ensured business stability and expansion.

## **III. Strengthen the Solution System: Innovation-Driven Value Delivery**

The Group has consistently prioritised the competitiveness of its solutions portfolio. Through ongoing market research and client feedback loops, we have continuously refined and upgraded our solutions to precisely meet client needs. As at 31 December 2025, the Group held 144 registered software trademarks and 13 invention patents, with new patents mainly in cloud services and AI applications. These innovations not only align with the Group's AI + Data development strategy but also provide enduring momentum for our solutions, enabling us to deliver more efficient and satisfactory products and services to clients.



## CHAIRMAN'S STATEMENT

### 2026 OUTLOOK: A PIVOTAL YEAR OF DUAL STRENGTHS UNITED

2026 will be a pivotal year for the Group to advance its “AI + Data” strategic transformation and fully reap expanded rewards. We will advance vigorously on the following fronts:

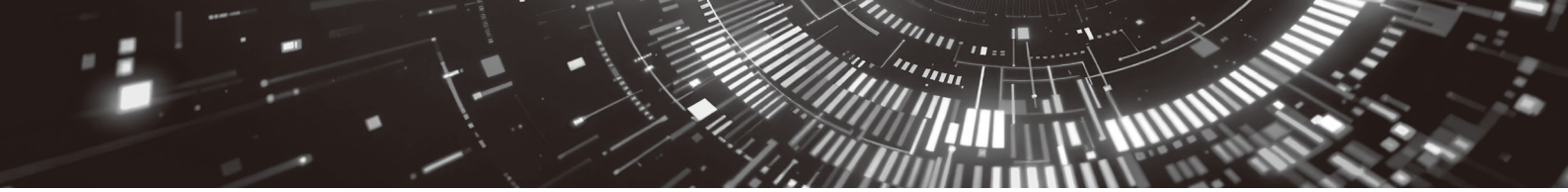
**Driving scalable adoption of vertical AI applications:** Drawing on more than twenty years of experience serving global leading clients in retail, education, finance, and manufacturing, we will fully propel the deeper and broader application and adoption of AI products in vertical scenarios in these core industries next year, ensuring the full realisation of technological value.

**Deepening GenAI partnerships and exploring hardware-software integration innovation:** The Group will further deepen cooperation with global software/hardware leaders such as DeepSeek and NVIDIA. Beyond mere technical integration, we will actively pursue deep AI-hardware integration, planning to launch a joint AI office solution with xFusion based on the FusionXpark™ agent development platform. This solution blends xFusion's hardware and computing optimisation strengths with Edensoft's self-developed AI capabilities (E-AI and eCopilot Office plugins), significantly boosting AI office efficiency for SMEs and individual developers by enabling one-click generation of PPTs, Word documents and emails on minimal computing units. It offers clients the most cost-effective and secure all-in-one AI computing experience, responding to market demands for high-performance, secure and easily deployable localised AI computing power.

In addition, we will initiate a comprehensive service revitalisation programme, optimising our organisational structure to further industry-specialise and professionalise our operations, thereby enhancing efficiency, service precision and overall competitiveness.

**Accelerating ecosystem integration through strategic acquisition:** To accelerate AI product commercialisation and ecosystem growth, on 10 February 2026, the Group announced the acquisition of 100% equity interest in Kenfil Hong Kong Limited (“**Kenfil**”), a Hong Kong IT service provider with over 35 years of history. The strategic intention of this acquisition is clear: to integrate Kenfil's client channels and Microsoft collaboration ecosystem with the Group's self-developed AI products, combining them with its mature software sales, training, and channels to build a more competitive one-stop “product + service + training” solution. The goal is to accelerate expansion in the corporate IT and cloud services market in Hong Kong and surrounding regions. This can be seen as a key step in advancing AI product implementation and regional market expansion through external growth. Through this acquisition, we believe that this step will allow the Group to leverage the Greater Bay Area market and Kenfil's extensive client base to deliver comprehensive solutions and services, especially in artificial intelligence.

Looking ahead, the Group is committed to achieving the convergence of these dual strengths: industry specialisation and generative AI (GenAI). By developing customised GenAI applications, we will address the specific needs of industries with superior precision, efficiency and effectiveness. We will continue to expand into new business areas, develop novel proprietary IP products, and deliver more competitive, client-focused solutions to steadily drive operating performance. We are confident that ongoing investment in GenAI and comprehensive service system renewal will strengthen the Group's prospects and create lasting growth value for shareholders.



## CHAIRMAN'S STATEMENT

Last but not least, on behalf of the Board, I extend our sincerest gratitude to our long-standing shareholders, fellow directors, senior management team, and every diligent employee. We also profoundly thank our business partners for their staunch support. In the new year, let us continue to advance hand in hand, forging an even brighter future for Edensoft.

**Edensoft Holdings Limited**

**Ding Xinyun**

*Chairman and Executive Director*

30 April 2026



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS OVERVIEW

The Group is an integrated information technology (“IT”) solutions and cloud and AI services provider in Mainland China. Its business portfolio includes the provision of IT infrastructure services, IT implementation and supporting services and cloud and AI services.

The shares of the Company (the “Shares”) were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) by way of share offer on 13 May 2020 (the “Listing Date”). A total of 500,000,000 ordinary Shares (comprising a public offer of 250,000,000 Shares to the public in Hong Kong and a placing of 250,000,000 Shares to selected professional, institutional and other investors), of an aggregate nominal value of HK\$5,000,000, were offered for subscription at an offer price of HK\$0.25 per Share (the “Listing”).

The Company adopted a share award scheme (the “Plan”) on 9 November 2021 and provided supplementary information to Shareholders and potential investors of the Company in relation to eligible participants and plan limit of the Plan on 11 January 2022. On 23 March 2022, the Board resolved to grant 44,947,350 award shares to 42 selected participants, all of whom are employees. As at the date of this report, the total issued Shares of the Company is 2,044,947,350.

### BUSINESS REVIEW AND OUTLOOK

#### I. GROUP BUSINESS REVIEW

As a pioneer in China’s IT services sector, the Group has drawn on more than twenty years of industry expertise to serve leading clients in diverse sectors, including finance, manufacturing, and education, since the AI 1.0 era, and has established a comprehensive professional services framework. This strong foundation supports the Company’s transition to its AI 2.0 strategy. In the meantime, with Chinese clients stepping up their global expansion, the Group has made overseas business expansion a strategic priority and has actively developed and established its international operations. Despite industry-wide profitability challenges, the Group remained one of the few to achieve profitability in AI applications, thanks to its mature commercialisation capabilities and a strong client base.

2025 marked a pivotal year for Edensoft’s AI strategy, as it transitioned from planning to large-scale commercial deployment. Through key technological advancements, product launches, strategic ecosystem partnerships, and prominent appearances at domestic and international forums, the Company built a mature product portfolio focused on Edensoft’s platforms and products, such as E-AI Enterprise Intelligent Assistant and eCopilot, forging deep collaborations with global technology leaders, including Microsoft, Amazon, NVIDIA, and Huawei. These efforts have effectively delivered financial profitability and increased brand recognition, providing a solid foundation for further industry applications and global expansion.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **1. The Group's Technical Achievements and Compliance Milestones in 2025**

On 7 January 2025, the Group attained the Analytics on Microsoft Azure professional certification under the Azure AI+DATA category, demonstrating Microsoft's official affirmation of the Group's expertise in planning and delivering analytics solutions on the Azure platform.

On 28 February 2025, the Group's wholly-owned subsidiary, Eden Information Service Limited\* (深圳市伊登軟件有限公司), was selected for the inaugural pilot list of value-added telecommunications businesses open to foreign investment, opening new pathways for market expansion.

On 6 June 2025, the Group's self-developed E-AI Enterprise Assistant and eCopilot products received certification from Huawei Kunpeng and Ascend regarding information technology application innovation. In the same month, their Huawei Kunpeng Zhanyi Compatible certifications were renewed once again, demonstrating the products' seamless integration with domestic ecosystems in performance, compatibility, and deployment.

On 11 September 2025, the Group's self-developed E-AI Multimodal Content Generation algorithm and core large model technologies secured filing with the Cyberspace Administration of China for deep synthesis services algorithms, a critical compliance milestone enabling large-scale enterprise market rollout.

### **2. The Group's Product Launches and Market Debuts in 2025**

On 28 May 2025, the Group hosted the "eKey Acceleration, Intelligence Unleashed (e鍵加速·智啟伊始)" new product launch for eCopilot and related AI applications, releasing eCopilot globally. The product was simultaneously listed on overseas SaaS platforms and integrated into Huawei Cloud and Tencent Cloud ecosystems. At the conference, the Group entered into agreements with several partners, offering its products to leading firms in the finance, retail, and new energy sectors.

On 16 July 2025, at the 14th China Finance Summit – 2025, the Group's self-developed eCopilot received the Outstanding AI Innovation Application Award (傑出AI創新應用獎), underscoring high recognition of the product's strength and application value among industry peers.

On 22 December 2025, the eCopilot Office AI Assistant won the Practical Technology Innovation Award (實用技術創新類獎) at the 1st Shenzhen-Hong Kong-Macao Industry-Education Integration Skills Innovation and Application Competition.

\* For identification purpose only

## MANAGEMENT DISCUSSION AND ANALYSIS

### 3. *The Group's Ecosystem Partnerships and Strategic Alliances in 2025*

On 27 February 2025, the Group deepened AI collaboration with 4Paradigm. The parties will pool their resources in technology research and development and industry applications to collaboratively drive the deep integration of AI technologies across key sectors, including intelligent manufacturing, smart finance, and new retail.

On 11 April 2025, at Huawei Cloud's Ecological Conference 2025, the Group signed a cooperation agreement with Huawei Cloud for comprehensive collaboration across cloud desktops, CRM implementation, AI application development and related fields, with the aim of jointly developing a series of solutions.

On 23 April 2025, Edensoft showcased its AI solutions at the Microsoft Future Summit (微軟創想未來峰會).

On 17 June 2025, the Group's senior management visited NVIDIA's Beijing EBC and entered into a cooperation agreement with its partner Leap Zenith. The parties will focus on developing AI solutions for vertical industries, with the goal of releasing eCopilot software on the Leap Cloud and integrating it into all-in-one hardware solutions.

From 19–20 June 2025, as an AWS partner, the Group presented eCopilot and AWS solutions at the Amazon Web Services China Summit (亞馬遜雲科技中國峰會).

From 20–22 June 2025, as a lead partner at the Huawei Developer Conference, the Group co-launched the "Root Ecosystem, Smart Future – Huawei Cloud AI Application Innovation Pioneer Programme (根生態 智未來 – 華為雲AI應用創新領航計劃)" with Huawei Cloud.

On 30 July 2025, the Group joined Red Hat ISV Day, partnering on OpenShift for enterprise AI office ecosystems.

In October 2025, the Group's Intelligent Customer Service Platform reached the finals of the Microsoft Partner – Enterprise AI Agent Competition (微軟合作夥伴企業級AI Agent大賽), winning the User Experience Award (用戶體驗獎).

Between the end of 2025 and the beginning of 2026, the Group enhanced strategic ties with xFusion to launch AI office solutions based on the FusionXpark™ platform, blending hardware computing with AI applications.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **4. The Group's Brand Influence and Market Accolades in 2025**

On 21 February 2025, at the Huawei Guangdong Partner Conference (華為廣東合作夥伴大會), the Group earned Huawei's Best Service Partner Award for its superior products and technological service capabilities.

On 29 July 2025, the Group participated in the World Artificial Intelligence Conference (WAIC), showcasing core AI products and digital solutions.

In August 2025, the Group was awarded the honour of one of the 30 Leading Companies of the Year 2025 by The Silicon Review, an international business magazine platform.

From 18-20 September 2025, at the 10th Huawei Connect, the Group secured the Partnership Award for Co-Creation and Mutual Success (共創共贏夥伴獎).

From 18-21 October 2025, the Group exhibited at the AI & Robotics Summit in Hong Kong. Chairman Ding Xinyun shared insights at a sub-forum of the summit.

On 1 November 2025, the Group was selected for the List of High-Quality Development Enterprises in Futian (福田區高質量發展企業榜單) in recognition of its innovative performance, and has been honoured as a Pioneer Enterprise in Rapid Advancement (極速先鋒企業).

On 5 November 2025, the Group appeared for the third time at the China International Import Expo, showcasing multiple AI products under the theme of new-quality productive forces.

On 22 November 2025, Chairman Ding Xinyun spoke at the Shenzhen Bay Tech Week event held in Silicon Valley. During her trip, the Group's US entity was established, marking a new phase in the Group's globalisation strategy.

On 15 December 2025, the Group was designated a Training Carrier for Lifelong Vocational Skills – High-Skills Talent Training Base (終身職業技能培訓載體-高技能人才培訓基地) in Shenzhen and received official accreditation.

### **5. The Group's Financial Performance and Strategic Direction in 2025**

The results for 2025 underscore the efficacy of the Group's AI strategy. With its established commercialisation capabilities and the comprehensive roll-out of AI products, the Group emerged as one of the few enterprises to achieve profitability in AI applications. The IT implementation and commercial application services segment has seen a marked improvement in profitability, serving as a testament to the success of our strategic transformation.

Throughout 2025, the Group resolutely executed its strategic roadmap by deepening collaborations with leading vendors, including DeepSeek, NVIDIA, and xFusion. It explored and developed "out-of-the-box" AI hardware solutions designed to meet the growing demand for localised deployment. A service revitalisation programme was also initiated to drive industry-specific business alignment. The Group has planned to further deepen its presence in the finance, retail, and high-tech manufacturing sectors, aiming to create replicable, high-barrier industry-specific AI solutions.



## MANAGEMENT DISCUSSION AND ANALYSIS

### II. FUTURE OUTLOOK

Amid a continuous slowdown in the global economy and the rise of GenAI, the Group will continue to develop its stable core businesses while comprehensively introducing GenAI software and hardware, expanding into niche industry-specific segments, and delivering competitive, customised solutions that meet client needs.

#### **1. *Continues to Steer the Future Development of GenAI***

In its future development, the Group will further deepen cooperation with global leading AI and software/hardware vendors such as DeepSeek and NVIDIA, fully leveraging their leadership strength in GenAI technologies, particularly their technological resources in natural language processing, deep learning, and big data analytics to accelerate implementation and application of GenAI technologies. It will also explore the deep integration of AI with hardware, developing more “out-of-the-box” AI hardware solutions to meet the huge market demand for localised AI.

#### **2. *Carries out the Industry-Specific Organisational Restructuring***

In today’s market economy, the emergence of niche segments has intensified industry competition. With precise positioning in target markets, the Group can better meet the needs of specific customer groups, thereby gaining a competitive advantage. In corporate operations, the Group will continuously optimise its organisational structure and develop its businesses with an industry-specific approach. Tailored and specialised adjustments will be made based on the characteristics of and demands in key industries to enhance customer satisfaction, improve market competitiveness, and promote sustainable business development. By deeply understanding industry trends, client needs, and the market environment, the enterprise can formulate and implement strategies more effectively and optimise its products and services.

#### **3. *Focus on Vertical Deep Applications in Industries***

Future AI development will go beyond general-purpose tools. The Group will shift to deep cultivation of key industries such as finance, retail, and high-tech manufacturing, and to the creation of replicable, high-barrier, industry-specific AI solutions, so as to realise an upgrade from “project delivery” to “standardised products + industry templates”.

#### **4. *Accelerates Strategic Mergers and Acquisitions for AI Ecosystem Integration***

On 10 February 2026, the Group announced its proposed acquisition of 100% equity interest in Kenfil Hong Kong Limited, an IT service provider with over 35 years of history, for HK\$3.0 million. The strategic intention of this acquisition is clear: to integrate Kenfil’s client channels and Microsoft collaboration ecosystem with the Group’s self-developed AI products, combining them with its mature software sales, training, and channels to build a more competitive one-stop solution of “product + service + training”. The goal is to accelerate expansion in the corporate IT and cloud services market in Hong Kong and surrounding regions. This can be seen as a key step in advancing AI product implementation and regional market expansion through external growth.

Looking ahead, the Group will continue to seek to expand and develop its business strategies through strategic investments, mergers and acquisitions, and other means to accelerate the expansion and development of the Company’s business strategy, so as to optimise its business structure and sustain business growth.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

The Group's revenue for the year ended 31 December 2025 (the "Year") was approximately RMB877.7 million, representing a decrease of approximately RMB254.8 million, or approximately 22.5%, as compared to revenue of approximately RMB1,132.6 million for the year ended 31 December 2024. The overall decrease in revenue was primarily attributable to the revenue decline in the IT infrastructure services segment in the amount of approximately RMB213.9 million for the Year, compared with the same period of last year.

#### Cost of sales

Cost of sales of the Group decreased by approximately RMB249.1 million, or approximately 24.4% from approximately RMB1,020.3 million for the year ended 31 December 2024 to approximately RMB771.2 million for the year ended 31 December 2025. The decrease was generally in line with the decrease in revenue of the Group during the Year.

#### Gross profit and margin

|                         | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------|-----------------|-----------------|
| Revenue                 | 877,748         | 1,132,561       |
| Cost of sales           | (771,201)       | (1,020,268)     |
| Gross profit            | 106,547         | 112,293         |
| Gross profit margin (%) | 12.1%           | 9.9%            |

The gross profit of the Group decreased by approximately RMB5.7 million, or approximately 5.1%, from approximately RMB112.3 million for the year ended 31 December 2024 to approximately RMB106.5 million for the year ended 31 December 2025. This decrease was moderated compared to the decline in revenue, primarily due to improved profitability in the IT implementation and supporting services segment. The gross profit margin of the Group increased from approximately 9.9% for the year ended 31 December 2024 to approximately 12.1% for the year ended 31 December 2025, primarily driven by the improved profitability in IT implementation and supporting service segment.

#### Other income and gains/(losses)

Other income and gains/(losses) of the Group decreased from approximately RMB1.8 million for the year ended 31 December 2024 to approximately RMB1.3 million for the year ended 31 December 2025, representing a decrease of approximately 27.5%. Such decrease was primarily due to a reduction in government grants recognized during the Year.



## MANAGEMENT DISCUSSION AND ANALYSIS

### **Selling and distribution expenses**

The selling and distribution expenses of the Group decreased from approximately RMB33.1 million for the year ended 31 December 2024 to approximately RMB32.4 million for the year ended 31 December 2025, representing a decrease of approximately 2.3% primarily attributable to effective cost control measures implemented during the Year.

### **Administrative expenses**

The administrative expenses of the Group decreased from approximately RMB25.7 million for the year ended 31 December 2024 to approximately RMB25.5 million for the year ended 31 December 2025, representing a decrease of approximately 0.5%. The administrative expenses remained relatively stable for the years ended 31 December 2024 and 2025.

### **Research and development expenses**

The research and development expenses of the Group decreased from approximately RMB40.0 million for the year ended 31 December 2024 to approximately RMB32.5 million for the year ended 31 December 2025, representing a decrease of approximately 18.8%. Such decrease was mainly due to strategic adjustments in the direction of certain projects, resulting in a short-term reduction in costs during the Year.

### **Other expenses**

Other expenses of the Group decreased from approximately RMB3.3 million for the year ended 31 December 2024 to approximately RMB1.7 million for the year ended 31 December 2025, representing a decrease of approximately 47.2%. Such decrease was mainly due to the Group's decreased foreign exchange losses during the Year.

### **Impairment losses on financial and contract asset**

Impairment losses on financial and contract asset of the Group increased from approximately RMB2.0 million for the year ended 31 December 2024 to approximately RMB5.5 million for the year ended 31 December 2025, representing an increase of approximately 175.0%. Such increase was mainly due to the increase of impairment losses on trade receivables during the Year.

### **Finance costs**

Finance costs of the Group decreased from approximately RMB2.3 million for the year ended 31 December 2024 to approximately RMB0.8 million for the year ended 31 December 2025, representing a decrease of approximately 66.4%. The decrease was primarily attributable to a reduction in bank borrowings during the Year.

### **Income tax credit**

Income tax credit of the Group increased from approximately RMB0.3 million for the year ended 31 December 2024 to approximately RMB1.0 million for the year ended 31 December 2025, representing an increase of approximately 198.1%. The increase in the deferred tax credit was primarily due to the increase of impairment losses on trade receivables during the Year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### PROFIT FOR THE YEAR

As a result of the foregoing, the Group recorded a profit for the year of approximately RMB10.4 million for the year ended 31 December 2025, representing an increase of approximately 29.7%, as compared to a profit for the year of approximately RMB8.0 million for the year ended 31 December 2024. Such increase was primarily due to (i) the improvement in gross profit margin despite a decline in revenue; and (ii) effective cost control measures which resulted in a decrease in operating expenses during the Year.

### PLEDGE OF ASSETS

As at 31 December 2025, pledged bank deposit amounting to approximately RMB4.8 million were restricted due to the reason of judicial freezing in relation to the Lawsuit (as defined in the paragraph headed “Litigation and Contingent Liabilities” in this report) (31 December 2024: approximately RMB0.35 million to secure the acceptance bill and letters of guarantee of the Group and the pledged bank deposit amounting to approximately RMB4.8 million were restricted due to the judicial freezing in relation to the lawsuit of the Group in 2024).

### CAPITAL EXPENDITURE AND COMMITMENTS

As at 31 December 2025, the Group had capital expenditure amounted to approximately RMB68,000 (31 December 2024: RMB36,000) in relation to the purchase of property, plant and equipment in the PRC. The Group had no commitments (31 December 2024: nil) which had been contracted but not provided for as at 31 December 2025.

### PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

As at 31 December 2025, the Group’s prepayments, deposits and other receivables were approximately RMB8.8 million, representing a decrease of approximately 59.7% as compared to approximately RMB21.9 million as at 31 December 2024. The decrease was primarily attributable to the absence of significant value-added tax (“VAT”) input receivables as at 31 December 2025, which were included in the balance as at the end of the prior year.

### LITIGATION AND CONTINGENT LIABILITIES

On 17 January 2022, Eden Information Service Limited\* (深圳市伊登軟件有限公司) (“Eden Information”, one of the Group’s subsidiaries) entered into a software sales agreement with its supplier (the “Plaintiff”). The parties were later in dispute over the payment of the contract sum of approximately RMB3.38 million (the “Sum”) and the Plaintiff filed a claim with the People’s Court of Nanshan District, Shenzhen City\* (深圳市南山區人民法院) (the “Court”) against Eden Information (the “Lawsuit”) on 30 April 2024.

The Plaintiff also applied to the Court to freeze the bank accounts of Eden Information during the legal proceedings of the Lawsuit. As at 31 December 2024, the aggregate of the Sum together with the liquidated damages of approximately RMB4.8 million under the bank accounts of Eden Information have been frozen.

In 2025, Eden Information received a civil judgment from the Court in relation to the Lawsuit, pursuant to which, Eden Information was ordered to pay the Plaintiff approximately RMB3.5 million plus overdue payment penalties. The amounts have been recognized in the consolidated statement of profit or loss for the year ended 31 December 2025.

\* For identification purpose only



## MANAGEMENT DISCUSSION AND ANALYSIS

Save as disclosed above, as at 31 December 2025, the Group did not have any significant contingent liabilities (31 December 2024: nil).

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group's current assets were approximately RMB361.0 million (31 December 2024: RMB416.2 million), of which approximately RMB100.7 million (31 December 2024: RMB84.2 million) were cash and cash equivalents and approximately RMB4.8 million (31 December 2024: RMB4.8 million) were pledged deposits. As at 31 December 2025, the net asset value of the Group amounted to approximately RMB207.0 million, representing an increase of approximately 3.1% as compared to approximately RMB200.8 million at 31 December 2024. The increase in net asset value in 2025 compared to that of 2024 was primary due to the profit generated from the Group's business operations during the Year.

As at 31 December 2025, the Group's gearing ratio (calculated by dividing net debt by capital plus net debt) was approximately 22.9% (31 December 2024: 38.0%). Net debt is calculated as interest-bearing bank borrowings, lease liabilities, trade and bills payables, financial liabilities included in other payables and accruals, less cash and cash equivalents. Capital represents equity attributable to owners of the parent.

As at 31 December 2025, the share capital of the Company was approximately RMB18.7 million (31 December 2024: RMB18.7 million). The Group's reserves were approximately RMB188.3 million (31 December 2024: RMB182.1 million). As at 31 December 2025, the Group had total current liabilities of approximately RMB177.8 million (31 December 2024: RMB235.6 million), mainly comprising trade and bills payables, interest-bearing bank borrowings, contract liabilities, and other payables and accruals. The total non-current liabilities of the Group amounted to approximately RMB3.5 million (31 December 2024: RMB1.3 million), which mainly represented lease liabilities.

### CAPITAL STRUCTURE OF THE GROUP

As at 31 December 2025, the capital structure of the Group consists of (i) debts, which include lease liabilities of approximately RMB6.8 million, trade and bills payables of approximately RMB149.0 million, financial liabilities included in other payables and accruals of approximately RMB6.2 million; and (ii) equity reserves attributable to owners of the parent of approximately RMB207.0 million, comprising issued share capital and various reserves.

As at 31 December 2025, financial liabilities included in other payables and accruals were non-interest bearing and were repayable within one year. All interest-bearing bank borrowings are repayable within one year. The contractual interest rate on bank borrowings was in line with LPR. LPR, i.e., Loan Prime Rate (貸款市場報價利率), which stood for the loan base rates announced by the National Interbank Lending Centre (全國銀行間同業拆借中心) of Chinese Mainland.

The Group's monetary assets, liabilities and transactions are mainly denominated in RMB. The Group was not engaged in any hedging by financial instruments in relation to exchange rate risk. The Group is closely monitoring the risk and will apply appropriate hedging instruments when it is needed.

The Directors review the capital structure on a semi-annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the management of the Company, the Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debts.



## MANAGEMENT DISCUSSION AND ANALYSIS

### INTEREST RATE RISK

Interest rate risk refers to the risk that the fair value of interest rate risk in relation to fixed rate bank borrowings. The Group is also exposed to cash flow interest rate due to fluctuation of prevailing market interest rate on bank deposits and bank borrowings carried at prevailing market interest rates. The Group however did not engage in any derivatives agreements and did not commit any financial instrument to hedge its interest rate risk during the year ended 31 December 2025. The management monitors the Group's interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

### USE OF PROCEEDS

The Group intends to strengthen the market position and increase its market share by (i) continuing to strengthen and develop its R&D and IT services capabilities and further expand its cloud services; (ii) expanding its offices and enhancing its services capacity to capture business opportunities in different regions in Chinese Mainland; (iii) establishing technical services centres to further enhance its IT services; (iv) strengthening its marketing efforts and improving its brand recognition; and (v) maintaining fund for performance bond.

After deduction of all related listing expenses and commissions, the net proceeds from the Listing of the Shares on the Stock Exchange amounted to approximately HK\$74.0 million. Up to 31 December 2025, the Group has utilised all the net proceeds from the Listing of HK\$74.0 million in accordance with the purposes stated in the prospectus of the Company dated 23 April 2020.

### SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

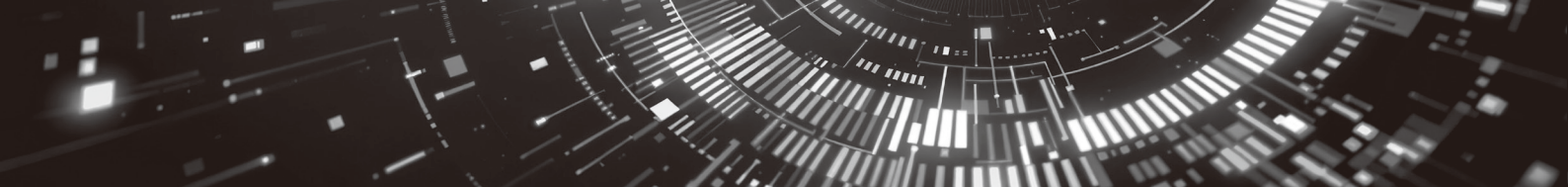
During the year ended 31 December 2025, there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies by the Group.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as the future plans or development of the Group's business as disclosed in the paragraphs headed "Business Review and Outlook – I. Group Business Review" under the section of "Management Discussion and Analysis" in this report, there was no specific plan for material investments or capital assets as at 31 December 2025.

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group employed a total of 233 (31 December 2024: 231) employees. Total employee benefit expense (including Directors' remuneration) for the years ended 31 December 2025 and 2024 were approximately RMB53.0 million and approximately RMB51.6 million, respectively. Remuneration is determined with reference to market level of salaries paid by comparable companies, the respective responsibilities of the individual employee and the performance of the Group. In addition to a basic salary, benefits in kind and discretionary bonuses were offered to those employees according to the assessment of individual performance.



## MANAGEMENT DISCUSSION AND ANALYSIS

### EVENTS AFTER THE REPORTING PERIOD

On 10 February 2026, Professional Eternity Limited, a direct wholly-owned subsidiary of the Company, has acquired 100% equity interest in Kenfil Hong Kong Limited, a company incorporated in Hong Kong with limited liability, at a total consideration of HK\$3,000,000.

Save as disclosed above, there is no significant events occurred after the reporting period.

### DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: HK0.18 cents per share).

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### EXECUTIVE DIRECTORS

**Ms. Ding Xinyun (丁新雲) (“Ms. Ding”)**, aged 55, is an executive Director, the Chairman, the chief executive officer and one of the Controlling Shareholders of the Company. She is also the chairman of the nomination committee of the Company (the “**Nomination Committee**”). She was appointed as a Director on 4 September 2018, and redesignated as an executive Director on 8 March 2019. She is responsible for the overall management, strategic and major decisions on the development and planning and operation of the Group. Ms. Ding is also a director of Aztec Pearl Limited, Green Leaf Development Limited, Frontier View Limited, Edensoft International Limited, Shenzhen Yundeng Technology Ltd.\* (深圳市雲登科技有限公司), Eden Information and Dongguan Edensoft Ltd.\* (東莞市伊登軟件有限公司) as well as the settlor and the protector of the Family Trust.

Ms. Ding is the founder of the Group. She founded the major operating subsidiary, Eden Information, as a majority shareholder in November 2002. On establishment of Eden Information, Ms. Ding has been appointed as the executive director, legal representative and general manager of Eden Information, responsible for its daily operation and management.

Based on when Ms. Ding participated in the businesses relating to the development and services of information technology, she has over 20 years of experience in the industry. Ms. Ding has been the key driver of implementing the Group’s business strategies and contributing to the Group’s achievements over the past years and she will continue to oversee the management and business operations of the Group.

Ms. Ding obtained a Bachelor degree in Library and Information Science (currently known as Information Management) from Central China Normal University\* (華中師範大學), the PRC, in June 1990 and an Executive Master of Business Administration Degree from Guanghua School of Management, Peking University\* (北大光華管理學院), the PRC, in July 2007.

**Ms. Li Yi (李翊) (“Ms. Li”)**, aged 44, was appointed as an executive Director on 8 March 2019. Ms. Li is primarily responsible for supervision of internal management and is in charge of legal affairs of the Group. Ms. Li is also the compliance officer of the Company and a director of Eden Information. Ms. Li has been a limited partner holding 2% interests in Shenzhen Zhen Xinan Qiankun Investment Enterprise\* (深圳市振辛安乾坤投資企業(有限合夥)) (“**Qiankun Investment**”) from July 2015 to March 2021. Qiankun Investment was cancelled in March 2021.

Ms. Li obtained a Bachelor degree in Law from Central South University\* (中南大學), the PRC, in June 2004. After graduating from the university, Ms. Li joined the Group in April 2005 initially as a legal assistant of Eden Information. By working with the Group since April 2005, she has experience in handling and overseeing the overall internal operations and legal affairs of an IT company.



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Leung Chu Tung (梁柱桐) (“Mr. Leung”)**, aged 46, was appointed as an independent non-executive Director on 14 May 2021. He is responsible for supervising and providing independent advice on the operation and management of the Group. He is also the chairman of the audit committee of the Company (the **“Audit Committee”**), and a member of the Nomination Committee and the remuneration committee (the **“Remuneration Committee”**) of the Company.

Mr. Leung obtained a bachelor’s degree of business administration from the Simon Fraser University, Canada in June 2002. Mr. Leung has more than 16 years of experience in accounting and corporate finance. He has been a certified public accountant of the State of Delaware, the United States since April 2006 and a member of the American Institute of Certified Public Accountants since December 2009. He has been a chartered financial analyst of the CFA Institute since September 2010.

Mr. Leung was a licensed representative for type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the **“SFO”**) from November 2011 to November 2016. He has become a responsible officer for type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO since November 2016.

Since December 2019, Mr. Leung has been a managing director of the investment banking department of Maxa Capital Limited, which is a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. From October 2011 to November 2019, he was employed by ABCI Capital Limited, which is a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, and his last position was an executive director of the investment banking department. From July 2007 to October 2011, he worked in the listing division at the Stock Exchange and his last position was a manager of the listing division. From September 2002 to June 2007, he worked at KPMG and his last position was an assistant manager.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

**Ms. Zhu Weili (朱偉利) (“Ms. Zhu”)**, aged 55, was appointed as an independent non-executive Director on 20 May 2021. She is responsible for supervising and providing independent advice on the operation and management of the Group. She is also the chairman of the Remuneration Committee, and a member of each of the Nomination Committee and the Audit Committee.

Ms. Zhu obtained a Master of Business Administration degree from the City University of Hong Kong in November 2003, a Master of Arts degree in international accounting from the City University of Hong Kong in November 2005, and a senior management Master of Business Administration degree\* (高級管理人員工商管理碩士) from the Peking University in July 2007.

