EASTBUY
东方甄选

East Buy Holding Limited
東方甄選控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1797)

2026 ANNUAL REPORT

EASTBUY

东方甄选


EASTBUY 东方甄选
EASTBUY 东方甄选
Experience Store
High Safety, High-quality Taste, High Value for Money
东方甄选自营产品
东方甄选自营产品

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. YU Minhong (俞敏洪), *Chairman and chief executive officer*
Mr. YIN Qiang (尹強), *Chief financial officer*

Non-executive Director

Ms. SUN Chang (孫暢) *(resigned on 21 August, 2026)*

Independent non-executive Directors

Mr. KWONG Wai Sun Wilson (鄺偉信)
Mr. LIN Zheying (林哲瑩)
Mr. YAN Andrew Y (閻焱)
Ms. WAN Zhe (萬喆) *(appointed on 29 May 2026)*

BOARD COMMITTEES

Audit committee

Mr. YAN Andrew Y, *Committee chairman*
Mr. KWONG Wai Sun Wilson
Mr. LIN Zheying

Remuneration committee

Mr. LIN Zheying, *Committee chairman*
Ms. SUN Chang *(resigned on 21 August, 2026)*
Mr. YAN Andrew Y
Mr. YIN Qiang *(appointed on 21 August, 2026)*

Nomination committee

Mr. YU Minhong, *Committee chairman*
Mr. LIN Zheying *(resigned on 29 May 2026)*
Mr. YAN Andrew Y
Ms. WAN Zhe *(appointed on 29 May 2026)*

JOINT COMPANY SECRETARIES

Ms. SONG Jie *(appointed on 22 August 2025)*
Ms. MA Wing Yee *(appointed on 22 August 2025)*
Mr. CHEUNG Kai Cheong Willie *(resigned on 22 August 2025)*

AUTHORISED REPRESENTATIVES

Mr. YIN Qiang
Ms. MA Wing Yee *(appointed on 22 August 2025)*
Mr. CHEUNG Kai Cheong Willie *(resigned on 22 August 2025)*

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors

REGISTERED OFFICE

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Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS

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Zhongguancun, Haidian District
Beijing, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 40, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

LEGAL ADVISERS

As to Hong Kong Laws and United States Laws

Skadden, Arps, Slate, Meagher & Flom and affiliates

As to PRC Laws

Tian Yuan Law Firm

As to Cayman Islands Laws

Conyers Dill & Pearman

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited

PRINCIPAL BANK

Bank of China (Hong Kong) Limited

STOCK CODE

1797

WEBSITE

ir.eastbuy.com

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE HIGHLIGHTS

	FY2026 RMB'000	FY2025 RMB'000	Change
Revenue	5,701,007	4,392,071	29.8%
Operating profit	663,391	(109,884)	703.7%
Profit before tax	684,360	60,745	1,026.6%
Profit for the year	543,870	6,191	8,684.8%
Profit for the year attributable to:			
– Owners of our Company	543,549	5,735	9,377.8%
– Non-controlling interests	321	456	(29.6%)
Earnings per share			
– Basic (RMB)	0.52	0.01	5,100.0%
– Diluted (RMB)	0.51	0.01	5,000.0%
Non-IFRS measure: Adjusted profit for the year (unaudited)[1]	628,600	173,546	262.2%
Non-IFRS measure: Adjusted EBITDA (unaudited)[2]	792,619	98,893	701.5%

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

			RMB'000		
	FY2026	FY2025	FY2024	FY2023	FY2022
Revenue	5,701,007	4,392,071	7,072,564	4,509,849	898,535
Gross profit	2,038,831	1,404,041	2,119,008	1,954,769	413,491
Operating profit/(loss)	663,391	(109,884)	419,948	1,070,815	(579,571)
Profit/(loss) for the year	543,870	6,191	1,719,508	971,286	(533,964)
Profit/(loss) attributable to owners of our Company	543,549	5,735	1,719,503	971,286	(533,954)
Non-IFRS measure: Adjusted net profit/(loss) (unaudited)	628,600	173,546	2,180,710	1,089,333	(363,725)

CONDENSED CONSOLIDATED BALANCE SHEET

	RMB'000				
	FY2026	FY2025	FY2024	FY2023	FY2022
Assets:					
Non-current assets	633,081	333,568	377,632	416,022	367,912
Current assets	6,307,147	5,758,945	6,163,887	3,436,916	1,691,481
Total assets	6,940,228	6,092,513	6,541,519	3,852,938	2,059,393
Equity and liabilities:					
Equity attributable to owners of our Company	5,616,054	5,117,097	4,969,216	2,803,808	1,641,008
Non-controlling interests	1,182	861	405	–	–
Total equity	5,617,236	5,117,958	4,969,621	2,803,808	1,641,008
Non-current liabilities	12,535	20,004	58,999	20,301	25,058
Current liabilities	1,310,457	954,551	1,512,899	1,028,829	393,327
Total liabilities	1,322,992	974,555	1,571,898	1,049,130	418,385
Total equity and liabilities	6,940,228	6,092,513	6,541,519	3,852,938	2,059,393

Notes:

(1) Adjusted profit ("**Adjusted Profit**") for the year represents profit for the year less loss on fair value changes of financial assets at FVTPL (non-current), gain on disposal of a financial asset at FVTPL (non-current) and loss on disposal of an associate, plus share-based compensation expenses for the financial year.

(2) Adjusted EBITDA ("**Adjusted EBITDA**") (or earnings before interest, taxes, depreciation, and amortisation) represents profit for the year plus income tax expenses, share-based compensation expenses, finance costs, impairment losses recognised under expected credit loss model, net, depreciation of property and equipment, depreciation of right-of-use assets, less other income, gains and losses for the financial year.

BUSINESS OVERVIEW AND OUTLOOK

OUR BUSINESS

We have positioned our Company as a private label products and livestreaming e-commerce platform that focuses on carefully selecting premium products for our customers, an outstanding product and technology company that continually provides agricultural products as its core product under our private label brand, "East Buy" (東方甄選), and a cultural communication company that provides customers with a pleasant experience. Through the provision of high-quality products and services, the promotion of traditional Chinese culture and positive values, we hope to provide every customer and viewer with a better, healthier, and high-quality life.

Since 2021, we have expanded our businesses in private label products and livestreaming e-commerce and established "East Buy", which has become a well-known online platform for selling top-quality and good value for money agricultural and other products. Not only does the platform offer an alternative channel for producers and local companies to sell high-quality agricultural and other products to a broader customer base, it also provides consumers with a platform which offers a wide range of high-quality products with transparency in pricing. Leveraging our deep understanding of customers' needs, we select quality agricultural and other products for our customers through our integrated supply chain management and diversified cooperation with various third parties. We create value for consumers by providing various private label products under the "East Buy" brand, which are designed to be healthy and high-quality with good value for money, including fresh foods, grocery, health and nutrition foods, apparel and underwear, personal care and household cleaners, makeup and cosmetics, paper goods and wipes, stationery, books and other products, etc. Through direct cooperation with producers and local enterprises, we aspire to promote quality products that have traditionally lacked sales channels and to improve the operational efficiency of the industry supply chain, so as to accelerate rural revitalisation and contribute long-term value to the relevant upstream and downstream industry.

Being consistent with our Company's history, we continue to stand by a "customer-centric" long-term development strategy. Through innovative livestreaming activities and providing premium services, we provide our customers with a unique and entertaining shopping experience that involves the sharing of knowledge, wisdom and Chinese culture and history. We have an established team of talented livestreamers and have adopted a multi-channel strategy to reach a wider consumer base. We have set up various livestreaming channels, including East Buy Beautiful Life (東方甄選美麗生活) and East Buy Private Label (東方甄選自營產品) on Douyin (抖音), which focus on different product categories to continually create positive, unique and interesting content to attract and retain user viewership, while at the same time, promote traditional Chinese culture and share knowledge with consumers. During the Reporting Period, we have adopted a multi-platform strategy and sold our private label products on various platforms, such as Taobao (淘寶), JD.com (京東), Pinduoduo (拼多多), REDnote (小紅書), Mini Program (微信小程序), Mini Shops (微信小店) and our own APP. Our Company has also established a membership system which has provided members with unique and exclusive membership services and offered members with lower prices on a limited selection of nationally-branded and private label products in a wide range of merchandise categories on our own APP since October 2023. In 2026, we have accelerated the development of our offline channels and have established three offline experience stores in Beijing, Xi'an, and Zhengzhou. Additionally, the Company's on-demand retail business has been officially launched in Shanghai and Beijing. The Company remains steadfastly committed to a "customer-centric" philosophy. Guided by our "Three Highs" product standards — "high safety, high-quality taste, and high value for money" ("高安全性、高品位、高質價比"). The "East Buy" brand has become increasingly prominent in the industry, quickly becoming synonymous with "quality, accessibility, and lifestyle culture" in China, particularly as related to agricultural and other daily necessities products, and thereby, our brand is gaining millions of loyal viewers/followers and returning customers.

The key operating metrics in the livestreaming e-commerce business are summarised below:

	FY2026	FY2025
Key operating data		
GMV (RMB) (billion)[1]	10.2	8.7
GMV of private label products (RMB) (billion)	5.4	3.8
Number of paid orders on Douyin (million)	97.4	91.6
Number of paid membership subscriptions on East Buy's APP (thousand)[2]	353.3	264.3

Notes:

(1) Includes the paid GMV from all sales channels such as Douyin, Taobao and our own APP, etc.

(2) Includes the number of paid members on East Buy's APP.

BUSINESS DEVELOPMENTS

Our financial performance

We are pleased to deliver strong full-year results for FY2026, with sustained vigorous growth across our private label product business and livestreaming e-commerce business. Over the past years, the Group has steadily advanced strategic business transformation and internal organizational upgrading amid ongoing cyclical changes in external environment, while proactively navigating periodic public opinion challenges. Throughout the transformative journey, the Group has remained firmly focused on private label products-driven development and upheld user trust as the bedrock of all business operations, continuously consolidating operational fundamentals and enhancing the long-term certainty of our business growth. Our long-standing corporate principle remains unchanged: supplying consumers with carefully selected high-quality goods and considerate customer services under the "Three Highs" product standards — "high safety, high-quality taste, and high value for money" ("高安全性、高品位、高質價比").

During the Reporting Period, the Group has exhibited remarkable operational robustness and anti-risk capability. Centered on our long-term development strategy, we effectively coped with external market volatility and realised comprehensive improvement in top-line revenue and bottom-line profitability on a year-on-year basis. If we exclude the revenue amount generated by the livestreaming channel of Time with Yuhui, our total net revenue increased by 36.3% from RMB4.2 billion for FY2025 to RMB5.7 billion for FY2026; if we include the revenue amount generated by the livestreaming channel of Time with Yuhui, our total net revenue increased by 29.8% from RMB4.4 billion for FY2025 to RMB5.7 billion for FY2026. Operating profit turned from a loss of RMB 109.9 million for FY2025 to a profit of RMB 663.4 million for FY2026; if we exclude the impact of share-based compensation expenses, operating profit increased by 1,366.4% from RMB 50.8 million for FY2025 to RMB 744.5 million for FY2026. Operating profit margin increased significantly from a loss margin of 2.5% for FY2025 to a profit margin of 11.6% for FY2026. Meanwhile, net profit increased by 8,684.8% from RMB6.2 million for FY2025 to a net profit of RMB543.9 million for FY2026. Adjusted net profit increased by 262.2% from RMB173.5 million for FY2025 to a net profit of RMB628.6 million for FY2026.

Benefiting from the investments on the product side, improved user experience, expansion of livestreaming matrix and refined overall operational management, growth momentum picked up remarkably in the second half of FY2026, delivering outstanding performance. Specifically, the revenue for the second half of FY2026 amounted to RMB3.4 billion, as compared to RMB2.2 billion recorded in the second half of FY2025, representing year-on-year growth of approximately 53.7%. Meanwhile, the operating profit for the second half of FY2026 reached RMB398.9 million, an increase of RMB134.3 million compared with the first half of FY2026. Operating profit margin also rose from 11.4% in the first half of FY2026 to 11.8% in the second half of FY2026. The net profit for the second half of FY2026 amounted to RMB304.8 million, as compared with the net profit of RMB102.7 million in the corresponding period of FY2025, representing year-on-year growth of 196.8%. The Group maintained robust profitability throughout the Reporting Period, steadily consolidating the fundamental strengths required for stable and sustainable long-term corporate growth.

Core performance of private label products

During the Reporting Period, the Group made significant progress in private-label product development and supply chain management. As of 31 May 2026, cumulative private-label SPUs reached 1,009 (732 as of 31 May 2025). The product categories have expanded from the initial fresh food and snacks to a much broader matrix — healthcare products, paper towels and wet wipes, personal care and household cleaning, home textiles, as well as apparel and underwear — with new offerings such as herbal foot-soak packs, maternity and baby products, low-GI food and skincare products in development, continuously filling gaps across family scenarios. Guided by its three product standards of "high safety, high quality taste and high value for money", the Group is shifting its business model from traffic-driven to product-driven. On one front, it accelerates the launch of new products and fills category gaps to build a richer product portfolio around Chinese households' core needs for health and convenience; on the other, it continuously speeds up the iteration and upgrading of existing products, holding the quality bottom line with a perfectionist attitude — "polishing nearly twenty formula versions of a single product before it is allowed to launch, and sourcing from over a hundred supply-chain partners". To uphold these standards, the Group has established a full-chain quality control system spanning "raw-material traceability — factory audit — in-production inspection — ex-factory testing — delivery fulfilment", and adheres to a clean-label philosophy (no trans fats, artificial flavours, artificial colours or preservatives unless essential; real ingredients, rejecting additive stacking on the ingredient list). The origin of core raw materials and suppliers is fully traceable, and the Group builds a differentiated private-label advantage over peers through solid quality and transparent information, bringing consumers a more reassuring and better product experience.

In terms of private-label food products, over 200 new private-label products were launched during the year. Strategic categories such as health & nutrition and seafood & aquatic products scaled up rapidly and formed differentiated category barriers; peeled shrimps, pure milk, probiotics and the seasonal product cherries became blockbuster hits. Behind this lies a user-data-driven product logic: member and consumer demands and feedback are used to push formula and process upgrades, concentrating resources to build a "buy-without-thinking" benchmark hit in a category rather than stacking SPUs through sprawling assortments. In non-food (daily necessities) private-label products, new-product development and legacy-product iteration accelerated in tandem. Both fronts are underpinned by the full-chain quality control system: the product-manager and quality-control teams have been continuously expanded, with staff conducting products traceability at source factories and reviewing ingredient lists item by item, proactively halting and scrapping products that fail internal control standards. The Group follows a "broad categories, refined single products" selection logic, benchmarking against industry-leading supply chain standards to build a proprietary high standard system so as to select partner factories and participating in end-to-end control from seed/origin to delivery. The Group builds a differentiated product strength of "good ingredients, clean formulas, great experience" on the foundation of real ingredients, clean labels and traceability, ensuring stable delivery and continuous optimization of its rich product portfolio. We are pleased that our private label products have become a key growth driver, accounting for approximately 52.6% of total GMV in FY2026.

Additionally, East Buy continued to optimize its existing warehouse network layout and enhance operational capabilities. In FY2026, East Buy established an integrated nationwide warehousing and fulfillment network, to form a centralized management network for all product categories. Leveraging refined operational measures such as warehouse network optimization and bulk shipping, cost reductions were achieved on the fulfillment side: logistics costs as a percentage of GMV continued to be optimized, and per-unit warehousing costs decreased.

In FY2026, our customer service team has cumulatively served over 10 million customers, achieving a customer satisfaction rate of 97%. We continue to strengthen our customer service capabilities by leveraging AI technology to empower core service processes, releasing manpower at scale, accumulating intelligent agent expertise, and building an intelligent operational foundation capable of supporting business fluctuations. We have also normalized the Voice of the Customer (VOC) program, using service insights to drive improvements in front-end business operations.

The East Buy proprietary APP is positioned as the core vehicle of the brand's private domain, the primary base for membership operations, and a one-stop family consumption solution platform. During the Reporting Period, we continued to invest heavily in the APP's technology iteration, supply-chain onboarding, content operations, and membership benefits system. The APP's user base, transaction volume, and paying customer average order value all achieved continuous and steady growth; user stickiness, and per-customer value were further enhanced, and the membership-economy business model continued to improve. In FY2026, the East Buy APP featured over 10,000 products, accumulated more than 10 million registered users.