Ms. Zhu has comprehensive knowledge in corporate governance. Ms. Zhu has been a director of Shenzhen Jiadida New Material Technology Co., Ltd.\* (深圳市佳迪達新材料科技有限公司), which is a chemical materials one-stop solution provider in the PRC since January 2021, and a director of Shenzhen Zhenmai Biological Technology Co., Ltd.\* (深圳市真邁生物科技有限公司), which is principally engaged in biotechnology development and genetic testing technology development in the PRC, since February 2018. Ms. Zhu has been a representative from Luohu District, Shenzhen City, the PRC of the 6th and 7th National Congress.

**Mr. Cai Jiong (蔡炯) (“Mr. Cai”)**, aged 54, was appointed as an independent non-executive Director on 16 December 2024. He is also a member of each of the Audit Committee and the Remuneration Committee. Mr. Cai has over 30 years of working experience in the field of international business and technology. Mr. Cai is a partner at Zhidi Capital\* (智迪資本) since 2018 and currently serving as an international advisor for the World Artificial Intelligence Conference (WAIC) since 2020. His leadership experience includes being the co-CEO of Baidu’s Innovation Center in Shanghai from 2018 to 2020 and serving as a gold-level entrepreneurship mentor at Microsoft’s Shanghai Incubator YunSai Space since 2017. Mr. Cai also has an extensive background in executive roles, including as the executive director of Shanghai Songlian International Apparel Co., Ltd\* (上海頌聯國際服飾有限公司) from 2006 to 2022 and chairman of Zhuangbei E-commerce Co., Ltd\* (莊貝電子商務有限公司) from 2010 to 2014. Mr. Cai obtained a Bachelor of Engineering in Precision Machinery from Shanghai University in 1994, an EMBA from the University of California in Berkeley in 2016, an MBA from Fudan University – MIT in 2000.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### SENIOR MANAGEMENT

**Mr. Xu Qingtang (徐慶堂) (“Mr. Xu”)**, aged 45, is the technical manager of the Group, responsible for technical design planning, project implementation management, PPE project cost assessment and resource coordination.

He joined the Group as the technical manager of Eden Information in July 2010. Before joining the Group, Mr. Xu worked as a system administrator of Shenzhen Daily Internet Co., Ltd.\* (深圳市日訊互聯網有限公司) from June 2006 to July 2010. Mr. Xu obtained a Diploma in computer information management from the Shaanxi Vocational College of Electronic Science & Technology\* (陝西電子信息職業技術學院), the PRC, in July 2005 through Self-taught Higher Education Exam of Self-study Examination Office Higher Education Bureau of Shaanxi Province\* (陝西省高等教育自學考試).

**Ms. Peng Hui (彭慧) (“Ms. Peng”)**, aged 39, was appointed as the chief financial officer of the Group on 26 November 2021, responsible for the overall financial management of our Group.

Ms. Peng has many years of accounting and financial management experience. She is also experienced in capital operations and project management in relation to mergers and acquisitions. Ms. Peng is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Chinese Institute of Certified Public Accountants. She graduated from The University of Hong Kong with a master’s degree in business administration. She has also been selected for the Ministry of Finance of the PRC’s International High-end Accounting Talent Programme.

Prior to joining the Company, Ms. Peng served as a senior auditor at Ernst & Young from 2008 to 2011 and a senior finance manager at Concord Medical Services Holdings Limited (stock code: CCM), a company listed on the New York Stock Exchange, from 2011 to 2014. She was the finance manager at Guangdong Dongfang Precision Science & Technology Co., Ltd\* (廣東東方精工科技股份有限公司) (stock code: 002611), a company listed on the Shenzhen Stock Exchange, from 2014 to 2016, and the deputy general manager of finance department at Glory Sun Financial Group Limited (stock code: 1282), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, from 2016 to 2020. Ms. Peng worked at Pak Tak International Limited (stock code: 2668), a company listed on the Main Board of the Stock Exchange, as the deputy general manager from 2020 to 2021. Ms. Peng has been serving as an independent non-executive director of Busy Ming Group Co., Ltd. (stock code: 1768), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, since January 2026.

### COMPANY SECRETARY

**Ms. Peng**, aged 39, was appointed as the company secretary of the Company on 11 July 2023, responsible for the Group’s overall company secretarial matters. For further details of Ms. Peng’s biographical details, please refer to the subsection headed “Senior Management” in this annual report.

\* English translation name is for identification purpose only



## REPORT OF THE DIRECTORS

The Directors are pleased to present this report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. For the year ended 31 December 2025, the principal activities of its subsidiaries comprised provision of IT infrastructure services, IT implementation and supporting services and cloud and AI services in the PRC.

### BUSINESS REVIEW

A review of the Group's business, a discussion and analysis of the Group's performance for the year ended 31 December 2025, an analysis of the prospects of the Group's business and the particulars of events affecting the company that have occurred after the reporting period (if any) are set out in the section headed "Management Discussion and Analysis" from pages 8 to 18 of this annual report.

A description of the principal risks and uncertainties, environmental policies of the Group, compliance with the laws and regulations and key relationship with employees, customers, suppliers and others facing by the Group and have a significant impact are set out in this report of the Directors.

### SEGMENTAL INFORMATION

Details of segment reporting are set out in note 4 to the consolidated financial statements.

### RESULTS AND FINAL DIVIDEND

The results of the Group for the year ended 31 December 2025 and the financial position of the Group as at 31 December 2025 are set out in the consolidated financial statements of the Group from pages 107 to 114 of this annual report.

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: HK0.18 cents).

### FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years, as set out on page 192 of this annual report, are extracted from this annual report and the Prospectus.



## REPORT OF THE DIRECTORS

### PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial position, results of operations and business prospects may be affected by a number of risks and uncertainties directly and indirectly pertaining to the Group's business. The following are the key risks and uncertainties identified by the Group.

The Group's business is subject to rising political tensions, current tensions in international trade and conflicts in local areas in the world.

International market conditions and the international regulatory environment have historically been affected by competition among countries and geopolitical tensions. Changes to trade policies, treaties and tariffs in the jurisdictions, in which the Group operates or our products are sold to or the perception that these changes may occur, may adversely affect our financial position and results of operations. Recently there have been heightened tensions in international economic relations, in particular between the United States and China. Although the two nations have reached a phase one trade agreement in January 2020, uncertainty remains as to whether the trade tension between the two nations may intensify in the future.

The global macroeconomic environment is also faces challenges arising from the conflict in Ukraine, which began in February 2022. This conflict has led to significant fluctuations and uncertainties in the global commodities markets and it is unpredictable as to how long the crisis in Ukraine will last and the economical impact on the global economy and China's economy. This may result in tighter credit markets, increased market volatility, sudden drops in business and market confidence and dramatic changes in business and demands. A slowdown in global economy growth, particularly in China, could reduce demand for our products and materially and adversely affect our business, financial condition and results of operations.

In response to the abovementioned risks, the Group has adopted and implemented the following measures, including: (i) strengthening its internal controls and credit risk management; (ii) further intensifying marketing and promotion efforts to attract more potential and new customers in different regions and industries in the PRC, while sharing inflation costs with customers and providing more flexible services to improve customer retention; (iii) hedging risks through global development, such as setting up the subsidiary in Singapore to expand business opportunities in the Asia-Pacific region, and cooperating with a leading public cloud service provider in the PRC to expand the Southeast Asian market; and (iv) continuing to strive and invest resources in the development of advanced technologies, particularly in areas such as cloud technology and SaaS services, while maintaining prudent cost control, efficient resource allocation, and appropriate corporate actions in response to market conditions.

The Group relies heavily on the relationship with one of our main customers (the "**Main Customer**").

Revenue of the Group derived from the Main Customer, which is a leading global provider of information and communications technology and smart devices, was approximately RMB163.8 million, RMB83.6 million and RMB138.0 million, for the years ended 31 December 2023, 2024 and 2025, respectively, representing approximately 20.1%, 7.4% and 15.7% of the total revenue for the same periods. The Group's business will be adversely affected if the sales of the Main Customer drop significantly. The Group has adopted and implemented the following measures in order to further reduce and mitigate its reliance on the Main Customer: (i) diversify and expand its customer base; (ii) expand business operation coverage in the PRC by setting up branch offices; (iii) market and introduce IT services to customer in other industries; and (iv) identify new business opportunities and further expand cloud services.



## REPORT OF THE DIRECTORS

The Group relies heavily on the relationship with Supplier A.

Purchases of the Group from Supplier A, which is a leading United States (“**U.S.**”) based global computer software provider, was approximately RMB273.1 million, RMB307.5 million and RMB207.3 million, for the years ended 31 December 2023, 2024 and 2025, respectively, representing approximately 38.2%, 29.8% and 29.9% of the total purchases for the same periods. The Group’s business will be adversely affected if we are unable to keep the cooperation licensing from Supplier A. The Group has adopted and implemented the following measures in order to further reduce and mitigate its reliance on Supplier A: (i) actively identify alternative Chinese and other non-U.S. suppliers, who develop IT products and services that are functionally equivalent and/or compatible with those provided by Supplier A and other U.S. suppliers; (ii) allocate more non-U.S. suppliers to promote their IT products and services among the customers; and (iii) establish innovation team to strengthen and develop the Group’s R&D capability and IT service capability.

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the Group’s largest and the five largest customers represented approximately 15.7% and approximately 35.9% respectively of the Group’s total revenue.

For the year ended 31 December 2025, the Group’s largest and the five largest suppliers accounted for approximately 29.9% and approximately 63.8% respectively of the Group’s total purchases.

During the year ended 31 December 2025, none of the Directors nor any of their associates (as defined in the Listing Rules) nor any Shareholders (which, to the best knowledge of the Directors, own more than 5.0% of the Company’s issued share capital) had any material beneficial interest in the Group’s five largest customers and five largest suppliers.

### KEY RELATIONSHIP WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHERS THAT HAS A SIGNIFICANT IMPACT

The Group is committed to establishing and maintaining long-term and harmonious relationships with its employees, customers and suppliers. The Group provides a pleasant and healthy working environment to employees. During the year ended 31 December 2025, the Group organised various activities to promote friendship, bonding and well-being of employees. In addition, instead of mass communication, employees of the Group communicate with the customers and suppliers on an ongoing and promptly basis through various channels, including email, telephone or face-to-face meetings. The Group was able to retain its customers and suppliers during the year ended 31 December 2025 and no complaints were received.

### ENVIRONMENTAL PROTECTION

The Group recognises its responsibility to protect the environment from its business activities. The Group has endeavoured to comply with the laws and regulations regarding environmental protection and promotes awareness towards environmental protection among its employees and stakeholders. For further details of the environmental policies and performance of the Group during the year ended 31 December 2025, please refer to the section headed “Environmental, Social and Governance Report” in this annual report.



## REPORT OF THE DIRECTORS

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 31 December 2025. For further details, please refer to the section headed "Environmental, Social and Governance Report" in this annual report.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2025 are set out in note 13 to the consolidated financial statements of this annual report.

### SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2025 are set out in note 27 to the consolidated financial statements of the Group.

### DEBENTURES

The Group did not issue any debenture during the year ended 31 December 2025 (2024: nil).

### RESERVES

Details of movements in the reserves of the Group and the Company during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity and in note 29 to the consolidated financial statements of the Group, respectively.

### DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2025, the Company's reserves available for distribution to the Shareholders were approximately RMB146.5 million (2024: RMB139.4 million) as calculated in accordance with statutory provisions applicable in the Cayman Islands.

### TAX RELIEF

As at 31 December 2025, according to the laws of the Cayman Islands, holders of listed securities of the Company are not entitled to tax relief for their status as the holder of such securities.

### CHARITABLE CONTRIBUTIONS

During the year ended 31 December 2025, the Group did not make any charitable contributions (2024: nil).

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries (including sale of treasury shares) during the year ended 31 December 2025. As of 31 December 2025, the Company did not hold any treasury shares.



## REPORT OF THE DIRECTORS

### PRE-EMPTIVE RIGHTS

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

### EQUITY-LINKED AGREEMENTS

Save and except for the Share Schemes as disclosed in the paragraphs headed “Share Option Scheme” and “Share Award Plan”, no equity-linked agreements that (i) will or may result in the Company issuing Shares or (ii) require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the year ended 31 December 2025 or subsisted at the end of the year ended 31 December 2025.

### SHARE OPTION SCHEME

A share option scheme (the “**Share Option Scheme**”) was adopted by the Shareholders on 14 April 2020 to attract and retain the best competent personnel, to provide them with additional incentive and to promote the success of the business of the Group. Eligible participants of the Share Option include, among others, any employee (full-time or part-time), director, any substantial shareholder of the Group and any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group. The terms of the Share Option Scheme are summarised below:

The total number of ordinary Shares in respect of which options may be granted under the Share Option Scheme shall not exceed 10% of the Shares in issue at any point in time, without prior approval from the Shareholders. The number of Shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year shall not exceed 1% of the Shares in issue at any point in time, without prior approval from the Shareholders. Options granted to substantial Shareholders or independent non-executive Directors or any of their respective associates in any 12-month period in excess of 0.1% of the Shares in issue or with an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million must be approved in advance by the Shareholders. Options granted must be taken up within seven days inclusive of the day on which such offer was made, upon payment of HK\$1 per option. Options may be exercised at any time during a period as the Directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. Save as determined by the Board and provided in the offer of the grant of the relevant options, there is no performance target which must be achieved before any of the options can be exercised. The exercise price shall be solely determined by the Board, and shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant. The Share Option Scheme will remain in force for a period of 10 years commencing on the adoption date (i.e. 14 April 2020) and shall expire at the close of business on the business day immediately preceding the 10th anniversary thereof unless terminated earlier by the Shareholders in general meeting. As of the date of this report, it has a remaining life of approximately 4 years.



## REPORT OF THE DIRECTORS

A total of 204,494,735 options is available for grant under the Share Option Scheme mandate as of 1 January 2025 and 31 December 2025.

As at the date of this annual report, total number of Shares in respect of which options may be granted under the Share Option Scheme was 204,494,735 Shares, representing 10% of the Shares in issue as at the date of this annual report. From the date of adoption of the Share Option Scheme to 31 December 2025, no option was granted, exercised, cancelled or lapsed under the Share Option Scheme. There was no outstanding option under the Share Option Scheme as at the date of adoption of the Share Option Scheme and as at 31 December 2025.

### SHARE AWARD PLAN

The Company has adopted a Share Award Plan (the “**Plan**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Unless the context otherwise requires, capitalised terms used in this section shall have the same meanings as those defined in the announcements of the Company dated 9 November 2021, 11 January 2022 and 23 March 2022 in relation to the adoption of the Plan.

Eligible participants will be selected by a committee with members from time to time delegated by the Board with the power and authority to administer the Plan, which comprises Directors and senior management of the Group. Eligible participants shall be any person belonging to the following classes of participants: (a) any employee (whether full time or part time) of the Company, any subsidiary of the Company or any entity in which any member of the Group holds any equity interest (“**Invested Entity**”); (b) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any Invested Entity; and (c) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group; provided that none of above-mentioned persons shall be connected persons of the Company. The Plan became effective on 9 November 2021 (the “**Adoption Date**”) and, subject to any early termination in accordance with the rules of the Plan, the Plan shall be valid and effective for a term of 10 years commencing from the Adoption Date. As of the date of this report, it has a remaining life of approximately five years and seven months.

According to the Plan, any Award Shares shall either be (i) existing Shares as may be purchased by the trustee on the Stock Exchange or off the market; or (ii) new Shares to be allotted and issued to the trustee by the Company pursuant to general mandate or specific mandate granted by Shareholders at general meeting(s) of the Company from time to time. The maximum number of Shares to be subscribed for and/or purchased by the trustee for the purpose of the Plan shall not exceed 10% of the total number of issued Shares as at the Adoption Date (i.e. not exceed 200,000,000 Shares). On 23 March 2022, the Board has resolved to grant 44,947,350 Award Shares to 42 Selected Participants, all of whom are Employees (i.e. Class (I) Participants), under the Plan (the “**Grantee(s)**”). The number of Award Shares granted on 23 March 2022, represents (i) approximately 2.20% of the enlarged issued share capital after the allotment; and (ii) approximately 2.25% of the issued shares as of the Adoption Date and the date of this report. No funds will be raised from the allotment and issue of the new Shares.



## REPORT OF THE DIRECTORS

The maximum number of Shares which may be subject to an award or awards to eligible participants shall not in aggregate exceed 1% of the issued share capital of the Company as at the Adoption Date (i.e, not exceed 20,000,000 Shares).

During the year, a total of 1,250,000 Award Shares were vested to the Selected Participants. While there were 2,850,000 unvested Award Shares at the beginning of the year, there was no unvested Award Share at the end of the year.

The number of Award Shares that may be granted under the Plan at the beginning of 2025 was 175,176,325 and 176,776,325 (including forfeited and lapsed Award Shares) at the end of 2025, representing approximately 8.6% of the Company's issued share capital as at 31 December 2025 and the date of this report. Award Shares typically vest annually over a four-year period. The number of shares that may be issued in respect of Award Shares granted under the Plan during the year ended 31 December 2025, which is 0, represented approximately 0% of the weighted average number of the Company's ordinary shares in issue for the same year.

During the year ended 31 December 2025, no Award Share was cancelled under the Plan. Besides, no amount is payable on acceptance of the Award Shares under the Plan. During the Reporting Period, (i) no service provider sub-limit was set under the Plan, (ii) no Award Shares were granted to the Group's Directors, chief executive, or substantial Shareholders of the Group or their respective associates; (iii) no Participant with awards granted and to be granted in excess of the 1% individual limit; (iv) no related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares).

The Board entered into a trust deed to appoint a trustee to administer Award Shares under the Plan and to constitute a trust to hold property transferred by the Company to the trustee (which shall include cash or shares) in order to satisfy grants of Award Shares. At the direction of the Board, the trustee shall either subscribe for new shares from the Company at the relevant benchmarked price as stipulated in the Listing Rules or acquire existing shares in the market in accordance with the rules of the Plan. The Remuneration Committee administers and oversees the Plan. Their review and approval is required prior to the granting of Award Shares to any eligible participants. The trustee shall not exercise the voting rights in respect of any Shares held under the trust constituted by the trust deed.

## REPORT OF THE DIRECTORS

### Vesting Schedule

Subject to the fulfilment of the relevant conditions and/or performance targets, the Award Shares shall be vested in the Grantees in the following manner:

1. For 8 of the Grantees (the “1st Batch Grantees”):

| Vesting date  | % of the Award Shares to be vested | Number of Award Shares to be vested |
|---------------|------------------------------------|-------------------------------------|
| 30 April 2022 | 50%                                | 16,173,675                          |
| 30 April 2023 | 50%                                | 16,173,675                          |
|               |                                    | <hr/>                               |
|               |                                    | 32,347,350                          |

2. For 34 of the Grantees (the “2nd Batch Grantees”):

| Vesting date  | % of the Award Shares to be vested | Number of Award Shares to be vested |
|---------------|------------------------------------|-------------------------------------|
| 30 April 2023 | 25%                                | 3,150,000                           |
| 30 April 2024 | 25%                                | 3,150,000                           |
| 30 April 2025 | 25%                                | 3,150,000                           |
| 30 April 2026 | 25%                                | 3,150,000                           |
|               |                                    | <hr/>                               |
|               |                                    | 12,600,000                          |

## REPORT OF THE DIRECTORS

### Movements during the year

The following table illustrates the number of and movements of the Award Shares under the Plan for the year ended 31 December 2025:

| Name of category of participant  | Number of unvested Award Shares as at 1 January 2025 | Total granted during the year ended 31 December 2025 | Vested during the year ended 31 December 2025 | Forfeited during the year ended 31 December 2025 | Lapsed during the year ended 31 December 2025 | Number of unvested Award Shares as at 31 December 2025 | Date of grant | Vesting period of Award Shares | Fair value of awards at the date of grant (HK\$) | Closing price of the shares immediately before the date on which the awards were granted (HK\$) |
|--|--|--|---|--|---|--|---------------|--------------------------------|--|---|
| <b>One employee from the five highest paid individuals during the year ended 31 December 2025</b>                        |  |  |   |  |   |  |               |                                |  |   |
| 1st Batch Grantees in aggregate  | -  | -  | -   | -  | -   | -  | 23 March 2022 | 30 April 2022 to 30 April 2023 | 227,092  | 0.086   |
| 2nd Batch Grantees in aggregate  | 150,000  | -  | 150,000                                       | -  | -   | -  | 23 March 2022 | 30 April 2023 to 30 April 2026 | 86,000   | 0.086   |
| <b>Other Employees (the Grantees excluding the five highest paid individuals during the year ended 31 December 2025)</b> |  |  |   |  |   |  |               |                                |  |   |
| 1st Batch Grantees in aggregate  | -  | -  | -   | -  | -   | -  | 23 March 2022 | 30 April 2022 to 30 April 2023 | 2,554,781  | 0.086   |
| 2nd Batch Grantees in aggregate  | 2,700,000  | -  | 1,100,000                                     | 1,050,000  | 550,000                                       | -  | 23 March 2022 | 30 April 2023 to 30 April 2026 | 997,600  | 0.086   |
| <b>Total</b>   | <b>2,850,000</b>                                     | <b>-</b>   | <b>1,250,000</b>                              | <b>1,050,000</b>                                 | <b>550,000</b>                                | <b>-</b>   |               |                                |  |   |

## REPORT OF THE DIRECTORS

Notes:

1. Based on the closing price of HK\$0.086 per Share as quoted on the Stock Exchange as at the date of grant, the market value of 44,947,350 Award Shares granted to the Grantees is HK\$3,865,472.1. Please refer to note 28 to the financial statements for details of the accounting standards and policies for the fair value of Award Shares granted on 23 March 2022.
2. No purchase price was payable by the above Grantees for the Award Shares.
3. 1,250,000 Award Shares shall be vested on the relevant vesting date due to the Group meeting performance targets at the year ended 31 December 2025. 550,000 Award Shares lapsed due to the resignation of an Employee. No purchase price was payable by the Employees for these Award Shares.
4. In addition to those Award Shares vested on 30 April 2022, the vesting of other Award Shares is subject to the following performance targets: (i) such Grantee shall obtain an overall grade of “B” or above for his/her personal position performance appraisal conducted by the Company before the vesting date in respect of corresponding tranche; and (ii) the Group shall have achieved a year-on-year growth of at least 20% in the audited revenue or audited net profits in the immediately preceding financial year.
5. The weighted average closing price of the Company’s issued shares immediately before the date on which the awards were vested during the year ended 31 December 2025 was HK\$0.12.
6. The Group’s Share Award Plan for the 2nd Batch Grantees is implemented over a 4-year period. The final tranche of the Award Shares is scheduled to vest on 30 April 2026, the Group has assessed that the relevant performance targets (as detailed in note 4 above) were achieved during the 2025 reporting period. For financial reporting purposes, the relevant Award Shares have been treated as vested in 2025. The movements of the Award Shares disclosed in this report are presented on the basis of accounting vesting to reflect the period in which the performance targets were satisfied, notwithstanding that the actual legal vesting occurs on 30 April 2026.

Further details of the Plan are set out in note 28 to the consolidated financial statements of the Group.

The Board and the Remuneration Committee are of the view that it is consistent with the remuneration policy and the purposes of the Plan (i.e. to recognize the contributions of Employees of the Group) to grant Award Shares to the abovementioned Grantees.

### CORPORATE GOVERNANCE

The principal corporate governance practices as adopted by the Company are set out in the section headed “Corporate Governance Report” from page 87 to page 100 of this annual report.

### DIRECTORS AND THEIR SERVICE CONTRACTS

The Directors during the year ended 31 December 2025 and up to the date of this annual report were:

#### Executive Directors

Ms. Ding Xinyun (*Chairman, Chief executive officer and executive Director*)

Ms. Li Yi

#### Independent non-executive Directors

Mr. Leung Chu Tung

Ms. Zhu Weili

Mr. Cai Jiong



## REPORT OF THE DIRECTORS

The biographical details of the Directors are set out in the section headed “Biographical Details of Directors and Senior Management” from page 19 to page 22 of this annual report.

Each of the Directors has entered into a service contract or an appointment letter with the Company for an initial fixed term of two years or up to the annual general meeting which is subject to termination by either party giving not less than one month’s written notice.

In accordance with Article 108 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Accordingly, Ms. Ding Xinyun and Ms. Li Yi will retire from office as Directors at the forthcoming annual general meeting of the Company (the “AGM”), and being eligible, each of them has offered herself for re-election as Director at the AGM.

No Director proposed for re-election at AGM has or will have a service contract with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmation of independence from each of the independent non-executive Directors pursuant to the Listing Rules. The Company considers the independent non-executive Directors to be independent pursuant to Rule 3.13 of the Listing Rules.

### CONTROLLING SHAREHOLDERS’ INTEREST

Save as disclosed in this annual report, no contracts of significance were entered into between the Company or any of its subsidiaries and any controlling Shareholders (as defined under the Listing Rules) or any of its subsidiaries for the provision of services to the Company or any of its subsidiaries by any controlling Shareholders or any of its subsidiaries.

### EMOLUMENT POLICY

The emolument policy of the Group is on the basis of the qualifications and contributions of individuals to the Group. The Directors and senior management receive compensation in the form of salaries, benefits in kind and discretionary bonuses with reference to salaries paid by comparable companies, time commitment and the performance of the Group. The Group regularly reviews and determines the remuneration and compensation package of the Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and senior management and the performance of the Group. The Company has adopted the Share Option Scheme and Share Award Plan as an incentive to eligible participants, details of which are set out in the paragraphs headed “Share Option Scheme” and “Share Award Plan”.

The Directors’ fees will be determined by the Board subject to authorisation to be granted by the Shareholders at general meetings. Other emoluments are determined by the Board with reference to the Directors’ duties, responsibilities and performance and the results of the Group.

## REPORT OF THE DIRECTORS

Details of the emoluments of the Directors and five highest paid individuals are set out in note 8 and note 9 to the consolidated financial statements respectively.

Details of the employee retirement benefits are set out in note 2.4 and employee benefit expense (including Directors' remuneration) are set out in note 6 to the consolidated financial statements.

The remuneration payable to the senior management, whose biographies are set out on page 22 of this annual report for the year ended 31 December 2025 are set out below.

| <b>Remuneration band</b> | <b>Number of individual</b> |
|--------------------------|-----------------------------|
| Nil to HK\$1,000,000     | 1                           |
| Over HK\$1,000,000       | 1                           |

### PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association and subject to the applicable laws and regulations, the Directors shall be indemnified and secured harmless out of the assets of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts except such (if any) as they shall incur or sustain through their own dishonesty, wilful default or fraud.

During the year ended 31 December 2025, the Company has arranged for appropriate insurance covering the liabilities of its Directors and officers in respect of legal actions against them arising out of corporate activities.

### COMPETING INTERESTS

During the year ended 31 December 2025, none of the Directors, the controlling Shareholders and their respective associates (as defined in the Listing Rules) was interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business which would require disclosure under Rule 8.10 of the Listing Rules.

### RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group are set out in note 32 to the consolidated financial statements of the Company. Other than the compensation of key management personnel of the Group, such related party transactions constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, which were exempt from the requirements of reporting, announcement and Shareholders' approval under Chapter 14A of the Listing Rules.



## REPORT OF THE DIRECTORS

### CHANGE OF DIRECTORS' AND SENIOR MANAGEMENT'S INFORMATION

The Directors confirmed that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the year ended 31 December 2025.

### CONNECTED TRANSACTIONS/CONTINUING CONNECTED TRANSACTIONS

#### One-off Connected Transactions/Continuing Connected Transactions

During the year ended 31 December 2025, the Group had not entered into any one-off connected transactions or continuing connected transactions which were subject to disclosure and annual review requirements under Chapter 14A of the Listing Rules.

#### Financial Assistance from the Controlling Shareholder

During the year ended 31 December 2025, the Group had the following financial assistance from controlling Shareholder which was fully exempted from independent Shareholders' approval, annual review and all disclosure requirements of Chapter 14A of the Listing Rules.

The Group's banking facilities amounting to RMB215,000,000 as at 31 December 2025 (2024: RMB175,000,000) were guaranteed by Ms. Ding Xinyun, the controlling Shareholder, of which RMB31,654,000 (2024: RMB27,639,000) have been utilised for letter of guarantee.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the banks are independent third parties (as defined under the Listing Rules) and not connected with the Company and its connected persons (as defined under the Listing Rules) as at the date of this report. Save for Ms. Ding, none of the connected persons have any interest, whether directly or indirectly, in the banking facilities agreements.

Ms. Ding has not and will not receive any form of consideration from the Group for the provision of the personal guarantee.

As Ms. Ding is an executive Director and a controlling Shareholder, the provision of the personal guarantee constituted a connected transaction in the form of financial assistance in favour of the Group. However, as the personal guarantee is not secured by any assets of the Group, and the Directors consider that the personal guarantee is on normal commercial terms or better, the personal guarantee above is fully-exempt from the shareholders' approval, annual review and all disclosure requirements pursuant to Chapter 14A of the Listing Rules.

The independent non-executive Directors have reviewed the above financial assistance received by the Group and confirmed that these transactions have been entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

## REPORT OF THE DIRECTORS

### INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO), or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer (“**Model Code**”) set out in Appendix C3 to the Listing Rules were as follows:

#### (i) Long position in the Shares

| Name of Director                         | Capacity/Nature                    | Number of Shares held/interested in | Percentage of shareholding in the Company |
|--|------------------------------------|-------------------------------------|---|
| Ms. Ding Xinyun<br>(“ <b>Ms. Ding</b> ”) | Interest of corporation controlled | 915,000,000                         | 44.74%                                    |

#### (ii) Long position in the ordinary shares of associated corporation

| Name of Director | Name of associated corporation                            | Capacity/Nature  | Number of Share(s) held/interested in | Percentage of interest |
|------------------|---|------------------|---------------------------------------|------------------------|
| Ms. Ding         | Green Leaf Development Limited<br>(“ <b>Green Leaf</b> ”) | Beneficial owner | 1                                     | 100%                   |

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executive of the Company had any interests or 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 SFO), which were: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, recorded in the register referred to therein; or (c) pursuant to the Model Code, notified to the Company and the Stock Exchange.

## REPORT OF THE DIRECTORS

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors, and as at 31 December 2025, the following persons (not being a Director or chief executive of the Company) have interests or short positions in Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be required to be entered into the register required to be kept under section 336 of the SFO.

#### Long Position in the Company

| Name  | Capacity/Nature of interest        | Number of Shares held/interested in | Percentage of interest in the Company |
|---|------------------------------------|-------------------------------------|---------------------------------------|
| Aztec Pearl Limited<br>("Aztec Pearl") (Note 1) | Registered owner                   | 915,000,000                         | 44.74%                                |
| Green Leaf (Note 1)                             | Interest of corporation controlled | 915,000,000                         | 44.74%                                |
| Mr. Yan Shi (Note 2)                            | Interest of a spouse               | 915,000,000                         | 44.74%                                |
| Mr. Ding Zhihan                                 | Beneficial owner                   | 450,000,000                         | 22.00%                                |

#### Notes:

1. Ms. Ding holds 100% interest in Green Leaf, which in turn holds 100% interest in Aztec Pearl. Therefore, Ms. Ding and Green Leaf are deemed or taken to be, interested in all the Shares which are beneficially owned by Aztec Pearl.
2. Mr. Yan Shi is the spouse of Ms. Ding. Therefore, Mr. Yan Shi is deemed, or taken to be, interested in all the Shares in which Ms. Ding has, or is deemed to have, an interest for the purpose of the SFO.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company, which would fall to be disclosed under Division 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.



## REPORT OF THE DIRECTORS

### **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the paragraphs headed “Interests and Short Positions of Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” and “Share Option Scheme” in this annual report, at no time during, or as at the end of, the year ended 31 December 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executives (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, the Company or any of its associated corporation.

### **DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS AND CONTRACTS**

Save for those disclosed under the section headed “Connected Transactions/Continuing Connected Transactions” in this report of the Directors during the year ended 31 December 2025, there was no transaction, arrangement or contract of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party and in which a Director or a connected entity of that Director has or had, directly or indirectly, a material interest.

### **CONTRACTS WITH CONTROLLING SHAREHOLDERS**

No contract of significance or contract of significance for the provision of services has been entered into among the Company or any of its subsidiaries and the controlling Shareholders or any of their subsidiaries during the year ended 31 December 2025.

### **MANAGEMENT CONTRACTS**

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Group’s business were entered into or existed during the year ended 31 December 2025.

### **PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, at least 25% of the Company’s issued Shares were held by the public (i.e. the prescribed public float applicable to the Company under the Listing Rules).

### **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 18 May 2026 to Friday, 22 May 2026, both days inclusive, during which period, no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, 15 May 2026. The record date for determining the identity of the Shareholders who are entitled to attend and vote at the forthcoming AGM is Friday, 22 May 2026.



## REPORT OF THE DIRECTORS

### ANNUAL GENERAL MEETING

The AGM will be held on Friday, 22 May 2026. A notice convening the meeting will be issued and sent to the shareholders in due course.

### AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2025 were audited by Ernst & Young, the independent auditor of the Company, who shall retire and, being eligible, offer itself for the re-appointment at the AGM. There has been no change in the auditor of the Company during the past three years.

On behalf of the Board

#### **Ding Xinyun**

*Chairman, Chief executive officer and executive Director*

Hong Kong, 30 April 2026



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### OVERVIEW OF THE REPORT

Edensoft Holdings Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”, “**we**”, or “**us**”) is hereby pleased to present its Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) for the year ended on 31 December 2025.

We are pleased to present our sustainability performance for the financial year ending on 31 December 2025, along with our forward-looking plans. As a responsible corporate citizen, the Group recognises the vital importance of prudent environmental and societal management to foster sustainable economic growth, cultivate strong stakeholder relationships, and maintain a favourable reputation in our communities. Our approach to sustainability encompasses a comprehensive evaluation of diverse factors, including business challenges, ethical practices, global trends, and legal and regulatory frameworks. Considering these factors, we continuously strive to promote business growth while advancing our sustainability goals.

All in all, the Report consolidates the Group’s strategy, practice, and vision regarding environmental, social, and governance issues. It conveys the Group’s devotion to sustainability.

In the division of responsibilities for ESG matters, our Board assumes overall oversight of the effective design and implementation of our ESG approach and strategy. Specifically, the Board is accountable for establishing the material Key Performance Index (the “**KPIs**”) at the beginning of each Reporting Year and setting targets for each significant KPI. Furthermore, the Group appoints an ESG Working Group (the “**Working Group**”), comprising directors, an executive manager, a human resources manager, and a finance manager, to provide support in ESG reporting. This dedicated team plays a crucial role in sourcing ESG data, monitoring the efficacy of implemented measures, and identifying any notable discrepancies between the annual evaluation of ESG performance and the targets set. Based on the findings of the annual evaluation, the Board guides revisions to the ESG strategies and, if necessary, prescribes remedial actions to be implemented across the Group’s various departments. As a result, departments adjust their environmental and social practices to align with the Group’s ESG objectives.

### Reporting Scope and Reporting Period

The reporting scope of this ESG report aligns with the annual report. It is determined based on two key factors: ESG materiality and revenue contribution of the business segments under the Group’s direct operational control. Unless otherwise specified, the scope of the Report covers our businesses and offices in Shenzhen, Dongguan, Shanghai, and Wuhan in the People’s Republic of China (the “**PRC**”).

This Report covers the period from the financial year dated from 1 January 2025 to 31 December 2025 (the “**Reporting Period**” and “**FY2025**”), consistent with the financial year covered by the Group’s 2025 Annual Report.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Preparation Basis of the Report

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Code (the “**Reporting Code**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). It also complies with all the requirements of “Comply or Explain” as well as the reporting principles, as shown below:

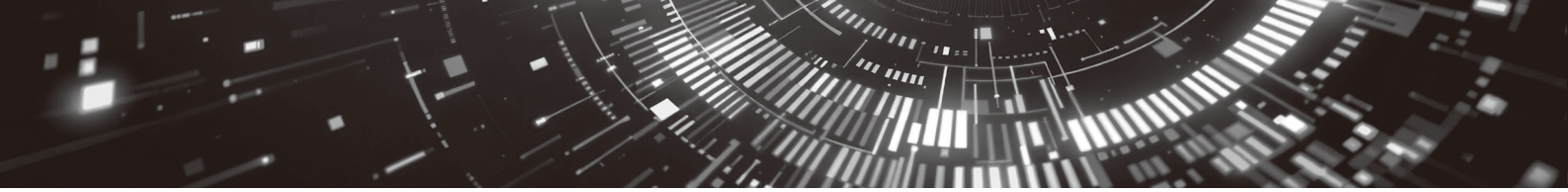
**Materiality:** This Report provides an overview of the materiality assessment, allowing us to identify the significant ESG issues during the Reporting Period. We have provided comprehensive descriptions of our essential stakeholders and transparently disclosed the specific processes through which they have been engaged and participated.

**Quantitative:** This Report employs quantitative information to disclose the KPIs relevant to our operations’ environmental and social aspects. Each KPI is accompanied by a detailed explanation of the measurement standards, methods, hypotheses, and/or calculation tools utilised. In addition, we provide transparent insights into the source of conversion coefficients used for the KPIs, ensuring clarity and accuracy in our reporting.

**Balance:** This Report presents a comprehensive and objective view of the Group’s performance during the Reporting Period by providing a balanced disclosure of both positive and negative information. This approach ensures the report’s content provides an unbiased and transparent depiction of our ESG performance.

**Consistency:** This Report adheres to a consistent disclosure approach using standardised scales for comparable indicators. By employing this approach, we aim to provide additional reference points for performance disclosure. Consistency in applying scales ensures that the data presented in the report can be effectively compared and analysed, enabling stakeholders to better understand our performance over time.

We regard this Report as a communication channel with our stakeholders and believe that we should disclose ESG information that is meaningful and important to their decision-making. To serve this purpose, this Report is prepared with reference to the fundamental reporting principles set out in the ESG Reporting Code.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Source of Data and Reliability Statement

The information disclosed in the Report is retrieved from the Group's internal documents, statistical reports, and relevant public information. The Group confirms that this Report does not contain any false information, misleading statements, or material omissions and is responsible for the contents' authenticity, accuracy, and completeness.

### Confirmation and Approval

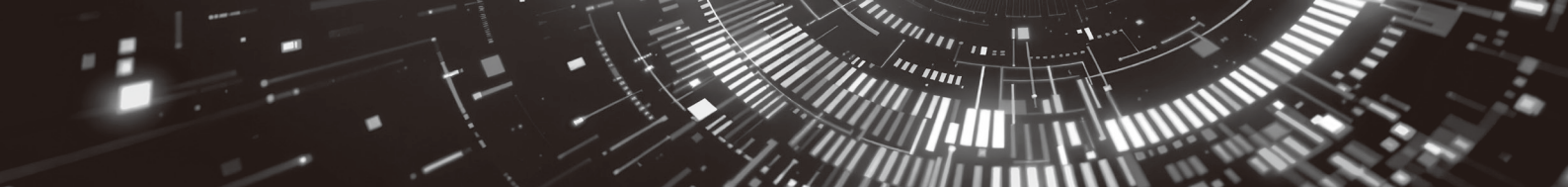
The Report was approved by the Board of Directors of the Company (the "**Board**") on 26 March 2026 upon confirmation by the management of the Company. The electronic version of the Report is available on the Stock Exchange website ([www.hkexnews.hk](http://www.hkexnews.hk)).

### Contact Us

The Group greatly values the readers' opinions. Should you have any questions or suggestions about the Report, please contact the Group via:

E-mail: [enquiry@edensoft.com.cn](mailto:enquiry@edensoft.com.cn)

Postal address: West, 2nd Floor, Building A, Shenzhen International Innovation Centre (Futian Technology Square), Hua Fu Street, 1006 Shennan Road, Futian District, Shenzhen, PRC



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ESG MANAGEMENT

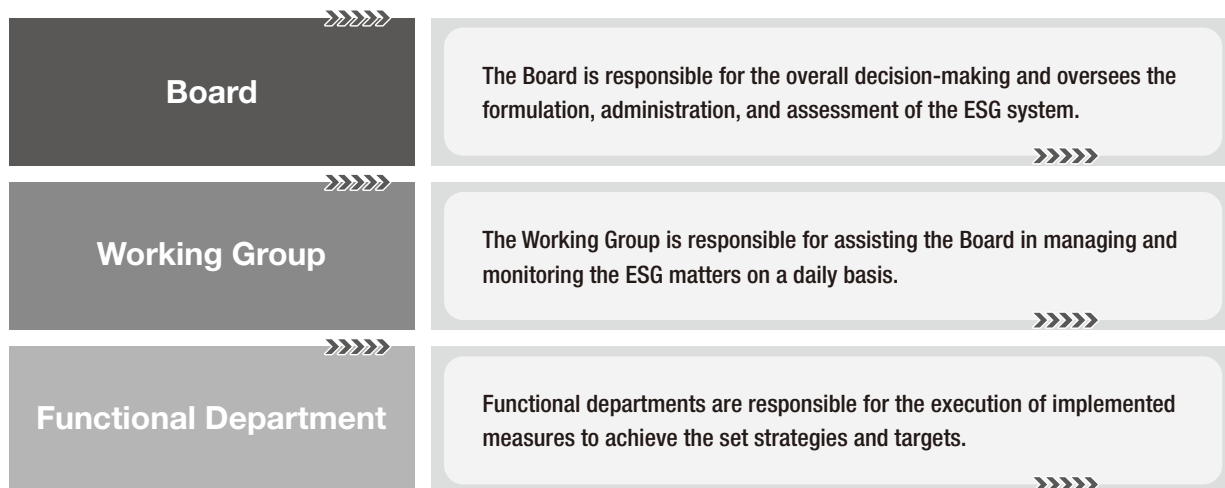
### Statement of the Board

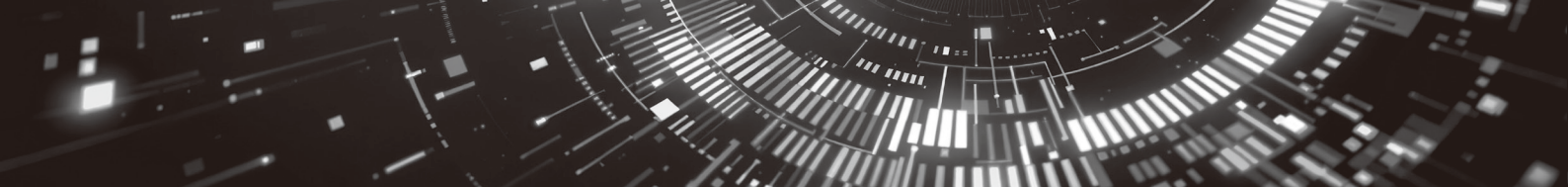
As a responsible corporate citizen, the Group acknowledges that quality management of environmental and societal performance and activities is of great importance to promoting sustainable economic growth. The ESG Report summarises the Group’s strategy, practices, and vision regarding ESG issues. It conveys a clear message of the Group’s devotion to sustainability. To address the global concern about climate change, which affects environmental systems and our daily lives, the Group has considered climate-related issues and incorporated them into its risk management system to enhance its resilience and adaptive capacity to potential climate change impacts. The annual risk assessment will cover and evaluate all potential risks impacting the Group’s businesses.

The Group has established a governance structure to enhance its management of ESG issues. The Board has overall responsibility for overseeing the Group’s ESG and climate-related risks and opportunities, establishing and adopting the Group’s ESG-related strategies and targets, reviewing the Group’s performance annually against the ESG-related targets, and revising the ESG-related strategies as appropriate if a significant variance from the ESG-related target is identified. The Group has established a Working Group comprising members of middle to senior management. It supports the Board in implementing ESG-related strategies and targets, conducting materiality assessments of ESG issues, and promoting the implementation of measures for identified ESG issues. By the delegation of authority of the Board, the Working Group assists in collecting ESG data from different functional departments of the Group, monitoring the implementation of the measures in relation to ESG issues identified, investigating any deviations from the ESG-related strategies and targets, and liaising with relevant functional departments of the Group to take prompt rectification actions in relation to such deviations.

Based on the set goals and targets, the Board will continue to review the Group’s progress on ESG issues to build a more sustainable business and deliver greater benefits to society.

### ESG Governance Structure



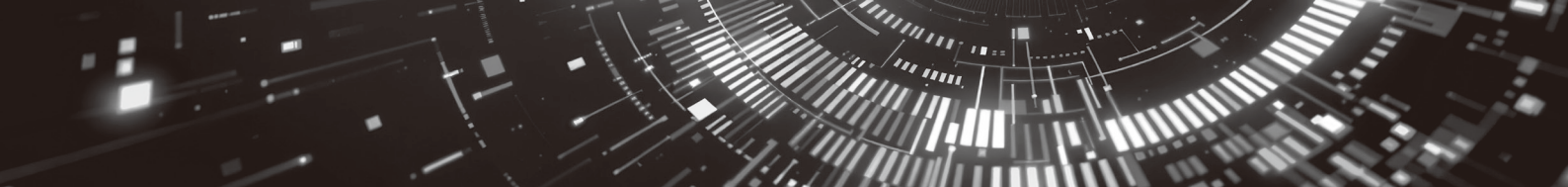


## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Identification of and Engagement with Stakeholders

Throughout its operations, the Group demonstrates a steadfast commitment to prioritising the significant concerns of its stakeholders. The Group actively seeks and incorporates its stakeholders' valuable insights and opinions through comprehensive and transparent engagement practices to enhance its sustainable development strategies and plans. By addressing the expectations and needs of stakeholders, the Group aims to foster mutual trust, cultivate collaborative relationships, and pave the way for sustainable economic growth, environmental stewardship, and social responsibility. Below, we provide a detailed overview of the key ESG concerns raised by our stakeholders and outline the specific methods the Group uses to engage with them and ensure their perspectives are considered.

| Stakeholders                                 | Areas of ESG Concern  | Means of Engagement   |
|--|---|---|
| <b>Stock Exchange</b>                        | <ul style="list-style-type: none"> <li>• Compliance with the Listing Rules; and</li> <li>• Timely and accurate announcement.</li> </ul>   | <ul style="list-style-type: none"> <li>• Meetings;</li> <li>• Training and seminars; and</li> <li>• Company's website and announcements.</li> </ul>     |
| <b>Government and Regulatory Authorities</b> | <ul style="list-style-type: none"> <li>• Operational compliance;</li> <li>• Tax payment as legally required; and</li> <li>• Disclosure of information and submission of materials.</li> </ul>                 | <ul style="list-style-type: none"> <li>• Annual reviewal process; and</li> <li>• Company's website and announcements.</li> </ul>                        |
| <b>Investors</b>                             | <ul style="list-style-type: none"> <li>• Business strategies and performances;</li> <li>• Effective corporate governance;</li> <li>• Sustainable profitability; and</li> <li>• Investment returns.</li> </ul> | <ul style="list-style-type: none"> <li>• General meetings;</li> <li>• Financial reports and announcements; and</li> <li>• Company's website.</li> </ul> |
| <b>Media and Public</b>                      | <ul style="list-style-type: none"> <li>• Corporate governance;</li> <li>• Environmental protection; and</li> <li>• Uphold human rights standards.</li> </ul>  | <ul style="list-style-type: none"> <li>• Announcements;</li> <li>• Company's website; and</li> <li>• Press conference.</li> </ul>                       |
| <b>Suppliers</b>                             | <ul style="list-style-type: none"> <li>• Payment schedule;</li> <li>• Demand stability;</li> <li>• Operational compliance; and</li> <li>• Quality services and products.</li> </ul>                           | <ul style="list-style-type: none"> <li>• Site visits;</li> <li>• Meetings; and</li> <li>• Conference call and interviews.</li> </ul>                    |

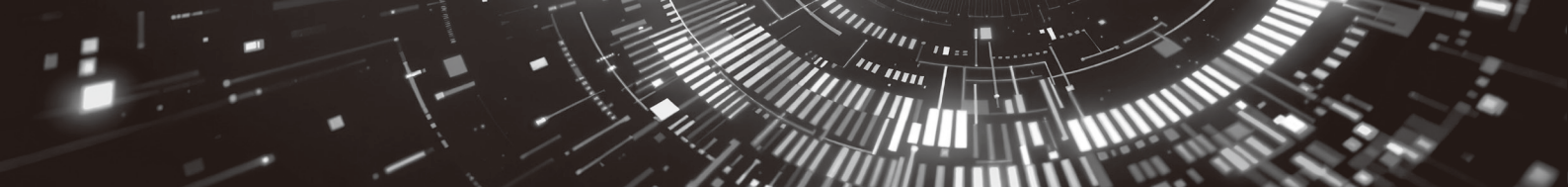


## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Stakeholders     | Areas of ESG Concern  | Means of Engagement  |
|------------------|---|--|
| <b>Customers</b> | <ul style="list-style-type: none"><li>• Quality services and products;</li><li>• Product safety;</li><li>• Commercial credibility;</li><li>• Intellectual property rights and protection; and</li><li>• Operational compliance.</li></ul> | <ul style="list-style-type: none"><li>• Visits;</li><li>• Meetings;</li><li>• Conference calls; and</li><li>• Customers' enquiries handling mechanism.</li></ul>                             |
| <b>Employees</b> | <ul style="list-style-type: none"><li>• Rights and benefits of employees;</li><li>• Training and development;</li><li>• Working environment and occupational safety; and</li><li>• Equal opportunities.</li></ul>                         | <ul style="list-style-type: none"><li>• Regular meetings;</li><li>• Employee training;</li><li>• Annual appraisal;</li><li>• Opinion box; and</li><li>• WhatsApp and WeChat Group.</li></ul> |
| <b>Community</b> | <ul style="list-style-type: none"><li>• Community development;</li><li>• Employment opportunities;</li><li>• Environmental protection; and</li><li>• Social welfare.</li></ul>  | <ul style="list-style-type: none"><li>• Community service activities;</li><li>• Media enquiry; and</li><li>• Press releases and announcements.</li></ul>                                     |

### Materiality Assessment

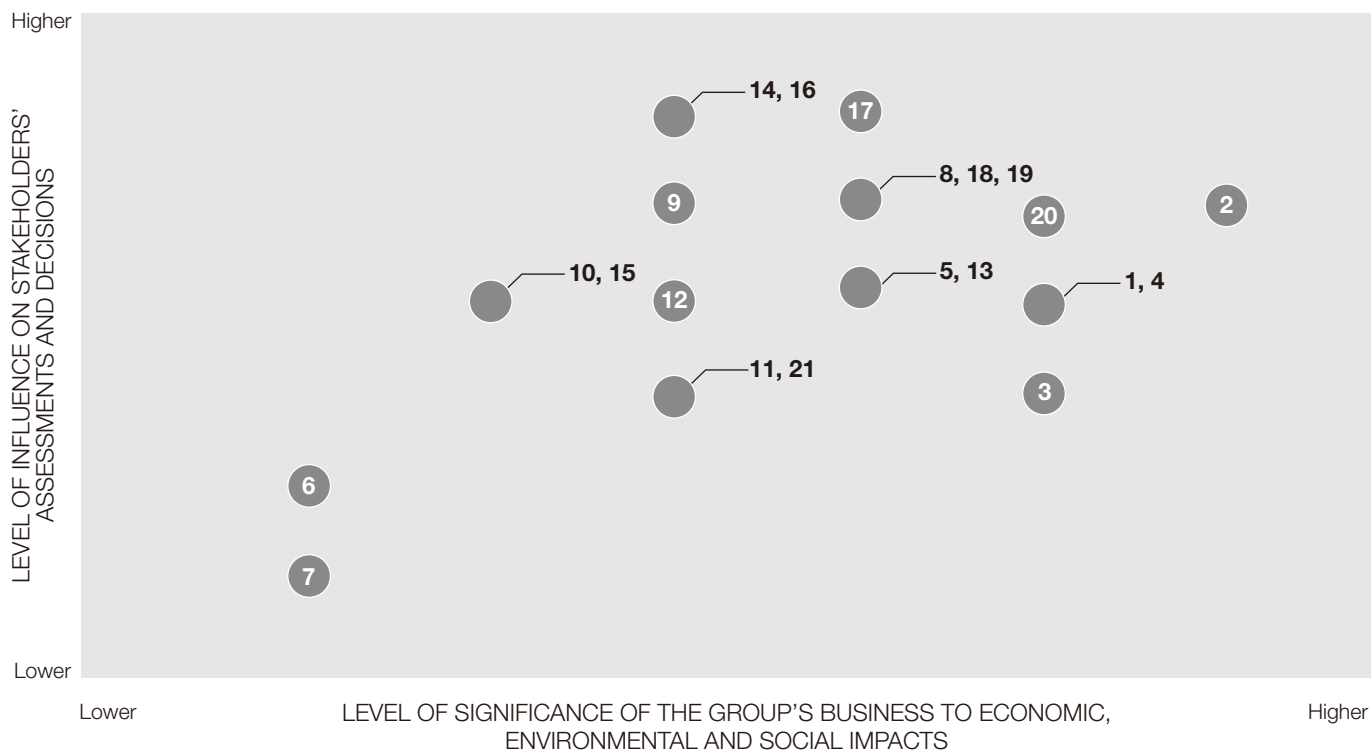
The Group undertook a comprehensive evaluation to identify ESG issues that could influence its sustainable development. This process was aligned with the Group's overarching strategy, objectives, and targets. The assessment sought to evaluate the significance of these issues to the Group's operations and its stakeholders, as well as to gauge their respective levels of impact. These considerations were informed by a variety of sources, including the Group's internal policies, prevailing industry trends, and stakeholder feedback. Additionally, the Group leveraged the Sustainability Accounting Standards Board (SASB) Materiality Map to enhance the rigor of its analysis.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To gain deeper insight into stakeholder priorities and concerns, the Group reviewed the materiality assessment conducted in the prior reporting period. Upon analysing the findings, it was determined that there have been no material shifts in stakeholders' primary concerns, and the prioritization of ESG matters remains consistent with the previous year. The outcomes of this assessment are detailed below.

### LEVEL OF INFLUENCE ON STAKEHOLDERS' ASSESSMENTS & DECISIONS



#### ESG Issues

- |                                      |  |
|--------------------------------------|--|
| 1. Air Pollutants                    | 12. Occupational Health and Safety             |
| 2. Greenhouse Gas Emissions          | 13. Staff Training and Career Development      |
| 3. Waste                             | 14. Prevention of Child and Forced Labour      |
| 4. Energy Usage                      | 15. Supply Chain Management                    |
| 5. Water Usage                       | 16. Customer Satisfaction                      |
| 6. Usage of Packaging Materials      | 17. Products and Services Quality Management   |
| 7. Environment and Natural Resources | 18. Protection of Intellectual Property Rights |
| 8. Climate Change                    | 19. Protection of Customer Privacy             |
| 9. Employee Well-being               | 20. Anti-corruption                            |
| 10. Recruitment and Retention        | 21. Community Investment                       |
| 11. Diversity and Equal Opportunity  |  |



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ENVIRONMENTAL

#### Overview

The Group is an integrated IT solutions and cloud services provider authorised to sell products and/or services from internationally renowned vendors in the PRC. Given the nature of the business, the Group does not generate a significant amount of exhaust gas, and its environmental impact is minimal. However, the Group acknowledges that its environmental impact primarily arises from purchased paper, electricity, and water during the Reporting Period. In addition, emissions are generated from employee flights taken for business trips and vehicles owned by the Group. Understanding the importance of reporting, the Group is fully aware of the reporting scope and is committed to providing accurate information on its greenhouse gas emissions (“GHG”). The intensities in this section are calculated based on the number of employees, ensuring a comprehensive assessment of the environmental impact.

Despite having limited waste origination, the Group keeps abreast of environmental protection and the relevant laws, including but not limited to “Environmental Protection Law of the PRC” (《中華人民共和國環境保護法》), “Atmospheric Pollution Prevention and Control Law of the PRC” (《中華人民共和國大氣污染防治法》), “Water Pollution Prevention and Control Law of the PRC” (《中華人民共和國水污染防治法》), “Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes” (《中華人民共和國固體廢物污染環境防治法》), and “Energy Conservation Law of the PRC” (《中華人民共和國節約能源法》). When applicable, the Group strives to comply with the laws and fulfill its obligations. On top of that, the Group ensures that its vision aligns with the sustainability targets outlined in the National 14th Five-Year Plan (《「十四五」規劃》) in the PRC, where all the Group’s business units are located. During the Reporting Period, the Group tracked the formulation of relevant issues, such as capping carbon emissions at sectoral and regional levels and introducing renewables into the PRC’s energy mix. During the Reporting Period, the Group has complied with all applicable environmental portion laws and regulations that significantly impact the Group.

#### Air Emissions

The Group’s business does not involve stationary machines producing gaseous fuel consumption emissions. The air emissions, including Nitrogen Oxides (NO<sub>x</sub>), Sulphur Oxides (SO<sub>x</sub>), and Particulate Matter (PM), were principally generated by the Group’s vehicles.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Details of air emissions generated by the Group's vehicles:

|                                    | Unit | 2025 | 2024 |
|------------------------------------|------|------|------|
| <b>Air emissions<sup>1</sup></b>   |      |      |      |
| Nitrogen oxides (NO <sub>x</sub> ) | kg   | 1.62 | 3.38 |
| Sulphur oxides (SO <sub>x</sub> )  | kg   | 0.05 | 0.09 |
| Particulate Matter (PM)            | kg   | 0.12 | 0.25 |

During the Reporting Period, the emission of Nitrogen Oxides (NO<sub>x</sub>) and Sulphur Oxides (SO<sub>x</sub>) was 1.62 (2024: 3.38) kg and 0.05 (2024: 0.09) kg, while the Group emitted 0.12 (2024: 0.25) kg Particulate Matter (PM). During the Reporting Period, the Group refined the vehicle management by standardising application and booking procedures. To enhance fuel efficiency, we have promoted strategic route planning and actively encouraged employees to prioritise public transport for business travel. All vehicles undergo regular maintenance checks to improve fuel efficiency, ensure road safety, and minimise air emissions. As such, the level of total emissions can remain relatively low and does not pose significant environmental or social impacts. Due to these initiatives, we have successfully met the target set in the last reporting period. To uphold the principles of sustainable development, the Group is committed to reducing air emissions by 5% by 2030 compared to the baseline year ended 31 December 2025.

### Hazardous Waste

Due to the Group's business nature, no hazardous materials are generated in the ordinary course of business, including chemical, clinical, and hazardous waste.

### Non-Hazardous Waste

During the Reporting Period, the only non-hazardous solid waste generated consisted of wastepaper and stationery. Throughout the Reporting Period, the total amount of non-hazardous waste reached 1.03 (2024: 0.77) tonnes with an intensity per employee of 0.0044 (2024: 0.0033) tonnes. Driven by the expansion of business operations during the Reporting Period, both the total volume and the intensity of non-hazardous waste generated by the Group increased slightly. Therefore, the Group failed to achieve the target set in the last reporting period. However, the Group remains committed to refining the waste management systems to enhance resource circularity and mitigate the environmental impact.

<sup>1</sup> The air emissions are disclosed in accordance with "Appendix 2: Reporting guidance on Environmental KPIs" issued by the Stock Exchange to provide a more comprehensive performance of the Group.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Details of the waste generated by the Group:

|  | Unit                       | 2025   | 2024   |
|--|----------------------------|--------|--------|
| <b>Discharge of non-hazardous waste</b>          |                            |        |        |
| Paper  | tonnes                     | 0.65   | 0.67   |
| Stationery                                       | tonnes                     | 0.38   | 0.10   |
| <b>Total non-hazardous waste</b>                 | tonnes                     | 1.03   | 0.77   |
| <b>Non-hazardous waste intensity<sup>2</sup></b> | tonnes/number of employees | 0.0044 | 0.0033 |

### Measures to Reduce Waste Generation

During the Reporting Period, office purchased paper emerged as the primary contributor to non-hazardous waste generation. The Group has adopted a comprehensive approach to address this issue at its core. Currently, used paper is discarded in office bins and collected by cleaners who dispose of it in landfills. To minimise waste, the Group actively promotes green office practices that encourage employees to reduce paper use. To this end, the Group advocates for implementing the four “R” actions in daily operations, emphasising the importance of reducing, reusing, recycling, and replacing materials. As part of these actions, the Group has established double-sided printing as the default mode for all printers. Additionally, employees are encouraged to reuse single-sided paper whenever confidential information is not involved. Furthermore, the Group promotes online communication as an alternative to physical documentation to further reduce paper consumption. To uphold the principles of sustainable development, the Group is committed to reducing the non-hazardous waste by 5% by 2030 compared to the level of the baseline year ended 31 December 2025.

### Use of Resources

The Group is steadfast in its commitment to becoming a sustainable, environmentally responsible enterprise, actively driving initiatives to protect the environment. We have implemented proactive measures to reduce resource consumption and minimise emissions. By adopting efficient resource utilisation practices, encompassing energy, water, and other natural resources, the Group strives to minimise its ecological footprint and mitigate adverse impacts on the natural environment. By prioritising resource-saving, environmentally friendly practices, we aim to foster a culture of sustainability within our operations and contribute to global efforts to preserve the environment.

<sup>2</sup> Intensity is determined by dividing the total tonnes of non-hazardous waste by the Group's total number of employees, which also applies to other intensity calculations. For the year ended 31 December 2025, the total number of employees was 233, compared to 231 for the year ended 31 December 2024

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Energy Use Management and Efficiency*

The Group is dedicated to being a resource-saving, environmentally friendly enterprise, actively working to reduce resource consumption and emissions. We prioritise efficient use of resources, including energy, water, and other natural resources, to minimise adverse environmental impacts. Our commitment to environmental protection drives us to implement innovative technologies and processes that optimise resource efficiency and minimise waste.

During the Reporting Period, the total amount of vehicle fuel consumed, which includes gasoline, amounted to 29,471.79 (2024: 56,371.37) kWh, with an intensity of 126.49 (2024: 244.03) kWh per employee. The electricity purchased from providers amounted to 209,520.25 (2024: 175,258.50) kWh, with an intensity of 899.23 (2024: 758.69) kWh per employee, primarily attributable to intensified R&D activities and enhanced operational capacity dedicated to technical innovation. The overall energy consumption intensity of the Group during the Reporting Period was 1,025.72 (2024: 1,002.73) kWh per employee. This represents a minor increase by 2.29% in total energy consumption intensity compared to the previous year. This increase indicated that we met the energy consumption intensity target set in the previous reporting period. To uphold the principles of sustainable development, the Group is committed to reducing the energy consumption intensity per piece produced by 5% by 2030 compared to the level of the baseline year ended 31 December 2025.

|  | Unit                    | 2025              | 2024       |
|--|-------------------------|-------------------|------------|
| <b>Direct energy consumption<sup>3</sup></b> |                         |                   |            |
| Fuel consumption                             | kWh                     | <b>29,471.79</b>  | 56,371.37  |
| Fuel consumption intensity                   | kWh/number of employees | <b>126.49</b>     | 244.03     |
| <b>Indirect energy consumption</b>           |                         |                   |            |
| Electricity consumption                      | kWh                     | <b>209,520.25</b> | 175,258.50 |
| Electricity consumption intensity            | kWh                     | <b>899.23</b>     | 758.69     |
| <b>Energy consumption</b>                    |                         |                   |            |
| Total energy consumption                     | kWh                     | <b>238,992.04</b> | 231,629.87 |
| Energy consumption intensity                 | kWh/number of employees | <b>1,025.72</b>   | 1,002.73   |

<sup>3</sup> The unit conversion method of direct energy consumption data is based on the "Energy Statistic Manual" issued by the International Energy Agency.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Water Usage*

Water conservation is one of the most important objectives the Group prioritises. We have consistently promoted reducing unnecessary water consumption across our operations. It is worth noting that our existing water supply remains stable and adequately meets our daily operational needs. Consequently, no issues regarding water sourcing were identified during the Reporting Period. Our employees exclusively use water from our offices for sanitation.

|                                      | Unit                                | 2025     | 2024     |
|--------------------------------------|-------------------------------------|----------|----------|
| <b>Water consumption<sup>4</sup></b> |                                     |          |          |
| Total water consumption              | m <sup>3</sup>                      | 1,377.00 | 1,490.00 |
| Water consumption intensity          | m <sup>3</sup> /number of employees | 5.91     | 6.45     |

Throughout the Reporting Period, our total water consumption amounted to 1,377.00 (2024: 1,490.00) cubic meters, with an intensity of 5.91 (2024: 6.45) cubic meters per employee. Water consumption and intensity decreased slightly owing to efficient resource utilisation, indicating that the Group successfully met the target of range of 85% to 115%. To uphold the principles of sustainable development, the Group is committed to reducing the water consumption intensity per piece produced by 5% by 2030 compared to the level of the baseline year ended 31 December 2025.

Given the nature of our business, we do not produce sewage, so we have not installed a sewage purification system.

### *Use of Energy Efficiency*

The Group has implemented various measures to reduce energy consumption and promote energy conservation. Prominent reminders have been displayed throughout our facilities to raise awareness and encourage employees to adopt energy-saving practices. For example, computers and office lights are diligently switched off during non-business hours to minimise light pollution and optimise energy efficiency. Looking ahead, we are committed to sustaining our efforts to reduce energy consumption and maintain our pace of energy conservation.

In addition to our energy conservation initiatives, the Group places strong emphasis on water conservation. We actively promote water conservation among our employees, recognising the importance of minimising the indirect energy consumption associated with water supply. To address this, we will promptly repair malfunctioning water faucets to prevent further leakage and unnecessary freshwater wastage. Furthermore, notices reminding employees to avoid excessive water usage are prominently displayed in our bathrooms, serving as a constant reminder of the significance of water conservation. By fostering a culture of responsible water use, we aim to help preserve and manage this vital resource efficiently.

The Group aims to reduce electricity and water consumption within our offices by implementing various measures. Consequently, we are actively exploring additional measures to improve our energy efficiency and conserve this valuable resource. We are firmly convinced that our unwavering commitment to sustainable practices and efficient resource management contributes significantly to ensuring we practice responsible and environmentally conscious resource management. Moving forward, we remain dedicated to monitoring and optimising our resource consumption levels.