The Company adopts the multi-platform, multi-matrix strategy to expand its reach for a wider consumer base and increase brand awareness and influence. As a core public domain traffic platform, Douyin continued to be a key focus for the Group, where we launched or upgraded 11 new Douyin vertical accounts, expanding its matrix to 18 channels, optimized our traffic delivery strategy, and successfully expanded our intended customer groups. Meanwhile, we expand our sales reach through new approaches such as short-video, influencer cooperation, and product recommendation and sales, thereby driving the sustainable growth of GMV. While continuing to enrich the products and services in online shop channels in different platforms, e.g. Mini Programs, Mini Shops, Tmall, JD.com, Pinduoduo, REDnote, we began to explore offline channels leveraging strong brand recognition and New Oriental's Learning Centers network.

We have launched the vending machine project and have deployed over 100 vending machines across different regions nationwide, with operations in 26 cities. These vending machines are currently placed primarily on New Oriental's school campuses. We plan to scale this initiative further, expanding coverage to office buildings, residential communities, schools, corporate campuses, and other locations to supplement offline sales channels.

We are encouraged that our first offline experience store in Beijing's Zhongguancun (北京中關村) has delivered better-than-expected traction since commencing trial operations in early May 2026. The approximately 400-square-metre store offers consumers a one-stop "shopping + leisure + social interaction" experience. The store showcases the Group's private-label products across a full range of categories — including fresh produce, snacks, daily necessities and home goods — which now account for over 75% of the store's assortment, alongside a curated selection of third-party quality offerings. It features interactive zones such as product traceability display areas and tasting stations, using tangible quality demonstrations to strengthen consumer trust in our products. With a focus on neighborhood consumption needs, it provides convenient services including online ordering, in-store delivery and pickup, and instant retail serving surrounding communities, as well as member-exclusive benefits under our unified membership program. The store serves as a physical showcase for our private-label system and an integral touchpoint within the Company's "livestreaming + shelf-based retail + offline instant retail" omni-channel network. The Company will continue to expand its offline stores and nationwide instant retail front warehouses in the future.

To further extend our offline network, in July 2026 the Company has partnered with campuses of the New Oriental to open stores in Zhengzhou and Xi'an, extending the offline experience from a benchmark directly-operated store to a "cooperative operation" model. Leveraging the brand influence of New Oriental, as well as the high-frequency foot traffic and community nature of its campuses, this model brings the Company's high-quality private-label products and healthy lifestyle proposition to more Chinese households.

Further, we have emphasised talent training, strengthening organisational structure building, and advocating a unified set of values to ensure that our employees can maximise their potential in their respective positions and collectively contribute to the Company's long-term development. As of 31 May 2026, the total number of personnel in our private label products and livestreaming e-commerce team reached 1,812, of which 1,233 were full-time employees and 579 were part-time employees. We also had 983 personnel dedicated to our supply chain and product, of which 715 were full-time employees and 268 were part-time employees.

Driven by the implementation of the aforementioned strategies, our GMV has grown in tandem. If we exclude the GMV generated by the livestreaming channel of Time with Yuhui, our GMV increased by 36.4% from RMB7.5 billion for FY2025 to RMB10.2 billion for FY2026; if we include the GMV generated by the livestreaming channel of Time with Yuhui, our GMV increased by 17.6% from RMB8.7 billion in fiscal year 2025 to RMB10.2 billion in fiscal year 2026. More specifically, our GMV increased by 54.5% from RMB3.9 billion for the second half of FY2025 to RMB6.1 billion for the second half of FY2026. While the GMV from Douyin represented a large majority of our GMV, the total number of paid orders from our third-party products and our private label products on Douyin for FY2026 increased to approximately 97.4 million.

FUTURE OUTLOOK BEYOND THE REPORTING PERIOD

Future plans for the private label products and livestreaming e-commerce business

We are embracing a new beginning and continue to be committed to providing users with high-quality products and services. Our strategic positioning is firm and clear. In the future, we will continue to strive to become a livestreaming platform that focuses on carefully selecting premium products for our customers, an outstanding product and technology company that continually provides private label products as its core product under our brand, "East Buy", and a cultural communication company that provides customers with pleasant experience. We firmly believe in our mission of promoting public welfare and creating value for society.

Going forward, we will focus our efforts in the following key areas:

User trust serves as the foundation of everything

User trust is the fundamental cornerstone for East Buy's long-term operations and the robust development of its membership program. The recognition and trust from our broad user base has been the core confidence driving the Company's efforts to refine products, iterate services, and expand its online and offline retail presence. Striving for long-term development, the Company will steadfastly uphold its commitment to operating with integrity, and will continuously upgrade its products and service system across different pillars: long-term value creation, consumption experience, as well as customer services and assurance, safeguarding user trust through actions.

We adhere to the core principle of "Share value creation gains with customers"("依托價值創造所得，持續回饋用戶"). In the future, we will establish a unified cross-channel membership benefits mechanism which spans across WeChat Video Accounts (微信視頻號), the official APP, and offline experience stores, in order to solidify an exclusive membership discount system. We will continue to expand monthly coupon packages for members, renewal incentives, priority access to new products, and other basic benefits, while establishing a price difference guarantee mechanism for member purchases, ensuring that the value of each member's subscription is visible, measurable, and tangible. Leveraging full-chain product traceability and regular quality inspection disclosure mechanisms, we have published inspection reports and origin traceability information for our private label products, using stringent quality control to build the first line of defense for trust, enabling users to consume or use our products with confidence and peace of mind.

Leveraging the livestreaming matrix and APP community, we will build a platform for members' intellectual engagement, integrating knowledge value and cultural attributes into the membership service system via creative livestreaming events and offline events. We will regularly offer senior members exclusive in-depth benefits such as, themed tours, and co-creation opportunities, sharing the origin stories behind every private label product, listening to customers' genuine suggestions on product selection, services, and activities, and incorporating user feedback as a core input for product iteration and service optimization.

The Company will establish an independent customer service management module and implement a regular user satisfaction survey mechanism, which enabled the optimization of the structure and service standards based on user experience data. In addition, all membership rules, benefit details, and fee standards will be fully disclosed transparently, eliminating hidden restrictions or unannounced rule changes. We are aware that membership fees represent a trust placed in us by users. Going forward, we will not simply pursue membership scale growth as a goal, but rather adopt renewal rates, user satisfaction, and reputation recognition as core service assessment indicators, fulfilling our commitment to all members through stable, long-term, and sincere services.

Staying true to our original aspiration, treating each other with sincerity. East Buy will always place user trust as its top priority, accompanying our users and members in the long run with standardized product excellence, refined service capabilities, and a warm sense of companionship, in order to jointly build a long-term consumption relationship of mutual trust and shared commitment.

Pursuing ultimate product quality with high-quality ingredient and clean formula

At East Buy, products are our mission, and quality is our creed. Currently, the Company has generated over 26,000 quality inspection reports for its private label products and invested tens of millions of Renminbi each year in product testing to fully guarantee the outstanding quality of our full range of products. Expenditure on quality inspection is not a calculable cost item, but an immeasurable commitment to safety. Our investment in quality control is unconstrained by cost and unshakable.

We adhere to the principle of "simplified ingredient lists". We continue to expand the supply of high-quality new products across all categories to respond to consumers' frequent demands. Four segmented product lines have been rolled out, namely low-GI healthy food, small-sized portable packaged products, organic fresh produce, and zero-additive, low-fat and low-sugar food. For existing mature products, we implement an in-depth supply chain co-construction strategy. The model is upgraded from traditional procurement to deep collaboration featuring designated production regions, joint development of exclusive formulas and production processes with manufacturers, enabling us to secure production capacity of core high-quality raw materials in advance.

Looking ahead to FY2027, the development model for private label products will be comprehensively upgraded, shifting from sporadic new product launches in the past to systematic, matrix-based and cyclical long-term product operation. We will build a comprehensive private label product matrix and improve full-scenario product offerings catering to household needs. As a core medium-to-long-term strategy, forward-looking global deployment will be carried out in phases under a two-way product layout covering domestic and overseas markets.

AI-enabled operational efficiency improvement

To date, the global retail industry is undergoing a technology-driven systemic transformation. The Company has consistently kept a close watch on and attached great importance to the far-reaching impact of technological evolution.

Although the application of Generative AI and its derivative technologies remains at an early stage, the Company will continue to explore and adopt new technologies. We will enhance efficiency of our customer service by deploying AI tools across all service scenarios. We plan to restructure existing processes by implementing large model-driven sales conversion and codify best-practice service strategies.

By launching a pre-sales shopping guide agent on the APP, we expect to transform the existing basic "shop assistant" to a 24/7 premium shopping consultant; and to further enhance the conversion capabilities of chatbots, so that they can evolve from a passive, scripted FAQ responder into a top-performing sales associate that understands customer preferences and product pairings to facilitate transaction conversion.

The core position of membership system

East Buy is building an integrated online-offline omni-channel membership ecosystem, implementing systematic operational initiatives across different areas, including benefits operations, cross-channel interoperability, value-added content and offline collaboration, continuously enhancing member stickiness, repeated purchases, and brand identification.

The Company has established a standardized long-term membership operation mechanism, consistently delivering exclusive consumer benefits, such as (i) monthly dedicated member discount campaigns and targeted member coupon packages; (ii) continuous iteration of membership enrollment incentives, which the Company has completed three rounds of benefit upgrades; (iii) a limited-time "buy two years, get two years free" renewal offer; and (iv) a membership task system which aims to drive daily user engagement, comprehensively improving membership renewal rates and purchase frequency.

Membership benefits are universally accessible across channels and scenarios. Member prices, coupons, loyalty points, and other benefits are standardized across the East Buy APP, Mini Programs, and offline experience stores. Online and offline membership identities are unified, eliminating channel barriers and providing users with a consistent, seamless premium consumption experience.

Through exclusive content, we aim to elevate the sense of exclusive membership value. We will establish original IP livestreaming matrix. Going forward, Mr. YU Minhong and all livestreamers will regularly host member-exclusive livestreaming sessions and knowledge-sharing events, delivering diverse and in-depth content to members. We will also provide knowledge-sharing benefits to members who enjoy access to free reading, podcast listening, family education video series, and other exclusive learning resources, balancing both consumption and intellectual value.

In collaboration with New Oriental's nationwide offline learning centers, we have deployed member self-pickup and offline experience models, opening dedicated offline membership enrollment channels to fully leverage the existing potential of New Oriental's student base. Some New Oriental students have completed membership card enrollment and generated paid transactions. As offline stores continue to accumulate membership, together with the two-way customer channeling between online and offline members, the Company believes that this will enable the further expansion of overall consumer group.

Developing professional talent pool

To support the implementation of our strategic direction, East Buy will strengthen organizational capabilities across three pillars: human resources, talent development and organizational building. In terms of human resources, we will develop a comprehensive, systematic and competitive compensation and performance framework to attract top talent, notably content-focused livestreamers, product R&D managers and quality control specialists. Adhering to a customer-centric approach, East Buy regards all product and customer-related initiatives as the cornerstone and competitive moat of our growth. In terms of talent development, we identify strategically critical roles based on business requirements, establish talent profiles and competency models, and assess managers against both performance and potential to enable flexible talent advancement. We will nurture talent via job rotations, mentorship schemes and cross-departmental strategic project workshops to lift overall talent capacity. In terms of organizational building, aligned with the FY2027 business strategy, we aim to foster an organisational culture underpinned by candor, respect, collaboration and innovation. We will break down communication barriers and departmental silos, build mutual trust and encourage exploratory mindsets to drive sustained innovation. These efforts will underpin the development of an agile, efficient and resilient high-performance organisation to deliver our strategic goals.

Upholding Three High standards to fulfill corporate social responsibility

The Company has always placed food safety as the utmost important foundation of its operations, strictly implementing the "Three Highs" core product standards — "high safety, high-quality taste, and high value for money" ("高安全性、高品位、高質價比"), building a robust food safety defense through a stringent full-chain quality control system, and continuously fulfilling its corporate social responsibility. From raw material traceability, production and processing, factory inspection, to warehousing and fulfillment, standardized management and control mechanisms are established at every stage. Safety inspection requirements exceeding industry standards are applied to all private label products across all categories, adhering to the red line of food safety. Concurrently, we deepen high-quality industry supply chains, carefully select premium raw materials, refine product craftsmanship, and balance superior user experience with accessible pricing, bringing safe, high-quality, and cost-effective products to millions of households. Leveraging our omni-channel business deployment, deep partnerships with production regions, and online-offline channel network, the Company continues to facilitate the upward distribution of quality agricultural products and popularize scientific and safe consumption concepts. Through solid product capabilities, rigorous safety management, and inclusive product offerings, we comprehensively fulfill our long-term responsibilities to consumers, the industry, and society. "Better living all with East Buy" ("美好生活，盡在東方甄選"). This is our commitment and our motivation to move forward. Looking ahead, East Buy will continue to deepen food safety control and social responsibility initiatives. While upholding its core strength of high quality, the Company will create a more reassuring consumption experience for consumers and inject sustained momentum into social development.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

Our revenue increased by 29.8% from RMB4.4 billion for FY2025 to RMB5.7 billion for FY2026, among which our revenue from our APP increased from RMB1.1 billion for FY2025 to RMB1.3 billion for FY2026. If excluding the revenue amount generated by the livestreaming channel of Time with Yuhui, our total revenue increased by 36.3% from RMB4.2 billion for FY2025 to RMB5.7 billion for FY2026.

Our revenues from private label products increased by 37.4% from RMB3.5 billion for FY2025 to RMB4.8 billion for FY2026. During the Reporting Period, we continuously enhanced supply chain management, expanded our product categories, and increased the number of product offerings and SPUs.

COST OF REVENUE, GROSS PROFIT AND GROSS MARGIN

Our total cost of revenue increased by 22.6% from RMB3.0 billion in FY2025 to RMB3.7 billion for FY2026, primarily due to the increase in cost of inventories as a result of increase in the GMV for private label products.

Our gross profit increased by 45.2% from RMB1.4 billion for FY2025 to RMB2.0 billion for FY2026. Our gross profit margin increased from 32.0% for FY2025 to 35.8% for FY2026, primarily due to the healthy development of our private label products and livestreaming e-commerce business, especially the increase in the contribution of health and nutrition products.

OTHER INCOME, GAINS AND LOSSES

Our other income, gains and losses decreased by 80.0% from RMB176.9 million for FY2025 to RMB35.5 million for FY2026, primarily due to change from exchange gain amounted to RMB18.6 million in FY2025 to exchange loss amounted to RMB99.4 million in FY2026.

SELLING AND MARKETING EXPENSES

Our selling and marketing expenses increased by 19.5% from RMB902.1 million for FY2025 to RMB1.1 billion for FY2026, primarily due to the increase in the headcount of product managers, the investment in the private label products development and advertising expenses on private label products business and livestreaming e-commerce business operations. In respect of advertising activities, we focus on Return-On-Investment (ROI) management.

RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses decreased by 14.8% from RMB127 million for FY2025 to RMB108.3 million for FY2026, primarily due to the decrease in staff costs as we improved operational efficiency in the internet technology system and application for private label and livestreaming e-commerce business during the Reporting Period.

ADMINISTRATIVE EXPENSES

Our administrative expenses decreased by 61.0% from RMB484.8 million for FY2025 to RMB188.9 million for FY2026, primarily due to the distribution of all remaining undistributed profits from Time with Yuhui in FY2025 as disclosed in the announcement of the Company dated 25 July 2024.

SHARE OF RESULTS OF ASSOCIATES

Our share of profit of associates decreased from a loss of RMB0.7 million for FY2025 to a loss of RMB0.6 million for FY2026, primarily due to the disposal of Beijing Shidai Yuntu Book Co., Ltd. (北京時代雲圖圖書有限責任公司).

INCOME TAX EXPENSES

Our income tax expenses were RMB140.5 million for FY2026, compared to RMB54.6 million for FY2025, primarily due to the increase in net profit during the Reporting Period.

NET PROFIT FOR THE YEAR

As a result of the above, net profit increased from RMB6.2 million for FY2025 to a net profit of RMB543.9 million for FY2026.

NON-IFRS MEASURES

To supplement our financial information presented in accordance with IFRS, we also use Adjusted Profit for the year and Adjusted EBITDA as non-IFRS measures, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures facilitate comparison of operating performance from period to period by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. We also believe these measures provide useful information to investors and others in understanding and evaluating our consolidated statements of profit or loss in the same manner as they have assisted our management. Please note, however, our presentation of Adjusted Profit and Adjusted EBITDA may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our consolidated statements of profit or loss or financial condition as reported under IFRS.

We define Adjusted Profit for the year as profit for the year less loss on fair value changes of financial assets at FVTPL (non-current), gain on disposal of a financial asset at FVTPL (non-current) and loss on disposal of an associate, plus share-based compensation expenses for the financial year. We define Adjusted EBITDA for the year as profit for the year plus income tax expenses, share-based compensation expenses, finance costs, impairment losses recognised under expected credit loss model, net, depreciation of property and equipment, depreciation of right-of-use assets, less other income, gains and losses for the financial year.

The following table reconciles our net profit for the year to Adjusted Profit for the year:

	FY2026 RMB'000 (unaudited)	FY2025 RMB'000 (unaudited)
Reconciliation of profit for the year to Adjusted Profit for the year:		
Net profit for the year	543,870	6,191
Add:		
Share-based compensation expenses	81,081	160,653
Less:		
Gain on disposal of a financial asset at FVTPL (non-current)	8,402	–
Loss on disposal of an associate	(11,991)	–
Loss on fair value changes of financial assets at FVTPL (non-current)	(60)	(6,702)
Adjusted Profit for the year	628,600	173,546

The following table reconciles our profit for the year to Adjusted EBITDA for the year:

	FY2026 RMB'000 (unaudited)	FY2025 RMB'000 (unaudited)
Reconciliation of net profit for the year to Adjusted EBITDA for the year		
Net profit for the year	543,870	6,191
Add:		
Income tax expense	140,490	54,554
Share-based compensation expenses	81,081	160,653
Finance costs	1,536	2,932
Impairment losses recognised under expected credit loss model, net of reversal	12,399	2,708
Depreciation of property and equipment	15,882	15,840
Depreciation of right-of-use assets	32,823	32,959
Less:		
Other income, gains and losses	35,462	176,944
Adjusted EBITDA for the year	792,619	98,893

OTHER INFORMATION ABOUT OUR FINANCIAL PERFORMANCE

Liquidity and capital resources

During the Reporting Period, we met our cash requirements primarily from cash and cash equivalents and proceeds from the 2020 Subscription. We had cash and cash equivalents of RMB1.7 billion as at 31 May 2026 compared to RMB2.5 billion as at 31 May 2025. We had term deposits of RMB1.5 billion as at 31 May 2026, compared to RMB0.6 billion as at 31 May 2025. We also had financial assets (current) at FVTPL of RMB2.3 billion and financial assets (non-current) at FVTPL of RMB0.3 billion as at 31 May 2026, compared to RMB2.0 billion as at 31 May 2025. Thus, total monetary capital was RMB5.8 billion as at 31 May 2026. Cash and cash equivalents were represented by bank balances and cash; and bank balances and cash comprised cash and short-term deposits with an original maturity of three months or less. Financial assets (current) at FVTPL and financial assets (non-current) at FVTPL comprised wealth management products.

During the Reporting Period, we primarily used cash to fund required working capital and other recurring expenses to support the expansion of our operations. Going forward, we believe that our liquidity requirements will be satisfied by using funds from a combination of internally generated cash and net proceeds from our 2020 Subscription.

As at the end of FY2026, our gearing ratio was 19.1%, compared with 16.0% at the end of FY2025, calculated as total liabilities divided by total assets.

Cash flow

The following table sets forth our cash flows for the two comparable years:

	FY2026 RMB'000	FY2025 RMB'000
Net cash from operating activities	**802,193**	89,292
Net cash (used in) from investing activities	**(1,418,161)**	195,495
Net cash used in financing activities	**(160,661)**	(53,121)
Net (decrease) increase in cash and cash equivalents	**(776,629)**	231,666
Cash and cash equivalents at the beginning of the financial year	**2,499,539**	2,262,464
Effect of exchange rate changes	**(21,465)**	5,409
Cash and cash equivalents at the end of the financial year	**1,701,445**	2,499,539

Net cash from operating activities

Our net cash from operating activities primarily consists of our profit before tax for the financial year adjusted by non-cash items, non-operating items and changes in working capital. Our net cash generated from operating activities in FY2026 was RMB802.2 million. The difference between cash generated from operating activities before tax and interest of RMB937.2 million and the profit before tax of RMB684.4 million was mainly due to: (i) a RMB265.1 million increase in trade payables and a RMB58.9 million increase in accrued expenses and other payables due to the fast development of private label products; (ii) a net foreign exchange loss of RMB99.4 million; and (iii) excluding the effect of share-based compensation expenses of RMB81.1 million.

Net cash (used in) from investing activities

Our net cash used in investing activities in FY2026 was approximately RMB1.4 billion, primarily attributable to purchases of financial assets at FVTPL of RMB2.5 billion and placement of term deposits of RMB1.9 billion.

Net cash used in financing activities

Our net cash used in financing activities in FY2026 was approximately RMB160.7 million, primarily attributable to payments on repurchase of ordinary shares of RMB167.4 million and repayments of lease liabilities of RMB35.1 million.

Capital expenditure

The following table sets forth our capital expenditure for the years indicated:

	FY2026 RMB'000	FY2025 RMB'000
Purchase of property and equipment	6,841	25,830

Our capital expenditures were primarily for purchases of property and equipment in FY2025 and FY2026, respectively. Our purchases of property and equipment were RMB25.8 million for FY2025 and RMB6.8 million for FY2026, respectively.

Off-balance sheet commitments and arrangements

As at 31 May 2026, we had not entered into any off-balance sheet transactions.

Future plans for material investments and capital assets

As at 31 May 2026, we did not have any other foreseeable plans for material investments and capital assets.

Material acquisitions and/or disposals of subsidiaries and associated corporations

During the Reporting Period, we did not have any other material acquisitions and/or disposals of subsidiaries and associated corporations.

Significant Investments Held

Save as disclosed above, the Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 31 May 2026) during FY2026.

Employees and remuneration policy

As at 31 May 2026, we had 1,233 full-time employees and 579 part-time employees (31 May 2025: 1,070 full-time employees and 331 part-time employees). The number of employees employed by the Group varies from time to time depending on needs and employees are remunerated based on industry practice.

Our success depends on our ability to attract, retain and motivate qualified personnel. The remuneration policy and package of the Group's employees are periodically reviewed. Apart from pension funds and in-house training programs, discretionary bonuses, share awards and share options may be awarded to employees according to assessment of individual performance.

The total remuneration expenses, including share-based compensation expense incurred by the Group for FY2026 was RMB0.8 billion, representing a year-on-year decrease of 31.2% from RMB1.2 billion for FY2025.

Foreign exchange risk

Foreign exchange risk arises when commercial transactions or recognised assets and liabilities are denominated in a currency that is not the functional currency of our operating entities. We operate in the PRC with most of the transactions settled in RMB. During the Reporting Period, we had assets and liabilities denominated in United States dollars, Hong Kong dollars and Australia dollars. We continuously monitor changes in currency exchange rates and will take necessary measures to mitigate exchange rate impact.

Indebtedness

During the Reporting Period, we did not incur any bank loan or other borrowings. Our Directors consider that we have adequate cash and capital resources considering our bank balances and cash, term deposits and our financial assets at FVTPL, wealth management products generated from our operating activities and the net proceeds from the share subscriptions to fund our operations and expansion, therefore, we do not plan to incur any borrowing in the 12 months from the date of this report.

Pledge of assets

As at 31 May 2026, none of our Group's assets were pledged.

Contingent liabilities

As at 31 May 2026, we did not have any material contingent liabilities.

Property and equipment

Movements in our Group's property and equipment during FY2026 are detailed in Note 13 to the consolidated financial statements.

Material litigation

During the Reporting Period, our Company was not involved in any material litigation or arbitration; nor were our Directors aware of any material litigation or claims that were pending or threatened against our Company as at 31 May 2026.

Reserves

As at the end of FY2026, we had distributable reserves of approximately RMB5.1 billion, further details of which are set out at Note 38 to the consolidated financial statements.

Pre-emptive rights

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

Tax relief and exemption

Our Directors are not aware of any tax relief and exemption available to our Shareholders by reason of them holding our Company's securities.

Public float

Based on the information publicly available to our Company, and to the best knowledge of our Directors, as at the Latest Practicable Date, our Company maintained the prescribed percentage of public float under the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

As at Latest Practicable Date, our Board consists of six members, comprising two executive Directors and four independent non-executive Directors, namely:

Name	Age	Position	Date of appointment
YU Minhong (俞敏洪)	63	Executive Director, *Chairman*[1], *Chief executive officer*	16 December 2023
YIN Qiang (尹強)	52	Executive Director, *Chief financial officer*	23 May 2018
SUN Chang (孫暢)[3]	58	Non-executive Director	7 February 2018
KWONG Wai Sun Wilson (鄺偉信)	60	Independent non-executive Director	15 March 2019
LIN Zheying (林哲瑩)	61	Independent non-executive Director	20 January 2020
YAN Andrew Y (閻焱)	68	Independent non-executive Director	21 January 2025
WAN Zhe (萬喆) [2]	49	Independent non-executive Director	29 May 2026

Notes:

(1) since 23 May 2018

(2) Ms. WAN Zhe was appointed as an independent non-executive Director with effect from 29 May 2026

(3) Ms. SUN Chang was a non-executive Director during the year and she resigned as non-executive Director with effect from 21 August 2026

The biographies of each of our current Directors are set out below:

Executive Directors

YU Minhong (俞敏洪) ("Mr. Yu")

Mr. Yu, aged 63, is an executive Director, our Company's chief executive officer, chairman of the Nomination Committee, and Chairman of our Board. Mr. Yu is also the chairman and a director of Beijing Xuncheng, since May 2015, and certain companies under the New Oriental Group, including Leci Internet. Mr. Yu received his bachelor's degree in English from Peking University, China in July 1985. Mr. Yu is the founder and currently the executive chairman of the board of directors of New Oriental, since 2001, and was a director of Sunlands Technology Group, a company whose American depository shares are listed on the New York Stock Exchange (NYSE: STG), from August 2017 (and an independent director from March 2018) to June 2019. Since 2001, Mr. Yu has been the chairman and director of New Oriental, our Controlling Shareholder and a company whose American depository shares are listed on the New York Stock Exchange (NYSE: EDU) and shares are listed on the Stock Exchange (stock code: 9901).

YIN Qiang (尹強) ("Mr. Yin")

Mr. Yin, aged 52, is an executive Director, a member of the Remuneration Committee and our Company's chief financial officer. He is also a director and chief financial officer of Beijing Xuncheng, since January 2016, director of Zhuhai Chongsheng since July 2019 to November 2020, and director and general manager of Hainan Haiyue Dongfang Network Technology Co., Ltd. (海南海悦東方網絡科技有限公司) since October 2020. Mr. Yin received his bachelor's degree in economics from Capital University of Economics and Business (首都經濟貿易大學), China, in July 1996 and his master's degree in business management from Peking University, China, in July 2008. Mr. Yin is also a PRC accredited accountant (since October 2001). Aside from our Group, Mr. Yin has been the vice-president of New Oriental China since April 2019. Mr. Yin was the financial controller and assistant vice-president of New Oriental China from June 2005 to May 2016, and senior accountant at PricewaterhouseCoopers from 1996 to 2001.

Independent Non-executive Directors

KWONG Wai Sun Wilson (鄺偉信) ("Mr. Kwong")

Mr. Kwong, aged 60, is an independent non-executive Director and a member of the Audit Committee. Mr. Kwong is an associate member of the Institute of Chartered Accountants in England and Wales. Mr. Kwong received his bachelor of arts degree from the University of Cambridge, United Kingdom, in June 1987. Mr. Kwong is an executive director of China Metal Resources Utilisation Limited, since August 2013, a company listed on the Stock Exchange (stock code: 1636). Mr. Kwong also acts as an independent non-executive director of Shunfeng International Clean Energy Limited, since July 2014, a company listed on the Stock Exchange (stock code: 1165), C.banner International Holdings Limited, since August 2011, a company listed on the Stock Exchange (stock code: 1028), China Outfitters Holdings Limited, since June 2011, a company listed on the Stock Exchange (stock code: 1146), and China New Higher Education Group Limited, since March 2017, a company listed on the Stock Exchange (stock code: 2001). Mr. Kwong was the president of Gushan Environmental Energy Limited, a company listed on the New York Stock Exchange (NYSE: GU) (from December 2007 to October 2012). Prior to this, he was a managing director in the investment banking division and the head of Hong Kong and China equity capital markets at CLSA Equity Capital Markets Limited from March 2004 to July 2006, and a director and the general manager of the corporate finance division of Cazenove Asia Limited, from 2002 to 2003, and from 1997 to 2003, respectively.

LIN Zheying (林哲莹) ("Mr. Lin")

Mr. Lin, aged 61, is an independent non-executive Director, chairman of the Remuneration Committee and a member of the Audit Committee. Mr. Lin received his bachelor's degree majoring in planning statistics from the Shanxi University of Finance and Economics (formerly known as the Shanxi College of Finance and Economics), China, in July 1987, a master's degree in business administration from the Guanghua School of Management, Peking University in China, in July 2006, and a doctoral degree in business administration from ESC Rennes School of Business, France, in June 2008. Aside from our Group, Mr. Lin served as a director of Shenzhen Fengchao Technology Limited, from November 2016 to December 2017; and served as a vice-chairperson of S.F. Holding (Group) Co., Ltd., from June 2014 to December 2019, and has been serving as an executive director of Ancient Jade Capital Management Co., Ltd., since January 2011, and a chairman of the board of Aerospace Times Feipeng Co., Ltd. since December 2020. Aside from our Company, Mr. Lin also holds, or held, directorships in the following listed companies: (i) executive director and vice-chairperson of S.F. Holding Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 002352), from March 2017 to December 2022; (ii) independent non-executive director of Shanghai Dongzheng Automotive Finance Co., Ltd., a company listed on the Hong Kong Stock Exchange (stock code: 2718), from August 2018 to June 2020 and (iii) director of GCH Technology Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 688625), from December 2015 to September 2021.

YAN Andrew Y (閻焱) ("Mr. Yan")

Mr. Yan, aged 68, is an independent non-executive Director, chairman of the Audit Committee, and a member of the Remuneration Committee and the Nomination Committee. Mr. Yan received a Bachelor's degree in Engineering from Nanjing Aeronautic Institute (currently known as Nanjing University of Aeronautics and Astronautics) in 1982 and a Master's degree in International Political Economy from Princeton University in 1989. Mr. Yan is the Founding Managing Partner of SAIF Partners since October 2001. Prior to that, Mr. Yan served as the Managing Director and Head of Hong Kong office of Emerging Markets Partnership, the management company of AIG Asian Infrastructure Funds, from 1994 to 2001. Currently, Mr. Yan is an independent director of: (i) ATA Creativity Global (formerly known as ATA Inc.), a company listed on the Nasdaq (Nasdaq: AACG); (ii) Qifu Technology, Inc. (formerly known as 360 DigiTech, Inc.), a company listed on the Nasdaq and the Stock Exchange (Nasdaq: QFIN; stock code: 3660); (iii) Guoyuan Securities Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 728); and (iv) Petrochina Company Limited, a company listed on the Shanghai Stock Exchange and the Stock Exchange (Shanghai Stock Exchange stock code: 601857; stock code: 857). Mr. Yan also held directorships as independent non-executive director in the following listed companies: (i) China Southern Airlines Co Ltd., a company listed on the Shanghai Stock Exchange, the Stock Exchange and NYSE (Shanghai Stock Exchange stock code: 600029; stock code: 01055; NYSE: ZNH), from April 2021 to October 2022; (ii) China Resources Land Limited, a company listed on the Stock Exchange (stock code: 1109), from July 2006 to July 2023.

WAN Zhe (萬喆) ("Ms. Wan")

Ms. Wan, aged 49, is an independent non-executive Director and a member of the Nomination Committee. Ms. Wan is a PRC accredited senior professional economist since December 2017, a senior gold analyst of China Gold Association since May 2014, and a senior professional researcher of Beijing Normal University since October 2020. She is currently a senior researcher and Chief Expert of Think Tank, as well as a doctoral supervisor of the Belt and Road Institute at Beijing Normal University since November 2020, focusing on Belt and Road international cooperation, macroeconomics, corporate strategy, capital markets, and international trade and economic research. Ms. Wan also served as the Chief Economist of the International Cooperation Center of the National Development and Reform Commission from July 2016 to July 2018, specializing in international political economy research.