4 The water consumption pertains solely to the Shenzhen Office, where water usage is separately metered and billed, so the intensity is calculated by the number of employees in Shenzhen. We are committed to refining our data collection mechanisms to provide a more comprehensive overview in future disclosures.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Packaging Material*

During the Reporting Period, the Group utilised 1.19 (2024: 2.12) tonnes of packaging materials for business promotion and marketing purposes. These materials encompassed a range of items such as envelopes, booklets, and corporate packaging wraps. The consumption intensity per employee during the Reporting Period was 0.0051 (2024: 0.0092) tonnes. With consumption intensity decreasing due to less printed internal publications, the Group achieved the target set in the previous reporting period, namely a range of 85 to 115%. The Group will explore recycled materials in manufacturing processes, including eco-friendly and biodegradable materials. To uphold the principles of sustainable development, the Group is committed to reducing the packaging materials consumption intensity per piece produced by 5% by 2030 compared to the level of the baseline year ended 31 December 2025.

|   | Unit                       | 2025   | 2024   |
|---|----------------------------|--------|--------|
| <b>Packaging materials</b>                |                            |        |        |
| Total packaging materials consumption     | tonnes                     | 1.19   | 2.12   |
| Packaging materials consumption intensity | tonnes/number of employees | 0.0051 | 0.0092 |

### **The Environment and Natural Resources**

The provided information indicates that the Group's daily operations do not result in significant depletion of natural or environmental resources. However, it is essential to emphasise that the Group firmly believes that corporate development should not be pursued at the expense of the environment. In line with this commitment, the Group proactively minimises its GHG emissions by continuously monitoring resource usage and strictly adhering to applicable environmental regulations. By prioritising sustainability and adopting a responsible approach to resource management, the Group ensures its operations align with environmental preservation goals and promote long-term ecological well-being.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Climate Change

The Group annually reviews and identifies the climate-related risk while conducting the risk assessment. We have considered the potential climate-related risks with respect to the framework of the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures, which are the physical risks like extreme weather conditions and sustained elevated temperature, as well as transition risks, such as regulatory change on environmental matters, and summarised below:

| Risk Type               | Risks   | Potential Financial Impact  | Short (current reporting period) | Medium (1–3 years) | Long (4–10 years) | Mitigation Strategy   |
|-------------------------|---|---|----------------------------------|--------------------|-------------------|---|
| <b>Physical Risks</b>   | <ul style="list-style-type: none"> <li>• Extreme weather conditions such as flooding and typhoon</li> <li>• Sustained elevated temperature</li> </ul> | <ul style="list-style-type: none"> <li>• Reduced revenue from business and supply chain disruptions</li> <li>• Increased cost related to the rising need for cooling</li> </ul> | ✓                                | ✓                  |                   | <ul style="list-style-type: none"> <li>• Located our offices in cities where the occurrences of extreme weather conditions are relatively rare</li> <li>• Established adverse weather condition policy</li> <li>• Adopted energy conservation measures to avoid overconsumption of natural resources</li> </ul> |
| <b>Transition Risks</b> | <ul style="list-style-type: none"> <li>• Changes in environmental-related regulations</li> </ul>  | <ul style="list-style-type: none"> <li>• Higher operating costs to adopt new practices</li> </ul>   |                                  | ✓                  | ✓                 | <ul style="list-style-type: none"> <li>• Continue to monitor the regulatory environment to ensure that the Group complies with the environmental related laws and regulations</li> </ul>  |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Regarding the newly introduced requirements in Part D: Climate-related Disclosure of the Stock Exchange's Reporting Code, the Group has reviewed the current disclosure capabilities, internal resources, and data maturity. We have determined that the existing climate disclosure framework will continue to be applied at this stage, and the new requirements have not yet been fully integrated. Looking ahead, the Group will continuously refine the climate data collection methods, risk management, and scenario analysis capabilities. In accordance with the Stock Exchange's implementation guidance and schedule, we aim to progressively enhance the transparency and completeness of relevant information to more fully comply with the Stock Exchange's climate-related disclosure requirements.

### GHG Emissions<sup>5</sup>

The Group's indirect GHG emissions result principally from purchased electricity, waste paper disposal at landfills, and business trips taken by employees and management. Direct GHG emissions are incurred fundamentally from the combustion of fuels by vehicles. Thus, the Group promotes reasonable driving, and long-distance travel is subject to strict review to reduce unnecessary travel and mitigate the amount of GHG emissions produced by vehicles. To this end, all vehicles undergo regular maintenance checks to improve fuel efficiency, ensure road safety and keep air emissions to a minimum.

During the Reporting Period, GHG emissions totalled 188.63 (2024: 154.68) tonnes CO<sub>2</sub>e, with an intensity of 0.81 (2024: 0.67) tonnes per employee.

Detailed breakdown of GHG emissions by the Group:

|   | Unit   | 2025   | 2024   |
|---|--|--------|--------|
| <b>GHG Direct Emissions (Scope 1)</b>               |  |        |        |
| Combustion of fuels in vehicles                     | tonnes CO <sub>2</sub> e                     | 8.12   | 15.52  |
| <b>GHG Indirect Emissions (Scope 2)<sup>6</sup></b> |  |        |        |
| Purchased electricity                               | tonnes CO <sub>2</sub> e                     | 121.04 | 99.95  |
| <b>Other Indirect Emissions (Scope 3)</b>           |  |        |        |
| Waste paper   | tonnes CO <sub>2</sub> e                     | 3.12   | 3.19   |
| Business trips                                      | tonnes CO <sub>2</sub> e                     | 56.35  | 36.02  |
| Total GHG emissions                                 | tonnes CO <sub>2</sub> e                     | 188.63 | 154.68 |
| GHG emission intensity                              | tonnes CO <sub>2</sub> e/number of employees | 0.81   | 0.67   |

<sup>5</sup> GHG emission data are presented in terms of carbon dioxide equivalent (CO<sub>2</sub>e) and are based on, including but not limited to, the global warming potential values from the "Sixth Assessment Report" issued by Intergovernmental Panel on Climate Change, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, ICAO Carbon Emissions Calculator of International Civil Aviation Organisation ("ICAO").

<sup>6</sup> According to Announcement on the Release of 2024 Electricity Carbon Footprint Factor Data (關於發布2024年電力碳足跡因子數據的公告) by the Ministry of Ecology and Environment of the People's Republic of China (2025), the National Emission Factor for Mainland China is 0.5777 tCO<sub>2</sub>/MWh.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group reduced the vehicle usage frequency through enhanced fleet management. However, these gains were offset by a significant increase in electricity consumption and business travel, driven by intensified R&D activities and the expansion of our pre-sales and after-sales service network. Consequently, both the total volume and the intensity of the Group's GHG emissions increased. Therefore, the Group fell short of achieving the GHG emissions target set in the prior reporting period.

The Group will ensure effective monitoring of its GHG emissions, continuously improve its sustainability efforts, and implement measures to reduce unnecessary emissions. To uphold the principles of sustainable development, the Group is committed to reducing the GHG emission intensity per piece produced and per employee by 5% by 2030 compared to the level of the baseline year ended 31 December 2025.

For more detailed information, please refer to the "Measures to Reduce Waste Generation" and "Use of Energy Efficiency" subsections. These sections provide comprehensive insights into the specific actions the Group has taken to minimise emissions and enhance its overall environmental performance.

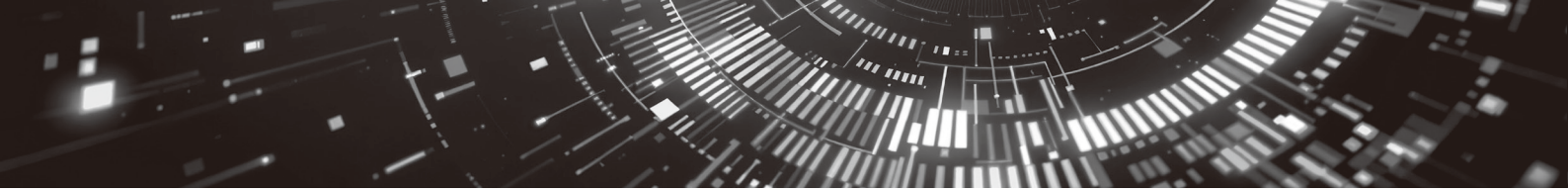
### SOCIAL

#### Employment and Labour Standards

For the Group, building a meaningful relationship with its employees, who are internal stakeholders, is deemed equally necessary as attracting new customers, and it also encourages employees to shape their competitive edge. As an information technology solution and cloud services provider, the Group understands that employees with sophisticated technology knowledge are essential assets.

As a responsible corporate citizen who genuinely cares for its employees, the Group strictly abides by all applicable laws and regulations related to employment, including but not limited to the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), Labour Law of the PRC (《中華人民共和國勞動法》), Regulations on Paid Annual Leave of Employees (《職工帶薪年休假條例》), Law on the Protection of Women's Rights and Interests (《婦女權益保障法》), Law on the Protection of Disabled Persons (《殘疾人保障法》), and The Social Insurance Law of the PRC (《社會保險法》) and Provisions of the State Council on Working Hours of Workers and Staff (《國務院有關於職工工作時間的規定》). The Group guarantees that no employee is made to work against their will, as forced labour, or be subject to work-related coercion. The Group strictly opposes and prohibits any form of child and forced labour. The Human Resources Department will verify applicants' actual ages by checking their identification documents during the recruitment process. If one is in their probation period and is found providing false information, termination of the contract without notice can result. Through the whistle-blowing mechanism, employees can voice their experiences of injustice. For any reported cases, the Management will investigate the case immediately and take further follow-up actions if necessary. During the Reporting Period, the Group complied with all applicable labour laws and regulations.

The Group has established an Employee Handbook (員工手冊) and Human Resources and Salary Management (人力資源與薪資管理制度) to manage staff recruitment, remuneration, working hours, leave entitlements, pay rates, and compensation matters and procedures, thereby increasing work efficiency and establishing a uniform workflow.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group hopes to recruit the most talented and qualified from the job market, bring immense value to the business, and instill trust in its clients. The recruitment process is standardised based on the nature of the department: for positions related to technology, research, and development (R&D), department heads conduct the first round of interviews, and the Human Resources Department is responsible for the second interview. Meanwhile, for positions related to operations and general business, the interview sequence is reversed. As such, it ensures that competitive candidates are not missed and that respective departments can screen for the most suitable candidates. Also, background checks are conducted to ensure candidates have strong attributes, and interviewers' subjective judgments will not affect the selection process.

Competitive remuneration packages and benefits are provided to attract high-calibre talent and motivate existing employees. In addition to the five statutory social insurance programs and the housing fund, employees are entitled to Group accident insurance and reimbursement for work injury insurance. Employees who have worked for the Group for over a year are eligible for annual health checks. Employees are provided with essential statutory festive holidays, general holidays, marriage leave, maternity leave, paternity leave, and compassionate leave, with the standard of 5 workdays per week and 8 work hours per day. Continuous service and quarterly/annual bonuses are rewarded to employees based on individual performance. The Group performs appraisals to evaluate employees' quality of work outputs effectively, and they serve as essential bases for rewards and punishment, salary adjustment, promotion, and year-end bonuses. All departments perform appraisals quarterly, except Research and Development, which performs appraisals upon completion of individual projects. As such, the Group's expectations of its employees and the difficulties employees encounter are mutually communicated.

To foster a harmonious work culture and enhance team cohesion, the Group regularly organises regular activities for employees. Birthday parties are held quarterly to let employees celebrate with one another. Birthday gifts, such as quilts and thermal insulation cups, are given to employees. Basketball and badminton gatherings are hosted after work to reduce pressure and build teamwork. Moreover, each department reserves the funds for team building, further facilitating employee relationships.

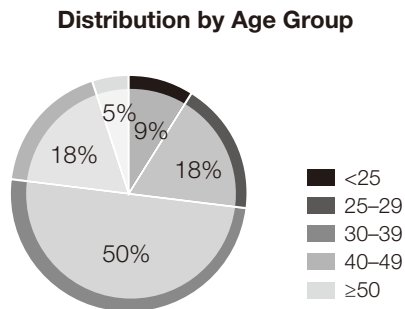
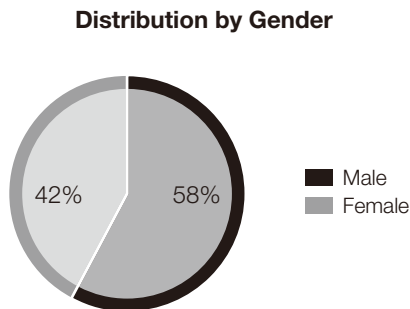
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Total Number and Classification of Employees

As of 31 December 2025, the Group had 233 employees (2024: 231). The detailed employment information is as follows:

|   | Unit   | 2025 | 2024 |
|---|--------|------|------|
| <b>Employees by Gender</b>              |        |      |      |
| Male                                    | person | 135  | 138  |
| Female                                  | person | 98   | 93   |
| <b>Employees by Age Group</b>           |        |      |      |
| <25                                     | person | 21   | 29   |
| 25–29                                   | person | 42   | 55   |
| 30–39                                   | person | 116  | 103  |
| 40–49                                   | person | 42   | 37   |
| ≥50                                     | person | 12   | 7    |
| <b>Employees by Geographical Region</b> |        |      |      |
| Shenzhen                                | person | 167  | 164  |
| Dongguan                                | person | 0    | 1    |
| Shanghai                                | person | 34   | 31   |
| Wuhan                                   | person | 30   | 35   |
| Hong Kong                               | person | 2    | 0    |
| <b>Employees by Employment Type</b>     |        |      |      |
| Full Time                               | person | 233  | 231  |
| Part Time                               | person | 0    | 0    |

The Group hires based on experience, expertise, and values, regardless of race, colour, creed, national origin, ancestry, sex, marital status, disability, religious or political affiliation, age, or sexual orientation. We formulate equal opportunities and diversity policies for all employees and are committed to building a diverse and inclusive working environment. During the Reporting Period, female employees accounted for approximately 42% of the total workforce within the Group. Being in the STEM sector, which is traditionally considered male-dominated, the Group highly values gender equality and will continue to strive for a more diversified workforce.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Employee Turnover

As of 31 December 2025, the Group's total employee turnover rate was 34%. The detailed turnover information is as follows:

|   | Unit | 2025             | 2024 |
|---|------|------------------|------|
| <b>Employee Turnover Rates<sup>7</sup></b>            |      |                  |      |
| Total employee turnover rate                          | %    | 34               | 35   |
| <b>Employees Turnover Rate by Gender</b>              |      |                  |      |
| Male  | %    | 38               | 36   |
| Female  | %    | 29               | 35   |
| <b>Employees Turnover Rate by Age Group</b>           |      |                  |      |
| <25   | %    | 76               | 52   |
| 25–29   | %    | 52               | 55   |
| 30–39   | %    | 32               | 20   |
| 40–49   | %    | 7                | 43   |
| ≥50   | %    | 8                | 0    |
| <b>Employees Turnover Rate by Geographical Region</b> |      |                  |      |
| Shenzhen  | %    | 31               | 37   |
| Dongguan  | %    | N/A <sup>8</sup> | 0    |
| Shanghai  | %    | 62               | 48   |
| Wuhan   | %    | 20               | 17   |

<sup>7</sup> Employee turnover rate by category = Total number of employees leaving employment by category during the Reporting Period/Total number of employees by category at the end of the financial year x 100%.

<sup>8</sup> During the Reporting Period, one employee departed from Dongguan. Given that the headcount for this region was zero as of 31 December 2025, the employee turnover rate for the period is not mathematically applicable.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Health and Safety*

The Group acknowledges that employees' health and safety are pivotal and sincerely cares for their mental and physical health. Due to the Group's business nature, employees spend most of their work time in offices, resulting in a low chance of encountering work-related injuries. The Group recorded no work-related fatalities and lost days due to work injury during the last three reporting periods. In addition, the Group adheres to applicable laws and regulations regarding occupational health standards, including but not limited to the Prevention and Control of Occupational Diseases Law of PRC (《中華人民共和國職業病防治法》), Order of the State Administration of Work Safety (《工作場所職業衛生監督管理規定》).

The Group purchased group accident insurance for employees, who are also entitled to work injury compensation claims. Employees who have worked for the Group for over a year are eligible for annual health checks. To maintain a healthy and pleasant work environment, which is indispensable for both employees' well-being and productivity, the Group has launched several measures, including maintaining the accessibility of emergency exits in offices, establishing a smoke-free workplace, inspecting fire drills and fire extinguishers regularly, and providing adequate illumination and suitable temperature in the offices. On the other hand, the Group strongly opposes any form of discrimination, harassment, and inappropriate conduct. The Group has listed the relevant misconducts in the Employee Handbook, reminding employees to stay well-mannered and respectful. To further safeguard employees, the Group has established whistle-blowing procedures so that any concerns about suspected misconduct, malpractice, or impropriety can be raised confidentially.

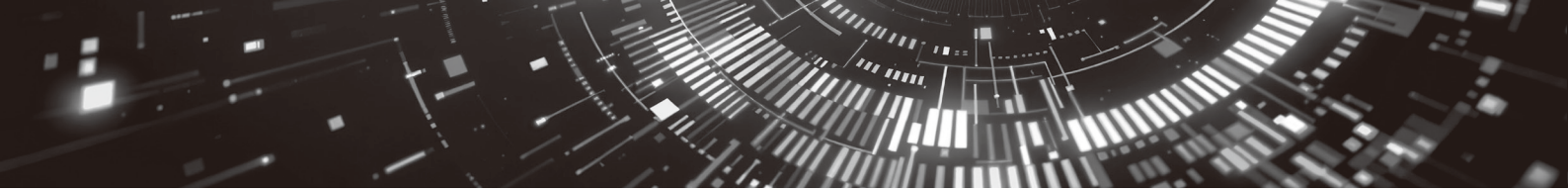
Maintaining a work-life balance is beneficial for employees' well-being. Therefore, the Group regularly organises sports activities, such as after-work basketball and badminton gatherings, to help employees train their bodies and relieve work pressure. The Group also encourages employees to enrich their leisure activities and have a positive mindset. Thus, there are books and magazines available in the workplace for employees to borrow, with an initial lending period of 3 months.

The Group recommends that employees prioritise their personal and environmental well-being by adhering to the following practices: maintaining good personal hygiene, practising balanced nutrition, engaging in moderate exercise, ensuring adequate rest, and avoiding excessive fatigue. The workplace should also be adequately ventilated, and personal safety measures should be diligently observed.

### *Development and Training*

Rapidly identifying enterprises' needs and tailoring solutions for them are the core business of the Group, which reckons the process depends on its employees' adaptability to evolving technology. Given the rationale, continuous development and training of employees are significant for the Group to excel amongst competitors and ultimately to drive sustainable growth.

As outlined in Employee Handbook (員工手冊), internal training can be classified into company-level and department-level. The former refers to training led by the Human Resources Department, while the latter implies training formed by departments. During the Reporting Period, internal training sessions given by experienced and managerial colleagues were available to employees at every level all year round. The training scope is diverse and divided into three main categories, which will be illustrated below with examples.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *(1) Training to familiarise employees with policies and procedures within the Group*

To enhance employees' understanding of our Group's policies and procedures, the Group held an array of internal training sessions on management structure, personnel system, salary management, and other related systems. These training sessions were conducted by the respective managerial staff to ensure the training's credibility, efficacy, and quality.

### *(2) Training to enhance employees' product knowledge and the latest technological information*

The Group held numerous internal training sessions on Surface Products, Citrix Products, Microsoft 365 Products, and PTC products to equip employees with the latest technological information and sharpen their competitive edge.

The Group is devoted to providing well-rounded training for the employees. Frequent training and relevant seminars create a corporate learning culture, inspiring employees to be inquisitive and embrace life-long learning.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group has provided 3,130 hours of training to 252 employees. 108%<sup>9,10</sup> of employees are being trained. The average training hours per employee is 13.43 hours<sup>11</sup>. The training details of the Group during the Reporting Period are as follows:

|  | Unit         | 2025                   | 2024  |
|--|--------------|------------------------|-------|
| <b>Total Trained Employees</b>   | No.          | <b>252</b>             | 228   |
|  | %            | <b>108</b>             | 99    |
| <b>Percentage of Employees Trained by Employment Category<sup>12</sup></b> |              |                        |       |
| Management   | %            | <b>10</b>              | 10    |
| Senior Employee  | %            | <b>20</b>              | 20    |
| Junior Employee  | %            | <b>70<sup>13</sup></b> | 70    |
| <b>Percentage of Employees Trained by Gender</b>                           |              |                        |       |
| Male   | %            | <b>60</b>              | 60    |
| Female   | %            | <b>40</b>              | 40    |
| <b>Average Training Hours by Employment Category<sup>14</sup></b>          |              |                        |       |
| Management   | hours/person | <b>5.00</b>            | 6.00  |
| Senior Employee  | hours/person | <b>7.04</b>            | 5.39  |
| Junior Employee  | hours/person | <b>17.37</b>           | 21.73 |
| <b>Average Training Hours by Gender</b>                                    |              |                        |       |
| Male   | hours/person | <b>12.52</b>           | 16.83 |
| Female   | hours/person | <b>14.69</b>           | 16.86 |

<sup>9</sup> Total percentage of employees trained = Total number of employees trained at the end of the financial year/Total number of employees at the end of the financial year x 100%.

<sup>10</sup> Due to staff turnover, there is a variance between the total number of employees at year-end and the total number of employees trained during the Reporting Period. The headcount is based on a snapshot as of 31 December 2025, whereas the training figures encompass all employees who participated in training programmes during the Reporting Period, including those who joined or departed.

<sup>11</sup> Average training hours completed per employee = Total number of training hours completed at the end of the financial year/Total number of employees at the end of the financial year.

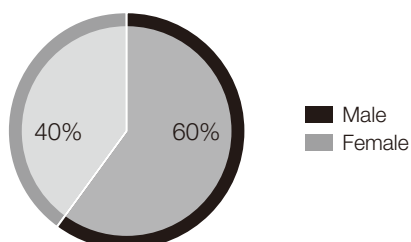
<sup>12</sup> Percentage of employees trained = Number of employees trained by category at the end of the financial year/Number of employees trained during the financial year.

<sup>13</sup> The percentage has been revised from 71% to 70% due to rounding for consistency in presentation.

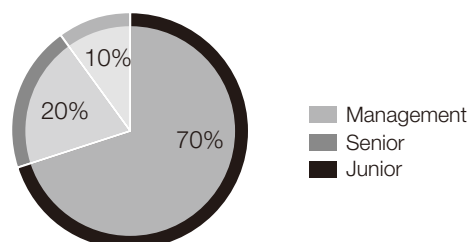
<sup>14</sup> Average training hours = Number of training hours completed by category at the end of the financial year/Number of employees by category at the end of the financial year.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

**Distribution by Gender**



**Distribution by Employee Category**



### Supply Chain Management

The Group places great emphasis on the procurement principles. In purchasing materials, equipment and services, the Group promotes fair and open competition based on established procurement policies and procedures to ensure that the price, quality, delivery, and services align with the best economic benefits. As a responsible organisation, the Group adheres to the spirit of the contract and abides by the contract's principle, purpose, and content with the supplier. In return, the Group expects its suppliers to uphold the principles of integrity and pragmatism and provide products and services in compliance with all applicable laws and regulations.

To standardise the procurement procedures of products and services, the Group has adopted strict new supplier selection criteria in the Procurement and Payment Management System (採購至付款管理制度). It conducts ongoing assessments and regular inspections of our existing suppliers. Moreover, the suppliers, who are ranked in the top 30 in terms of frequency of transactions with the Group or transaction amount, are reviewed at least on an annual basis to ensure that product qualities, delivery schedule, after-sales service and environmental and social practices still exceed the Group's expectations.

Before cooperating with new suppliers, the purchasing agent will assess the supplier's capabilities based on their background information, professional qualifications, product and service quality, and reputation. Due to the Group's business nature, most purchases are classified into technology-related hardware and software. Therefore, professional qualifications such as relevant business licenses, certificates of authorisation, and ISO System Certifications are especially crucial for suppliers. Issues such as human rights management adopted by the suppliers and environmental protection are considered in the selection process. In addition, the suppliers are reviewed annually to ensure that product qualities, delivery schedule, after-sales service, and environmental and social practices exceed the Group's expectations. The qualified suppliers are included in the Approved Vendor List (合格供應商名單) upon the Procurement Department Manager's approval.

As of 31 December 2025, the Group has a total of 823 (2024: 821) suppliers. Among them, 624 (2024: 624) suppliers are in the PRC, 187 (2024: 185) suppliers are based in other countries, and the remaining 12 (2024:12) suppliers are in Hong Kong. As mentioned earlier, the Procurement and Payment Management System was applied to all Group suppliers during the Reporting Period.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### **Product and Service Responsibility**

The Group emphasises the importance of reliable products and services with high quality. It is committed to improving the quality of its core business: cloud services and integrated information technology solutions. The quality control system comprises two main components: service quality and product quality. Meanwhile, the Group's products and services, such as software and cloud services, are intangible goods delivered virtually. Thus, they are not subject to direct health and safety concerns and are seen as less likely to harm and/or threaten customers physically.

For product quality control, the Group follows the supplier management process of ISO 9001 to manage the quality of suppliers and subcontractors. The product quality control team is responsible for inspecting IT products procured from suppliers and sold to customers and for quality control of the procurement, storage, and sales of the hardware. The Group also regularly evaluates suppliers' performance quality and is open to forming partnerships with new potential suppliers. In addition, the relevant suppliers have warranted hardware and software products used in the Group's IT services for around 12 to 36 months. If any defects are found, such suppliers will be liable, and customers may contact them directly to have the hardware or software replaced.

Service quality depends heavily on highly qualified technicians who master the operation of key products and are proficient in the business models of the downstream industries of the IT solution services industry. During the Reporting Period, the Group obtained six solution partner designations through the Microsoft Cloud Partner Program (MCPPE) and was awarded the title of Microsoft Solution for Cloud Partner. In addition, the Group firmly encourages its employees to obtain professional qualifications, especially in software and technical engineering positions. During the Reporting Period, 310 employees within the Group held certificates and qualifications awarded by renowned units, including but not limited to Microsoft Azure Data Engineer Associate, Microsoft Certified Azure Solutions Architect Expert, and ITIL 4 Foundation Certificate. The Group believes that employees' knowledge enhancement will contribute to better identification of clients' needs and provision of IT solutions.

### **Complaints and Responses**

The Group takes all customer feedback and complaints seriously and will ensure immediate follow-up actions are taken upon receiving complaints. Employees from the Sales Department are responsible for recording and tracking the progress of complaint handling. The employee liable for a complaint investigates the issues and implements corrective actions. The process and measures taken are documented in the Client Complaints Form for the review of the Sales Department Director. The Group did not record product and service-related complaints during the Reporting Period.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Intellectual Property*

The core business of the Group includes cloud services and software development, rendering intellectual property a pivotal part of the Group's business cycle. Externally, the Group strictly complies with "Trademark Law of the PRC" (《中華人民共和國商標法》), "Patent Law of the PRC" (《中華人民共和國專利法》), and the "Civil Code of PRC" (《中國民法典》). Internally, the Group has adopted Intellectual Property and Trademark Management System (《知識產權及商標管理制度》) to monitor and standardise the management of trademarks, domains, copyrights, and patents. During the Reporting Period, the Group did not receive any material claim against itself for infringement of any intellectual property right, nor was it aware of any pending or threatened claims about any such breach.

Computer software programs developed by the Group are critical intangible assets. After the Research and Development Department complete the development of new software, the Group will seek a third-party intellectual property agent for the registration of Computer Software Copyright (計算機軟件著作權) at the Copyright Protection Centre of China (中國版權保護中心), which serves as the only national copyright registration institution in the PRC. Internally, the Group has adopted the List of Computer Software Copyright (公司著作權清單) to record the successfully registered copyrights and respective details, including development and approval dates, registration numbers. Currently, the Group owns more than 146 Computer Software Copyrights and 13 invention patents, with each software's development date and owner stated. Regulations on the Protection of Computer Software (《計算機軟件保護條例》) and Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》) are applicable regarding software copyright issues in the PRC. The Group, a registered software owner, is entitled to several exclusive rights: the right to reproduce, the right to distribute copies to the public by license, sale or otherwise, and the right to create derivative or modified versions, to name a few. Once the Group disputes software ownership, the copyrights provide rationales for the Group's self-defence, protecting the Group from potential litigation and lawsuits. When unauthorised copying of software or infringement is found, relevant laws and regulations lay grounds for the Group to protect the source and object code, as well as certain unique original elements of the user interface.

Internally, the Group has established guidelines for handling confidential materials, such as the IT solutions drafted for its clients. Under the Group's current Confidentiality Management System (保密管理辦法), there are three fixed durations of the confidentiality obligations. The information technology solutions and technical secrets, which have not been made public, are entitled to a confidentiality term of 30 years. Thus, employees understand that the production, transfer, usage, and disposal of these materials are restricted and regulated by specific rules. As such, the chance of accidental leakage of the Group's intellectual property can be minimised.

Concerning advertising and labelling matters, the Group adheres to the "Advertising Law of the PRC" (《中華人民共和國廣告法》). As an IT solutions and cloud services provider, the Group does not have material issues concerning advertising and labelling matters. Currently, the Group provides complete, true, accurate, and clear information on the services and products in dealing with its clients. On top of that, the Board is liable for ensuring that the Group does not publish or publicly distribute advertisements that misrepresent the information.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ***Privacy Protection***

The Group strongly values the privacy of its existing clients and asserts that safeguarding the data it handles and processes will enhance its market reputation. A good reputation, in return, will instil trust in its potential clients and usher in sustainable business growth. On the other hand, the Group's clients are often small to medium enterprises, the Group acknowledges the social responsibility and commits to enhancing privacy protection.

The Group strictly adheres to applicable laws and regulations, including but not limited to the "Personal Information Protection Law of the PRC" (《中華人民共和國個人信息保護法》), the "Cybersecurity Law of the PRC" (《中華人民共和國網絡安全法》), and the "Information security technology – Personal information security specification" (《信息安全技術個人信息安全規範》). The Group also obtained ISO 27001 and ISO 20000-1 under the Information Security Management System (ISMS) standards. During the Reporting Period, the Group has complied with all applicable laws and regulations relating to information security in the PRC.

Under the Group's current "Confidentiality Management System" (《保密管理辦法》), Customer Relationship Management ("CRM") information is under confidentiality of infinite duration. The CRM system implemented is a customer database designed to enhance sales and marketing efficiency by targeting customers, including personal information and purchasing histories. Without the approval of the Chief Executive Officer, no one is permitted to copy or scan any information in the Group's CRM system or verbally communicate to unauthorised parties. If exposure to sensitive data is found, the personnel responsible is subjected to penalties such as warnings, termination of contract, or even transfer to the judiciary. Employees shall undertake the obligation to keep such as warnings, termination of contract or may face legal action. Employees shall be obliged to keep such information confidential per the scope agreed upon in the internal documents. In addition, the Group adopted the "Data Protection Regulation" (《個人信息管理制度》), which outlines the authorised parties for accessing personal data and the controls to prevent excessive collection and usage of protected personal data. Contingency plans for data leakage highlight that the response speed must be within the designated time for both critical and minor incidents. The Group believes that prompt handling and investigation are necessary for privacy protection.

### ***Improving Network Security Management***

In terms of network security, the Group uses ISS Crypto to turn on or off protocols, cyphers, hashes, and key exchange algorithms for a safer online experience. The Group has also developed a series of network security measures, including prohibiting employees from browsing or logging on to unknown or unsafe websites, requiring complex and frequently renewed passcodes, banning the use of personal email accounts in the office, and forbidding the downloading of unknown email attachments. As such, the Group believes related measures will reduce its risk of cyberattack exposure.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Anti-corruption

The Group strictly complies with all applicable laws and regulations regarding anti-corruption, including “The Anti-Money Laundering Law of the PRC” (《中華人民共和國反洗錢法》), the “Anti-unfair Competition Law of the PRC” (《中華人民共和國反不正當競爭法》), and the “Criminal Law of the PRC” (《中華人民共和國刑法》). As part of the commitment, all bribery and corruption are despised and will not be tolerated.

The Group has established two crucial policies to ensure ethical conduct within its operations: the Edensoft Software Employee Anti-Corruption Compliance Manual (伊登軟件員工反腐敗合規手冊) and the Anti-Fraud, Anti-Money Laundering, and Terrorist Financing Policy (反舞弊、反洗錢及恐怖分子資金籌集政策). These policies offer comprehensive guidance to employees, encompassing various provisions, including, but not limited to, the following:

- Employees are prohibited from accepting gifts or benefits beyond standard business hospitality;
- Employees must not offer bribes to obtain or retain business; and
- Falsifying documents and providing false accounting records are strictly forbidden.

A three-tier organisational structure has been established to ensure effective compliance, consisting of the Board, the Anti-Corruption Compliance Management Department, and compliance contact persons within each department and branch. This structure enables timely and effective supervision, inspection, evaluation, and assessment of the implementation of anti-corruption compliance policies and procedures by the unit and its staff. In addition, the Employee Handbook (員工手冊) clearly prohibits any fraudulent or unfaithful conduct, such as embezzlement of company funds, misappropriation of company assets, improper reimbursement of expenses, and similar actions.

During the Reporting Period, the Group held 3 sections of anti-corruption compliance training sessions conducted by the Group’s Legal department and 1 listed company compliance training session conducted by external professionals such as lawyers. These trainings enhance their understanding of the anti-corruption regulatory and disclosure responsibilities of listed companies in Hong Kong.

The Group values and welcomes our employees to report any suspected malpractices confidentially via email or phone to Executive Directors or Independent Non-Executive Directors for whistleblowing. A full investigation will then be conducted, and reports will be presented to the Board. Disciplinary action will be applied to the relevant employees upon confirmation of the occurrence.

During the Reporting Period, the Group was not involved in any legal cases regarding corruption and was not aware of any bribery, extortion, fraud, money laundering, or other violations.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Community Investment

The Group remains steadfast in its commitment to corporate social responsibility, recognising community investment as an integral component of its sustainable development strategy. We have established a strategic framework for community engagement, with a primary focus on three key pillars: Education, Environmental Stewardship, and Cultural Preservation. Moving forward, the Group will proactively explore collaborative opportunities with local stakeholders and organisations to deliver measurable social value. By aligning our corporate resources with public welfare, we aim to foster long-term social well-being and discharge our duties as a responsible corporate citizen.