Mr. Yan and Mr. Kwong have appropriate professional accounting or related financial management experience for the purpose of Rule 3.10(2) of the Listing Rules.

Ms. Wan (appointed on 29 May 2026) obtained legal advice on 29 May 2026 as required under rule 3.09D of the Listing Rules from the legal advisor of the Company and confirmed she understood her obligations as a director of a listed company.

We have received from each independent non-executive Director an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules (as amended from time to time), and our Board considers each of them independent.

Save as disclosed in this annual report, (a) none of our Directors has: (i) held any other directorship on another public company in Hong Kong or overseas in the last three years preceding the Latest Practicable Date, (ii) any other professional qualifications, or (iii) any other relationship with any other Director, senior manager or substantial shareholder (as defined in the Listing Rules) of our Company; and (b) no other matters have occurred during FY2026 that need to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules or that need to be brought to the attention of our Shareholders or the Stock Exchange.

SENIOR MANAGEMENT

Mr. Yu is our Company's chief executive officer and Mr. Yin is our Company's chief financial officer. Mr. Yu and Mr. Yin are also our executive Directors. See "—Executive Directors" above for their biographies.

JOINT COMPANY SECRETARIES

SONG Jie (宋婜) ("Ms. Song")

Ms. Song joined the Group in May 2018 as its director of investor relations, and has been responsible for the capital market communication and management before and after the Company's listing, information disclosure and compliance management, the Board and board committees-related matters, investor relations and general meeting-related affairs, ESG reporting and governance, and management of share incentive schemes of the Company. Ms. Song has participated in the IPO process of the Company and optimized investor relations and information disclosure, and promoted ESG sustainable development strategies. She has received a number of awards for her outstanding performance. Ms. Song is familiar with the operation of the Group and has extensive experience in the corporate practice. Ms. Song has previously held positions in charge of investor relations and information disclosure at multiple listed companies, and possesses over 15 years of experience in capital market communication and management, corporate governance, and board-related matters. Further, Ms. Song studied at the School of Finance of Central University of Finance and Economics, majoring in International Economics and Trade/Financial Risk Management, she holds bachelor's degrees in Commerce and Economics from Victoria University (Melbourne, Australia) and a Master of Arts in International Economics and Finance at the International Business School at Brandeis University.

MA Wing Yee (馬詠儀) ("Ms. Ma")

Ms. Ma is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited and has over 10 years of experience in corporate governance and company secretarial practice in listed companies on the Stock Exchange. She is currently the company secretary of a few listed companies on the Stock Exchange. Ms. Ma obtained a bachelor's degree of arts from the University of Hong Kong. She is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Save as disclosed above, there have been no further matters that need to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the last published interim report.

DIRECTORS’ REPORT

Our Board is pleased to present this Directors’ report together with our Group’s consolidated financial statements for FY2026.

OUR COMPANY AND OUR PRINCIPAL ACTIVITIES

Our Company is an investment holding company. We were incorporated as an exempted company with limited liability under the laws of the Cayman Islands on 7 February 2018, and our shares were listed on the Main Board of the Stock Exchange on 28 March 2019.

Since 2021, we have expanded our businesses in private label products and livestreaming e-commerce and established “East Buy”, which has become a well-known online platform for selling top-quality and good value for money agricultural and other products. Not only does the platform offer an alternative channel for farmers and local companies to sell high-quality agricultural and other products to a broader customer base, it also provides consumers with a platform which offers a wide range of high-quality products with transparency in pricing. Leveraging our deep understanding of customers’ needs, we select quality agricultural and other products for our customers through our integrated supply chain management and diversified cooperation with various third parties. We create value for consumers by providing various private label products under the “East Buy” brand, which are designed to be healthy and high-quality with good value for money, including fruits and vegetables, meat and poultry, baked goods, cereals, oils and ready-to-eat foods, seafood, dairy products, nutritional and health-care food, pet food, and daily necessities, etc. Through direct cooperation with producers and local enterprises, we aspire to promote quality products that have traditionally lacked sales channels and to improve the operational efficiency of the industry supply chain, so as to accelerate rural revitalisation and contribute long-term value to the relevant upstream and downstream industry.

Our subsidiaries are set out in Note 36 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of our Group’s business (as required by Schedule 5 to the Companies Ordinance), including an analysis of our Group’s financial performance, an indication of our Group’s likely future business developments, a description of the principal risks and uncertainties facing our Group and our Group’s key relationships with our stakeholders who have a significant impact on our Group and on which our Group’s success depends, is set out in “Business overview and outlook”, and “Management discussion and analysis”. All the review, discussions and analysis mentioned above form part of this Directors’ report. Events affecting our Company that have occurred between the end of FY2026 and the date of this report are set out in “Events after the Reporting Period”.

FINANCIAL RESULTS AND SUMMARY

Our Group's results for FY2026 are set out in the "Consolidated statement of profit or loss and other comprehensive income" at page 155.

A summary of our Group's consolidated financial positions is set out at pages 156 to 157.

OUR MAJOR CUSTOMERS AND SUPPLIERS

During FY2026: (a) our Group's five largest customers accounted for approximately 0.99% of our total revenues, while the largest customer accounted for approximately 0.42% of our total revenues; and (b) our Group's top five suppliers accounted for approximately 20.53% of our total purchase amounts, while the largest supplier accounted for approximately 5.56% of our total purchase amounts.

None of our Directors, and, to the best of our Directors' knowledge, none of their respective associates, or any Shareholder who, to the best of our Directors' knowledge, owns 5% or more of our issued capital, has any interest in any of our five largest customers and suppliers during FY2026 and up to the date of this annual report.

NET PROCEEDS FROM THE 2020 SUBSCRIPTION

The 2020 Subscription was completed on 24 December 2020 and raised approximately HK$1.783 billion in net proceeds. Subsequent to the 2020 Subscription, our Group had used the net proceeds from the 2020 Subscription in the manner and according to the intended uses set out in the circular of the Company dated 14 October 2020. On 21 January 2022, the Board has resolved to change the use of the remaining net proceeds as at the same date and the Group had used the net proceeds in accordance with the intended use as set out in the announcement of the Company dated 21 January 2022 (the "**January 2022 Announcement**"). On 21 January 2025, the Board has further resolved to extend the initial expected timeline for the unutilised net proceeds as at the same date to three years from 21 January 2025 as set out in the announcement of the Company dated 21 January 2025 (the "**January 2025 Announcement**"). The expected timeline for utilisation above is based on the Group's best estimation and is subject to change based on the future development of market conditions.

The utilisation of the net proceeds for FY2026 and the updated expected timeline of full utilization as disclosed in the January 2025 Announcement are summarised as follows:

HK$ million (1)	Unutilised amount as at 1 June 2025	Utilised during FY2026	Unutilised amount as at 31 May 2026	Updated expected timeline of full utilisation
Sales and marketing	242.8	5.8	237.0	Three years from 21 January 2025
Technology infrastructure	3.9	–	3.9	Three years from 21 January 2025
Business related staff	94.0	14.5	79.5	Three years from 21 January 2025
Working capital	167.9	1.5	166.4	Three years from 21 January 2025
Total	508.6	21.8	486.8	

Notes:

(1) The amounts "utilised during FY2026" are based on the exchange rate of HK$1.1490: RMB1.

(2) The figures presented in this table are approximations and subject to currency exchange rate fluctuation and rounding.

(3) The updated expected timeline for utilisation of the unutilised net proceeds above is based on the Group's best estimation as of the date of this report and is subject to change based on the future development of market conditions.

SHARE MATTERS

Share capital movements

Movements in our Company's share capital and details of issued Shares during FY2026 are set out in Note 26 to the consolidated financial statements.

On 3 November 2025, our Shareholders granted to our Directors a general mandate to repurchase up to 10% of our then-total number of issued Shares. During FY2026, we repurchased approximately 7,418,000 Shares on the Stock Exchange.

Purchase, sale or redemption of our Company's listed securities

During FY2026, the Company repurchased approximately 7,418,000 Shares (the "**Repurchased Shares**") on the Stock Exchange at an aggregate consideration of HK$186,752,530. Particulars of the Repurchased Shares are as follows:

Month of repurchase	Number of Repurchased Shares	Highest price paid (HK$)	Lowest price paid (HK$)	Total Consideration paid (HK$)
May 2026	7,418,000	27.08	22.86	186,752,530

As at the date of this annual report, all the Repurchased Shares have been cancelled. The Company considered that the above repurchases demonstrated the Company's confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value for Shareholders.

Save as disclosed above, neither our Company nor any of its subsidiaries purchased, sold or redeemed any of our Company's securities listed on the Stock Exchange (including sale of treasury shares (as defined in the Listing Rules)) during the Reporting Period. As of 31 May 2026, the Company did not hold any treasury shares (as defined in the Listing Rules).

Debentures issued

Our Group did not issue any debentures during FY2026.

Equity-linked agreements

Except as disclosed in this annual report, no equity-linked agreement was entered into by our Group, or existed during FY2026.

Final dividends

Our Board does not recommend the distribution of a final dividend for FY2026 (FY2025: Nil).

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with the Corporate Governance Code, we established the Remuneration Committee to formulate our Directors' remuneration policies. The remuneration is determined based on each Director's and senior manager's qualification, position, responsibility and seniority. In addition to this, our Directors and senior managers may have been granted options under our Pre-IPO Scheme and 2019 Scheme, and are eligible to participate as grantees of our 2023 Scheme and 2025 Scheme.

Our Directors', senior managers' and top five highest paid individuals' remuneration are detailed at Notes 9 and 10 to the consolidated financial statements.

None of our Directors waived or agreed to waive any remuneration and there were no emoluments paid by our Group to any of our Directors as an inducement to join, or upon joining our Group, or as compensation for loss of office. Our Group did not pay any of our Directors any discretionary bonuses during FY2026.

DIRECTORS AND THEIR SERVICE CONTRACTS AND APPOINTMENT LETTERS

Directors and senior management

A list of Directors and senior managers and their biographical details are set out in "Directors and senior management" above.

The interests and short positions as at the end of FY2026 of our Directors, and our Company's chief executives and substantial shareholders (as defined in the SFO) in our Company and associated corporations (as appropriate) that falls to be disclosed under Part XV of the SFO are set out in "Other information" below.

Directors' service agreements

Each of our executive Directors entered into a service agreement with our Company for an initial term of three years from the effective date of the appointment or until the third annual general meeting of our Company since the effective date of the appointment, whichever is earlier (and subject to retirement requirements as and when required by our Articles of Association), and which will automatically renew for a term of three years thereafter.

Each of our non-executive Director and independent non-executive Directors signed a letter of appointment with our Company for an initial term of three years with effect from the Listing Date or until the third annual general meeting of our Company since the Listing Date (which is earlier, and subject to retirement requirements as and when required by our Articles of Association), and which will automatically renew for a term of three years thereafter.

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

Permitted Indemnity Provision

Pursuant to Article 164 of the Articles of Association and subject to applicable Laws, every Director (including resigned directors during the period of his/her directorship at our Company) shall be indemnified out of the assets and profits of our Company against all losses or liabilities incurred or sustained by him/her as a director of our Company, except for losses or liabilities in respect of fraud or dishonesty. This permitted indemnity provision was in force during FY2026 and continued to be in force as at the Latest Practicable Date.

OUR CONTROLLING SHAREHOLDER'S AND DIRECTORS' COMPETING BUSINESS

Neither our Controlling Shareholder nor any of our Directors had any interest in a business, apart from that of our Group, that competes or is likely to compete, directly or indirectly, with our Group's business, which would require disclosure pursuant to Rule 8.10 of the Listing Rules.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

We have entered into the following transactions with our connected persons in our ordinary and usual course of business, which constitute connected transaction and continuing connected transactions under the Listing Rules. We set out below details of our non-exempt connected transaction and continuing connected transactions in accordance with Chapter 14A of the Listing Rules:

Lease Agreement

Reference is made to the announcement of the Company dated 4 January 2026 (the "**Lease Announcement**"). Unless otherwise defined herein, capitalized terms shall have the meaning given to it in the Lease Announcement.

On 4 January 2026, Dong Xiaozhen, as tenant, and Metropolis Holding, as landlord, entered into the Lease Agreement, pursuant to which Metropolis Holding agreed to lease to Dong Xiaozhen the Premises for a lease term of 60 months commencing from 1 January 2026. The monthly rent in respect of the Premises is approximately RMB220,323.13 (inclusive of value-added tax). In accordance with IFRS 16 Leases, the Group will recognize the lease of the Premises under the Lease Agreement as right-of-use assets in its consolidated financial statements. The aggregate value of the right-of-use assets to be recognised by the Group under the Lease Agreement amounts to RMB9.3 million. The entering into of the Lease Agreement can provide the Group with enhanced and necessary premises to satisfy its daily business operation needs and will also enable the Group to secure a long-term premise for commercial use, which will enhance the operation and management capacity of the Group.

Mr. Yu, the executive Director and a connected person of the Company, beneficially owns Tigerstep. Metropolis Holding is subsidiary of Tigerstep and thus a connected person of the Company. Accordingly, the transaction contemplated thereunder constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the total value of the right-of-use asset to be recognized by the Group in connection with the Lease Agreement is more than 0.1% but less than 5%, the entering into of the Lease Agreement is subject to the reporting and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Contractual Arrangements

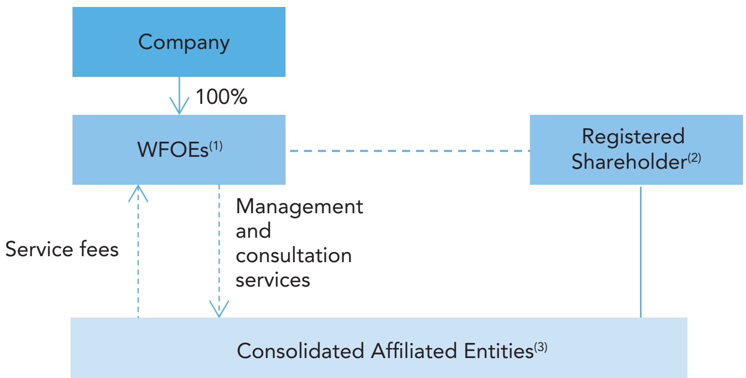
Overview

Our Group entered into a series of Contractual Arrangements with Beijing Xuncheng and its subsidiaries, and the Previous Registered Shareholders, pursuant to which our Company obtained effective control over and had the right to receive all of the economic benefits derived from Beijing Xuncheng and its subsidiaries, and proportional control and right to receive the economic benefits derived from our then non-wholly owned subsidiary, Dongfang Youbo, through our Operating Entity's controlling interest and proportionate shareholding in Dongfang Youbo. On 16 August 2019, we, through Beijing Xuncheng, acquired the remaining interest in Dongfang Youbo, following which, Dongfang Youbo became a wholly-owned subsidiary of our Company. (Dongfang Youbo has been dissolved in 2023)

As a result of the Contractual Arrangements, the financial results of our Consolidated Affiliated Entities are able to be consolidated into our Group's financial information as if they were our Company's subsidiaries. During the Reporting Period, the revenue of our Consolidated Affiliated Entities amounted to RMB5,700,044 thousand (accounting for approximately 100% of the revenue of our Group over the Reporting Period), compared with RMB4,392,071 thousand in FY2025 (accounting for approximately 100% of the revenue of our Group in FY2025).

During FY2026, there was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted, and none of the Contractual Arrangements has been unwound as none of the restrictions that led to their adoption has been removed.

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group under the Contractual Arrangements:



Notes:

(1) Dexin Dongfang, Zhuhai Chongsheng and Hainan Haiyue (collectively, the WFOEs). On 1 March 2024, the transfer of Xi'an Ruiying (a WFOE prior to the Education Disposal) to New Oriental Group as part of the Education Disposal was completed.

(2) Our Registered Shareholder is New Oriental China. New Oriental China has become the sole registered shareholder of Beijing Xuncheng since 24 May 2023, prior to this, the Previous Registered Shareholders were New Oriental China, Linzhi Tencent Technology Co., Ltd. (林芝騰訊科技有限公司) and the Tianjin Limited Partnerships.

(3) Beijing Xuncheng, our Operating Entity, and its subsidiaries.

(4) "⟶" denotes legal and beneficial ownership in the equity interests of the WFOEs.

(5) "—" denotes legal ownership in the equity interests of the Consolidated Affiliated Entities.

(6) "⇢" denotes control by the WFOEs under the Contractual Arrangements through: (a) powers of attorney to exercise all registered shareholders' rights in the Operating Entity, (b) exclusive options to acquire all or part of the equity interests in the Operating Entity, and (c) equity pledges over the equity interests in the Operating Entity.

(7) "---" denotes the control by the WFOEs over the Consolidated Affiliates Entities through the respective powers of attorney to exercise all shareholders' rights in Beijing Xuncheng, exclusive options to acquire all or part of the equity interests in the Consolidated Affiliates Entities and equity pledges over the equity interest in the Consolidated Affiliates Entities.

Summary of our Contractual Arrangements

We set out below a brief description of each of the specific agreements that comprise the Contractual Arrangements, the further details of which are set out in "Contractual Arrangements" in the Prospectus:

(a) *Exclusive Management Consultancy and Business Cooperation Agreement*

Dexin Dongfang, on the one hand, and the Previous Registered Shareholders and our Relevant VIE Entities, on the other hand, entered into an exclusive management consultancy and business cooperation agreement on 10 May 2018, pursuant to which Dexin Dongfang has the exclusive right to provide, or designate any third party to provide, each of our Relevant VIE Entities with corporate management and educational services, intellectual property licensing services as well as technical and business support services. Such services include, among others, advisory services, research and consulting services, market development and planning services, human resources and internal information management, sales of proprietary products and intellectual property and know-how, and other additional services as the parties may mutually agree from time to time.

(b) *Exclusive Call Option Agreement*

Dexin Dongfang, on the one hand, and the Previous Registered Shareholders and Beijing Xuncheng, on the other hand, entered into an exclusive call option agreement on 10 May 2018, pursuant to which Dexin Dongfang had an exclusive option to purchase all or part of the equity interests in Beijing Xuncheng from the Previous Registered Shareholders for the minimum amount of consideration permitted by applicable PRC Law and under circumstances in which Dexin Dongfang or its designated third party is permitted under PRC laws to acquire all or part of the equity interests of Beijing Xuncheng.

(c) *Equity Pledge Agreement*

Dexin Dongfang, on the one hand, and the Previous Registered Shareholders and Beijing Xuncheng, on the other hand, entered into an equity pledge agreement on 10 May 2018, pursuant to which the Previous Registered Shareholders unconditionally and irrevocably pledged all of their respective equity interests in Beijing Xuncheng to Dexin Dongfang in order to guarantee the performance of the Contractual Arrangements by the Relevant VIE Entities and the Previous Registered Shareholders. Under the Equity Pledge Agreement, the Previous Registered Shareholders have agreed that, without prior written consent of Dexin Dongfang, they will not transfer or dispose of the pledged equity interests or create or allow any third party to create any encumbrance on the pledged equity interests that would prejudice Dexin Dongfang's interest.

(d) *Powers of Attorney*

Each of the Previous Registered Shareholders and Beijing Xuncheng has executed an irrevocable power of attorney on 10 May 2018, appointing Dexin Dongfang (or any person that it designates) to appoint directors and vote on behalf of that relevant Previous Registered Shareholder on all matters of our Consolidated Affiliated Entities that require shareholders' approval.

(e) *Supplemental Agreement of Zhuhai Chongsheng*

Dexin Dongfang and Zhuhai Chongsheng, on the one hand, and Beijing Xuncheng and the Previous Registered Shareholders, on the other hand, entered into a supplemental agreement on 10 October 2019, pursuant to which, Zhuhai Chongsheng would be jointed as a party to the Contractual Arrangements and gain all the rights and assume all the obligations of Dexin Dongfang under the agreements underlying the Contractual Arrangements (as appropriate).

(f) *Second Supplemental Agreement*

Dexin Dongfang, Zhuhai Chongsheng, Xi'an Ruiying, Hainan Haiyue Dongfang Network Technology Co., Ltd. ("**Hainan Haiyue**"), Wuhan Dongfang Youbo Network Technology Co., Ltd. ("**Wuhan Dongfang**"), Beijing Xuncheng and its subsidiaries and all of the Previous Registered Shareholders entered into a second supplemental agreement on 1 February 2021, pursuant to which, Xi'an Ruiying, Hainan Haiyue and Wuhan Dongfang joined as parties to the Contractual Arrangements between Dexin Dongfang, Beijing Xuncheng and its subsidiaries and the registered shareholders (including the Exclusive Option Agreement, Exclusive Management Consultancy and Cooperation Agreement, Equity Pledge Agreement, Letters of Undertaking and Powers of Attorney) and the supplemental agreement of Zhuhai Chongsheng, and assumed the same rights and share the same obligations as Dexin Dongfang and Zhuhai Chongsheng under the Contractual Arrangements and the supplemental agreement of Zhuhai Chongsheng.

(g) *Third Supplemental Agreement*

Dexin Dongfang, Zhuhai Chongsheng, Xi'an Ruiying, Hainan Haiyue, Wuhan Dongfang, Beijing Xuncheng and its subsidiaries and the Previous Registered Shareholders entered into a third supplemental agreement on 24 May 2023, pursuant to which, from the date on which Linzhi Tencent Technology Co., Ltd. (林芝騰訊科技有限公司) and the Tianjin Limited Partnerships cease to be the shareholders of Beijing Xuncheng, Linzhi Tencent Technology Co., Ltd. (林芝騰訊科技有限公司) and Tianjin Limited Partnerships shall cease to have any rights or obligations under the Contractual Arrangements (including the Exclusive Option Agreement, Exclusive Management Consultancy and Cooperation Agreement, Equity Pledge Agreement, Letters of Undertaking and Powers of Attorney), the supplemental agreement and the second supplemental agreement; and from the same date, the New Oriental China shall act as the sole shareholder of Beijing Xuncheng, and each of Dexin Dongfang, Zhuhai Chongsheng, Xi'an Ruiying, Hainan Haiyue, Wuhan Dongfang, Beijing Xuncheng and its subsidiaries and New Oriental China shall continue with its rights and obligations under the Contractual Arrangements, the supplemental agreement and the second supplemental agreement.

(h) *Fourth Supplemental Agreement*

Dexin Dofang, Zhuhai Chongsheng, Xi'an Ruiying, Hainan Haiyue, Wuhan Dongfang, Beijing Xuncheng and its subsidiaries and New Oriental China entered into a fourth supplemental agreement on 7 March 2024, pursuant to which, from the dates on which the equity interests of Kuxue Huisi and Xi'an Ruiying were transferred to New Oriental China, and the date on which Wuhang Dongfang deregisters, each of Kuxue Huisi, Xi'an Ruiying and Wuhan Dongfang will cease to have any rights or obligations under the Contractual Arrangements (including the Exclusive Option Agreement, Exclusive Management Consultancy and Cooperation Agreement, Equity Pledge Agreement, Letters of Undertaking and Powers of Attorney), the supplemental agreement, the second supplemental agreement and third supplemental agreement; and other parties to the Contractual Arrangements, the supplemental agreement, the second supplemental agreement and third supplemental agreement shall continue to perform such agreements.

Reasons for our Contractual Arrangements

We operate online and mobile platforms and livestreaming e-commerce business in China (collectively, the "**Relevant Business**"), which are subject to foreign investment restrictions or prohibitions under PRC law, namely: (a) foreign investors are restricted from holding more than 50% equity interest in a company which operates value-added telecommunications services (with a few exceptions), and (b) the foreign investors are prohibited from holding any equity interest in a company whose operation are deemed as production and operation of radio and television programs. See "Contractual Arrangements – PRC Laws relating to foreign investment restrictions" in the Prospectus for more information on these restrictions.

Given the above restrictions and as advised by Tian Yuan Law Firm, our PRC legal adviser, we determined that it was not viable for our Company to hold our Consolidated Affiliated Entities directly through equity ownership. Instead, we operate our Relevant Business through our Consolidated Affiliated Entities. To maintain effective control over the Relevant Business operated by our Consolidated Affiliated Entities and to receive the economic benefits generated by our Relevant Business, a series of Contractual Arrangements have been entered into between our WFOEs, our Consolidated Affiliated Entities and their Registered Shareholders.

Our Directors believe that: (a) the Contractual Arrangements are fundamental to our Group's legal structure and business operations; and (b) the Contractual Arrangements (and the terms of the VIE agreements underlying the Contractual Arrangements) have been entered into in the ordinary and usual course of business and on normal commercial terms or better for our Company and are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Risks relating to our Contractual Arrangements

We believe that the following risks, among others, may be associated with the use of our Contractual Arrangements:

(a) the PRC government may find that the agreements that establish the structure for operating our business in China do not comply with applicable PRC Laws, which may subject us to severe penalties and our business may be materially and adversely affected;

(b) the interpretation and implementation of the Foreign Investment Law of the PRC (中華人民共和國外商投資法) are subject to changes and it is uncertain as to how it may impact the viability of our current corporate structure, corporate governance and business operations;

(c) we rely on the Contractual Arrangements with our Consolidated Affiliated Entities and the Registered Shareholders for our business operations in China, which may not be as effective in providing operational control or enabling us to derive economic benefits as through ownership of controlling equity interest;

(d) we may lose the ability to use and enjoy assets held by our Consolidated Affiliated Entities that are material to our business operations if any of our Consolidated Affiliated Entities declares bankruptcy or become subject to a dissolution or liquidation proceeding;

(e) the largest ultimate shareholder of Beijing Xuncheng, Mr. Yu, may have conflicts of interest with us, which may materially and adversely affect our business;

(f) if we exercise the option to acquire equity ownership of our Operating Entity, the ownership transfer may subject us to certain limitations and substantial costs; and

(g) our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could substantially reduce our consolidated net income and the value of your investment.

See "Risk factors — Risks relating to our Contractual Arrangements" in the Prospectus for further discussion on these risks.

Listing Rules implications and waiver

For the purposes of Chapter 14A of the Listing Rules, our Consolidated Affiliated Entities are treated as our Company's wholly-owned subsidiaries, and their directors, chief executives and substantial shareholders (as defined in the Listing Rules, which include the Registered Shareholder) and their respective associates are treated as "connected persons". As such, our Contractual Arrangements constitute continuing connected transactions for our Company.

Given that the highest applicable percentage ratio under the Listing Rules is expected to be higher than 5% and more than HK$10 million, and this transaction constitutes a non-exempt continuing connected transaction, we have applied to the Stock Exchange, and the Stock Exchange has granted to us, a waiver from strict compliance with, in respect of the Contractual Arrangements, the Applicable Requirements, subject to the following conditions:

(a) no change to our Contractual Arrangements without our independent non-executive Directors' approval;

(b) no change to the agreements underlying our Contractual Arrangements without independent Shareholders' approval;

(c) our Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by our Consolidated Affiliated Entities;

(d) our Contractual Arrangements may be renewed and/or reproduced without strict compliance with the Applicable Requirements (including obtaining our Shareholders' approval): (i) upon the expiry of the existing arrangements; or (ii) in relation to any existing, newly established or acquired wholly foreign-owned enterprises or operating company (including branch company), engaging in the same business as that of our Group where such renewal and/or reproduction is justified by business expediency and on substantially the same terms and conditions as the existing Contractual Arrangements; and

(e) we will disclose details relating to our Contractual Arrangements on an on-going basis.

Other continuing connected transactions

The following transactions also constitute continuing connected transactions of our Group for FY2026:

2025 EDU Framework Agreement

On 22 August 2025, our Company (for itself and on behalf of the Group) and New Oriental (for itself and on behalf of the New Oriental Group) entered into the 2025 EDU Framework Agreement, pursuant to which, our Group and the New Oriental Group would enter into, among others, the following partially exempt continuing connected transactions for our Company: (i) provision of goods (including our private label products, such as agricultural products, food and beverages, and other products); and (ii) procurement of goods (including goods relating to livestreaming e-commerce to our Group, such as books for gift bags distribution and the materials for the customized festive holiday gift boxes).

The 2025 EDU Framework Agreement is for a period from 22 August 2025 to 31 May 2026, and the terms of which were entered into on normal commercial terms. Further details of the 2025 EDU Framework Agreement are set out in the announcement of the Company dated 22 August 2025.

New Oriental is our Controlling Shareholder and a substantial shareholder (under the Listing Rules) and is a connected person of our Company at the issuer level, and its subsidiaries are associates and, as such, also connected persons of our Company.

The annual cap and actual transaction amounts for the above partially exempt continuing connected transaction for FY2026 were:

No.	Transaction	Annual cap for FY2026 (RMB'000)	Annual transaction amount for FY2026 (RMB'000)
1.	Provision of goods (received by New Oriental Group from our Group)	100,715	61,275
2.	Procurement of goods (received by our Group from the New Oriental Group)	8,200	2,982

On 29 June 2026, the Company (for itself and on behalf of the Group) and New Oriental (for itself and on behalf of the New Oriental Group) entered into an agreement to renew the 2025 EDU Framework Agreement and set annual caps. For further details, please refer to the announcement of the Company dated 29 June 2026.

Tigerstep Framework Agreement

On 25 August 2023, our Company (for itself and on behalf of the Group) and Tigerstep (for itself and on behalf of the Tigerstep Group) entered into the 2023 Tigerstep Framework Agreement, pursuant to which, Tigerstep (and its subsidiaries) would (i) lease certain property locations to our Group to be used as, among other purposes, office space, recording studios and administrative premises and (ii) provide property management services. The 2023 Tigerstep Framework Agreement is for a period from 25 August 2023 to 31 May 2026, and the terms of which were entered into on normal commercial terms. Further details of the 2023 Tigerstep Framework Agreement are set out in the announcement of the Company dated 25 August 2023.

The annual cap and actual transaction amounts for the above non-exempted continuing connected transaction for FY2026 were:

No.	Transaction	Annual cap for FY2026 (RMB million)	Annual transaction amount for FY2026 (RMB million)
1.	Property leasing from Tigerstep (and its subsidiaries) to our Group (more than one year in duration)	9.00	–
2.	Property leasing (less than one year in duration) and property management services from Tigerstep (and its subsidiaries) to our Group	1.00	0.33

Tigerstep and its subsidiaries are associates of Mr. Yu, one of our Directors, and as such, are connected persons of our Company.

Internal control measures in relation to the continuing connected transactions

The Company believes that the success of its business depends on its ability to effectively implement the risk management and internal control measures. The Company has adopted since the Listing, and continues to at present adopt, internal control measures relating to, among others, financial reporting, information system, human resources and investment.

As the Group continues to expand, it has and will continue to modify and improve these measures and procedures to meet its evolving business needs and safeguard its business operations. This includes a series of measures and policies, which the Company has established since the Listing and that it continues to implement, to ensure that its connected transactions, including its continuing connected transactions, such as those disclosed above, will be carried out in accordance with the terms of the agreements, including pricing policies, which are on normal commercial terms and no less favourable than terms available to third parties. In particular, this includes:

(1) the marketing, products, and business teams of the Group ("**Internal Business Insiders**"), comprising industry insiders who are familiar with prevailing market rates, industry and seasonal specific variables affecting pricing, periodically monitoring the terms of the transactions and comparing these against the terms of, or with, comparable independent third party counterparties;

(2) the Company, through its Internal Business Insiders, periodically reviewing the prices charged against, among others: (i) prices charged by comparable service providers for comparable/substitutable goods or services; (ii) prices negotiated between the Group and third parties, or prices quoted by third parties, for comparable/substitutable goods or services; and (iii) prices charged by the Company's connected counterparties to their other customers for comparable/substitute goods or services;

(3) the Company, through the Group's financial and business teams, periodically monitoring the transaction amounts under the continuing connected transactions, and when it is expected that the transaction amount would exceed the designed annual cap(s), ensuring that the Company complies with all the applicable requirements under the Listing Rules for revising the relevant annual cap;

(4) the Company, through its various departments (including the Internal Business Insiders, legal and financial teams) and senior management, periodically updating the Board (including the independent non-executive Directors) of their results from, among others, the reviews/monitoring in (1) to (3) above, with the Board, in turn, reviewing the terms of the connected transactions to ensure that such transactions are entered into on normal commercial terms, are fair and reasonable, and carried out pursuant to their respective contractual terms;

(5) in case of any proposed change to the major terms of the transactions, ensuring that the Company complies with all applicable requirements under the Listing Rules, including publishing an announcement, before such change becomes effective; and

(6) the Company's external auditor conducting an annual review of the continuing connected transactions conducted during the financial year in accordance with the Listing Rules.