### Award and Recognition

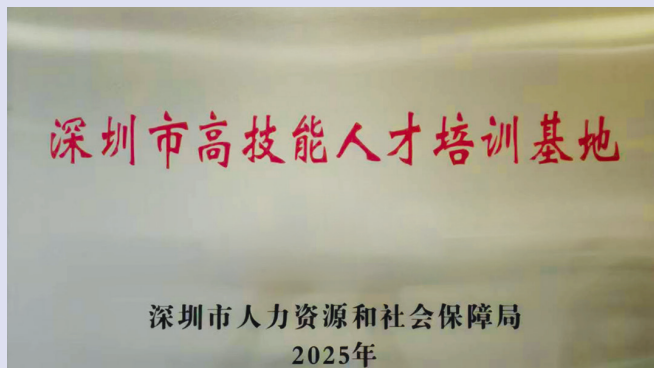
During the Reporting Period, the Group has received several certificates and awards that demonstrate its recognition and approval by relevant national departments or international organisations for its exceptional scientific and technological innovation, robust market competitiveness, and impressive growth. The following list presents the awards and recognitions obtained:



The 14th China Finance Summit: eCopilot Honored with the "Outstanding AI Innovative Application Award" (第十四屆財經峰會eCopilot榮膺「傑出AI創新應用獎」)



2025 Shenzhen High-tech Industry Promotion Association (SZHI) Annual Gala: Technological Innovation Award (2025年深圳高促會年會文藝晚會科技創新獎)



Shenzhen High-Skilled Talent Training Base (深圳市高技能人才培訓基地)

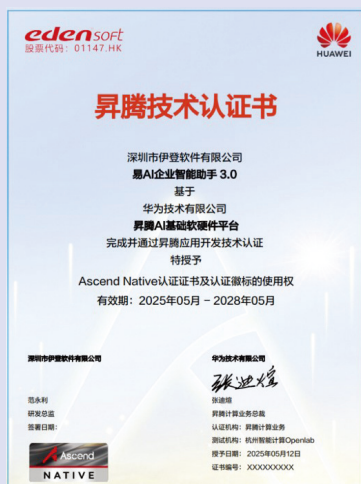


Kylinsoft Education and Development Center Training Base (麒麟軟件教育發展中心培訓基地)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Kunpeng Technology Certificate (鲲鹏技術認證書)



Ascend Technology Certificate (昇騰技術認證書)



Advocating Founder of the "AI Computing Power Plus" Initiative (「AI算力+」行動提倡發起單位)



Speed Pioneer Enterprise (極速先鋒企業)



The 1st Shenzhen-Hong Kong-Macao Industry-Education Integration Technology Innovation and Application Competition: Third Prize (Practical Technology Enterprise Innovation Category, Enterprise and Institution Group) (首屆深港澳產教融合技術技能創新與應用大賽實用技術創新類(企業單位組)三等獎)



Microsoft Partner AI Agent for Enterprises Competition: Top Award – "User Friendly Award" (微軟合作夥伴企業級智能體創新大賽Top Award – 「User Friendly Award (用戶體驗獎)」)



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## STOCK EXCHANGE ENVIRONMENTAL, SOCIAL AND GOVERNANCE CODE CONTENT INDEX

### PART C: “COMPLY OR EXPLAIN” PROVISIONS

#### Subject Areas, Aspects, General Disclosures and KPIs

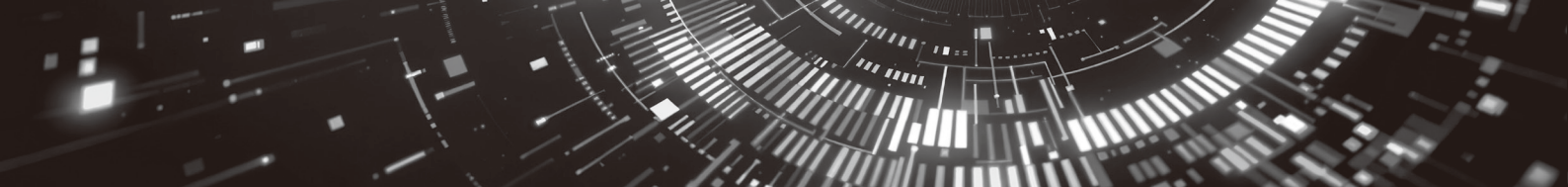
| Aspect                          | Description  | Chapter/Section                     |
|---------------------------------|--|-------------------------------------|
| <b>A. Environmental</b>         |  |                                     |
| <b>Aspect A1:<br/>Emissions</b> | General Disclosure<br><br>Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Overview                            |
| KPI A1.1                        | The types of emissions and respective emissions data.  | Air Emissions                       |
| KPI A1.3                        | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Hazardous Waste                     |
| KPI A1.4                        | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Non-hazardous Waste                 |
| KPI A1.5                        | Description of emission target(s) set and steps taken to achieve them.   | Measures to Reduce Waste Generation |
| KPI A1.6                        | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.   | Measures to Reduce Waste Generation |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Aspect  | Description  | Chapter/Section                         |
|---|--|---|
| <b>Aspect A2: Use of Resources</b>                      | General Disclosure   | Overview                                |
|   | Policies on the efficient use of resources, including energy, water and other raw materials.   |   |
|   | Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.  |   |
| KPI A2.1  | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Use of Resources                        |
| KPI A2.2  | Water consumption in total and intensity (e.g. per unit of production volume, per facility).   | Water Usage                             |
| KPI A2.3  | Description of energy use efficiency target(s) set and steps taken to achieve them.  | Use of Energy Efficiency                |
| KPI A2.4  | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.                       | Water Usage                             |
| KPI A2.5  | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   | Packaging Material                      |
| <b>Aspect A3: The Environment and Natural Resources</b> | General Disclosure   | The Environmental and Natural Resources |
|   | Policies on minimising the issuer's significant impacts on the environment and natural resources.  |   |
| KPI A3.1  | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.  |   |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Aspect                              | Description   | Chapter/Section                 |
|-------------------------------------|---|---------------------------------|
| <b>B. Social</b>                    |   |                                 |
| <b>Aspect B1: Employment</b>        | <p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p> | Employment and Labour Standards |
| KPI B1.1                            | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.  |                                 |
| KPI B1.2                            | Employee turnover rate by gender, age group and geographical region.  |                                 |
| <b>Aspect B2: Health and Safety</b> | <p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>   | Health and Safety               |
| KPI B2.1                            | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.   |                                 |
| KPI B2.2                            | Lost days due to work injury.   |                                 |
| KPI B2.3                            | Description of occupational health and safety measures adopted, and how they are implemented and monitored.   |                                 |

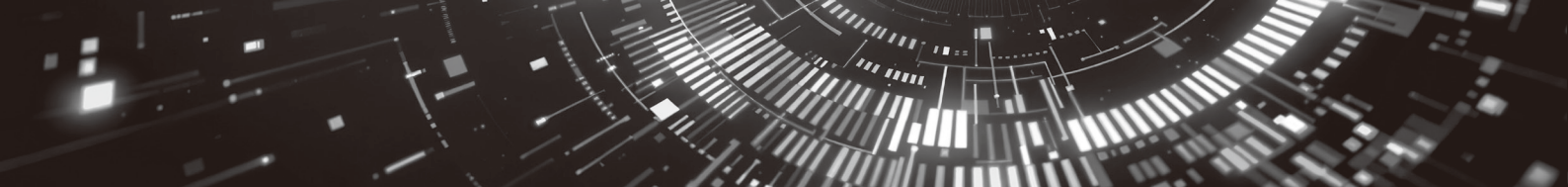


## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Aspect                                     | Description   | Chapter/Section                 |
|--|---|---------------------------------|
| <b>Aspect B3: Development and Training</b> | General Disclosure<br><br>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.   | Development and Training        |
| KPI B3.1                                   | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).  |                                 |
| KPI B3.2                                   | The average training hours completed per employee by gender and employee category.  |                                 |
| <b>Aspect B4: Labour Standards</b>         | General Disclosure<br><br>Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to preventing child and forced labour. | Employment and Labour Standards |
| KPI B4.1                                   | Description of measures to review employment practices to avoid child and forced labour.  |                                 |
| KPI B4.2                                   | Description of steps taken to eliminate such practices when discovered.   |                                 |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Aspect                                    | Description   | Chapter/Section                    |
|---|---|------------------------------------|
| <b>Aspect B5: Supply Chain Management</b> | General Disclosure  | Supply Chain Management            |
|   | Policies on managing environmental and social risks of the supply chain.  |                                    |
| KPI B5.1                                  | Number of suppliers by geographical region.   |                                    |
| KPI B5.2                                  | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. |                                    |
| KPI B5.3                                  | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.                        |                                    |
| KPI B5.4                                  | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.     |                                    |
| <b>Aspect B6: Product Responsibility</b>  | General Disclosure  | Product and Service Responsibility |
|   | Information on:   |                                    |
|   | (a) the policies; and   |                                    |
|   | (b) compliance with relevant laws and regulations that have a significant impact on the issuer  |                                    |
|   | relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.                        |                                    |
| KPI B6.1                                  | Percentage of total products sold or shipped subject to recalls for safety and health reasons.  | Product and Service Responsibility |
| KPI B6.2                                  | Number of products and service related complaints received and how they are dealt with.   | Complaint and Response             |
| KPI B6.3                                  | Description of practices relating to observing and protecting intellectual property rights.   | Intellectual Property              |



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Aspect                                 | Description  | Chapter/Section   |
|--|--|---|
| KPI B6.4                               | Description of quality assurance process and recall procedures   | Product and Service Responsibility                          |
| KPI B6.5                               | Description of consumer data protection and privacy policies, and how they are implemented and monitored.  | Privacy Protection<br>Improving Network Security Management |
| <b>Aspect B7:<br/>Anti-corruption</b>  | <p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering.</p> | Anti-corruption   |
| KPI B7.1                               | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.   |   |
| KPI B7.2                               | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.   |   |
| KPI B7.3                               | Description of anti-corruption training provided to directors and staff.   |   |
| <b>Aspect B8: Community Investment</b> | <p>General Disclosure</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p>                                | Community Investment  |
| KPI B8.1                               | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).  |   |
| KPI B8.2                               | Resources contributed (e.g. money or time) to the focus area.  |   |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PART D: CLIMATE-RELATED DISCLOSURES

### (I) Governance

19.(a) An issuer shall disclose information about:

Statement of the Board; ESG  
Governance Structure

- (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:
  - (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;
  - (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;
  - (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;
  - (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and
- (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:
  - (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and
  - (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *(II) Strategy*

#### **Climate-related Risks and Opportunities**

20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:

- (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;
- (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;
- (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and
- (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.

#### **Business model and value chain**

21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:

- (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and
- (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Strategy and decision-making

22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically,

Climate Change

the issuer shall disclose:

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.

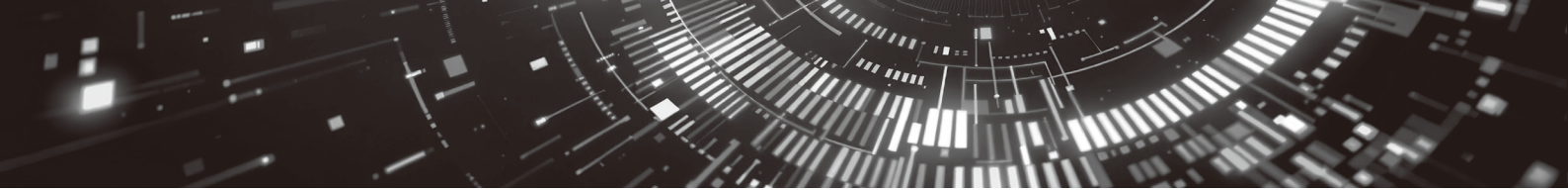
(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:

- (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;
- (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);
- (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and
- (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)); and

(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).

23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Financial position, financial performance and cash flows

#### 24. Current financial effect

An issuer shall disclose qualitative and quantitative information about:

- (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and
- (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.

#### 25. Anticipated financial effect

The issuer shall provide qualitative and quantitative disclosures about:

- (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:
  - (i) its investment and disposal plans; and
  - (ii) its planned sources of funding to implement its strategy; and
- (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Climate resilience

26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:

- (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:
  - (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;
  - (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and
  - (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;

### Climate Change

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- (b) how and when the climate-related scenario analysis was carried out, including:
  - (i) information about the inputs used, including:
    - (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;
    - (2) whether the analysis included a diverse range of climate-related scenarios;
    - (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;
    - (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;
    - (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;
    - (6) time horizons the issuer used in the analysis; and
    - (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);
  - (ii) the key assumptions the issuer made in the analysis; and
  - (iii) the reporting period in which the climate-related scenario analysis was carried out.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## (III) Risk Management

27. An issuer shall disclose information about:

- (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:
  - (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);
  - (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;
  - (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);
  - (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;
  - (v) how the issuer monitors climate-related risks; and
  - (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;
- (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related Opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and
- (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.

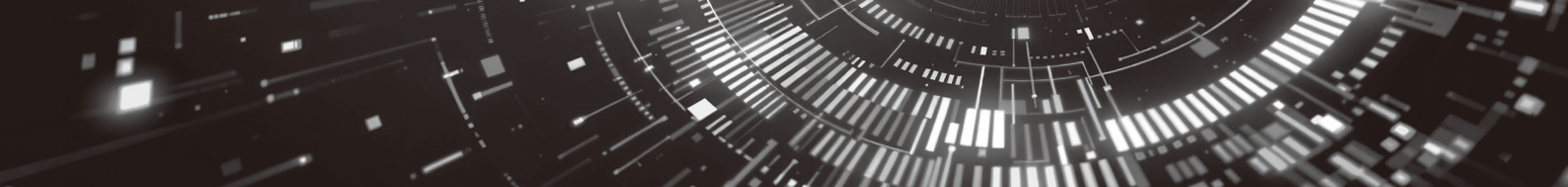


## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### (IV) Metrics and Targets

#### Greenhouse Gas Emissions

28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO<sub>2</sub> equivalent, classified as: Greenhouse Gases Emissions
- (a) Scope 1 greenhouse gas emissions;
  - (b) Scope 2 greenhouse gas emissions; and
  - (c) Scope 3 greenhouse gas emissions.
29. An issuer shall:
- (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;
  - (b) disclose the approach it uses to measure its greenhouse gas emissions including:
    - (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;
    - (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and
    - (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and
- (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

### Climate-related Transition Risks

- 30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.

### Climate-related Physical Risks

- 31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.

### Climate-related Opportunities

- 32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.

### Capital Deployment

- 33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Internal Carbon Prices

34(a) An issuer shall disclose:

- (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and
- (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;

or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.

### Remuneration

35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.

### Industry-based Metrics

36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Climate-related Targets

37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:

- (a) the metric used to set the target;
- (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);
- (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);
- (d) the period over which the target applies;
- (e) the base period from which progress is measured;
- (f) milestones or interim targets (if any);
- (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and
- (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.

38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:

- (a) whether the target and the methodology for setting the target has been validated by a third party;
- (b) the issuer's processes for reviewing the target;
- (c) the metrics used to monitor progress towards reaching the target; and
- (d) any revisions to the target and an explanation for those revisions.

39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.

Greenhouse Gases Emissions

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:
- (a) which greenhouse gases are covered by the target;
  - (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;
  - (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;
  - (d) whether the target was derived using a sectoral decarbonisation approach; and
  - (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:
    - (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;
    - (ii) which third-party scheme(s) will verify or certify the carbon credits;
    - (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and
    - (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).

### Applicability of Cross-industry Metrics and Industry-based Metrics

41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).

The Group will review the internal information and disclose it at the proper time to ensure transparency and compliance.



## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining high standards of corporate governance to safeguard the stakeholders' interests and to enhance their confidence and support. The Board is pleased to report that for the year ended 31 December 2025, the Company has adopted and complied with the code provisions of the Corporate Governance Code (“CG Code”) in force as set out in Appendix C1 to the Listing Rules except the deviation from CG Code provision C.2.1 as discussed in the paragraph headed “Chairman and Chief Executive” below in this Corporate Governance Report. The Board will review and continue to enhance the Company's corporate governance standards as the Directors and the management of Group recognise the significance of sound corporate governance to the long-term and continuing development of the Group. The Board is committed to upholding good corporate standards and procedures for the best interests of the Shareholders.

The amendments to the CG Code came into effect on 1 July 2025 and the requirements under the new CG Code will apply to the corporate governance reports and annual reports of the Company for the financial years commencing on or after 1 July 2025. The Company will continue to review and enhance the corporate governance practices to ensure compliance with the new CG Code and align with the latest developments.

### CHAIRMAN AND CHIEF EXECUTIVE

CG Code provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Since the Listing Date, Ms. Ding Xinyun has been acting as both the chairman of the Board and the chief executive officer of the Company. Given that Ms. Ding is one of the founders of the Group and has been operating and managing Eden Information (the Group's major operating subsidiary) since November 2002, the Board believes that vesting both roles in Ms. Ding is beneficial to the business operations and management of the Group and provides strong and consistent leadership to the Group. The Directors will continue to review and consider splitting these roles when it is appropriate, taking into account the circumstances of the Group as a whole.

### THE BOARD

#### Responsibilities, Accountabilities and Contributions of the Board

The Board has the responsibility for leadership and control of the Group. The Directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board is accountable to the Shareholders for the strategic development of the Group with the goal of maximising long-term shareholder value, while balancing broader stakeholder interests. The Board has delegated the day-to-day responsibilities to the executive Directors and senior management who will meet regularly to review the financial results and performance of the Group as well as to make financial and operational decisions for the implementation of strategies and plans approved by the Board.

The Board is also responsible for communicating with Shareholders and regulatory bodies and, where appropriate, making recommendations to the Shareholders on final dividends and approving the declaration of any interim dividend.

The Company has arranged appropriate insurance coverage on the liabilities of the Directors in respect of any legal actions taken against the Directors arising out of corporate activities. The insurance coverage is reviewed on an annual basis.



## CORPORATE GOVERNANCE REPORT

### Corporate Governance Functions

The Board is responsible for, among others, performing the corporate governance duties as set out in the code provision A.2.1 of the CG Code, which includes:

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

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

### COMPOSITION OF THE BOARD

The Board currently consists of five members including two executive Directors and three independent non-executive Directors. In compliance with Rules 3.10 and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors, representing more than one-third of the Board and at least one of them has appropriate professional qualifications, or accounting or related financial management expertise. The Board is of the view that the Board comprises members with diversified background and industry expertise to oversee and operate the Company efficiently and safeguard the interests of various stakeholders of the Company.

#### Executive Directors

Executive Directors are responsible for making major decision, formulating the Group's overall strategic plan, overseeing the Group's overall business development and setting policy. They are also responsible for ensuring proper risk management and internal control systems are in place and the Group complies with applicable laws and regulations.

#### *Executive Directors*

Ms. Ding Xinyun (*Chairman & Chief Executive Officer*)  
Ms. Li Yi

#### Independent Non-Executive Directors

Independent non-executive Directors are responsible for supervising and providing independent judgment to the Board.



## CORPORATE GOVERNANCE REPORT

### *Independent Non-Executive Directors*

Mr. Leung Chu Tung  
Ms. Zhu Weili  
Mr. Cai Jiong

All independent non-executive Directors are professionals with well recognised experience and expertise to bring valuable advice to the Board. In particular, Mr. Leung Chu Tung possesses the professional qualifications, accounting and related financial management expertise as required under Rule 3.10(2) of the Listing Rules. None of the independent non-executive Directors has any business or financial interests with the Company and all independent non-executive Directors confirmed their independence to the Group as at 31 December 2025 in accordance with Rule 3.13 of the Listing Rules. The Company considered all the independent non-executive Directors to be independent.

The Company has established a mechanism to ensure independent views and input are available to the Board through the external independent professional advice from legal advisers and auditors, as well as the full attendance of all independent non-executive Directors at all the meetings of the Board and its relevant committees. The Board reviews the implementation and effectiveness of the aforementioned mechanisms on an annual basis.

### **RELATIONSHIP AMONG BOARD MEMBERS**

There is no financial, business, family or other material or relevant relationship among members of the Board. The biographical details of each of the Directors are set out in the section headed “Biographical details of Directors and Senior Management” of this annual report.

### **BOARD DIVERSITY POLICY**

Pursuant to Rule 13.92 of the Listing Rules, the Company is required to adopt a board diversity policy. The Board has adopted the board diversity policy (the “**Board Diversity Policy**”) on 14 April 2020 with an aim to achieve diversity in the Board in order to have a balance of skills, experience and diversity of perspectives in accordance with the business nature of the Company. In designing the Board’s composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against selection criteria. The Board Diversity Policy will be reviewed annually from time to time by the Nomination Committee, and where appropriate, revisions will be made with the approval from the Board.

The Board comprises of five members, including two female executive Directors and one female independent non-executive Director. The Directors also have a balanced mix of knowledge and experience in the areas of integrated IT solution and cloud services, legal, finance and accounting. None of the Directors is related to one another. The three independent non-executive Directors have different industry backgrounds, representing more than one-third of the members of the Board.

The Group recognises the importance of diversity and has a diverse workforce in terms of gender, providing a variety of ideas and levels of competency that contribute to the Group’s success. In the hiring process, the Group takes into account a number of measurable factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional specialisation, experience, skills, knowledge and other qualifications. Appointment of candidates is solely based on meritocracy, and candidates will be considered against objective criteria, having due regards for the benefits of diversity in the Group. As of 31 December 2025, the gender ratio of the Group’s workforce is 61% male and 39% female. Overall, the Board considers the recruitment strategy adopted by the Group is effective and adequate.

# CORPORATE GOVERNANCE REPORT

## BOARD MEETINGS

Pursuant to code provision C.5.1 of the CG Code, the Board should meet regularly and Board meetings should be held at least four times a year. Additional meeting would be arranged if and when required. Directors may participate either in person or through electronic means of communications. Directors are free to contribute and share their views at meetings and major decisions will only be taken after deliberation at Board meetings. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed will not be counted in the quorum of meeting and will abstain from voting on the relevant resolutions. Full minutes are prepared after the meetings and the draft minutes are sent to all Directors for their comments on the final version of which are endorsed in the subsequent Board meeting.

During the year ended 31 December 2025, five Board meetings were held and the attendance records are as follows:

| <b>Name of Directors</b>                   | <b>Meetings attended/<br/>Meetings held<br/>during his/her<br/>tenure</b> |
|--|---|
| <b>Executive Directors</b>                 |   |
| Ms. Ding Xinyun                            | 5/5   |
| Ms. Li Yi                                  | 5/5   |
| <b>Independent Non-executive Directors</b> |   |
| Mr. Leung Chu Tung                         | 5/5   |
| Ms. Zhu Weili                              | 5/5   |
| Mr. Cai Jiong                              | 5/5   |

## GENERAL MEETING

During the year ended 31 December 2025, one general meeting of the Company was held and the attendance records are as follows:

| <b>Name of Directors</b>                   | <b>Meetings attended/<br/>Meetings held<br/>during his/her<br/>tenure</b> |
|--|---|
| <b>Executive Directors</b>                 |   |
| Ms. Ding Xinyun                            | 1/1   |
| Ms. Li Yi                                  | 1/1   |
| <b>Independent Non-executive Directors</b> |   |
| Mr. Leung Chu Tung                         | 1/1   |
| Ms. Zhu Weili                              | 1/1   |
| Mr. Cai Jiong                              | 1/1   |



## CORPORATE GOVERNANCE REPORT

### APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Company established its Nomination Committee on 14 April 2020. The Nomination Committee has from time to time identified individuals suitably qualified to become Board members and make recommendations to the Board.

Each of the executive Directors and independent non-executive Directors has entered into a contract of appointment with the Company, which may be terminated on whichever is earlier of (i) the date of expiry of the term; (ii) removal of a director for any reason pursuant to the Articles of Association or any other applicable law; or (iii) either the Company or the Director giving to the other not less than one month's notice in writing in accordance with the term of the contract.

In accordance with Article 108 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if the number is not three or a multiple of three, 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. In addition, according to Article 112 of the Articles of Association, any Director appointed by the Board to fill casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company and shall then be eligible for re-election at such meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

### NOMINATION POLICY

The Board has adopted a nomination policy (the “**Nomination Policy**”) on 14 April 2020 which sets out the criteria and process in the nomination and appointment of the Directors, aiming to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and to ensure the Board's continuity and appropriate leadership. The Nomination Committee shall identify candidates who are qualified/suitable to become a member of the Board and to make recommendations to the Board on the selection of candidates nominated for directorships. The selection of candidates will be based on a range of selection criteria as set out in the Nomination Policy, including but not limited to, character and integrity, qualification, potential contributions the candidate can bring to the Board in terms of qualifications, skill, experience, independence and gender diversity, and the candidate's willingness and ability to devote adequate time to discharge duties as a member of the Board.

For the appointment of Directors, the Nomination Committee will first identify individual(s) suitably qualified to become Board members and assesses the independence of the proposed independent non-executive Director(s). Then, the Nomination Committee will make recommendation to the Board for the Board to consider, having regard to the Board Diversity Policy and the Nomination Policy. The Board will confirm the appointment of the suitable candidate or recommend the candidate to stand for election at a general meeting of the Company. The candidate(s) who is/are appointed by the Board to fill a casual vacancy or as an addition to the Board will be subject to re-election by shareholders of the Company at the next annual general meeting after initial appointment in accordance with the Articles of Association.

For the re-appointment of Directors, the Nomination Committee will also consider the retiring Directors based on the Board Diversity Policy and the Nomination Policy, and assess their independence before the Nomination Committee makes recommendation to the Board to consider. After the Board considers each retiring director, the Board will recommend the suitable retiring Director(s) to stand for re-election at the annual general meeting in accordance with the Articles of Association. The Shareholders will approve the re-election of directors at the annual general meeting.

The Nomination Committee shall review the structure, size, composition (including skills, knowledge, experience and length of service) of the Board on a regular basis at least annually and diversity of the Board to ensure that it has a balance of expertise, skills and experience and diversity of perspective appropriate to the requirements for the business of the Company.



## CORPORATE GOVERNANCE REPORT

### BOARD COMMITTEES

The Board has established three Board committees, namely, the Remuneration Committee, the Nomination Committee and the Audit Committee, in compliance with the Listing Rules and for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are published on the HKEx website and on the Company's website at [www.edensoft.com.cn](http://www.edensoft.com.cn). All the Board committees should report to the Board on their decisions or recommendations.

#### Remuneration Committee

The Remuneration Committee was established on 14 April 2020 with its terms of reference in compliance with the code provision E.1.2 of the CG Code. The Remuneration Committee consists of three members, namely, Ms. Zhu Weili, Mr. Leung Chu Tung and Mr. Cai Jiong, all being independent non-executive Directors. Ms. Zhu Weili currently serves as the chairman of the Remuneration Committee.

The Remuneration Committee has been charged with the responsibility of making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy. With reference to the terms of reference of the Remuneration Committee, the duties of the Remuneration Committee, among others, are as follows:

- (a) to review and make recommendations to the Board on the Company's policy and structure for remuneration of the Directors and senior management of the Company;
- (b) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Group;
- (c) to make recommendations to the Board on the remuneration of non-executive Directors;
- (d) to review and approve compensation payable to executive Directors and senior management of the Group for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive with the market practice;
- (e) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- (f) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules, including any grants of options or awards to Directors or senior management, and to make disclosure and give explanation on the appropriateness to such material matters (if any) being approved in the corporate governance report.

The Remuneration Committee held two meetings during the year ended 31 December 2025 to determine the policy for the remuneration of executive Directors, assess performance of executive Directors and review matters relating to share schemes under Chapter 17. The material matter relating to the Share Option Scheme and the Share Award Plan had been reviewed and approved by the Remuneration Committee during the year ended 31 December 2025.

## CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025, two Remuneration Committees' meetings were held and the attendance records are as follows:

| Name of Directors                          | Meetings attended/<br>Meetings held<br>during his/her<br>tenure |
|--|---|
| <b>Independent Non-executive Directors</b> |   |
| Ms. Zhu Weili ( <i>Chairman</i> )          | 2/2   |
| Mr. Leung Chu Tung                         | 2/2   |
| Mr. Cai Jiong                              | 2/2   |

There were no material matters relating to the Share Option Scheme and the Share Award Plan that were required to be reviewed for approval by the Remuneration Committee during the reporting period in accordance with Rule 17.07A of the Listing Rules.

### Nomination Committee

The Nomination Committee was established on 14 April 2020 with its terms of reference in compliance with the code provision B.3.1 of the CG Code. The Nomination Committee comprises Ms. Ding Xinyun, Mr. Leung Chu Tung and Ms. Zhu Weili, comprising one executive Director and two independent non-executive Directors. Ms. Ding Xinyun, the chairman of the Board, currently serves as the chairman of the Nomination Committee.

With reference to its terms of reference, the primary duties of the Nomination Committee, among others are as follows:

- (a) to formulate nomination policy for the Board's consideration and implement the Board's approved nomination policy;
- (b) to review the structure, size, composition and diversity (including the skills, knowledge, experience and length of service) of the Board with the Board Diversity Policy at least annually, and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (c) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorship and senior management for the Board's approval;
- (d) to assess the independence of independent non-executive Directors and to review the independent non-executive Directors' annual confirmations on their independence; and to make disclosure of its review results in the corporate governance report;
- (e) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular, the chairman and the chief executive of the Company;
- (f) to review the Board Diversity Policy and the progress on achieving the objectives set for implementing the said Policy; and
- (g) to support the Group's regular evaluation of the Board's performance.

## CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025, two Nomination Committees' meetings were held and the attendance records are as follows:

| <b>Name of Directors</b>                   | <b>Meetings attended/<br/>Meetings held<br/>during his/her<br/>tenure</b> |
|--|---|
| <b>Executive Directors</b>                 |   |
| Ms. Ding Xinyun ( <i>Chairman</i> )        | 2/2   |
| <b>Independent Non-executive Directors</b> |   |
| Mr. Leung Chu Tung                         | 2/2   |
| Ms. Zhu Weili                              | 2/2   |
| <b>Audit Committee</b>                     |   |

The Audit Committee was established on 14 April 2020 with its terms of reference in compliance with the code provision D.3.1 of the CG Code. The Audit Committee consists of three members, namely, Mr. Leung Chu Tung, Ms. Zhu Weili and Mr. Cai Jiong, all being independent non-executive Directors. Mr. Leung Chu Tung currently serves as the chairman of the Audit Committee.

With reference to the terms of reference of the Audit Committee, the primary duties of the Audit Committee, among others, are as follows:

- (a) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the Company's external auditor, and to approve the remuneration and terms of engagement of the Company's external auditor;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with the applicable standards;
- (c) to develop and implement policy on engaging the Company's external auditor to supply non-audit services;
- (d) to monitor integrity of the Company's financial statements and the annual report and accounts, half-year reports and accounts, and to review significant financial reporting judgments contained in them;
- (e) to discuss the risk management and internal control systems with management of the Group to ensure that the management of the Group has performed its duty to have effective systems; and
- (f) to review the financial and accounting policies and practices of the Group, to provide advice and comments to the Board on matters related to corporate governance and to ensure compliance with the laws and regulations relevant to the Group.

## CORPORATE GOVERNANCE REPORT

Besides, whistle-blowing policy is established to provide reporting channels and guidance for employees and related third parties who have business dealings with the Group (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, about any suspected misconduct or malpractice within the Company. The Audit Committee, delegated by the Board, shall ensure that proper arrangements are in place for fair and independent investigation of any concerns raised, appropriate follow up actions are taken and other recommendations are provided, if thinks fit.

The Company has complied with Rule 3.21 of the Listing Rules that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate qualifications or accounting or related financial management expertise.

Two Audit Committee meetings were held during the year ended 31 December 2025 to discuss and review the consolidated interim results and annual results of the Group and to plan for the 2025 annual audit. The Audit Committee has also reviewed the risk management and internal control systems of the Group, the effectiveness of the Group's internal audit function, as well as the continuing connected transaction(s) entered into by the Group as disclosed in the section headed "Report of the Directors" of this annual report (if any). The Audit Committee was of the opinion that the consolidated financial statements of the Group for the year ended 31 December 2024 had complied with applicable accounting standards and the Listing Rules and that adequate disclosures have been made. There is no disagreement between the Directors and the Audit Committee regarding the selection and appointment of the external auditor. The Audit Committee has recommended to the Board that Ernst & Young be nominated for re-appointment as the independent auditor of the Company at forthcoming annual general meeting of the Company.

During the year ended 31 December 2025, the attendance record of the Audit Committees' meetings of each member are set out below:

| <b>Name of Directors</b>                   | <b>Meetings attended/<br/>Meetings held<br/>during his/her<br/>tenure</b> |
|--|---|
| <b>Independent Non-executive Directors</b> |   |
| Mr. Leung Chu Tung ( <i>Chairman</i> )     | 2/2   |
| Ms. Zhu Weili                              | 2/2   |
| Mr. Cai Jiong                              | 2/2   |

## ACCOUNTABILITY AND AUDIT

The Directors acknowledged their responsibilities to prepare the consolidated financial statements of the Group and other financial disclosure required under the Listing Rules and the management has provided such explanation and information to the Board to enable it to make an informed assessment of the financial and other Board decisions. As at 31 December 2025, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern. The Directors believed that they have selected suitable accounting policies and applied the consistently, made judgement and estimates that are prudent and reasonable and ensured the consolidated financial statements are prepared on a going concern basis.

## CORPORATE GOVERNANCE REPORT

The responsibility of the external auditor is to form an independent opinion based on their audit on the consolidated financial statements prepared by the Board and to report their opinion to the Shareholders. The independent auditor's report by external auditor, Ernst & Young, about their reporting responsibility on the consolidated financial statements of the Group is set out in the independent auditor's report on pages 101 to 106 of this annual report.

### DIRECTORS' TRAINING AND DEVELOPMENT

In compliance with the code provision C.1.1 under Appendix C1 to the Listing Rules and Rule 3.09F of the Listing Rules, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. During the year ended 31 December 2025, all Directors, namely Ms. Ding Xinyun, Ms. Li Yi, Mr. Leung Chu Tung, Ms. Zhu Weili and Mr. Cai Jiong participated in continuing professional development regarding their duties and responsibilities as a director of a listed company by reading materials regarding anti-bribery and integrity of Directors and Listing Rules compliances. The Group will from time to time provide briefings to all Directors to refresh their duties and responsibilities. The Directors are also encouraged to attend relevant training courses provided by legal advisers and/or any appropriate institutions. During the year ended 31 December 2025, the key methods of attaining continuous professional development by each of the Directors are summarised as follows:

| Name of Directors   | Attending<br>courses/seminars | Reading<br>regulatory material |
|---|-------------------------------|--------------------------------|
| <b>Executive Directors</b>  |                               |                                |
| Ms. Ding Xinyun ( <i>Chairman &amp; Chief Executive Officer</i> ) | ✓                             | ✓                              |
| Ms. Li Yi   | ✓                             | ✓                              |
| <b>Independent Non-Executive Directors</b>                        |                               |                                |
| Mr. Leung Chu Tung  | ✓                             | ✓                              |
| Ms. Zhu Weili   | ✓                             | ✓                              |
| Mr. Cai Jiong   | ✓                             | ✓                              |

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard set out in the Appendix C3 of the Listing Rules as the code of conduct (the "Code of Conduct") regarding securities transactions by the Directors in respect of the Shares. The Company has made specific enquiry to all Directors and all of them confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct for the year ended 31 December 2025.

### COMPANY SECRETARY

Ms. Peng Hui is the company secretary of the Company. Please refer to the section "Biographical Details of Directors and Senior Management" in this annual report for her biographical information. During the year ended 31 December 2025, Ms. Peng has undertaken no less than 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules.

## CORPORATE GOVERNANCE REPORT

### INDEPENDENT AUDITOR'S REMUNERATION

The amount of fees charged by the Company's external auditor, Ernst & Young, generally depends on the scope and volume of the external auditor's work performed. For the year ended 31 December 2025, the remuneration paid or payable to the external auditor of the Company, Ernst & Young, in respect of the audit and non-audit services were as follows:

| <b>Services rendered</b>   | <b>Remuneration paid/<br/>payable<br/>RMB'000</b> |
|----------------------------|---|
| <b>Audit services</b>      |   |
| – Statutory audit services | 1,240   |
| <b>Non-audit services</b>  | –   |

### RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the strategic objectives of the Group and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems.

The Group's risk management framework sets out the process of identification, evaluation and management of the principal risks affecting the business. The Group has adopted a set of internal control measures to address various potential operational, financial and legal risk identified in relation to the operation, including but not limited to procurement management, inventory management, information disclosure control, IT management and other various financial control and monitor procedures.

The Board is responsible for reviewing the effectiveness of the Group's risk management and internal control systems through regular meetings with the management. In addition, the Audit Committee with professional advices and opinions from the external internal control consultant of the Company is responsible for ensuring the sufficiency and effectiveness of the Group's risk management and internal control systems through regular inspection and monitoring. Ms. Li Yi, an executive Director, has been appointed as the compliance officer and is responsible for reviewing the compliance policies and procedures of the Group annually. Ms. Li will also be responsible for updating the compliance policies and procedures of the Group to ensure that they are up to date in accordance with the applicable regulatory requirements. The Group's risk management and internal control systems will be reviewed annually for the past financial year.

The Group has in place an anti-bribery and anti-corruption policy to safeguard against any corruption within the Group. The policy explains potential bribery and corruption conduct and the Group's anti-bribery and anti-corruption measures. The Group makes its internal reporting channel open and available for its employees to report any bribery and corruption acts, and its employees can also make anonymous reports to the compliance officer. The Group's compliance officer is reporting for investigating the reported incidents and taking appropriate measures in response to the relevant incidents, if any. To strengthen internal control of the Group in relation to anti-bribery and anti-corruption, the Group has also started to provide trainings of anti-bribery and anti-corruption to all its employees since August 2021 every quarter of the year.



## CORPORATE GOVERNANCE REPORT

The risk management framework, coupled with the internal controls, ensures that the risk associated with different divisions of the Group are effectively controlled and in line with the Group's appetite. However, the Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objective, and can only provide reasonable and not absolute assurance against material misstatement or loss.

As the corporate and operation structure of the Group is relatively not complex and a separate internal audit department may divert resources of the Group. Consequently, the Group currently does not maintain an internal audit department. Instead, the Group engaged an external internal control consultant, BT Corporate Governance Limited, to review its internal control system during the year ended 31 December 2025. The review covered certain operational procedures and included recommendations for improvement and strengthening of the internal control system of the Group. No significant control failings or weakness were identified by the external internal control consultant during the review.

The Board has conducted a review of the effectiveness of the the Group's risk management and internal control system for the year ended 31 December 2025 and considered the risk management and internal control systems effective and adequate and no significant areas of concern which might affect shareholders were identified.

### Handling and Dissemination of Inside Information

With respect to the handling and dissemination of inside information, the Group has adopted various procedures and measures on disclosure of inside information with an aim to ensure that the insiders abide by the confidentiality requirements and that inside information is to be disseminated to the public in equal and timely manner in accordance with the applicable laws and regulations. Such procedures include, among others, notification of regular blackout period and securities dealing restrictions to the Directors and employees, dissemination of information to specified persons on a need-to-know basis and use of identify projects.

### DIVIDEND POLICY

The Company has set up a dividend policy (the "**Dividend Policy**") on 14 April 2020 with an aim to strike a balance between maintaining sufficient capital to develop and operate the business of the Group and rewarding the Shareholders of the Company. According to the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account the following factors:

- (a) the financial results of the Group;
- (b) the Shareholders' interests of the Company;
- (c) general business conditions, strategies and future expansion needs of the Group;
- (d) the Group's capital requirements;
- (e) the payment by its subsidiaries of cash dividends to the Company;
- (f) the possible effects on liquidity and financial position of the Group; and
- (g) other factors the Board may deem relevant.



## CORPORATE GOVERNANCE REPORT

The declaration and payment of dividend by the Company is also subject to any restrictions under the Companies Laws of the Cayman Islands, any applicable laws, rules and regulations and the Articles of Association. The declaration and payment of future dividend under the Dividend Policy are subject to the Board's determination that the same would be in the best interests of the Group and the Shareholders of the Company as a whole. The Board will review the Dividend Policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time as it deems fit and necessary.

### COMMUNICATION WITH AND RIGHTS OF THE SHAREHOLDERS

#### Communications with the Shareholders and Investor Relations

The Company has adopted a Shareholders' communication policy (the "**Shareholders' Communication Policy**") with the objective of ensuring that the Shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company (including the financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable the Shareholders to exercise their rights in an informed manner, and to allow the shareholders and potential investors to engage actively with the Company. In accordance with the Shareholders' Communication Policy, the Company has established a range of communication channels between itself and its Shareholders and potential investors. These include, information of the Company will be communicated to the Shareholders and potential investors mainly through the Company's financial reports (interim and annual reports), answering questions through the annual general meetings and other general meetings that may be convened, as well as the publication of notices, announcements and circulars on the websites of the Stock Exchange and the Company. During the year ended 31 December 2025, the Board has considered and reviewed the Shareholders' Communication Policy and considers it to be effective.

#### Procedures for the Shareholders to Convene an Extraordinary General Meeting

The following procedures for the Shareholders to convene an extraordinary general meeting are subject to Article 64 of the Articles of Association and the applicable legislation and regulation.

According to Article 64 of the Articles of Association, extraordinary general meetings of the Company shall be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings of the Company, on a one vote per share basis in the share capital of the Company, and the foregoing shareholders shall be able to add resolutions to the meeting agenda. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place, 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.

At any general meeting, a resolution put to the vote of the meeting shall be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution to be voted by a show of hands.



## CORPORATE GOVERNANCE REPORT

### **Procedures for Putting forward Proposals by Shareholders at Shareholders' Meetings**

Shareholders may include a resolution to be considered at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed "Procedures for the Shareholders to convene an extraordinary general meeting".

Shareholders may also propose a person for election as Director. According to Article 113 of the Articles of Association, notice in writing of the intention to propose that person for election as a Director – signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office. The period for lodgment of the notices will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days. For details, please refer to the Procedures for Shareholders to Propose a Person for Election as a Director adopted by the Board on 14 April 2020 and posted on the Company's website at [www.edensoft.com.cn](http://www.edensoft.com.cn).

### **Enquiries of Shareholders**

Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Should there be any enquiries and concerns from Shareholders, they may send in their written enquiries to the Board by addressing them to the principal place of business of the Company in Hong Kong under Part 16 of the Companies Ordinance (located at Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong) by post or by email to the Company at [enquiry@edensoft.com.cn](mailto:enquiry@edensoft.com.cn) for the attention of the Board and/or the company secretary of the Company. Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

### **SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS**

During the year ended 31 December 2025, there was no change in the Memorandum and Articles of Association of the Company.

\* English translation name is for identification purpose only

## INDEPENDENT AUDITOR'S REPORT



Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

安永會計師事務所  
香港鰂魚涌英皇道979號  
太古坊一座27樓

Tel 電話: +852 2846 9888  
Fax 傳真: +852 2868 4432  
ey.com

**To the shareholders of Edensoft Holdings Limited**  
*(Incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Edensoft Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 107 to 191, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTERS *(Continued)*

#### Key audit matter

#### How our audit addressed the key audit matter

##### ***Impairment assessment of trade receivables***

As at 31 December 2025, the carrying value of trade receivables amounted to RMB183,481,000 of which loss allowance of RMB26,307,000 was recorded.

Management applied judgement in assessing the expected credit losses ("ECLs"), which takes into account the nature of customers and ageing category, and then applying ECL rates to the respective gross carrying amounts of the receivables.

The ECL rates are determined based on historical credit loss experience and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables. We focused on this area due to the magnitude of the trade receivables and the judgement involved in estimating the ECL for the trade receivables.

The Group's disclosures about the impairment of trade receivables are included in note 2.4, note 3 and note 18 to the financial statements.

Our procedures in relation to management's ECL assessment on trade receivables mainly included the following:

We obtained an understanding of internal controls of impairment assessment of trade receivables and discussed with management on the estimates on ECL;

We tested aging of trade receivables by comparing individual items in the analysis, on sample basis, to historical billing and collection information;

We evaluated the techniques and methodology in the ECL model against the requirements of HKFRS 9;

We assessed the reasonableness of management's ECL estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates were adjusted based on current economic conditions and forward-looking information and assessing whether there was an indication of management bias when recognising the loss allowances; and

We read and assessed the adequacy of relevant disclosures made in the financial statements in relation to impairment of trade receivables.

## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTERS *(Continued)*

#### Key audit matter

##### ***Goodwill impairment assessment***

The Group had goodwill amounting to RMB6,217,000 as at 31 December 2025, which was arisen from the acquisition of Shenzhen Heweiteng Technology Limited in 2020 and being significant to the financial statements.

In accordance with HKFRSs, the Group is required to perform the impairment test for goodwill at least on an annual basis. The goodwill impairment test is based on the recoverable amount of each cash-generating unit ("CGU") to which the goodwill is allocated. The recoverable amount of the CGU has been determined based on the higher of the value in use ("VIU") and fair value less costs of disposal ("FVLCD"). The determination of the recoverable amount involved significant judgements and assumptions, such as revenue growth rate, gross margins, discount rate, etc., which may be affected by unexpected future market or economic conditions.

The Group's disclosures about goodwill impairment assessment are included in note 2.4, note 3 and note 15 to the financial statements.

#### How our audit addressed the key audit matter

For goodwill impairment assessment, our audit procedures included the following:

We obtained an understanding of internal controls of goodwill impairment assessment and discussed with management on the impairment assessment;

We involved our internal valuation specialists to assist us in evaluating the assumptions and the methodologies used by management, in particular, the discount rate and the long-term growth rate;

We assessed the reasonableness of the assumptions and parameters used in the impairment test by comparing the forecasts with the historical performance of the respective cash-generating unit, reviewing the business development plan and corroborating the assumptions with current market trend;

We checked the mathematical accuracy of the management's recoverable amount calculations in the impairment assessment; and

We also read and assessed the adequacy of relevant disclosures made in the financial statements.



## 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 HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors 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.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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



## INDEPENDENT AUDITOR'S REPORT

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

*(Continued)*

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

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



## INDEPENDENT AUDITOR'S REPORT

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

*(Continued)*

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Man Lok Chau (practising certificate number: P05662).

Ernst & Young  
*Certified Public Accountants*  
Hong Kong  
26 March 2026

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

|   | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-------|-----------------|-----------------|
| <b>REVENUE</b>  | 5     | <b>877,748</b>  | 1,132,561       |
| Cost of sales   |       | (771,201)       | (1,020,268)     |
| <b>Gross profit</b>   |       | <b>106,547</b>  | 112,293         |
| Other income and gains, net   | 5     | 1,308           | 1,803           |
| Selling and distribution expenses   |       | (32,355)        | (33,113)        |
| Administrative expenses   |       | (25,522)        | (25,651)        |
| Research and development expenses   | 6     | (32,461)        | (39,987)        |
| Other expenses  |       | (1,752)         | (3,320)         |
| Impairment losses on financial and contract assets, net                             | 6     | (5,538)         | (2,014)         |
| Finance costs   | 7     | (776)           | (2,310)         |
| <b>PROFIT BEFORE TAX</b>  | 6     | <b>9,451</b>    | 7,701           |
| Income tax credit   | 10    | 954             | 320             |
| <b>PROFIT FOR THE YEAR</b>  |       | <b>10,405</b>   | 8,021           |
| Attributable to:  |       |                 |                 |
| Owners of the parent  |       | 10,405          | 8,021           |
| <b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY<br/>HOLDERS OF THE PARENT</b> | 12    |                 |                 |
| Basic and diluted   |       |                 |                 |
| – For profit for the year   |       | RMB0.51 cents   | RMB0.39 cents   |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| <b>PROFIT FOR THE YEAR</b>  | <b>10,405</b>   | 8,021           |
| <b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>  |                 |                 |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods:      |                 |                 |
| Exchange differences on currency translation  | 667             | (445)           |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods: |                 |                 |
| Exchange differences on currency translation of the parent  | (1,575)         | 1,443           |
| <b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX</b>                                 | <b>(908)</b>    | 998             |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>  | <b>9,497</b>    | 9,019           |
| Attributable to:  |                 |                 |
| Owners of the parent  | 9,497           | 9,019           |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

|  | Notes | 31 December<br>2025<br>RMB'000 | 31 December<br>2024<br>RMB'000 |
|--|-------|--------------------------------|--------------------------------|
| <b>NON-CURRENT ASSETS</b>                    |       |                                |                                |
| Property, plant and equipment                | 13    | 1,840                          | 562                            |
| Right-of-use assets                          | 14    | 7,717                          | 4,650                          |
| Goodwill                                     | 15    | 6,217                          | 6,217                          |
| Other intangible assets                      | 16    | –                              | 126                            |
| Prepayments, deposits and other receivables  | 19    | 493                            | –                              |
| Deferred tax assets                          | 26    | 11,050                         | 9,875                          |
| <b>Total non-current assets</b>              |       | <b>27,317</b>                  | 21,430                         |
| <b>CURRENT ASSETS</b>                        |       |                                |                                |
| Inventories                                  | 17    | 54,754                         | 120,278                        |
| Trade and bills receivables                  | 18    | 189,331                        | 182,161                        |
| Prepayments, deposits and other receivables  | 19    | 8,334                          | 21,920                         |
| Contract assets                              | 20    | 3,089                          | 2,792                          |
| Pledged deposits                             | 21    | 4,790                          | 4,826                          |
| Cash and cash equivalents                    | 21    | 100,692                        | 84,239                         |
| <b>Total current assets</b>                  |       | <b>360,990</b>                 | 416,216                        |
| <b>CURRENT LIABILITIES</b>                   |       |                                |                                |
| Trade and bills payables                     | 22    | 149,039                        | 162,093                        |
| Other payables and accruals                  | 23    | 14,646                         | 6,264                          |
| Contract liabilities                         | 24    | 7,796                          | 24,084                         |
| Interest-bearing bank borrowings             | 25    | –                              | 38,034                         |
| Lease liabilities                            | 14    | 3,416                          | 1,984                          |
| Tax payable                                  |       | 2,901                          | 3,094                          |
| <b>Total current liabilities</b>             |       | <b>177,798</b>                 | 235,553                        |
| <b>NET CURRENT ASSETS</b>                    |       | <b>183,192</b>                 | 180,663                        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <b>210,509</b>                 | 202,093                        |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

|  | Notes | 31 December<br>2025<br>RMB'000 | 31 December<br>2024<br>RMB'000 |
|--|-------|--------------------------------|--------------------------------|
| <b>NON-CURRENT LIABILITIES</b>                     |       |                                |                                |
| Lease liabilities                                  | 14    | 3,390                          | 1,268                          |
| Deferred tax liabilities                           | 26    | 142                            | 32                             |
| Total non-current liabilities                      |       | 3,532                          | 1,300                          |
| Net assets   |       | 206,977                        | 200,793                        |
| <b>EQUITY</b>                                      |       |                                |                                |
| <b>Equity attributable to owners of the parent</b> |       |                                |                                |
| Share capital                                      | 27    | 18,654                         | 18,654                         |
| Reserves   | 29    | 188,323                        | 182,139                        |
| Total equity                                       |       | 206,977                        | 200,793                        |

**Ms. Ding Xinyun**  
*Director*

**Ms. Li Yi**  
*Director*

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

|  | Share capital<br>RMB'000<br>(note 27) | Other capital reserve<br>RMB'000<br>(note 29(ii)) | Share premium reserve<br>RMB'000<br>(note 29(iii)) | Statutory surplus reserve<br>RMB'000<br>(note 29(iv)) | Merger reserve<br>RMB'000<br>(note 29(v)) | Awarded share reserve<br>RMB'000<br>(note 28) | Exchange fluctuation reserve<br>RMB'000<br>(note 29(vi)) | Retained profits<br>RMB'000 | Total<br>RMB'000 |
|--|---------------------------------------|---|--|---|---|---|--|-----------------------------|------------------|
| At 31 December 2024 and<br>1 January 2025          | 18,654                                | (1,152) <sup>#</sup>                              | 79,294 <sup>#</sup>                                | 15,368 <sup>#</sup>                                   | 28,877 <sup>#</sup>                       | 188 <sup>#</sup>                              | (550) <sup>#</sup>                                       | 60,114 <sup>#</sup>         | 200,793          |
| Profit for the year                                | -                                     | -   | -  | -   | -   | -   | -  | 10,405                      | 10,405           |
| Other comprehensive income<br>for the year:        | -                                     | -   | -  | -   | -   | -   | -  | -                           | -                |
| Exchange differences on<br>currency translation    | -                                     | -   | -  | -   | -   | -   | (908)  | -                           | (908)            |
| Total comprehensive (loss)/<br>income for the year | -                                     | -   | -  | -   | -   | -   | (908)  | 10,405                      | 9,497            |
| Share Award Scheme                                 |                                       |   |  |   |   |   |  |                             |                  |
| - vested awarded shares                            | -                                     | -   | 70   | -   | -   | (70)  | -  | -                           | -                |
| - value of services                                | -                                     | -   | -  | -   | -   | 54  | -  | -                           | 54               |
| Final 2024 dividend declared                       | -                                     | -   | (3,367)  | -   | -   | -   | -  | -                           | (3,367)          |
| At 31 December 2025                                | 18,654                                | (1,152) <sup>#</sup>                              | 75,997 <sup>#</sup>                                | 15,368 <sup>#</sup>                                   | 28,877 <sup>#</sup>                       | 172 <sup>#</sup>                              | (1,458) <sup>#</sup>                                     | 70,519 <sup>#</sup>         | 206,977          |

<sup>#</sup> These reserve accounts comprise the consolidated reserves of RMB188,323,000 (2024: RMB182,139,000) in the consolidated statement of financial position.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

|   | Attributable to owners of the parent |                       |                       |                           |                     |                       |                              | Retained profits    | Total   | Non-controlling interests | Total equity |
|---|--------------------------------------|-----------------------|-----------------------|---------------------------|---------------------|-----------------------|------------------------------|---------------------|---------|---------------------------|--------------|
|   | Share capital                        | Other capital reserve | Share premium reserve | Statutory surplus reserve | Merger reserve      | Awarded share reserve | Exchange fluctuation reserve |                     |         |                           |              |
|   | RMB'000                              | RMB'000               | RMB'000               | RMB'000                   | RMB'000             | RMB'000               | RMB'000                      | RMB'000             | RMB'000 | RMB'000                   | RMB'000      |
|   | (note 27)                            | (note 29(ii))         | (note 29(iii))        | (note 29(iv))             | (note 29(v))        | (note 28)             | (note 29(vi))                |                     |         |                           |              |
| At 31 December 2023 and<br>1 January 2024       | 18,654                               | (1,152) <sup>#</sup>  | 79,095 <sup>#</sup>   | 15,368 <sup>#</sup>       | 28,877 <sup>#</sup> | 239 <sup>#</sup>      | (1,548) <sup>#</sup>         | 52,093 <sup>#</sup> | 191,626 | (48)                      | 191,578      |
| Profit for the year                             | -                                    | -                     | -                     | -                         | -                   | -                     | -                            | 8,021               | 8,021   | -                         | 8,021        |
| Other comprehensive income<br>for the year:     | -                                    | -                     | -                     | -                         | -                   | -                     | -                            | -                   | -       | -                         | -            |
| Exchange differences on<br>currency translation | -                                    | -                     | -                     | -                         | -                   | -                     | 998                          | -                   | 998     | -                         | 998          |
| Total comprehensive income<br>for the year      | -                                    | -                     | -                     | -                         | -                   | -                     | 998                          | 8,021               | 9,019   | -                         | 9,019        |
| Disposal of a subsidiary                        | -                                    | -                     | -                     | -                         | -                   | -                     | -                            | -                   | -       | 48                        | 48           |
| Share Award Scheme                              |                                      |                       |                       |                           |                     |                       |                              |                     |         |                           |              |
| - vested awarded shares                         | -                                    | -                     | 199                   | -                         | -                   | (199)                 | -                            | -                   | -       | -                         | -            |
| - value of services                             | -                                    | -                     | -                     | -                         | -                   | 148                   | -                            | -                   | 148     | -                         | 148          |
| At 31 December 2024                             | 18,654                               | (1,152) <sup>#</sup>  | 79,294 <sup>#</sup>   | 15,368 <sup>#</sup>       | 28,877 <sup>#</sup> | 188 <sup>#</sup>      | (550) <sup>#</sup>           | 60,114 <sup>#</sup> | 200,793 | -                         | 200,793      |

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

|  | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-------|-----------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                |       |                 |                 |
| Profit before tax  |       | 9,451           | 7,701           |
| Adjustments for:   |       |                 |                 |
| Depreciation of property, plant and equipment                              | 13    | 208             | 216             |
| Depreciation of right-of-use assets  | 14    | 3,181           | 3,002           |
| Investment income on financial assets at fair value through profit or loss |       | (36)            | –               |
| Write-down of inventories to net realisable value                          | 6     | 413             | 2,512           |
| Bank interest income   | 5     | (519)           | (362)           |
| Loss on disposal of a subsidiary   | 5     | –               | 42              |
| Loss on disposal of property, plant and equipment                          |       | 32              | 26              |
| Impairment losses on financial and contract assets                         | 6     | 5,538           | 2,014           |
| Employee share award schemes-value of employee services                    |       | 54              | 148             |
| Amortisation of other intangible assets                                    | 16    | 126             | 220             |
| Foreign exchange losses, net   |       | 147             | 2,278           |
| Finance costs  | 7     | 776             | 2,310           |
|  |       | <b>19,371</b>   | 20,107          |
| Decrease/(increase) in inventories   |       | 65,111          | (33,000)        |
| (Increase)/decrease in trade and bills receivables                         |       | (14,071)        | 49,822          |
| Decrease in prepayments, deposits and other receivables                    |       | 13,120          | 40,516          |
| Increase in contract assets  |       | (328)           | (1,091)         |
| (Decrease)/increase in trade and bills payables                            |       | (13,054)        | 18,550          |
| Increase in other payables and accruals                                    |       | 9,140           | 685             |
| Decrease in contract liabilities   |       | (16,288)        | (9,512)         |
| Decrease in pledged deposits   |       | 36              | 10,310          |
|  |       | <b>63,037</b>   | 96,387          |
| Cash generated from operations   |       | 63,037          | 96,387          |
| Income tax paid  |       | (1,062)         | (2,257)         |
|  |       | <b>61,975</b>   | 94,130          |
| Net cash flows from operating activities                                   |       | 61,975          | 94,130          |

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

|   | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-------|-----------------|-----------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |       |                 |                 |
| Purchases of items of property, plant and equipment                             |       | (68)            | (36)            |
| Purchases of items of financial assets at fair value through profit or loss     |       | (20,000)        | –               |
| Proceeds from disposal of financial assets at fair value through profit or loss |       | 20,036          | –               |
| Disposal of a subsidiary  |       | –               | (7)             |
| Interest received   |       | 519             | 362             |
| Net cash flows from investing activities  |       | 487             | 319             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |       |                 |                 |
| New bank loans  |       | 51,522          | 63,036          |
| Repayment of bank loans   |       | (89,556)        | (73,234)        |
| Principal and interest elements of lease payments                               | 30(c) | (2,993)         | (2,360)         |
| Dividends paid  |       | (3,367)         | –               |
| Interest paid   |       | (477)           | (2,080)         |
| Net cash flows used in financing activities                                     |       | (44,871)        | (14,638)        |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                                |       |                 |                 |
| Cash and cash equivalents at the beginning of year                              |       | 84,239          | 5,643           |
| Effect of foreign exchange rate changes, net                                    |       | (1,138)         | (1,215)         |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                                 | 21    | <b>100,692</b>  | <b>84,239</b>   |

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 1. CORPORATE AND GROUP INFORMATION

Edensoft Holdings Limited is a limited liability company incorporated in the Cayman Islands on 4 September 2018. The registered office address of the Company is 71 Fort Street, P.O. Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands.

The Company is an investment holding company. During the year, the principal activities of the subsidiaries were the provision of IT infrastructure services, IT implementation and supporting services and cloud and AI services in Chinese mainland.

Under the Listing Rules, as at the date of this report, Aztec Pearl Limited, Ms. Ding Xinyun (“Ms. Ding”) and Green Leaf Development Limited (“Green Leaf”) are regarded as the Company’s controlling shareholders.

### Information about subsidiaries

The Company’s subsidiaries are as follows:

| Name                           | Place of incorporation/<br>registration and<br>business | Issued capital | Percentage of<br>equity attributable<br>to the Company |               | Principal activities   |
|--------------------------------|---|----------------|--|---------------|--|
|                                |   |                | Direct<br>%  | Indirect<br>% |  |
| Frontier View Limited          | British Virgin Islands                                  | US\$1          | 100  | –             | Investment holding   |
| Edensoft International Limited | Hong Kong   | HK\$1          | –  | 100           | Provision of IT infrastructure services, IT implementation and supporting services and cloud and AI services |
| Edensoft Pte. Ltd.             | Singapore   | SG\$2.39       | –  | 100           | Provision of IT infrastructure services, IT implementation and supporting services and cloud and AI services |
| EDENAI INC                     | America   | –              | –  | 100           | Provision of IT infrastructure services, IT implementation and supporting services and cloud and AI services |

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 1. CORPORATE AND GROUP INFORMATION (Continued)

### Information about subsidiaries (Continued)

| Name   | Place of incorporation/<br>registration and<br>business | Issued capital | Percentage of<br>equity attributable<br>to the Company |               | Principal activities  |
|--|---|----------------|--|---------------|---|
|  |   |                | Direct<br>%  | Indirect<br>% |   |
| Shenzhen Yundeng<br>Technology Limited<br>(深圳市雲登科技有限公司)<br>("Shenzhen Yundeng")**^       | PRC/Chinese mainland                                    | RMB45,450,000  | –  | 100           | Provision of IT infrastructure<br>services, IT implementation<br>and supporting services and<br>cloud and AI services |
| Eden Information Service Limited<br>(深圳市伊登軟件有限公司)<br>("Eden Information")^               | PRC/Chinese mainland                                    | RMB30,345,000  | –  | 100           | Provision of IT infrastructure<br>services, IT implementation<br>and supporting services and<br>cloud and AI services |
| Dongguan Edensoft Limited<br>(東莞市伊登軟件有限公司)<br>("Dongguan Edensoft")^                     | PRC/Chinese mainland                                    | RMB2,160,000   | –  | 100           | Provision of IT infrastructure<br>services, IT implementation<br>and supporting services and<br>cloud and AI services |
| Shenzhen Heweiteng<br>Technology Limited<br>(深圳市合威騰信息技術有限公司)<br>("Shenzhen Heweiteng")^  | PRC/Chinese mainland                                    | RMB1,000,000   | –  | 100           | Provision of IT implementation<br>and supporting services and<br>cloud and AI services                                |
| Shanghai Eden Yunlian<br>Technology Co., Ltd.<br>(上海市伊登雲聯技術有限公司)<br>("Shanghai Yunlian") | PRC/Chinese mainland                                    | –              | –  | 100           | Provision of IT infrastructure<br>services, IT implementation<br>and supporting services and<br>cloud and AI services |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 1. CORPORATE AND GROUP INFORMATION (Continued)

#### Information about subsidiaries (Continued)

| Name   | Place of incorporation/<br>registration and<br>business | Issued capital | Percentage of<br>equity attributable<br>to the Company |               | Principal activities  |
|--|---|----------------|--|---------------|---|
|  |   |                | Direct<br>%  | Indirect<br>% |   |
| Zhengzhou Tengyun Electronic<br>Technology Co., Ltd.<br>(鄭州市騰雲電子科技有限公司)<br>("Zhengzhou Tengyun") | PRC/Chinese mainland                                    | –              | –  | 100           | Provision of IT infrastructure<br>services, IT implementation<br>and supporting services and<br>cloud and AI services |
| Guangzhou Eden Zhisuan<br>Technology Co., Ltd.<br>(廣州市伊登智算技術有限公司)<br>("Guangzhou Zhisuan")       | PRC/Chinese mainland                                    | –              | –  | 100           | Provision of IT infrastructure<br>services, IT implementation<br>and supporting services and<br>cloud and AI services |
| Henan Yideng Yingshu<br>Technology Co., Ltd.<br>(河南伊登贏數科技有限公司)<br>("Henan Yingshu")              | PRC/Chinese mainland                                    | –              | –  | 51            | Provision of IT infrastructure<br>services, IT implementation<br>and supporting services and<br>cloud and AI services |

\* Shenzhen Yundeng is registered as a wholly-foreign-owned enterprise under Chinese mainland law.

^ The English names of these subsidiaries registered in Chinese mainland represent the translated names of these companies as no English names have been registered.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the Hong Kong Companies Ordinance, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments, wealth management products and equity investments which have been measured at fair value. These financial statements are presented in Chinese Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.1 BASIS OF PREPARATION (Continued)

### Basis of consolidation (Continued)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

## 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

|  |   |
|--|---|
| HKFRS 18   | <i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>                                   |
| HKFRS 19 and its amendments  | <i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>                               |
| Amendments to HKFRS 9 and HKFRS 7                                    | <i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>             |
| Amendments to HKFRS 9 and HKFRS 7                                    | <i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>                                    |
| Amendments to HKFRS 10 and HKAS 28                                   | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup> |
| Amendments to HKAS 21  | <i>Translation to a Hyperinflationary Presentation Currency</i> <sup>2</sup>                              |
| <i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i> | Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>1</sup>                                 |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (Continued)

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (Continued)

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group’s financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

*Annual Improvements to HKFRS Accounting Standards – Volume 11* set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *HKFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(Continued)*

- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES

### Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

#### **Business combinations and goodwill** *(Continued)*

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

### Fair value measurement

The Group measures its financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Impairment of non-financial assets**

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Related parties**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group 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; and the sponsoring employers of the post-employment benefit plan;
  - (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); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Property, plant and equipment and depreciation**

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

|                            |   |
|----------------------------|---|
| Office and other equipment | 20%                                     |
| Motor vehicles             | 10%                                     |
| Leasehold improvements     | Over the shorter of lease terms and 20% |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

### **Intangible assets (other than goodwill)**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

### Intangible assets (other than goodwill) (Continued)

#### Software copyrights

Purchased software copyrights are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 5 years.

#### Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

#### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

|                    |              |
|--------------------|--------------|
| Office premises    | 2 to 3 years |
| Residence property | 20 years     |

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Leases** *(Continued)*

#### **Group as a lessee** *(Continued)*

##### *(b) Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. 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, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

##### *(c) Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of staff dormitory (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease terms.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

### Investments and other financial assets

#### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

#### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at amortised cost (debt instruments)*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets (Continued)

##### *Subsequent measurement (Continued)*

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

##### *Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

##### *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Investments and other financial assets** *(Continued)*

#### **Impairment of financial assets** *(Continued)*

##### *General approach*

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

#### **Investments and other financial assets** *(Continued)*

##### **Impairment of financial assets** *(Continued)*

###### *Simplified approach*

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liability and interest-bearing bank borrowings.