Confirmations in respect of our continuing connected transactions

Confirmations from our independent non-executive Directors

Our independent non-executive Directors have reviewed our CCT Agreements and confirmed that:

With respect to our Contractual Arrangements:

(a) the transactions carried out during FY2026 have been entered into in accordance with the relevant provisions of our CCT Agreements; and

(b) no dividends or other distributions have been made by our Relevant VIE Entities to the holders of its equity interests that are not otherwise subsequently assigned or transferred to our Group during FY2026;

With respect to all CCT Agreements:

(c) the transactions underlying the CCT Agreements are in the ordinary and usual course of the Group's business, and terms of the CCT Agreements and their underlying transactions are on normal commercial terms or better, fair and reasonable and in the interest of our Company and our Shareholders as a whole.

Save as disclosed in this section, we did not enter into any other transaction during FY2026, including the related party transactions disclosed under Note 35 to the financial statements in this annual report, that would fall to be disclosed under Chapter 14A of the Listing Rules. We have complied with the disclosure requirements in Chapter 14A of the Listing Rules during FY2026.

Confirmations from our Company's independent auditors

Our independent external auditor has confirmed in a letter to our Board that, with respect to the continuing connected transactions of our Company (including our Contractual Arrangements):

(a) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by our Board;

(b) for transactions involving the provision of goods or services by our Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of our Company;

(c) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(d) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by our Company.

CONTRACTS WITH OUR CONTROLLING SHAREHOLDER OR MANAGEMENT CONTRACTS

Save as disclosed in this annual report, no other contracts of significance or contract of significance for the provision of services had been entered into among our Group and our Controlling Shareholder during FY2026.

No contract, concerning the management and administration of the whole or any substantial part of our Company's business was entered into or existed during FY2026.

Save as disclosed in this annual report, and in particular the "—Continuing connected transactions" above, none of our Directors (or any entity connected with our Directors) had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to which our Company was a party and which subsisted during FY2026.

AUDITOR

Our Group's consolidated financial statements have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for re-appointment at our upcoming annual general meeting of Shareholders. There was no change in our Company's independent external auditors in any of the preceding three years, including FY2026.

EVENTS AFTER THE REPORTING PERIOD

On 29 June 2026, the Company (for itself and on behalf of the Group) entered into the framework agreement ("**EDU Framework Agreement**") with New Oriental to renew the existing continuing connected transactions for a term of three years. New Oriental is a controlling shareholder (as defined in the Listing Rules) of the Company and controlled by Mr. Yu Minhong, a Director. Accordingly, New Oriental and its associates are connected persons of the Company and each of the transactions under the EDU Framework Agreement will be a connected transaction (as defined in the Listing Rules). For each of the transactions under the EDU Framework Agreement, the highest applicable percentage ratio calculated with reference to the highest of the annual caps (if applicable) is more than 0.1% but less than 5%. Accordingly, each of the transactions under the EDU Framework Agreement is subject to the reporting, announcement and annual review requirements but is exempted from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 29 June 2026.

Save as disclosed in this report, no significant events affecting our Company have occurred since the end of the Reporting Period to the date of this report.

ENVIRONMENTAL AND COMMUNITY POLICIES AND PERFORMANCE

We are committed to fulfilling our social responsibility, promoting employee benefits and development, protecting the environment and giving back to our community and achieving sustainable growth. Further details of our environmental and social performance are set out in the "Environmental, social and governance report" included in this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Save as otherwise disclosed in this annual report and our Prospectus, to the best of our knowledge, we have complied with all relevant Laws that have a material and significant impact on our Group.

DONATION

During the year ended 31 May 2026, the Group made charitable donations of approximately RMB2 million.

CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on or around Tuesday, 3 November 2026. The register of members of our Company will be closed from Thursday, 29 October 2026 to Tuesday, 3 November 2026 (both days inclusive) in order to determine the identity of our Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with our Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 28 October 2026.

By the order of our Board
YU Minhong
Chairman

Hong Kong
21 August 2026

OTHER INFORMATION

DISCLOSURE OF INTERESTS

Directors and Chief Executives

As at the end of FY2026, the interests and short positions of our Directors and chief executives (being those as at the end of FY2026) in our Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO, or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code are set out below. All interests disclosed represent long positions in Shares. Our Directors and chief executives do not hold any short positions in Shares.

Interest in our Shares

Name of Director or chief executive	Nature of interest	Relevant entity	Number Shares interested	Approximate percentage of shareholding in our Company[1]
Mr. Yu[2]	Beneficial owner		9,300,000	0.88%
	Interest in a controlled corporation	Tigerstep	29,282,832	2.76%
Ms. Sun[3]	Beneficial owner		70,000	0.01%
	Interest in a controlled corporation	First Bravo	151,000	0.01%
Mr. Yin[4]	Beneficial owner		3,050,000	0.29%
Mr. Kwong[5]	Beneficial owner		40,000	0.00%
Mr. Lin[6]	Beneficial owner		40,000	0.00%
Mr. Yan[7]	Beneficial owner		40,000	0.00%
Ms. Wan[8]	Beneficial owner		20,000	0.00%

Notes:

(1) The percentages are calculated based on our Company's total number of issued shares, being 1,060,126,218 Shares, as at 31 May 2026.

(2) These interests comprise: (i) 6,000,000 Shares that may be issued pursuant to an exercise of options granted to Mr. Yu under the 2019 Scheme; (ii) 1,800,000 underlying Shares for the share awards granted but not yet vested to Mr. Yu under the 2023 Scheme; (iii) 29,282,832 Shares held through Tigerstep; and (iv) 1,500,000 Shares held by Mr. Yu. Tigerstep is wholly owned by Mr. Yu. Through a trust arrangement, Mr. Yu, together with his family, holds beneficial interest in Tigerstep.

(3) These interests comprise: (i) 10,000 underlying Shares for the share awards granted but not yet vested to Ms. Sun under the 2023 Scheme; (ii) 20,000 underlying Shares for the share awards granted but not yet vested to Ms. Sun under the 2025 Scheme; (iii) 151,000 Shares held through First Bravo Asia Limited ("**First Bravo**"); and (iv) 40,000 Shares held by Ms. Sun. First Bravo is wholly-owned by Ms. Sun. Under the SFO, Ms. Sun is deemed to be interested in all of First Bravo's interests in our Company. Ms. Sun resigned as Director on 21 August 2026.

(4) These interests comprise: (i) 2,000,000 Shares that may be issued pursuant to an exercise of options granted to Mr. Yin under the 2019 Scheme; (ii) 450,000 underlying Shares for the share awards granted but not yet vested to Mr. Yin under the 2023 Scheme; and (iii) 600,000 Shares held by Mr. Yin.

(5) These interests comprise: (i) 20,000 share awards granted but not yet vested to Mr. Kwong under the 2025 Share Scheme; and (ii) 20,000 Shares held by Mr. Kwong.

(6) These interests comprise: (i) 20,000 share awards granted but not yet vested to Mr. Lin under the 2025 Share Scheme; and (ii) 20,000 Shares held by Mr. Lin.

(7) These interests comprise: (i) 20,000 share awards granted but not yet vested to Mr. Yan under the 2025 Share Scheme; and (ii) 20,000 Shares held by Mr. Yan.

(8) These interests comprise 20,000 share awards granted but not yet vested to Ms. Wan under the 2025 Share Scheme.

Interest in our Controlling Shareholder

Name of Director or chief executive	Nature of interest	Total number of shares	Percentage of shareholding in New Oriental[1]
Mr. Yu[1]	Interest in a controlled corporation; beneficiary of a trust	199,634,550	11.6%

Note:

(1) According to the best knowledge of our Directors and publicly available information of New Oriental accessed as at the end of the Reporting Period, this interest represents: (i) 165,235,000 common shares held by Tigerstep, a company wholly-owned by Mr. Yu, and (ii) 3,439,955 ADSs, which consist of 3,315,054 ADSs held by Tigerstep and 124,901 ADSs held by Mr. Yu. Mr. Yu was also granted restricted share units consisting of 450,000 ADSs on 26 January 2025. The percentage is calculated based on New Oriental's total number of common shares as of 31 May 2025. Tigerstep is wholly owned by Mr. Yu. Through a trust arrangement, Mr. Yu, together with his family, holds beneficial interest in Tigerstep.

Interest in our associated corporations (other than New Oriental)

Name of Director	Nature of interest	Associated corporation	Amount of registered capital (RMB)	Approximate percentage of shareholding in the associated corporation
Mr. Yu	Beneficial owner	Century Friendship[1]	9,900,000	99%
	Interest in a controlled corporation	New Oriental China[1]	50,000,000	100%
	Interest of controlled limited partnership	New Venture[2]	50,000,000	50%

Notes:

(1) Century Friendship and New Oriental China are controlled through a series of contractual arrangements by, and are therefore treated as subsidiaries of New Oriental. Mr. Yu holds a 99% equity interest in Century Friendship, which in turn, holds the entire equity interests in New Oriental China. New Oriental China holds a 100% equity interest in, and has entered into contractual arrangements with, Beijing New Oriental Xuncheng Network Technology Inc. Under the SFO, Mr. Yu is deemed to be interested in all of Century Friendship's interests in New Oriental China.

(2) New Venture is held by our Company as to more than 20%, and is held by New Oriental China as to 50%. Mr. Yu holds 99% equity interest in Century Friendship, which in turn, holds the entire equity interests in New Oriental China. Under the SFO, Mr. Yu is deemed to be interested in all of New Oriental China's interests in New Venture.

Substantial shareholders

As at the end of FY2026, as far as our Directors are aware, the following persons (other than our Directors and the chief executive of our Company) had interests or short positions in our Shares or underlying Shares of our Company as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO. All of the interests below represent long positions in shares. As far as our Directors are aware, none of the persons listed below held any short positions in Shares.

Name of Shareholder	Nature of interest	Number of ordinary shares	Approximate percentage of shareholding in our Company(1)
New Oriental	Beneficial interest	589,585,500	55.61%

Note:

(1) The percentages are calculated based on our Company's total number of issued shares, being 1,060,126,218 Shares, as at 31 May 2026.

SHARE SCHEMES

Our Company has adopted four share schemes, the Pre-IPO Scheme (expired on 27 March 2025), the 2019 Scheme (terminated on 9 March 2023), the 2023 Scheme and the 2025 Share Scheme. See "Statutory and general information" of Appendix IV to the Prospectus for further details of the Pre-IPO Scheme and the 2019 Scheme, the circular of our Company dated 21 February 2023 for further details of the 2023 Scheme.

19,301,400 new Shares, representing approximately 1.83% of the weighted average of issued share capital of the Company (excluding any treasury shares), may be issued in respect of all awards granted during the Reporting Period to eligible participants pursuant to all Share Schemes.

Further details and relevant breakdowns of the 2019 Scheme, 2023 Scheme and the 2025 Scheme of our Company are set out below:

2019 Scheme

The 2019 Scheme was terminated on 9 March 2023.

Purpose

The purpose of the 2019 Scheme is to provide eligible participants with the opportunity to acquire proprietary interest in our Company and to encourage the eligible participants to work towards enhancing the value of our Company and the Shares for the benefit of our Company and our Shareholders as a whole. The 2019 Scheme is further intended to provide our Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to eligible participants.

Eligible participants
The eligible participants of the 2019 Scheme include, among others, any director, employee or contractor or affiliate of our Group (including nominees and/or trustees of any employee benefit trust(s) established for them) who the Board considers, in its sole discretion, to have contributed or will contribute to our Group.

Maximum number of Shares available for issue
The overall limit on the number of Shares that may be issued upon exercise of all options granted under the 2019 Scheme and any other scheme must not exceed 10% (being 91,395,910 Shares) of the total number of Shares in issue on the Listing Date (being 913,959,102 Shares).

As at 1 June 2025, an aggregate of 30,813,536 options remain outstanding under the 2019 Scheme. During the Reporting Period, 8,484,000 options under the 2019 Scheme had been exercised, no options had been cancelled or lapsed. As at 31 May 2026 and the Latest Practicable Date, an aggregate of 22,329,536 options and 21,158,536 options (representing approximately 2.01% of our total issued share capital as of the Latest Practicable Date) remain outstanding under the 2019 Scheme, respectively.

Maximum entitlement of each eligible participant
Unless specifically approved by our Shareholders, each eligible participant under the 2019 Scheme may only be granted options (including both exercised and outstanding options) within any 12-month period that represent underlying Shares that aggregate to 1% of our Company's total issued share capital at that particular time. Further details of movements in the 2019 Scheme is set out in Note 28 to the consolidated financial statements.

Vesting period
The vesting criteria and conditions, and the vesting date are specified in the offer letter. Details of the vesting period of individual grants are stated in the table below.

Remaining life of the 2019 Scheme and option period
The 2019 Scheme was terminated on 9 March 2023 and the Company shall not grant any further options under the 2019 Scheme after its termination. Any granted and unexercised options made under the 2019 Scheme immediately before the termination shall continue to be valid and exercisable in accordance with the terms of the grant and the 2019 Scheme rules.

Under the 2019 Scheme rules, there is no minimum period for which an option must be held before it can be exercised.

Consideration and exercise price
Each grantee shall pay a consideration of RMB1.00 for the grant of options under the 2019 Scheme. The exercise price per Share under the 2019 scheme shall be determined by our Board in its absolute discretion and notified to the participant, but shall be no less than the higher of:

(a) the closing price of our Shares as stated in the Daily Quotations Sheet on the grant date;

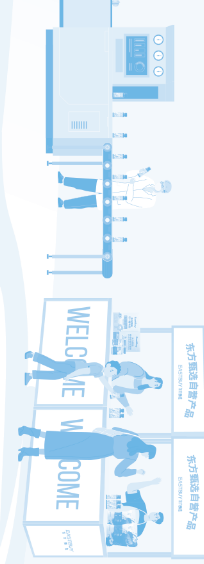
(b) the average closing price of our Shares as stated in the Daily Quotations Sheet for the five business days immediately preceding the grant date; and

(c) the nominal value of each Share on the grant date.

Details of option grants

Details of the movements of the options granted under the 2019 Scheme are as follows:

Name or category of grantee	Role	Date of grant	Vesting period	Exercise period	Exercise price (HK$) per Share	Number of options: Outstanding as at 1 June 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 May 2026	Weighted average closing price of Shares immediately before the date of exercise during the Reporting Period (HK$)
Directors												
Mr. Yu	Executive Director, chief executive officer and chairman of the Board	15 November 2021	(1) One-third of the options to vest on the date immediately before the first anniversary of the date of grant;	Ten years from the date of grant	5.22	6,000,000	Nil	Nil	Nil	Nil	6,000,000	N/A
Mr. Yin	Executive Director	15 November 2021	(2) One-third of the options to vest on the date immediately before the first anniversary of the first vesting date; and (3) One-third of the options to vest on the date immediately before the first anniversary of the second vesting date.	Ten years from the date of grant	5.22	2,000,000	Nil	Nil	Nil	Nil	2,000,000	N/A



Name or category of grantee	Role	Date of grant	Vesting period	Exercise period	Exercise price (HK$) per Share	Number of options: Outstanding as at 1 June 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 May 2026	Weighted average closing price of Shares immediately before the date of exercise during the Reporting Period (HK$)
Other grantees in category												
Employee participants[(1)]		15 November 2021		Ten years from the date of grant	5.22	22,813,536	Nil	8,484,000	Nil	Nil	14,329,536	32.69
Total						30,813,536	Nil	8,484,000	Nil	Nil	22,329,536	

Note:

(1) Employee participants as defined under the Listing Rules and excluding Mr. Yu and Mr. Yin as disclosed above, on individual basis.

Further details of movements in the 2019 Scheme are set out in Note 28 to the consolidated financial statements.

2023 Scheme

Purpose

The purpose of the 2023 Scheme is to provide the Company with a flexible means of, attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to eligible participants through aligning the interests of eligible participants with those of the Company and Shareholders by providing them with an opportunity to acquire proprietary interests in the Company and become Shareholders, and thereby, encouraging eligible participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

Eligible participants

Eligible participants are determined by the scheme administrator from time to time to be eligible to participate as grantees under the 2023 Scheme, and shall fall under one or more of the following categories: Employee Participants, the Related Entity Participants and Service Provider Participants.

Awards

Awards may take the form of an option or a share award, which can be funded by Shares or an equivalent value determined by prevailing market prices.