##### **Subsequent measurement**

The subsequent measurement of financial liabilities depends on their classification as follows:

###### *Financial liabilities at amortised cost (trade and other payables, and borrowings)*

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Financial liabilities** *(Continued)*

#### ***Derecognition of financial liabilities***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### **Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Income tax** *(Continued)*

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### **Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

### **Revenue recognition**

#### ***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.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

### Revenue recognition (Continued)

#### Revenue from contracts with customers (Continued)

The following is a description of the accounting policy for the principal stream of the Group:

– *IT infrastructure services:*

Revenue from IT infrastructure services are generally recognised at the point in time when the control of the software and/or hardware products are transferred to the customer, generally after the completion of assessing customers' needs and their existing IT environment, advising them on the suitable hardware and/or software products that their IT environment would require, procuring the relevant hardware and/or software products from IT product vendors, and installing these software and/or hardware products in customers' IT environment.

– *IT implementation and supporting services:*

The Group provides multiple deliverables to customers under the contracts of IT implementation and supporting services which comprise (i) IT design and implementation services; (ii) the provision of IT supporting and maintenance services; and (iii) the sale of solution-based software and/or hardware products and related services. Each of the multiple deliverables is sold at the standalone selling price specified in the contract.

Revenue from the provision of IT design and implementation services is generally recognised over time, using an input method to measure progress towards complete satisfaction of the services because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services.

Revenue from the provision of IT supporting and maintenance services is generally recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from the sale of solution-based software and/or hardware products and related services is recognised at the point in time when control of the asset is transferred to the customer.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

### Revenue recognition (Continued)

#### Revenue from contracts with customers (Continued)

– *Cloud and AI services:*

The Group offers design, management and technical support for using cloud platforms which include the Group's self-developed cloud platform and other third-parties' cloud platforms. The Group provides multiple deliverables to customers under the contracts of cloud and AI services, which comprise (i) contracts for cloud platform design services; (ii) contracts for cloud solution services; and (iii) contracts for the sale of solution-based software and/or hardware products and related services. Each of the multiple deliverables is sold at the standalone selling price specified in the contract.

Revenue from the provision of cloud platform design services is generally recognised over time, using an input method to measure progress towards complete satisfaction of the service because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services.

Revenue from the provision of cloud solution services in relation to annual/monthly subscription fee for cloud-related software used under the cloud platforms is generally recognized over the scheduled period of time on a straight-line basis because the Group's customers simultaneously receive and consume the benefits provided by the Group.

Revenue from the sale of solution-based software and/or hardware products and related services is recognised at the point in time when control of the asset is transferred to the customer.

#### Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

#### Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Contract liabilities**

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

### **Employee retirement benefits**

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

### **Share-based payments**

The Company operates a Share Award Plan (the "Plan"). Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by the share price as at the grant date. An external valuer using a binomial model, further details of which are given in note 28 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

#### **Share-based payments** *(Continued)*

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

#### **Borrowing costs**

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **Events after the reporting period**

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

#### **Dividends**

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Foreign currencies

The functional currency of the Company is Hong Kong dollars (“HK\$”). The Historical Financial Information is presented in Chinese Renminbi (“RMB”), which is the functional currency of the majority of the Company’s subsidiaries. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the Chinese Renminbi. As at the end of the reporting period, the assets and liabilities of these entities are translated into Chinese Renminbi at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Chinese Renminbi at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Chinese Renminbi at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Chinese Renminbi at the weighted average exchange rates for the year.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### **Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### ***Revenue from contracts with customers***

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- (i) *Identifying performance obligations in a bundled sale of IT supporting and maintenance services and solution-based software and/or hardware products and related integrated services*

The Group generally provide bundled IT implementation and supporting services to cater for the customer's specific requirements, and the scope of such bundled contract usually includes (i) the sale of solution-based software and/or hardware products and related integrated services; And (ii) IT supporting and maintenance services. The IT supporting and maintenance services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

#### **Judgements** *(Continued)*

#### **Revenue from contracts with customers** *(Continued)*

- (i) *Identifying performance obligations in a bundled sale of IT supporting and maintenance services and solution-based software and/or hardware products and related integrated services* *(Continued)*

The Group determined that both the sale of solution-based software and/or hardware products and related integrated services and IT supporting and maintenance services are each capable of being distinct. The fact that the Group regularly sells both solution-based software and/or hardware products and related integrated services and IT supporting and maintenance services on a standalone basis indicates that the customer can benefit from both products on their own. The Group also determined that the promises to transfer the sale of solution-based software and/or hardware products and related integrated services and to provide IT supporting and maintenance services are distinct within the context of the contract. The sale of solution-based software and/or hardware products and related integrated services and IT supporting and maintenance services are not inputs to a combined item in the contract. The Group is not providing a significant integration service because the presence of the sale of solution-based software and/or hardware products and related integrated services and IT supporting and maintenance services together in the contract does not result in any additional or combined functionality and neither the solution-based software and/or hardware products nor the IT supporting and maintenance services modifies or customises the other. In addition, the solution-based software and/or hardware products and related integrated services and IT supporting and maintenance services are not highly interdependent or highly interrelated, because the Group would be able to transfer the solution-based software and/or hardware products and related integrated services even if the customer declined IT supporting and maintenance services and would be able to provide IT supporting and maintenance services in relation to software and/or hardware sold by other distributors.

- (ii) *Determining the timing of satisfaction of IT design and implementation services and cloud platform design services*

The Group concluded that the revenue for IT design and implementation services and cloud platform design services is to be recognised over time because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The Group determined that the input method is the best method in measuring the progress of the IT technical services because there is a direct relationship between the Group's effort (i.e., labour hours incurred) and the transfer of services to the customer. The Group recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services. If an entity does not have a reasonable basis to measure its progress, the Group recognise revenue up to the amount of the costs incurred, until progress can be reasonably measured.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

#### **Judgements** *(Continued)*

##### ***Deferred tax assets***

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses at 31 December 2025 was RMB37,083,000 (2024 RMB26,655,000). Further details are contained in note 27 to the financial statements.

##### **Estimation uncertainty**

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

##### ***Impairment of goodwill***

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was RMB6,217,000 (2024: RMB6,217,000). Further details are given in note 15.

##### ***Provision for expected credit losses on trade and bills receivables and contract assets***

The Group uses a provision matrix to calculate ECLs for trade and bills receivables and contract assets. The provision rates are based on invoice ageing of customers.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. 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 historical 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 a customer's actual default in the future. The information about the ECLs on the Group's trade and bills receivables and contract assets is disclosed in notes 18 and 20 to the financial statements, respectively.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

#### **Judgements** *(Continued)*

##### **Leases – Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has three reportable operating segments as follows:

- IT infrastructure services: Assessing customers’ needs and their existing IT environment and providing IT infrastructure services by advising them on the suitable hardware and/or software products that their IT environment would require, and procuring the relevant hardware and/or software products from IT product vendors and installing these IT products in customers’ IT environment.
- IT implementation and supporting services: (i) the design of IT solutions, (ii) the development and/or implementation of solution-based software and/or hardware products, and (iii) the provision of technical and maintenance supporting services.
- Cloud and AI services: (i) offering design, management and technical support for using cloud platforms which include the self-developed cloud platform and other third-party cloud platforms, and (ii) providing consulting services and solutions related to AI technology.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expense incurred by those segments. The measure used for reporting segment profit is gross profit. No inter-segment sales have occurred during the reporting period. The Group’s other income and expense items, such as administrative expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, depreciation and amortisation, interest income and interest expense is presented.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 4. OPERATING SEGMENT INFORMATION (Continued)

Information regarding the Group's reportable segments as provided to the Group's management for the purposes of resource allocation and assessment of segment performance is set out below:

|                                  | Year ended 31 December 2025                 |  |                                     |                  |
|----------------------------------|---|--|-------------------------------------|------------------|
|                                  | IT<br>infrastructure<br>services<br>RMB'000 | IT<br>implementation<br>and<br>supporting<br>services<br>RMB'000 | Cloud and<br>AI services<br>RMB'000 | Total<br>RMB'000 |
| Reportable segment revenue       | 294,001                                     | 149,695  | 434,052                             | 877,748          |
| Reportable segment cost of sales | (258,942)                                   | (112,129)  | (400,130)                           | (771,201)        |
| Reportable segment gross profit  | 35,059                                      | 37,566   | 33,922                              | 106,547          |

|                                  | Year ended 31 December 2024                 |  |                                     |                  |
|----------------------------------|---|--|-------------------------------------|------------------|
|                                  | IT<br>infrastructure<br>services<br>RMB'000 | IT<br>implementation<br>and<br>supporting<br>services<br>RMB'000 | Cloud and<br>AI services<br>RMB'000 | Total<br>RMB'000 |
| Reportable segment revenue       | 507,888                                     | 115,581  | 509,092                             | 1,132,561        |
| Reportable segment cost of sales | (462,101)                                   | (93,172)   | (464,995)                           | (1,020,268)      |
| Reportable segment gross profit  | 45,787                                      | 22,409   | 44,097                              | 112,293          |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 4. OPERATING SEGMENT INFORMATION (Continued)

#### Geographical information

##### (a) Revenue from external customers

|                  | 2025<br>RMB'000 | 2024<br>RMB'000  |
|------------------|-----------------|------------------|
| Chinese mainland | 809,350         | 1,063,124        |
| Hong Kong        | 68,398          | 69,437           |
|                  | <b>877,748</b>  | <b>1,132,561</b> |

##### (b) Non-current assets

All non-current assets of the Group (excluding deferred tax assets) are located in Chinese mainland.

#### Information about a major customer

Revenue of approximately RMB138,046,000 (2024: RMB RMB259,334,000) was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

|                                       | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---------------------------------------|-----------------|-----------------|
| Revenue from contracts with customers | 877,748         | 1,132,561       |

#### Revenue from contracts with customers

##### (a) Disaggregated revenue information

For the year ended 31 December 2025

| Segments  | IT<br>infrastructure<br>services<br>RMB'000 | IT<br>implementation<br>and<br>supporting<br>services<br>RMB'000 | Cloud and<br>AI services<br>RMB'000 | Total<br>RMB'000 |
|---|---|--|-------------------------------------|------------------|
| <b>Types of goods or services</b>   |   |  |                                     |                  |
| Sale of software and/or hardware products and related services                | 294,001                                     | –  | –                                   | 294,001          |
| Sale of solution-based software and/or hardware products and related services | –   | 84,042   | 156,866                             | 240,908          |
| IT supporting and maintenance services  | –   | 28,077   | –                                   | 28,077           |
| IT design and implementation services   | –   | 37,576   | –                                   | 37,576           |
| Cloud platform design services  | –   | –  | 277,186                             | 277,186          |
| <b>Total revenue from contracts with customers</b>                            | <b>294,001</b>                              | <b>149,695</b>   | <b>434,052</b>                      | <b>877,748</b>   |
| <b>Geographical markets</b>   |   |  |                                     |                  |
| Chinese mainland  | 271,836                                     | 134,111  | 403,173                             | 809,120          |
| Hong Kong   | 22,165                                      | 15,584   | 30,879                              | 68,628           |
| <b>Total revenue from contracts with customers</b>                            | <b>294,001</b>                              | <b>149,695</b>   | <b>434,052</b>                      | <b>877,748</b>   |
| <b>Timing of revenue recognition</b>  |   |  |                                     |                  |
| Services transferred over time  | –   | 65,653   | 277,186                             | 342,839          |
| Services transferred at a point in time                                       | 294,001                                     | 84,042   | 156,866                             | 534,909          |
| <b>Total revenue from contracts with customers</b>                            | <b>294,001</b>                              | <b>149,695</b>   | <b>434,052</b>                      | <b>877,748</b>   |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 5. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

#### Revenue from contracts with customers (Continued)

##### (a) Disaggregated revenue information (Continued)

For the year ended 31 December 2024

| Segments   | IT<br>infrastructure<br>services<br>RMB'000 | IT<br>implementation<br>and<br>supporting<br>services<br>RMB'000 | Cloud and<br>AI services<br>RMB'000 | Total<br>RMB'000 |
|--|---|--|-------------------------------------|------------------|
| <b>Types of goods or services</b>  |   |  |                                     |                  |
| Sale of software and/or hardware products<br>and related services                | 507,888                                     | –  | –                                   | 507,888          |
| Sale of solution-based software and/or<br>hardware products and related services | –   | 54,029   | 241,123                             | 295,152          |
| IT supporting and maintenance services   | –   | 24,240   | –                                   | 24,240           |
| IT design and implementation services  | –   | 37,312   | –                                   | 37,312           |
| Cloud platform design services   | –   | –  | 267,969                             | 267,969          |
| <b>Total revenue from contracts with customers</b>                               | <b>507,888</b>                              | <b>115,581</b>   | <b>509,092</b>                      | <b>1,132,561</b> |
| <b>Geographical markets</b>  |   |  |                                     |                  |
| Chinese mainland   | 496,508                                     | 102,244  | 464,522                             | 1,063,274        |
| Hong Kong  | 11,380                                      | 13,337   | 44,570                              | 69,287           |
| <b>Total revenue from contracts with customers</b>                               | <b>507,888</b>                              | <b>115,581</b>   | <b>509,092</b>                      | <b>1,132,561</b> |
| <b>Timing of revenue recognition</b>   |   |  |                                     |                  |
| Services transferred over time   | –   | 61,552   | 267,969                             | 329,521          |
| Services transferred at a point in time  | 507,888                                     | 54,029   | 241,123                             | 803,040          |
| <b>Total revenue from contracts with customers</b>                               | <b>507,888</b>                              | <b>115,581</b>   | <b>509,092</b>                      | <b>1,132,561</b> |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 5. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

#### Revenue from contracts with customers (Continued)

##### (a) Disaggregated revenue information (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Revenue recognised that was included in the contract liabilities at the beginning of the reporting period: |                 |                 |
| IT infrastructure services   | 10,714          | 16,134          |
| IT implementation and supporting services  | 4,861           | 7,434           |
| Cloud and AI services  | 7,921           | 10,028          |
|  | <b>23,496</b>   | <b>33,596</b>   |

##### (b) Performance obligations

Information about the Group's performance obligations is summarised below:

###### *Sale of software and/or hardware products and related services*

The performance obligation is satisfied upon delivery of the software and/or hardware products and related services and payment is generally due within 30 to 90 days from issuance of the invoices, except for new customers, where payment in advance is normally required. However, management considers the cost of installation services is insignificant and no transaction price is allocated to such services.

###### *Sale of solution-based software and/or hardware products and related integrated services*

The performance obligation is satisfied upon delivery of the solution-based software and/or hardware products and related integrated services, and payment is generally due within 30 to 90 days from delivery and customer acceptance, except for new customers, where payment in advance is normally required.

However, management considers the cost of installation services is insignificant and no transaction price is allocated to the services.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 5. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

#### Revenue from contracts with customers (Continued)

##### (b) Performance obligations (Continued)

###### *IT supporting and maintenance services*

The performance obligation is satisfied over time on a straight-line basis as services are rendered and payment is generally due within 30 to 90 days upon completion of the services, except for new customers, where payment in advance is normally required.

###### *Cloud and AI solution services*

The performance obligation is satisfied over time on a straight-line basis as services are rendered and payment is generally due within 30 to 90 days upon completion of the services and customer acceptance.

###### *IT design and implementation services & Cloud platform design services*

The performance obligation is satisfied over time, using an input method to measure progress towards complete satisfaction of the services, as services are rendered and payment is generally due within 30 to 90 days upon completion of the services and customer acceptance, except for new customers, where payment in advance is normally required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Amounts expected to be recognised as revenue: |                 |                 |
| Within one year                               | 75,557          | 77,308          |
| More than one year                            | 99,877          | 97,468          |
|   | <b>175,434</b>  | <b>174,776</b>  |

The remaining performance obligations expected to be recognised in more than one year relate to Sale of solution-based software and/or hardware products and related services, IT supporting and maintenance services, IT design and implementation services, Cloud and AI solution services, and Cloud platform design services that are to be satisfied within 3 years. All the other remaining performance obligations are expected to be recognised within one year.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 5. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| <b>Other income</b>  |                 |                 |
| Bank interest income   | 519             | 362             |
| Government grants – related to income*                         | 631             | 1,302           |
| Tax subsidies  | 122             | 181             |
| <b>Total other income</b>                                      | <b>1,272</b>    | 1,845           |
| <b>Gains, net</b>  |                 |                 |
| Gains on financial assets at fair value through profit or loss | 36              | –               |
| Loss on disposal of a subsidiary**                             | –               | (42)            |
| <b>Total gains, net</b>  | <b>36</b>       | (42)            |
| <b>Total other income and gains, net</b>                       | <b>1,308</b>    | 1,803           |

\* Various government grants have been received from local government authorities in the Chinese mainland as an encouragement for the Group's technological innovation. There are no unfulfilled conditions and other contingencies relating to these grants.

\*\* In 2024, the Group and its minority shareholder entered into a sales and purchase agreement, pursuant to which the Group agreed to sell and the minority shareholder agreed to purchase the 80% equity interest in its subsidiary (Shenzhen Shenghan Information Technology), at the consideration of RMB1.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

|  | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-------|-----------------|-----------------|
| Cost of inventories sold   | 4     | 659,072         | 927,096         |
| Cost of services provided  | 4     | 112,129         | 93,172          |
| Depreciation of property, plant and equipment                          | 13    | 208             | 216             |
| Depreciation of right-of-use assets                                    | 14    | 3,181           | 3,002           |
| Amortisation of other intangible assets                                | 16    | 126             | 220             |
| Auditor's remuneration   |       | 1,240           | 1,120           |
| Lease payments not included in the measurement of lease liabilities    | 14    | 41              | 117             |
| Research and development expenses                                      |       | 32,461          | 39,987          |
| Employee benefit expense (including Directors' remuneration (note 8)): |       |                 |                 |
| Wages and salaries   |       | 42,646          | 40,387          |
| Equity-settled share award expense                                     |       | 54              | 148             |
| Pension scheme contributions   |       | 10,347          | 11,027          |
| <b>Total</b>   |       | <b>53,047</b>   | <b>51,562</b>   |
| Foreign exchange differences, net*                                     |       | 147             | 3,192           |
| Impairment losses on financial assets and contract assets, net         |       | 5,538           | 2,014           |
| Write-down of inventories to net realizable value                      | 17    | 413             | 2,512           |
| Loss on disposal of a subsidiary                                       | 5     | -               | 42              |

\* Included in "Other expenses" in profit or loss.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 7. FINANCE COSTS

An analysis of finance costs is as follows:

|                               | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------------|-----------------|-----------------|
| Interest on bank loans        | 477             | 2,081           |
| Interest on lease liabilities | 299             | 229             |
|                               | <b>776</b>      | <b>2,310</b>    |

### 8. DIRECTORS' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Fees                                      | 1,679           | 2,337           |
| Other emoluments:                         |                 |                 |
| Salaries, allowances and benefits in kind | 384             | 1,030           |
| Pension scheme contributions              | 129             | 190             |
| Total                                     | <b>2,192</b>    | <b>3,557</b>    |

#### (a) Independent non-executive directors

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

|                              | 2025<br>RMB'000 | 2024<br>RMB'000 |
|------------------------------|-----------------|-----------------|
| Mr. Cai Jiong                | 108             | 5               |
| Mr. Leung Chu Tung           | 108             | 111             |
| Ms. Zhu Weili                | 108             | 111             |
| Mr. Hou Hsiao Wen (Resigned) | –               | 106             |
|                              | <b>324</b>      | <b>333</b>      |

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 8. DIRECTORS' REMUNERATION (Continued)

#### (b) Executive directors

2025

|                 | Fees<br>RMB'000 | Salaries,<br>allowances,<br>and benefits<br>in kind<br>RMB'000 | Pension<br>scheme<br>contributions<br>RMB'000 | Total<br>remuneration<br>RMB'000 |
|-----------------|-----------------|--|---|----------------------------------|
| Ms. Ding Xinyun | 1,084           | 36   | 30  | 1,150                            |
| Ms. Li Yi       | 271             | 348  | 99  | 718                              |
|                 | <b>1,355</b>    | <b>384</b>   | <b>129</b>                                    | <b>1,868</b>                     |

2024

|                 | Fees<br>RMB'000 | Salaries,<br>allowances,<br>and benefits<br>in kind<br>RMB'000 | Pension<br>scheme<br>contributions<br>RMB'000 | Total<br>remuneration<br>RMB'000 |
|-----------------|-----------------|--|---|----------------------------------|
| Ms. Ding Xinyun | 1,093           | 36   | 18  | 1,147                            |
| Ms. Li Yi       | 264             | 355  | 61  | 680                              |
|                 | <b>1,357</b>    | <b>391</b>   | <b>79</b>                                     | <b>1,827</b>                     |

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included 2 directors, (2024: 1 director), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining 3 (2024: 4) highest paid employees who are neither a director nor chief executive of the Company are as follows:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Salaries, allowances and benefits in kind | 4,034           | 4,899           |
| Pension scheme contributions              | 446             | 219             |
|   | <b>4,480</b>    | <b>5,118</b>    |

The number of these non-director, highest paid employees whose remuneration fell within the following bands is as follows:

|                                | Number of employees |          |
|--------------------------------|---------------------|----------|
|                                | 2025                | 2024     |
| Nil to HK\$1,000,000           | 2                   | 1        |
| HK\$1,000,001 to HK\$1,500,000 | 1                   | 3        |
|                                | <b>3</b>            | <b>4</b> |

During the reporting period, 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 FINANCIAL STATEMENTS

31 December 2025

### 10. INCOME TAX CREDIT

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

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

Pursuant to the rules and regulations of the British Virgin Islands, the Group is not subject to any tax in the British Virgin Islands.

Hong Kong profits tax is applicable at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

Pursuant to the Chinese mainland Income Tax Law and the respective regulations, subsidiaries of the Group operating in Chinese mainland are subject to Corporate Income Tax at a rate of 25% (2024: 25%) on the taxable income. Preferential tax treatment is available to the Group's operating subsidiaries, Eden Information, Dongguan Edensoft, Shenzhen Yundeng, Zhengzhou Tengyun and Shenzhen Heweiteng, since Eden Information was recognised as a "High and New Technology Enterprise" and was entitled to a preferential tax rate of 15% (2024: 15%), and Dongguan Edensoft, Shenzhen Yundeng, Zhengzhou Tengyun and Shenzhen Heweiteng were recognised as Micro and Small Companies. Under the 2025 tax regime of Micro and Small Companies, Dongguan Edensoft, Shenzhen Yundeng, Zhengzhou Tengyun, Shenzhen Heweiteng, Guangzhou Zhisuan and Henan Yingshu are entitled to a preferential tax rate of 5% (2024: 5%) for the first RMB1,000,000 of assessable profits and the remaining assessable profits below RMB3,000,000 are taxed at 5% (2024: 5%).

The subsidiary of the Group operating in Singapore is subject to the corporate income tax rate of 17% for the year ended 31 December 2025 (2024: 17%).

The subsidiary of the Group operating in the United States is subject to a federal corporate income tax rate of 21% for the year ended 31 December 2025.

|                                      | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------------------------|-----------------|-----------------|
| Current – Chinese mainland           |                 |                 |
| – charge for the year                | 111             | 96              |
| Deferred (note 26)                   | (1,065)         | (416)           |
| <b>Total tax credit for the year</b> | <b>(954)</b>    | <b>(320)</b>    |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 10. INCOME TAX CREDIT (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax credit at the effective tax rates, and a reconciliation of the applicable rates to the effective tax rates, are as follows:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Profit before tax   | 9,451           | 7,701           |
| Tax at the statutory tax rate                             | 2,473           | 1,925           |
| Effect of preferential tax rate                           | (903)           | (648)           |
| Additional deduction for research and development expense | (4,408)         | (3,573)         |
| Expenses not deductible for tax                           | 273             | 436             |
| Tax losses utilised from previous periods                 | (178)           | –               |
| Tax losses not recognised                                 | 1,789           | 1,540           |
| Tax credit at the Group's effective tax rate              | (954)           | (320)           |

Pursuant to the Chinese mainland Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10% and may be reduced to 5% if certain criteria could be met under the Double Taxation Arrangement (Hong Kong). The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese mainland in respect of earnings generated from 1 January 2008.

As at 31 December 2025, no deferred tax (2024: Nil) has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese mainland. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amounts of temporary differences associated with investments in subsidiaries in Chinese mainland for which deferred tax liabilities have not been recognised totalled approximately RMB104,848,000 (2024: RMB94,775,000).

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 11. DIVIDENDS

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: HK0.18 cents).

The proposed dividend on ordinary shares is subject to approval at the annual general meeting and was not recognised as a liability as at 31 December 2025.

### 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,044,947,350 (2024: 2,044,947,350) outstanding during the year.

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 December 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares outstanding.

The calculations of basic and diluted earnings per share are based on:

|  | 2025<br>RMB'000         | 2024<br>RMB'000 |
|--|-------------------------|-----------------|
| <b>Earnings</b>  |                         |                 |
| Profit attributable to ordinary equity holders of the parent,<br>used in the basic earnings per share calculation          | 10,405                  | 8,021           |
|  | <b>Number of shares</b> |                 |
|  | 2025                    | 2024            |
| <b>Shares</b>  |                         |                 |
| Weighted average number of ordinary shares outstanding during the year<br>used in the basic earnings per share calculation | 2,044,947,350           | 2,044,947,350   |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 13. PROPERTY, PLANT AND EQUIPMENT

31 December 2025

|   | Office<br>and other<br>equipment<br>RMB'000 | Motor<br>vehicles<br>RMB'000 | Leasehold<br>improvements<br>RMB'000 | Other<br>property<br>RMB'000 | Total<br>RMB'000 |
|---|---|------------------------------|--------------------------------------|------------------------------|------------------|
| At 1 January 2025                                       |   |                              |                                      |                              |                  |
| Cost  | 1,902                                       | 360                          | 1,861                                | –                            | 4,123            |
| Accumulated depreciation                                | (1,597)                                     | (103)                        | (1,861)                              | –                            | (3,561)          |
| Net carrying amount                                     | 305   | 257                          | –                                    | –                            | 562              |
| At 1 January 2025, net of<br>accumulated depreciation   | 305   | 257                          | –                                    | –                            | 562              |
| Additions   | 68  | –                            | –                                    | 1,450                        | 1,518            |
| Disposals   | (32)  | –                            | –                                    | –                            | (32)             |
| Depreciation provided during the<br>year (note 6)       | (139)                                       | (35)                         | –                                    | (34)                         | (208)            |
| At 31 December 2025, net of<br>accumulated depreciation | 202   | 222                          | –                                    | 1,416                        | 1,840            |
| At 31 December 2025                                     |   |                              |                                      |                              |                  |
| Cost  | 1,938                                       | 360                          | 1,861                                | 1,450                        | 5,609            |
| Accumulated depreciation                                | (1,736)                                     | (138)                        | (1,861)                              | (34)                         | (3,769)          |
| Net carrying amount                                     | 202   | 222                          | –                                    | 1,416                        | 1,840            |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 13. PROPERTY, PLANT AND EQUIPMENT (Continued)

31 December 2024

|  | Office<br>and other<br>equipment<br>RMB'000 | Motor<br>vehicles<br>RMB'000 | Leasehold<br>improvements<br>RMB'000 | Total<br>RMB'000 |
|--|---|------------------------------|--------------------------------------|------------------|
| At 1 January 2024                                    |   |                              |                                      |                  |
| Cost   | 1,892                                       | 360                          | 1,861                                | 4,113            |
| Accumulated depreciation                             | (1,415)                                     | (69)                         | (1,861)                              | (3,345)          |
| Net carrying amount                                  | 477   | 291                          | –                                    | 768              |
| At 1 January 2024, net of accumulated depreciation   | 477   | 291                          | –                                    | 768              |
| Additions  | 36  | –                            | –                                    | 36               |
| Disposals  | (26)  | –                            | –                                    | (26)             |
| Depreciation provided during the year (note 6)       | (182)                                       | (34)                         | –                                    | (216)            |
| At 31 December 2024, net of accumulated depreciation | 305   | 257                          | –                                    | 562              |
| At 31 December 2024                                  |   |                              |                                      |                  |
| Cost   | 1,902                                       | 360                          | 1,861                                | 4,123            |
| Accumulated depreciation                             | (1,597)                                     | (103)                        | (1,861)                              | (3,561)          |
| Net carrying amount                                  | 305   | 257                          | –                                    | 562              |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 14. LEASES

#### The Group as a lessee

The Group has lease contracts for office properties used in its operations. Leases of office properties generally have lease terms between 2 and 3 years, and leases of residence property generally have lease terms of 20 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

#### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

|   | Office<br>premises<br>RMB'000 | Residence<br>property<br>RMB'000 | Total<br>RMB'000 |
|---|-------------------------------|----------------------------------|------------------|
| As at 1 January 2024                      | 6,721                         | 2,631                            | 9,352            |
| Additions                                 | –                             | –                                | –                |
| Depreciation charge                       | (2,714)                       | (288)                            | (3,002)          |
| Disposal                                  | –                             | –                                | –                |
| Revision of rent concessions from lessors | (1,707)                       | –                                | (1,707)          |
| Exchange realignment                      | 7                             | –                                | 7                |
| As at 31 December 2024                    | 2,307                         | 2,343                            | 4,650            |
| Additions                                 | 6,248                         | –                                | 6,248            |
| Depreciation charge                       | (2,991)                       | (190)                            | (3,181)          |
| Disposal                                  | –                             | –                                | –                |
| Revision of rent concessions from lessors | –                             | –                                | –                |
| Exchange realignment                      | –                             | –                                | –                |
| As at 31 December 2025                    | 5,564                         | 2,153                            | 7,717            |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 14. LEASES (Continued)

#### The Group as a lessee (Continued)

##### (b) Lease liabilities

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

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Carrying amount at 1 January                     | 3,252           | 7,083           |
| New leases                                       | 6,248           | –               |
| Accretion of interest recognised during the year | 299             | 229             |
| Disposal   | –               | –               |
| Revision of rent concessions from lessors        | –               | (1,707)         |
| Payments   | (2,993)         | (2,359)         |
| Exchange realignment                             | –               | 6               |
|  | <b>6,806</b>    | <b>3,252</b>    |
| Analysed into:                                   |                 |                 |
| Current portion                                  | 3,416           | 1,984           |
| Non-current portion                              | 3,390           | 1,268           |

The maturity analysis of lease liabilities is disclosed in note 35 to the financial statements.

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

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Interest on lease liabilities   | 299             | 229             |
| Depreciation charge of right-of-use assets                                  | 3,181           | 3,002           |
| Expense relating to short-term leases (included in administrative expenses) | 41              | 117             |
|   | <b>3,521</b>    | <b>3,348</b>    |

(d) The total cash outflow for leases is disclosed in note 30(c) to the financial statements.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 15. GOODWILL

|   | RMB'000 |
|---|---------|
| Cost at 1 January 2024, net of accumulated impairment | 6,217   |
| Impairment from 2024 to 2025                          | –       |
| <hr/>   |         |
| Cost and net carrying amount at 31 December 2025      | 6,217   |
| <hr/>   |         |
| At 31 December 2025                                   |         |
| Cost  | 6,217   |
| Accumulated impairment                                | –       |
| <hr/>   |         |
| Net carrying amount                                   | 6,217   |
| <hr/>   |         |

#### Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the Shenzhen Heweiteng IT products cash-generating unit (“the CGU”) for impairment testing. The recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 21.4% (2024: 20.5%). The growth rate used to extrapolate the cash flows of the CGU beyond the five-year period is 2.0%.

Assumptions were used in the value-in-use calculation of the CGU for 31 December 2025. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

*Revenue growth rate* – The revenue growth rate is based on the expected revenue from the provision of IT implementation and supporting services and cloud and AI services in the future.

*Budgeted gross margins* – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the past years and the expectation for market development.

*Discount rate* – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

The values assigned to the key assumptions on market development and the discount rate are consistent with external information sources.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 16. OTHER INTANGIBLE ASSETS

|   | Software<br>copyrights<br>RMB'000 |
|---|-----------------------------------|
| <b>31 December 2025</b>                                 |                                   |
| Cost at 1 January 2024, net of accumulated amortisation | 126                               |
| Amortisation provided during the year (note 6)          | (126)                             |
| <hr/>   |                                   |
| At 31 December 2025                                     | –                                 |
| <hr/>   |                                   |
| At 31 December 2025                                     |                                   |
| Cost  | 1,100                             |
| Accumulated amortisation                                | (1,100)                           |
| <hr/>   |                                   |
| Net carrying amount                                     | –                                 |
| <hr/>   |                                   |
| <b>31 December 2024</b>                                 |                                   |
| Cost at 1 January 2023, net of accumulated amortisation | 346                               |
| Amortisation provided during the year (note 6)          | (220)                             |
| <hr/>   |                                   |
| At 31 December 2024                                     | 126                               |
| <hr/>   |                                   |
| At 31 December 2024                                     |                                   |
| Cost  | 1,100                             |
| Accumulated amortisation                                | (974)                             |
| <hr/>   |                                   |
| Net carrying amount                                     | 126                               |
| <hr/>   |                                   |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 17. INVENTORIES

|                    | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------|-----------------|-----------------|
| Commodity products | 54,754          | 120,278         |

At 31 December 2025, the amount of inventories was net of a write-down of approximately RMB10,431,000 (2024: RMB10,018,000).

### 18. TRADE AND BILLS RECEIVABLES

|                        | 2025<br>RMB'000 | 2024<br>RMB'000 |
|------------------------|-----------------|-----------------|
| Trade receivables      | 209,788         | 172,328         |
| Impairment             | (26,307)        | (20,855)        |
| Trade receivables, net | 183,481         | 151,473         |
| Bills receivable       | 5,850           | 30,688          |
|                        | 189,331         | 182,161         |

The Group grants certain credit periods to customers, except for new customers, where payment in advance is normally required. The credit period for specific customers is considered on a case-by-case basis and set out in the sales contracts, as appropriate.

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

|                 | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------|-----------------|-----------------|
| Within 6 months | 157,790         | 123,330         |
| 6 to 12 months  | 15,442          | 19,557          |
| Over 12 months  | 36,556          | 29,441          |
|                 | 209,788         | 172,328         |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 18. TRADE AND BILLS RECEIVABLES (Continued)

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

|                      | 2025<br>RMB'000 | 2024<br>RMB'000 |
|----------------------|-----------------|-----------------|
| At beginning of year | 20,855          | 18,774          |
| Impairment losses    | 5,452           | 2,081           |
| At end of year       | <b>26,307</b>   | 20,855          |

The increase in the allowance for expected credit losses was mainly due to a net increase in trade receivables which were past due for over 1 year.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECLs). 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. Generally, trade receivables are written off if past due for more than three years and are not subject to enforcement activity.

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

|                                  | Less than<br>6 months | Ageing<br>6 to 12<br>months | Over 12<br>months | Total   |
|----------------------------------|-----------------------|-----------------------------|-------------------|---------|
| <b>As at 31 December 2025</b>    |                       |                             |                   |         |
| Expected credit loss rate        | 2.74%                 | 13.68%                      | 54.36%            | 12.54%  |
| Gross carrying amount (RMB'000)  | 157,790               | 15,442                      | 36,556            | 209,788 |
| Expected credit losses (RMB'000) | 4,324                 | 2,112                       | 19,871            | 26,307  |
| <b>As at 31 December 2024</b>    |                       |                             |                   |         |
| Expected credit loss rate        | 2.20%                 | 11.03%                      | 54.29%            | 12.10%  |
| Gross carrying amount (RMB'000)  | 123,330               | 19,557                      | 29,441            | 172,328 |
| Expected credit losses (RMB'000) | 2,715                 | 2,157                       | 15,983            | 20,855  |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

|                                | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--------------------------------|-----------------|-----------------|
| Non-current:                   |                 |                 |
| Deposits and other receivables | 493             | –               |
| Current:                       |                 |                 |
| Prepayments                    | 5,680           | 11,572          |
| Deposits and other receivables | 2,654           | 10,348          |
|                                | <b>8,334</b>    | 21,920          |
| Total                          | <b>8,827</b>    | 21,920          |

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

### 20. CONTRACT ASSETS

|   | 31 December<br>2025<br>RMB'000 | 31 December<br>2024<br>RMB'000 | 1 January<br>2024<br>RMB'000 |
|---|--------------------------------|--------------------------------|------------------------------|
| Contract assets arising from              |                                |                                |                              |
| IT implementation and supporting services | 3,252                          | 2,924                          | 1,833                        |
| Impairment                                | (163)                          | (132)                          | (106)                        |
|   | <b>3,089</b>                   | 2,792                          | 1,727                        |

Contract assets are initially recognised for revenue earned from the provision of IT implementation and supporting services as the receipt of consideration is conditional on successful completion of the implementation of IT solutions. Upon completion of the implementation and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets was the result of the increase in the ongoing provision of IT implementation and supporting services at the end of the years.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 20. CONTRACT ASSETS (Continued)

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

|                 | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------|-----------------|-----------------|
| Within one year | 2,612           | 2,294           |
| Over one year   | 477             | 498             |
|                 | <b>3,089</b>    | <b>2,792</b>    |

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

|                        | 2025<br>RMB'000 | 2024<br>RMB'000 |
|------------------------|-----------------|-----------------|
| At beginning of year   | 132             | 106             |
| Impairment losses, net | 31              | 26              |
|                        | <b>163</b>      | <b>132</b>      |

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

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

|                                  | 2025       | 2024       |
|----------------------------------|------------|------------|
| Expected credit loss rate        | 5.01%      | 4.51%      |
| Gross carrying amount (RMB'000)  | 3,252      | 2,924      |
| Expected credit losses (RMB'000) | <b>163</b> | <b>132</b> |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 21. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

|                                       | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---------------------------------------|-----------------|-----------------|
| Cash and bank balances                | 105,482         | 89,065          |
| Less:                                 |                 |                 |
| Restricted and pledged bank deposits* | (4,790)         | (4,826)         |
| Cash and cash equivalents             | 100,692         | 84,239          |

\* At the end of the current year, of the Group's cash and bank balances with restriction in use, mainly (1) bank deposits frozen as a result of the litigation, of RMB4,786,000 (31 December 2024: RMB4,786,000); (2) security deposit placed in bank for the issuance of guarantee letter of nil (31 December 2024: RMB35,000); and (3) deposit placed in bank for security deposit of RMB4,000 (31 December 2024: nil).

Cash and cash equivalents denominated in:

|                           | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---------------------------|-----------------|-----------------|
| RMB                       | 58,433          | 73,496          |
| US\$                      | 40,264          | 9,272           |
| HK\$                      | 1,295           | 859             |
| EUR                       | 363             | 283             |
| SGD                       | 337             | 329             |
| Cash and cash equivalents | 100,692         | 84,239          |

The RMB is not freely convertible into other currencies. However, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 31 December 2025, approximately RMB100,692,000 (31 December 2024: RMB84,239,000) were cash and cash equivalents and approximately RMB4,790,000 (31 December 2024: RMB4,826,000) were time deposits and pledged deposits.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

As at 31 December 2025 and 31 December 2024, cash and cash equivalents of the Group were considered to be of low credit risk, and thus the Group has assessed that the ECL for cash and cash equivalents is immaterial under the 12-month expected credit loss method.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 22. TRADE AND BILLS PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

|                | 2025<br>RMB'000 | 2024<br>RMB'000 |
|----------------|-----------------|-----------------|
| Within 30 days | 130,510         | 154,339         |
| 31 to 60 days  | 13,028          | 3,868           |
| 61 to 90 days  | 517             | 1,337           |
| Over 90 days   | 4,984           | 2,549           |
|                | <b>149,039</b>  | 162,093         |

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days. The carrying amounts of the trade payables approximate to their fair values.

### 23. OTHER PAYABLES AND ACCRUALS

|                             | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------------------|-----------------|-----------------|
| Salary and welfare payables | 4,717           | 4,495           |
| Other payables and accruals | 10,651          | 1,769           |
|                             | <b>15,368</b>   | 6,264           |

The other payables and accruals are non-interest-bearing and are repayable within one year.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 24. CONTRACT LIABILITIES

|  | <b>31 December<br/>2025<br/>RMB'000</b> | 31 December<br>2024<br>RMB'000 | 1 January<br>2024<br>RMB'000 |
|--|---|--------------------------------|------------------------------|
| <i>Short-term advances received from customers</i> |   |                                |                              |
| IT infrastructure services                         | <b>2,572</b>                            | 10,607                         | 16,134                       |
| IT implementation and supporting services          | <b>1,237</b>                            | 3,957                          | 7,434                        |
| Cloud and AI services                              | <b>3,987</b>                            | 9,520                          | 10,028                       |
|  | <b>7,796</b>                            | 24,084                         | 33,596                       |

Contract liabilities include short-term advances received to deliver IT products and render services. The decrease in contract liabilities in 2025 and 2024 was mainly due to the decrease in short-term advances received from customers in relation to the provision of IT implementation and supporting services at the end of the year.

### 25. INTEREST-BEARING BANK BORROWINGS

|                      | 2025                                |          |         | 2024                                |           |         |
|----------------------|-------------------------------------|----------|---------|-------------------------------------|-----------|---------|
|                      | Contractual<br>interest rate<br>(%) | Maturity | RMB'000 | Contractual<br>interest rate<br>(%) | Maturity  | RMB'000 |
| <b>Current</b>       |                                     |          |         |                                     |           |         |
| Bank loans – secured | –                                   | –        | –       | 3.40%                               | 2025/6/6  | 5,005   |
| Bank loans – secured | –                                   | –        | –       | 3.30%                               | 2025/5/30 | 14,013  |
| Bank loans – secured | –                                   | –        | –       | 3.10%                               | 2025/2/9  | 19,016  |
|                      |                                     |          | –       |                                     |           | 38,034  |

|                 | <b>2025<br/>RMB'000</b> | 2024<br>RMB'000 |
|-----------------|-------------------------|-----------------|
| Analysed into:  |                         |                 |
| Bank loans:     |                         |                 |
| Within one year | –                       | 38,034          |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 25. INTEREST-BEARING BANK BORROWINGS (Continued)

All interest-bearing bank borrowings are repayable within one year and are denominated in RMB.

The Group's bank borrowings amounting to nil (2024: RMB38,034,000), of which nil (2024: RMB38,034,000) were interest-bearing borrowings and interest-free borrowings is nil (2024: nil). Both were secured by line of credit of the Group amounting to nil (2024: RMB60,000,000) as at 31 December 2025.

The Group's banking facilities amounting to RMB215,000,000 (2024: RMB175,000,000) as at 31 December 2025 were guaranteed by Ms. Ding Xinyun, the controlling shareholder of the group, of which RMB31,654,000 (2024: RMB27,639,000) was utilised for letters of guarantee.

### 26. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

#### Deferred tax liabilities

|  | Fair value<br>adjustments<br>arising from<br>acquisition of<br>a subsidiary<br>RMB'000 | Right-of<br>use<br>assets<br>RMB'000 | Total<br>RMB'000 |
|--|--|--------------------------------------|------------------|
| At 1 January 2024  | 87   | 969                                  | 1,056            |
| Deferred tax credited to profit or loss during the year (note 10)              | (55)   | (271)                                | (326)            |
| Gross deferred tax liabilities at 31 December 2024 and<br>1 January 2025       | 32   | 698                                  | 730              |
| Deferred tax (credited)/charged to profit or loss during the year<br>(note 10) | (32)   | 465                                  | 433              |
| At 31 December 2025  | –  | 1,163                                | 1,163            |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 26. DEFERRED TAX (Continued)

#### Deferred tax assets

|  | Impairment<br>of financial<br>and<br>contract<br>assets<br>RMB'000 | Write-down<br>of<br>inventories<br>to net<br>realisable<br>value<br>RMB'000 | Leases<br>liabilities<br>RMB'000 | Losses<br>available for<br>offsetting<br>against<br>future<br>taxable<br>profits<br>RMB'000 | Total<br>RMB'000 |
|--|--|---|----------------------------------|---|------------------|
| At 1 January 2024  | 2,417  | 1,126   | 1,022                            | 5,918   | 10,483           |
| Deferred tax credited to profit or loss<br>during the year (note 10) | 249  | 375   | (534)                            | –   | 90               |
| Gross deferred tax assets at 31 December<br>2024 and 1 January 2025  | 2,666  | 1,501   | 488                              | 5,918   | 10,573           |
| Deferred tax credited to profit or loss<br>during the year (note 10) | 906  | 59  | 533                              | –   | 1,498            |
| At 31 December 2025  | 3,572  | 1,560   | 1,021                            | 5,918   | 12,071           |

For presentation purposes, certain deferred tax assets and liabilities have been offset in financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Net deferred tax assets recognised in the consolidated statement of<br>financial position      | 11,050          | 9,875           |
| Net deferred tax liabilities recognised in the consolidated statement of<br>financial position | 142             | 32              |

The Group has tax losses arising in Chinese mainland of RMB30,193,000 (2024: RMB16,331,000) that are available in the next five years for offsetting against future taxable profits of the companies in which the losses arose. The Group has tax losses arising in Hong Kong of RMB3,004,000 (2024: RMB10,324,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 27. SHARE CAPITAL

| Share   | 2025   | 2024   |
|---|--------|--------|
| Authorised:<br>5,000,000,000 (2024: 5,000,000,000) ordinary shares            | 45,609 | 45,609 |
| Issued and fully paid:<br>2,044,947,350 (2024: 2,044,947,350) ordinary shares | 18,654 | 18,654 |

A summary of movements in the Company's share capital is as follows:

|  | Number of<br>ordinary<br>shares of<br>HK\$0.01<br>each | Nominal<br>value of<br>ordinary<br>shares<br>HK\$'000 | Nominal<br>value of<br>ordinary<br>shares<br>RMB'000 |
|--|--|---|--|
| At 1 January 2024                      | 2,044,947,350  | 20,449  | 18,654   |
| At 31 December 2024 and 1 January 2025 | 2,044,947,350  | 20,449  | 18,654   |
| At 31 December 2025                    | 2,044,947,350  | 20,449  | 18,654   |

On 23 March 2022, the Board has resolved to grant 44,947,350 Award Share to 42 Selected Participants, all of whom are Employees. Under the Share Award Plan, no funds will be raised from the allotment and issue of the new Shares. Please refer also to note 28.

### 28. SHARE AWARD SCHEME

The Company adopted a Share Award Plan (the "Plan") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Plan will be selected by the committee, which comprises Directors and senior management of the Group. The Plan became effective on 9 November 2021 (the "Adoption Date") and, subject to any early termination in accordance with the rules of the Plan, the Plan shall be valid and effective for a term of 10 years commencing from the Adoption Date. According to the Share Award Plan, any Award Shares shall either be (i) existing Shares as may be purchased by the Trustee on the Hong Kong Stock Exchange or off the market; or (ii) new Shares to be allotted and issued to the Trustee by the Company pursuant to general mandate or specific mandate granted by Shareholders at general meeting(s) of the Company from time to time.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 28. SHARE AWARD SCHEME (Continued)

The Trustee shall purchase Shares at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Committee). In the event that the Trustee effects any purchases by off-market transactions, the purchase price for such purchases shall not be higher than the lower of the following: (i) the closing market price on the date of such purchase; and (ii) the average closing market price for the five preceding trading days on which the Shares were traded on the Hong Kong Stock Exchange.

Where any Award is specified to be satisfied by an allotment and issue of new Shares to the Trustee, such allotment and issue should only be made upon fulfilment of the following conditions:

- (i) the Company having obtained Shareholders' approval in general meeting under general mandate or specific mandate to authorise the Directors to allot and issue new Shares, provided that the total number of Shares to be allotted and issued to the Trustee under the Share Award Plan shall not exceed the plan limit; and
- (ii) the Listing Committee of the Hong Kong Stock Exchange having granted the listing of and permission to deal in the Shares which may be allotted and issued by the Company to the Trustee pursuant to the Share Award Plan.

On 23 March 2022, the Board has resolved to grant 44,947,350 Award Shares to 42 Selected Participants. The Award Shares represent (i) approximately 2.25% of the issued share capital of the Company as at the Adoption Date; and (ii) approximately 2.20% of the issued share capital of the Company after the allotment and as at the date of this report. No funds were raised from the allotment and issue of the new Shares.

#### Vesting Schedule

Subject to the fulfilment of the relevant conditions and/or performance targets, the Award Shares shall be vested in the Grantees in the following manner:

1. For 8 of the Grantees (the "1st Batch Grantees"):

| Vesting date  | % of the Award Shares to be vested |
|---------------|------------------------------------|
| 30 April 2022 | 50%                                |
| 30 April 2023 | 50%                                |

2. For 34 of the Grantees (the "2nd Batch Grantees"):

| Vesting date  | % of the Award Shares to be vested |
|---------------|------------------------------------|
| 30 April 2023 | 25%                                |
| 30 April 2024 | 25%                                |
| 30 April 2025 | 25%                                |
| 30 April 2026 | 25%                                |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 28. SHARE AWARD SCHEME *(Continued)*

#### **Vesting Conditions**

The vesting of the Award Shares is subject to the following vesting conditions:

1. the Grantee remaining as an Eligible Participant on and before the relevant vesting date (other than for reason of death or retirement);
2. the Grantee having achieved his/her respective performance targets as specified in the relevant grant letter;
3. the Grantee having completed the relevant filings and obtained the necessary approvals in respect of the transfer of the Award Shares by the Trustee to him/her (if required); and
4. the Grantee having returned duly executed acceptance form and/or transfer documents within a specified period of time prescribed by the Trustee.

The vesting of the second tranche of the Award Shares granted to the 1st Batch Grantees is subject to the following performance targets:

- (i) such Grantee shall obtain an overall grade of “B” or above for his/her personal position performance appraisal conducted by the Company before the vesting date in respect of such tranche; and
- (ii) the Group shall have achieved a year-on-year growth of at least 20% in the audited revenue or audited net profits in the immediately preceding financial year.

In respect of the 2nd Batch Grantees, the performance targets are that:

- (i) such Grantee shall obtain an overall grade of “B” or above for his/her personal position performance appraisal conducted by the Company before each of the vesting date in respect of each of the tranches; and
- (ii) in respect of each tranche, the Group shall have achieved a year-on-year growth of at least 20% in the audited revenue or audited net profits in the immediately preceding financial year.

Award Shares do not confer rights on the holders to dividends or to vote at shareholders' meetings.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 28. SHARE AWARD SCHEME (Continued)

#### Movements during the year

Movements in the number of awarded shares for the years ended 31 December 2025 are as follows:

|                           | Number of awarded shares |             |
|---------------------------|--------------------------|-------------|
|                           | 2025                     | 2024        |
| At 1 January              | 2,850,000                | 5,900,000   |
| Granted during the year   | –                        | –           |
| Vested during the year    | (1,250,000)              | (2,850,000) |
| Forfeited during the year | (1,050,000)              | –           |
| Lapsed during the year    | (550,000)                | (200,000)   |
| At 31 December            | –                        | 2,850,000   |

The Company used the share price (HK\$0.086 per share) as of 23 March 2022 to estimate the fair values of the above Award Shares as at the grant date. The Group recognised a share award expense of RMB53,000 during the year ended 31 December 2025.

On 23 March 2022, a total of 44,947,350 new Shares had been allotted and issued to the Trustee by the Company as Awarded Shares and will be held on trust by the Trustee for the Selected Persons until the end of the vesting period subject to fulfilment of the vesting conditions. As at 31 December 2025, out of which 23,223,675 Awarded Shares were vested.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 29. RESERVES

- (i) The amounts of the Group's reserves and the movements therein for the current year and the prior year are presented in the consolidated statement of changes in equity on pages 111 to 112 of the financial statements.
- (ii) Other capital reserve of the Group mainly arises from transactions undertaken with non-controlling interests.
- (iii) Share premium reserve represents the difference between the par value of the shares issued and the consideration received.
- (iv) In accordance with the Chinese mainland Company Law, the Chinese mainland subsidiaries of the Group are required to allocate 10% of their profit after tax to the statutory surplus reserve (the "SSR") until such reserve reaches 50% of the registered capital of the Chinese mainland subsidiaries. Subject to certain restrictions set out in the Chinese mainland Company Law, part of the SSR may be converted to increase the paid-up capital/issued capital of the Chinese mainland subsidiaries, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.
- (v) Merger reserve of the Group represents the issued capital of the then holding company of the companies now comprising the Group and the capital contributions from the equity holders of certain subsidiaries now comprising the Group before the completion of the reorganisation.
- (vi) The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies outside Chinese mainland. The reserve is dealt with in accordance with the accounting policy set out in note 2.4 to the financial statements.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Major non-cash transactions

During the year, the Group have non-cash additions to right-of-use assets nor lease liabilities of RMB6,248,000 (2024: nil) and RMB6,248,000 (2024: nil), in respect of lease arrangements for buildings used in its operations.

#### (b) Changes in liabilities arising from financing activities

2025

|   | Bank<br>borrowings<br>RMB'000 | Lease<br>liabilities<br>RMB'000 |
|---|-------------------------------|---------------------------------|
| At 1 January 2025                       | 38,034                        | 3,252                           |
| Proceeds from loans and borrowings      | 51,522                        | –                               |
| Additions to lease liabilities          | –                             | 6,248                           |
| Accretion of interest expenses (note 7) | 477                           | 299                             |
| Repayment of interest expenses          | (477)                         | (299)                           |
| Repayment of loans and borrowings       | (89,556)                      | –                               |
| Principal elements of lease payments    | –                             | (2,694)                         |
| At 31 December 2025                     | –                             | 6,806                           |

2024

|  | Bank<br>borrowings<br>RMB'000 | Lease<br>liabilities<br>RMB'000 |
|--|-------------------------------|---------------------------------|
| At 1 January 2024                        | 48,232                        | 7,083                           |
| Proceeds from loans and borrowings       | 63,036                        | –                               |
| Accretion of interest expenses (note 7)  | 1,553                         | 229                             |
| Repayment of interest expenses           | (1,553)                       | (229)                           |
| Repayment of loans and borrowings        | (73,234)                      | –                               |
| Principal elements of lease payments     | –                             | (2,130)                         |
| Reassessment and revision of lease terms | –                             | (1,707)                         |
| Exchange realignment                     | –                             | 6                               |
| At 31 December 2024                      | 38,034                        | 3,252                           |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

#### (c) Total cash outflow for leases

The total cash outflow for leases included in cash flows is as follows:

|                             | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------------------|-----------------|-----------------|
| Within operating activities | 41              | 117             |
| Within financing activities | 2,993           | 2,359           |
|                             | <b>3,034</b>    | 2,476           |

### 31. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's interest-bearing bank borrowings, factoring loans and letters of guarantee are included in notes 21 and 25 to the financial statements.

As at 31 December 2025, the pledged bank deposit amounting to approximately RMB4,786,000 were restricted due to the reason of judicial freezing.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 32. RELATED PARTY TRANSACTIONS

- (1) Other transactions with a related party:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| <b>Banking facilities and borrowings guaranteed by:</b> |                 |                 |
| Ms. Ding Xinyun*  | 215,000         | 175,000         |

\* The Controlling Shareholder of the Company.

The Group's banking facilities amounting to RMB31,654,000 (2024: RMB27,639,000) have been utilized for letter of guarantee at 31 December 2025.

- (2) Compensation of key management personnel of the Group, including Directors' remuneration as detailed in note 8 above:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Salaries, allowances and benefits in kind | 3,350           | 3,362           |
| Pension scheme contributions              | 295             | 191             |
|   | <b>3,645</b>    | <b>3,553</b>    |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 33. FINANCIAL INSTRUMENTS BY CATEGORY

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

#### Financial assets

|   | Financial assets at<br>amortised cost |                 |
|---|---------------------------------------|-----------------|
|   | 2025<br>RMB'000                       | 2024<br>RMB'000 |
| Trade and bills receivables                                 | 189,331                               | 182,161         |
| Financial assets included in deposits and other receivables | 2,013                                 | 3,010           |
| Time deposits and pledged deposits                          | 4,790                                 | 4,826           |
| Cash and cash equivalents                                   | 100,692                               | 84,239          |
|   | <b>296,826</b>                        | <b>274,236</b>  |

#### Financial liabilities

|   | Financial liabilities at<br>amortised cost |                 |
|---|--|-----------------|
|   | 2025<br>RMB'000                            | 2024<br>RMB'000 |
| Trade payables  | 149,039                                    | 162,093         |
| Financial liabilities included in other payables and accruals | 6,239                                      | 1,769           |
| Interest-bearing bank borrowings                              | –  | 38,034          |
| Lease liabilities   | 6,806                                      | 3,252           |
|   | <b>162,084</b>                             | <b>205,148</b>  |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

At 31 December 2025 and 2024, the fair values of the Group's financial assets and financial liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of cash and cash equivalents, time deposits and pledged deposits, trade and bills receivables, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings approximate to their respective carrying amounts largely due to the short-term maturities of these instruments.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the non-current portion of lease liabilities has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for lease liabilities as at the end of each of the Relevant Periods were assessed to be insignificant.

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, other receivables, trade payables, lease liabilities and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Approximately 94% (2024: 100%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale, whilst approximately 87% (2024: 83%) of costs were denominated in the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the US\$, HK\$, EUR, and GBP exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair values of monetary assets and liabilities) and the Group's equity.

|                                 | Increase/<br>(decrease) in<br>exchange rate<br>% | Increase/<br>(decrease) in<br>profit before tax<br>RMB'000 | Increase/<br>(decrease)<br>in equity<br>RMB'000 |
|---------------------------------|--|--|---|
| <b>As at 31 December 2025</b>   |  |  |   |
| If RMB strengthens against HK\$ | 5  | (436)  | (371)   |
| If RMB weakens against HK\$     | (5)  | 436  | 371   |
| If RMB strengthens against US\$ | 5  | (2,276)  | (1,935)   |
| If RMB weakens against US\$     | (5)  | 2,276  | 1,935   |
| If RMB strengthens against EUR  | 5  | (20)   | (17)  |
| If RMB weakens against EUR      | (5)  | 20   | 17  |
| If RMB strengthens against SGD  | 5  | (330)  | (281)   |
| If RMB weakens against SGD      | (5)  | 330  | 281   |
| <b>As at 31 December 2024</b>   |  |  |   |
| If RMB strengthens against HK\$ | 5  | (50)   | (43)  |
| If RMB weakens against HK\$     | (5)  | 50   | 43  |
| If RMB strengthens against US\$ | 5  | (4,914)  | (4,177)   |
| If RMB weakens against US\$     | (5)  | 4,914  | 4,177   |
| If RMB strengthens against EUR  | 5  | (117)  | (99)  |
| If RMB weakens against EUR      | (5)  | 117  | 99  |
| If RMB strengthens against GBP  | 5  | (561)  | (477)   |
| If RMB weakens against GBP      | (5)  | 561  | 477   |

#### 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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Maximum exposure and year-end staging

The tables below show 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 31 December. The amounts presented are gross carrying amounts for financial assets.

#### 31 December 2025

|   | 12-month ECLs<br>Stage 1<br>RMB'000 | Lifetime ECLs<br>Simplified<br>approach<br>RMB'000 | Total<br>RMB'000 |
|---|-------------------------------------|--|------------------|
| Trade receivables*  | –                                   | 209,788  | 209,788          |
| Bills receivable  | 5,850                               | –  | 5,850            |
| Contract assets*  | –                                   | 3,252  | 3,252            |
| Financial assets included in prepayments, deposits and<br>other receivables | 2,013                               | –  | 2,013            |
| Time deposits and pledged deposits  | 4,790                               | –  | 4,790            |
| Cash and cash equivalents   | 100,692                             | –  | 100,692          |
|   | <b>113,345</b>                      | <b>213,040</b>                                     | <b>326,385</b>   |

#### 31 December 2024

|   | 12-month ECLs<br>Stage 1<br>RMB'000 | Lifetime ECLs<br>Simplified<br>approach<br>RMB'000 | Total<br>RMB'000 |
|---|-------------------------------------|--|------------------|
| Trade receivables*  | –                                   | 172,328  | 172,328          |
| Bills receivable  | 30,688                              | –  | 30,688           |
| Contract assets*  | –                                   | 2,924  | 2,924            |
| Financial assets included in prepayments, deposits and<br>other receivables | 3,010                               | –  | 3,010            |
| Time deposits and pledged deposits  | 4,826                               | –  | 4,826            |
| Cash and cash equivalents   | 84,239                              | –  | 84,239           |
|   | <b>122,763</b>                      | <b>175,252</b>                                     | <b>298,015</b>   |

\* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 18 and 20 to the financial statements, respectively.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents and have available funding through capital contribution and financial support from related parties and bank borrowings.

The maturity profile of financial liabilities as at 31 December 2025 and 2024, based on the contractual undiscounted payments, was as follows:

|  | As at 31 December 2025 |                                |                         |                  |
|--|------------------------|--------------------------------|-------------------------|------------------|
|  | On demand<br>RMB'000   | Less than<br>1 year<br>RMB'000 | 2 to 5 years<br>RMB'000 | Total<br>RMB'000 |
| Trade and bills payables   | –                      | 149,039                        | –                       | 149,039          |
| Financial liabilities included in other payables<br>and accruals | –                      | 6,239                          | –                       | 6,239            |
| Lease liabilities  | –                      | 3,621                          | 3,505                   | 7,126            |
|  | –                      | 158,899                        | 3,505                   | 162,404          |

|  | As at 31 December 2024 |                                |                         |                  |
|--|------------------------|--------------------------------|-------------------------|------------------|
|  | On demand<br>RMB'000   | Less than<br>1 year<br>RMB'000 | 2 to 5 years<br>RMB'000 | Total<br>RMB'000 |
| Trade and bills payables   | –                      | 162,093                        | –                       | 162,093          |
| Financial liabilities included in other payables<br>and accruals | –                      | 1,769                          | –                       | 1,769            |
| Lease liabilities  | –                      | 1,984                          | 1,268                   | 3,252            |
|  | –                      | 165,846                        | 1,268                   | 167,114          |

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 35. 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 ratios 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. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes interest-bearing bank borrowings, lease liabilities, trade and bills payables, financial liabilities included in other payables and accruals, less cash and cash equivalents. Capital represents equity attributable to owners of the parent. The Group's policy is to keep the gearing ratio at a reasonable level. The gearing ratios at the end of the reporting periods are as follows:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Interest-bearing bank borrowings                              | –               | 38,034          |
| Lease liabilities   | 6,806           | 3,252           |
| Trade and bills payables                                      | 149,039         | 162,093         |
| Financial liabilities included in other payables and accruals | 6,239           | 1,769           |
| Less: Cash and cash equivalents                               | (100,692)       | (84,239)        |
| Net debt  | 61,392          | 120,909         |
| Equity attributable to owners of the parent                   | 206,977         | 200,793         |
| Capital and net debt  | 268,369         | 321,702         |
| Gearing ratio   | 23%             | 38%             |

### 36. EVENTS AFTER THE REPORTING PERIOD

On 10 February 2026, a direct wholly-owned subsidiary of the Company has acquired 100% equity interest in Kenfil Hong Kong Limited, a company incorporated in Hong Kong with limited liability, at a total consideration of HK\$3,000,000.

Save as disclosed above, there is no significant event occurred after the reporting period.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 37. 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:

|  | Note | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|------|-----------------|-----------------|
| <b>NON-CURRENT ASSETS</b>                          |      |                 |                 |
| Investment in a subsidiary                         |      | 9,214           | 9,214           |
| Total non-current assets                           |      | 9,214           | 9,214           |
| <b>CURRENT ASSETS</b>                              |      |                 |                 |
| Prepayments, deposits and other receivables        |      | 62,672          | 64,415          |
| Cash and cash equivalents                          |      | 133             | 85              |
| Total current assets                               |      | 62,805          | 64,500          |
| <b>CURRENT LIABILITIES</b>                         |      |                 |                 |
| Other payables and accruals                        |      | 12,183          | 7,235           |
| Total current liabilities                          |      | 12,183          | 7,235           |
| <b>NET CURRENT ASSETS</b>                          |      |                 |                 |
| Net assets   |      | 50,622          | 57,265          |
| <b>EQUITY</b>                                      |      |                 |                 |
| <b>Equity attributable to owners of the parent</b> |      |                 |                 |
| Share capital                                      | 27   | 18,654          | 18,654          |
| Reserves   |      | 41,182          | 47,825          |
| Total equity                                       |      | 59,836          | 66,479          |

Ms. Ding Xinyun  
Director

Ms. Li Yi  
Director

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

A summary of the Company's reserves is as follows:

|   | Share<br>capital<br>RMB'000 | Share<br>premium<br>reserve<br>RMB'000 | Awarded<br>share<br>reserve<br>RMB'000 | Exchange<br>fluctuation<br>reserve<br>RMB'000 | Retained<br>profits<br>RMB'000 | Total<br>RMB'000 |
|---|-----------------------------|--|--|---|--------------------------------|------------------|
| At 31 December 2024 and<br>1 January 2025       | 18,654                      | 79,294                                 | 188                                    | (68)  | (31,589)                       | 66,479           |
| Loss for the year                               | -                           | -                                      | -                                      | -   | (1,755)                        | (1,755)          |
| Other comprehensive income for<br>the year:     |                             |  |  |   |                                |                  |
| Exchange differences on currency<br>translation | -                           | -                                      | -                                      | (1,575)                                       | -                              | (1,575)          |
| Total comprehensive loss for the year           | -                           | -                                      | -                                      | (1,575)                                       | (1,755)                        | (3,330)          |
| Share Award Scheme                              |                             |  |  |   |                                |                  |
| - vested awarded shares                         | -                           | 70                                     | (70)                                   | -   | -                              | -                |
| - value of services                             | -                           | -                                      | 54                                     | -   | -                              | 54               |
| Final 2024 dividend declared                    | -                           | (3,367)                                | -                                      | -   | -                              | (3,367)          |
| At 31 December 2025                             | 18,654                      | 75,997                                 | 172                                    | (1,643)                                       | (33,344)                       | 59,836           |

### 38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2026.

## FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five years, as extracted from the published consolidated financial statements or the prospectus of the Company is set out below.

### Results of the Group for the year ended 31 December

|                              | 2025<br>RMB'000 | 2024<br>RMB'000 | 2023<br>RMB'000 | 2022<br>RMB'000 | 2021<br>RMB'000 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenue                      | 877,748         | 1,132,561       | 815,325         | 680,322         | 800,510         |
| (Loss)/profit before tax     | 9,451           | 7,701           | 5,264           | (35,829)        | 20,460          |
| Income tax credit/(expenses) | 954             | 320             | 826             | 8,058           | (1,026)         |
| (Loss)/profit for the year   | 10,405          | 8,021           | 6,090           | (27,771)        | 19,434          |

### Assets and liabilities of the Group as at 31 December

|                         | 2025<br>RMB'000 | 2024<br>RMB'000 | 2023<br>RMB'000 | 2022<br>RMB'000 | 2021<br>RMB'000 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Non-current assets      | 27,317          | 21,430          | 26,197          | 25,808          | 15,938          |
| Current assets          | 360,990         | 416,216         | 408,802         | 297,453         | 360,248         |
| Total assets            | 388,307         | 437,646         | 434,999         | 323,261         | 376,186         |
| Current liabilities     | 177,798         | 235,553         | 239,469         | 135,486         | 165,709         |
| Non-current liabilities | 3,532           | 1,300           | 3,952           | 2,643           | 2,073           |
| Net assets              | 206,977         | 200,793         | 191,578         | 185,132         | 208,404         |