Maximum number of awards available for grant and new Shares available for issue under the scheme mandate

Scheme mandate and sub-limit

The total number of Shares that may be issued pursuant to all awards to be granted under the 2023 Scheme and awards to be granted under any other share schemes of the Company is initially set at 10% of the Shares in issue as at the adoption date of the 2023 Scheme, being 101,351,871 Shares (the "**Scheme Mandate**"). The total number of Shares that may be issued pursuant to all awards to be granted to Service Provider Participants under the 2023 Scheme is initially set at up to 2% of the Scheme Mandate, being 2,027,037 Shares (the "**Service Provider Sublimit**").

As at 1 June 2025, 81,054,341 and 2,027,037 new Shares were available for issue under the Scheme Mandate and the Service Provider Sublimit, respectively. During the Reporting Period, 5,479,680 new Shares were issued pursuant to the 2023 Scheme. Therefore, as at 31 May 2026, 75,574,661 and 2,027,037 new Shares were available for issue under the Scheme Mandate and the Service Provider Sublimit, respectively. As at the Latest Practicable Date, 75,574,661 new Shares (representing 7.17% of our total issued share capital as of the Latest Practicable Date) were available for issue under the Scheme Mandate.

Number of Shares underlying awards available for grant

The aggregate number of Shares underlying all grants made or to be made pursuant to the 2023 Scheme was 101,351,871. As at 1 June 2025, 75,491,221 Shares were available for grant under the 2023 Scheme. During the Reporting Period, 19,301,400 Shares underlying awards were granted under the 2023 Scheme, 39,000 share awards had been cancelled and 83,440 share awards had lapsed. It follows that, as at 31 May 2026, there were 56,312,261 Shares available for grant under the 2023 Scheme.

Maximum entitlement of each eligible participant

There is no specific maximum entitlement for each eligible participant under the 2023 Scheme.

Issue price and exercise price

The scheme administrator may determine in their absolute discretion the issue price for the exercise of share awards and/or the exercise price for options for awards in the form of share awards and/or option (as the case may be) and such prices shall be set out in the award letter.

The exercise price for options shall be no less than the higher of: (i) the closing price of the Shares on the grant date; and (ii) the average closing price of the Shares for the five business days immediately preceding the grant date.

The issue price shall be determined on an individual basis for each of the grantee by the scheme administrator, taking into account the purpose of the 2023 Scheme, the interests of the Company and the individual circumstances of the each grantee.

Exercise period

The scheme administrator may determine in its absolute discretion the exercise period for any award of options and/or share awards and such period shall be set out in the award letter. In any event, the exercise period for any award of options shall not be longer than 10 years from the grant date.

Vesting period

The scheme administrator may determine the vesting period and specify such period in the award letter. The vesting period may not be for a period less than 12 months from the grant date, except in limited circumstances set out in the 2023 Scheme rules. These circumstances may only apply to Employee Participants and are consistent with the scenarios contemplated in FAQ 092-2022 issued by the Stock Exchange, including where:

(a) grants of "make whole" awards to a new Employee Participant to replace the awards that the Employee Participant forfeited when leaving their previous employer;

(b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;

(c) grants of awards that are subject to the fulfilment of performance targets as determined in the conditions of the grantee's grant;

(d) grants of awards the timing of which is determined by administrative or compliance requirements not connected with the performance of the Employee Participant, in which case the vesting date may be adjusted to take account of the time from which the award would have been granted if not for such administrative or compliance requirements;

(e) grants of awards with a mixed vesting schedule such that the award vests evenly over a period of 12 months; or

(f) grants of awards with a total vesting and holding period of more than 12 months.

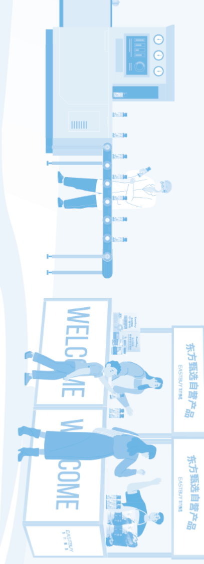
Remaining Life of the 2023 Scheme

The 2023 Scheme is valid for ten years from the adoption date of the 2023 Scheme (being from 9 March 2023 to 8 March 2033). The remaining life of the scheme is approximately seven years.

Details of grants

Details of the movements of share awards granted under the 2023 Scheme are as follows:

Name or category of grantee	Role	Date of grant	Vesting period	Exercise period	Issue price (HK$)	Number of share awards: Unvested as at 1 June 2025	Number of share awards: Granted during the Reporting Period	Number of share awards: Vested during the Reporting Period	Number of share awards: Cancelled during the Reporting Period	Number of share awards: Lapsed during the Reporting Period	Number of share awards: Unvested as at 31 May 2026	Closing price of the Shares immediately before the date of grant during the Reporting Period (HK$)	Fair value[1] of the share awards at the date of grant during the Reporting Period (HK$)	Weighted average closing price of Shares immediately before the date of vesting during the Reporting Period (HK$)	Performance targets of the share awards granted during the Reporting Period
Directors															
Mr. Yu	Executive Director, chief executive officer and chairman of the Board	11 April 2023	(a) 33% will vest on each of the first and second anniversary of the date of grant; and (b) 34% will vest on the third anniversary of the date of grant	Ten years from the date of grant	Nil	510,000	Nil	510,000	Nil	Nil	Nil	N/A	N/A	29.92	N/A
		28 April 2026	A total vesting period of 3 years from the date of grant[2]	Ten years from the date of grant	Nil	Nil	1,800,000	Nil	Nil	Nil	1,800,000	26.86	28.44	N/A	See note 3
Mr. Yin	Executive Director	11 April 2023	A total vesting period of 3 years from the date of grant[4]	Ten years from the date of grant	Nil	120,000	Nil	120,000	Nil	Nil	Nil	N/A	N/A	29.92	N/A
		28 April 2026	A total vesting period of 3 years from the date of grant[2]	Ten years from the date of grant	Nil	Nil	450,000	Nil	Nil	Nil	450,000	26.86	28.44	N/A	See note 5



Name or category of grantee	Role	Date of grant	Vesting period	Exercise period	Issue price (HK$)	Number of share awards: Unvested as at 1 June 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as at 31 May 2026	Closing price of the Shares immediately before the date of grant during the Reporting Period (HK$)	Fair value[1] of the share awards at the date of grant during the Reporting Period (HK$)	Weighted average closing price of Shares immediately before the date of vesting during the Reporting Period (HK$)	Performance targets of the share awards granted during the Reporting Period
Ms. Sun[6]	Non-executive Director	28 November 2023	One-third of the share awards shall vest on each anniversary of the date of grant	Ten years from the date of grant	Nil	20,000	Nil	10,000	Nil	Nil	10,000	N/A	N/A	18.92	N/A
Other grantees in category															
Employee Participants[7]		11 April 2023	A total vesting period of 3 years from the date of grant[4]	Ten years from the date of grant	Nil	4,913,120	Nil	4,839,680	Nil	73,440	Nil	N/A	N/A	29.92	N/A
		28 April 2026	A total vesting period of 3 years from the date of grant[2]	Ten years from the date of grant	Nil	Nil	17,051,400	Nil	39,000	10,000	17,002,400	26.86	28.44	N/A	See note 5
Total						5,563,120	19,301,400	5,479,680	39,000	83,440	19,262,400				

Notes:

(1) The fair value of awards was determined based on a number of factors, please refer to Note 28 to the "Notes to the Consolidated Financial Statements".

(2) A total vesting period of 3 years from the date of grant, and shall vest according to the following schedule: (i) one third of the total Share Awards granted will vest on the first anniversary of the date of grant; (ii) one third of the total Share Awards granted will vest on the second anniversary of the date of grant; and (iii) One third of the total Share Awards granted will vest on the third anniversary of the date of grant.

(3) Upon each vesting date, the portion of Share Awards eligible to vest will actually vest if Mr. Yu meets the specified threshold in his performance evaluations during the one-year period prior to the vesting date. The Board may determine whether any eligible but not actually vested Share Awards may be rolled over and vest on a subsequent date during the vesting period, based on factors including the overall financial position and operating conditions of the Group on each vesting date, with a focus on the growth and reputation of the Group and its industry ranking, and benchmarking of the Company's key performance metrics against comparable companies in the same industry or with a listing on the Hong Kong or a comparable stock exchange. These key performance metrics include but are not limited to, the growth rate of the gross merchandise value and the revenue of the Company for the relevant periods, the quality control of the private label products as the Company launched more diversified products with premium quality and good value for money, the new business opportunities and resources that Mr. Yu could bring to the Group, and the performance and variety of Mr. Yu's livestreaming sessions. For details, please refer to the circular of the Company dated 5 June 2026.

(4) A total vesting period of 3 years from the date of grant, and shall vest according to the following schedule: (i) between 20% to 50% of the total share awards granted will vest on the first anniversary of the date of grant; (ii) between 20% to 50% of the total share awards granted will vest on the second anniversary of the date of grant; and (iii) between 20% to 50% of the total share awards granted will vest on the third anniversary of the date of grant.

(5) Upon each vesting date, the portion of Share Awards eligible to vest will actually vest if the grantee meets the specified threshold in their performance evaluations during the one-year period prior to the vesting date. The scheme administrator may determine whether any eligible but not actually vested Share Awards may be rolled over and vest on a subsequent date during the vesting period, based on factors including the overall financial position and operating conditions of the Group on each vesting date, with a focus on the growth and reputation of the Group and its industry ranking, and benchmarking of the Company's key performance metrics against comparable companies in the same industry or with a listing on the Hong Kong or a comparable stock exchange. For details, please refer to the announcement of the Company dated 28 April 2026.

(6) Ms. Sun resigned as Director on 21 August 2026.

(7) Employee Participants excluding Mr. Yu, Mr. Yin and Ms. Sun as disclosed above, on individual basis.

Further details of movements in the 2023 Scheme are set out in Note 28 to the consolidated financial statements.

2025 Share Scheme

Purpose

The purpose of the 2025 Share Scheme is (a) to provide the Company with a flexible means of remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to eligible participants; (b) to align the interests of eligible participants with those of the Company and Shareholders by providing such eligible participants with the opportunity to acquire proprietary interests in the Company; and (c) to encourage Eligible Participants to contribute to the long-term growth, and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

Eligible participants

Eligible participants are determined by the scheme administrator from time to time to be eligible to participate as grantees under the 2025 Share Scheme, and shall fall under one or more of the following categories: Employee Participants, the Related Entity Participants and Service Provider Participants.

Awards

An award granted under the 2025 Share Scheme by the Board to a grantee, which may take the form of a share option or a share award and shall be satisfied by Shares acquired through on-market acquisition through trusts (i.e. existing shares). For the avoidance of doubt, no new Shares shall be issued by the Company pursuant to the 2025 Share Scheme.

Maximum entitlement of each eligible participant

There is no specific maximum entitlement for each eligible participant under the 2025 Share Scheme.

Purchase price and exercise price

For awards which take the form of share awards, the purchase price for such share awards shall be such price determined by the scheme administrator in their absolute discretion and notified to the grantee in the award letter. For the avoidance of doubt, the scheme administrator may determine the purchase price to be at nil consideration.

For awards which take the form of share options, the scheme administrator shall in their absolute discretion determine and notify the grantee in the award letter: (a) the exercise price for such share options, provided that the exercise price shall be no less than the higher of: (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the grant date; and (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the grant date, unless the Board determines otherwise in its absolute discretion.

Exercise period

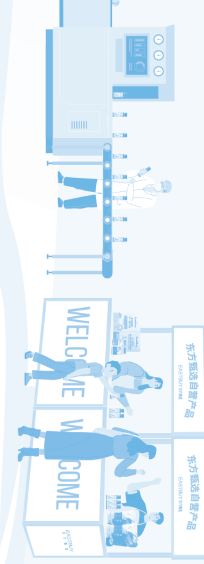
The scheme administrator may determine in its absolute discretion the exercise period for any award of options and such period shall be set out in the award letter. In any event, the exercise period for any award of options shall not be longer than 10 years from the grant date.

Vesting period

The vesting period shall be determined from time to time by the scheme administrator, on which an award (or part thereof) is to vest in the relevant grantee and upon which the grantee may exercise the award.

Remaining life of the 2025 Share Scheme

The 2025 Share Scheme is valid for 10 years from the adoption date of the 2025 Share Scheme (being from 24 March 2025 to 23 March 2035). The remaining life of the scheme is approximately 9 years.



Details of grants

Details of the movements of share awards granted under the 2025 Share Scheme are as follows:

Name or category of grantee	Role	Date of grant	Vesting period	Exercise period	Issue price (HK$)	Number of share awards: Unvested as at 1 June 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as at 31 May 2026	Closing price of the Shares immediately before the date of grant during the Reporting Period (HK$)	Fair value[2] of the share awards at the date of grant during the Reporting Period (HK$)	Weighted average closing price of Shares immediately before the date of vesting during the Reporting Period (HK$)	Performance targets of the share awards granted during the Reporting Period
Directors															
Ms. Sun[1]	Non-executive Director	11 April 2025	1 year from the date of grant	Nil	Nil	20,000	Nil	20,000	Nil	Nil	Nil	N/A	N/A	29.92	See note 4
		11 April 2026	1 year from the date of grant	Nil	Nil	Nil	20,000	Nil	Nil	Nil	20,000	29.92	29.92	N/A	See note 4
Mr. Lin	Independent Non-executive Director	11 April 2025	1 year from the date of grant	Nil	Nil	20,000	Nil	20,000	Nil	Nil	Nil	N/A	N/A	29.92	See note 4
		11 April 2026	1 year from the date of grant	Nil	Nil	Nil	20,000	Nil	Nil	Nil	20,000	29.92	29.92	N/A	See note 4
Mr. Kwong	Independent Non-executive Director	11 April 2025	1 year from the date of grant	Nil	Nil	20,000	Nil	20,000	Nil	Nil	Nil	N/A	N/A	29.92	See note 4
		11 April 2026	1 year from the date of grant	Nil	Nil	Nil	20,000	Nil	Nil	Nil	20,000	29.92	29.92	N/A	See note 4

Name or category of grantee	Role	Date of grant	Vesting period	Exercise period	Issue price (HK$)	Number of share awards: Unvested as at 1 June 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as at 31 May 2026	Closing price of the Shares immediately before the date of grant during the Reporting Period (HK$)	Fair value[2] of the share awards at the date of grant during the Reporting Period (HK$)	Weighted average closing price of Shares immediately before the date of vesting during the Reporting Period (HK$)	Performance targets of the share awards granted during the Reporting Period
Mr. Yan	Independent Non-executive Director	11 April 2025	1 year from the date of grant	Nil	Nil	20,000	Nil	20,000	Nil	Nil	Nil	N/A	N/A	29.92	See note 4
		11 April 2026	1 year from the date of grant	Nil	Nil	Nil	20,000	Nil	Nil	Nil	20,000	29.92	29.92	N/A	See note 4
Ms. Wan	Independent Non-executive Director	29 May 2026	1 year from the date of grant	Nil	Nil	Nil	20,000	Nil	Nil	Nil	20,000	21	21.78	N/A	See note 4
Other grantees in category															
Other grantees in aggregate[3]		11 April 2025	(a) 33% will vest on each of the first and second anniversary of the date of grant; and (b) 34% will vest on the third anniversary of the date of grant	Nil	Nil	1,700,000	Nil	561,000	Nil	Nil	1,139,000	N/A	N/A	29.92	See note 5
Total						1,780,000	100,000	641,000	Nil	Nil	1,239,000				

Notes:

(1) Ms. Sun resigned as Director on 21 August 2026.

(2) The fair value of awards was determined based on a number of factors, please refer to Note 28 to the "Notes to the Consolidated Financial Statements".

(3) No share awards were granted to the five highest paid individuals under the 2025 Share Scheme during FY2026. The other grantees exclude the Directors disclosed above.

(4) Upon each vesting date, the portion of share awards eligible to vest will actually vest if Ms. Sun, Mr. Lin, Mr. Kwong, Mr. Yan and Ms. Wan, respectively, actively engage in the work of the Board, provide valuable input and advice, and ensure the effective and efficient functioning of the Board during the one year period prior to the vesting date. The scheme administrator may determine whether eligible but not actually vested share awards may vest based on factors including the overall financial position and operating conditions of the Group on each vesting date.

(5) Upon each vesting date, the portion of share awards eligible to vest will actually vest if the grantee meets the specified threshold in their performance evaluations during the one-year period prior to the vesting date.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

Corporate Governance Code

Our Company was incorporated in the Cayman Islands on 7 February 2018 as an exempted company with limited liability, and our Shares were listed on the Main Board of the Stock Exchange on 28 March 2019.

We are committed to maintaining and promoting stringent corporate governance. The principle of our Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all shareholders of our Company. During the Reporting Period, the Company has complied with all the applicable code provisions as set out in Part 2 of the Corporate Governance Code except for the following deviations:

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of the chairman of the Board and the chief executive should be segregated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company does not have separate Chairman of the Board and chief executive officer, and Mr. Yu Minhong, our executive Director, currently performs these two roles (since his redesignation as an executive Director and appointment as chief executive officer on 16 December 2023). The Board believes that vesting the roles of both Chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of Chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

We will continue to regularly review and monitor our corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices of the Company.

OUR DIRECTORS' COMPLIANCE WITH THE MODEL CODE

We adopted the Model Code contained in Appendix C3 to the Listing Rules as our Company's code of conduct regarding our Directors' dealing in our Company's securities. Having made specific enquiry of all our Directors, all Directors confirmed that they have complied with the provisions of the Model Code throughout FY2026.

OUR BOARD

As at the Latest Practicable Date, our Board consists of six Directors, comprising two executive Directors and four independent non-executive Directors. Ms. WAN Zhe was appointed as an independent non-executive Director on 29 May 2026 and Ms. SUN Chang resigned as a non-executive Director on 21 August 2026.

See "Corporate Information" pages 2 to 3 for details of our Board and board committee members. See "Directors' report – Directors and senior management" at pages 23 to 27 for the biographical information of our Directors.

During FY2026, our Company has met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors and representing at least one-third of our Board, with at least one of whom possessing the appropriate professional qualifications or accounting or related financial management expertise (being Mr. Kwong and Mr. Yan).

None of our Board members are related to one another.

Chairman and Chief Executive

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The Company does not have separate Chairman of the Board and chief executive officer, and Mr. Yu Minhong, our executive Director, currently performs these two roles (since his redesignation as an executive Director and appointment as chief executive officer on 16 December 2023). The Board believes that vesting the roles of both Chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of Chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Responsibilities and delegation

Our Board assumes responsibility for the leadership and control of our Company, and is responsible for directing and supervising our Company's affairs in the best interests of our Company and our Shareholders.

Our Board directly, and indirectly through our Board Committees, leads and provides management strategies and overseeing the implementation of these strategies, as well as supervising our Company's internal control and risk management systems, and assumes ultimate responsibility for preparing the accounts. Our Board makes the final decision on policy matters, strategies and budgets, internal control and risk management, material transactions, financial information, directorship appointment, and other significant operational matters of our Company. Our Board may delegate certain of its responsibilities, including implementing its decisions, directing and coordinating the daily operations of our Company and management to our chief executive officers, other senior managers and management. These delegated functions and responsibilities are periodically reviewed by our Board.

Each of our Directors bring a wide variety of business and industry experience, knowledge and professionalism to our Board for its efficient and effective functioning. Our Directors have full and timely access to all information of our Company, and may upon request, seek independent professional advice in appropriate circumstances at our Company's expense for discharging their duties to our Company. Our Directors will disclose to our Company details of other offices held by them.

Appointment and re-election of Directors

According to our Articles of Association, at each annual general meeting of our Company, one-third of our Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) will 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. A Director appointed by our Board, either to fill a casual vacancy or as an addition to our Board, will hold office only until our Company's next general meeting. All retiring Directors will be eligible for re-election.

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

Ms. Wan (appointed on 29 May 2026) obtained legal advice on 29 May 2026 as required under Rule 3.09D of the Listing Rules from the legal advisor of the Company and confirmed she understood her obligations as a director of a listed company.

Continuous professional development of Directors

Our Company and each of our Directors understand the importance of our Directors participating in appropriate continuous professional development to allow them to keep on top of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to our Board remains informed and relevant. Our Directors are encouraged to attend relevant training at our Company's expense.

During FY2026 and up to the date of this report, each of our Directors, namely Mr. Yu, Mr. Yin, Ms. Sun (resigned on 21 August 2026), Mr. Lin, Mr. Kwong, Mr. Yan and Ms. Wan, received professional training, which include, among others: (a) participating in continuous professional training seminar(s), conference(s), course(s) and/or meeting(s); (b) reading materials provided by external parties, or prepared by our Company, and provided from time to time to Directors, regarding legal and regulatory changes and matters relevant to directors' duties and responsibilities and our Group's business; and/or (c) news, journals, magazines or other reading materials that touch on legal and regulatory changes and matters relevant to our Directors discharging their directors' duties and responsibilities or that concern our Group's business.

Attendance records of Directors

During FY2026, our Directors attended the following meetings:

Director	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings	General meeting
Mr. Yu	9/9	–	–	2/2	1/1
Mr. Yin	9/9	–	–	–	1/1
Ms. Sun *(resigned on 21 August 2026)*	9/9	–	3/3	–	1/1
Mr. Lin	9/9	3/3	3/3	2/2	1/1
Mr. Kwong	9/9	3/3	–	–	1/1
Mr. Yan	9/9	3/3	3/3	2/2	1/1
Ms. Wan *(appointed on 29 May 2026)*	1/9	–	–	1/2	–

The Board meets at least four times a year, at approximately quarterly intervals. Schedules for regular Board meetings are normally agreed with Directors in advance to facilitate their attendance. At least 14 days' notice for all regular Board meetings will be given to all Directors and all Directors are given the opportunity to include items or businesses for discussion in the agenda. For all other Board meetings, reasonable notice will be given. Relevant agenda and accompanying meeting papers will be sent to all Directors in a timely manner and at least three days in advance of every regular Board meeting.

Apart from regular Board meetings, the Chairman of the Board also held meetings with the independent non-executive Directors without the presence of other Directors during FY2026.

Board committees

We have established three Board Committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, for overseeing particular aspects of the Company's affairs. All Board Committees are established with specific written terms of reference which deal clearly with their authority and duties, and are posted on the Company's website and the Stock Exchange's website.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Yan (committee chairperson), Mr. Kwong and Mr. Lin.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system (including risk management) of our Group, review and approve connected transactions and provide advice and comments to the Board.

None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The Audit Committee has performed the following major tasks during FY2026:

(a) discussing and making recommendation on the re-appointment of the Auditor;

(b) reviewing and monitoring the independence and objectivity of the Auditor and the effectiveness of the audit process for our Group's annual audit for the year ended 31 May 2025;

(c) reviewing the annual results of our Group for the year ended 31 May 2025;

(d) reviewing the interim results of our Group for the six months ended 30 November 2025;

(e) reviewing our Company's financial controls, risk management and internal control systems;

(f) discussing the effectiveness of the risk management and internal control systems of our Company with the management;

(g) reviewing the effectiveness and resources of our Company's internal auditors and ensuring its coordination with the Auditor;

(h) reviewing our Company's and its subsidiaries' operating, financial and accounting policies and practice;

(i) reviewing any management letter and material queries from the Auditor and the management's response, and ensuring timely response to the issues raised by the Auditor's management letter was provided by our Board;

(j) reviewing arrangements employees of our Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and

(k) reviewing the continuing connected transactions of the Group carried out during the year ended 31 May 2025.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The Remuneration Committee comprises three Directors (including two independent non-executive Directors), namely, Mr. Lin (committee chairperson and independent non-executive Director), Ms. Sun (being non-executive Director, resigned on 21 August 2026), Mr. Yin (being executive Director, appointed on 21 August 2026) and Mr. Yan (being independent non-executive Director).

The primary duties of the Remuneration Committee are to review and make recommendations to our Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior managers, and to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

During FY2026, the Remuneration Committee reviewed and made recommendations on the remuneration packages of our Directors and our Company's senior managers. Further, the Remuneration Committee has reviewed and made recommendation to the Board regarding the grant of share awards under the 2023 Share Scheme and the 2025 Share Scheme, including the proposed grant of awards to Mr. Yu under the 2023 Share Scheme which required shareholders approval at the general meeting dated 23 June 2026 ("**Mr. Yu's Grant**") as such grant exceeded the 0.1% threshold under rule 17.04 of the Listing Rules. While considering the grant of share awards, the Remuneration Committee had evaluated the remuneration of the grantees in comparable market peers and the value of grant to the grantees. After considering those factors, the Remuneration Committee recommended the proposed grant of restricted shares to the grantees and Mr. Yu's Grant to the Board for approval to appreciate the grantees' devotion and commitment to the Company which align with the purpose of the 2025 Share Scheme. For details of the said grants, please refer to the announcement of the Company dated 28 April 2026 and the circular of the Company dated 5 June 2026.

Directors' remuneration policy

The remuneration of Directors comprises an annual directors' fee and may also be entitled to options and/or awards under the rules of the share schemes adopted by the Company from time to time. Such remuneration is determined and recommended by the Remuneration Committee with reference to the respective Directors' duties and responsibilities with the Company, the Company's remuneration policy (as disclosed on page 32 of this annual report) and the prevailing market conditions.

We set out below the remuneration of our Company's senior management (including our executive Directors) by band for FY2026:

Annual remuneration	Number of individuals
Nil to HK$10,000,000	2
HK$10,000,001 to HK$20,000,000	Nil
HK$20,000,001 to HK$30,000,000	Nil

Further details of the remuneration for FY2026 are set out in Note 9 to the consolidated financial statements.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with the Corporate Governance Code. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely, Mr. Yu (committee chairperson), Mr. Lin (resigned as a member on 29 May 2026), Mr. Yan and Ms. Wan (appointed as a member on 29 May 2026).

The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of Board succession.

The Nomination Committee has performed the following major tasks during FY2026:

(a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board;

(b) developing the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship;

(c) assessing the independence of all the independent non-executive Directors;

(d) making recommendations to the Board on the selection of individuals nominated for directorships;

(e) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for directors of our Company; and

(f) supporting the Company's regular evaluation of the Board's performance.

We have adopted a diversity policy to enhance greater diversity of members on our Board. See "—Board diversity policy" at pages 73 to 74.

We have also adopted a director nomination policy to guide our Nomination Committee in identifying and recommending candidates for directorship positions and to make recommendations to our Board on the succession planning of directors. See "—Director nomination policy" at page 72.

Corporate governance functions

Our Board is responsible for performing the functions set out in A.2.1 of Part 2 of the Corporate Governance Code.

Our Board shall review and determine our Company's corporate governance policies and practices, our Directors' and senior managers' training and continuous professional development, our Company's policies and practices on compliance with legal and regulatory requirements, our Company's compliance with the Corporate Governance Code, and the disclosure in this Corporate Governance Report. Our Board has performed the above duties during FY2026.

Risk management and internal controls

Our Board acknowledges that it has the overall responsibility for our Company's risk management and internal control systems and reviewing their effectiveness. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Nevertheless, our Board is committed to minimising and managing these risks. Our Audit Committee, internal audit department and senior management together monitor the implementation of our internal control and risk management policies on an ongoing basis to ensure our policies and implementation are effective and sufficient.

Risk management and internal control systems and policies

Our Group has adopted a "three lines of defence model" in designing its risk management and internal control systems:

(a) The first line of defence – Business and operations: our Group's management and operational departments, collectively, form the "first line of defence". They are responsible for implementing risk management and internal control policies in their day-to-day operations and identifying, evaluating and managing the risks arising from their areas of work.

(b) The second line of defence – Risk management and internal control function: our internal audit department forms the "second line of defence". The internal audit department is responsible for formulating internal control and risk management policies and managing the implementation of these policies. It supervises the work of participants who form the "first line of defence" and reports any major issues to our Audit Committee and, where necessary, our Board on a regular basis. The internal audit department maintains a high degree of independence to ensure the effectiveness and fairness of its work.

(c) The third line of defence – Internal review and continuous improvement: the "third line of defence" mainly consists of the Audit Committee, which is responsible for reviewing the effectiveness and adequacy of our Company's risk management and internal control policies and systems on a regular basis and ensuring such policies and systems are improved and updated over time. The Audit Committee reports its work and findings and any major issues to our Board on a regular basis.

As disclosed in the Company's announcement dated 10 November 2025, the Group subscribed for certain wealth management products in September 2025 which, on an aggregated basis, constituted a discloseable transaction and a major transaction respectively under Chapter 14 of the Listing Rules. The notification and announcement in respect of the acquisition of the relevant subscriptions, and the Shareholders' approval requirement in respect of the relevant subscription as required under Chapter 14 of the Listing Rules had been delayed due to its unintentional oversight.

The Company has implemented the following measures to continue to enhance its internal control management and strictly control the supervision regarding compliance and risk control matters of its business operations:

(a) enhanced its size test calculation model and monitoring mechanism to capture and monitor all proposed subscriptions as well as wealth management products acquired or held by the Group. The enhanced calculation model incorporates mandatory verification procedures requiring size test calculations to be performed on both a standalone and aggregated basis, while its monitoring mechanism is also equipped with automated alerts which will be generated where any applicable percentage ratio exceeds the relevant thresholds under Chapter 14 of the Listing Rules. The head of finance department will also examine the calculation results to ensure that aggregation has been properly performed;

(b) strengthened internal escalation and review procedures by designating the joint company secretaries and head of finance department as responsible persons to monitor all notifiable transactions (including any new subscription of wealth management products) and seek approval from the Board prior to entering into the relevant agreements;

(c) where any applicable percentage ratio of a proposed transaction equals or exceeds 5%, external legal advisers will be engaged to advise the Company on the proposed transaction and prepare announcement and/or circular as well as take other necessary actions to comply with the Listing Rules;

(d) designated the finance department to maintain a master list of wealth management products, to be updated after each new acquisition, and reviewed monthly by the chief financial officer together with all the size test calculations, to ensure the Group's ongoing compliance with Chapter 14 of the Listing Rules; and

(e) provided further compliance guidance and training to the Company's directors (Directors), senior management and responsible staff on regulatory compliance matters relating to notifiable transactions under the Listing Rules, and will continue to work closely with external professional advisers, and consult with them before entering into any potential notifiable transaction, where appropriate.

During FY2026, our Audit Committee held three meetings, and as at the Latest Practicable Date, our Audit Committee also conducted two reviews of our risk management and internal controls systems and policies and has reported its findings to our Board. In light of the above, our Board is satisfied that our Company's risk management and internal control systems and policies are effective and adequate.

Our Group has established whistle-blowing and anti-corruption procedures. The internal audit department is responsible for receiving any alleged anti-fraud, anti-bribery or other whistle-blowing incidents. It then performs a preliminary assessment to determine whether the case warrants further investigation. If the case is determined to have sufficient basis for further investigation, it will be reported to our Audit Committee. Our Audit Committee is responsible for investigating all cases referred to it and will report its findings and recommendations to our Board and our Company's management where necessary. For confirmed cases of breach, our Board or our Company's management may take disciplinary action according to our Audit Committee's recommendation and the relevant policies, and where the case involves a violation of relevant Laws, the case will be reported to the relevant regulatory authority.

Our Group has also adopted an information disclosure policy which sets out comprehensive guidelines on handling and disseminating inside information. Our Board is entrusted with the responsibility of monitoring and implementing the procedural requirements set out in the information disclosure policy.

Significant risks of the Company

During FY2026, our Company identified the below key significant risks through its risk management system and has formulated and implemented measures for managing these risks accordingly.

1. *Public opinion risks*

   The private label products and livestreaming e-commerce sector in China is evolving rapidly. In general, companies engaging in social management and economic activities, particularly in the online space, may face fluctuating public opinion risks, such as negative or false information, rumours from society or the Internet, and pressures to moderate user behaviours. The major public opinion risks in particular to concerns around product quality and false publicity. In order to address and reduce these risks, we will continue to adhere to our brand philosophy of being "Strict on Quality" (嚴於品), maintain our focus on consistent supply and quality of products, and at the same time, we will continue to monitor and analyse negative sentiments or feedback around our brand and business, observe and evaluate public opinions and aim to maintain an overall positive impact going forward.

   We have set up a specialised public relations department and formulated internal rules on crisis management to manage our brand, strengthen communications with our customers and key stakeholders, and ensure that we are capable of responding to public relations crisis in a timely and meaningful manner.

2. *Product and service quality risk*

   The key to our ability to attract customers in our private label products and livestreaming e-commerce sector is that we consistently strive to deliver high quality products and services to our customers. If we fail to maintain the quality of our products and services as we innovate and expand, we risk losing our attractiveness to customers and, in turn, our revenue.

   As the Company sells food and other products under the brand name "East Buy", food safety and product quality are critical to our reputation and business success. Although we have implemented strict product selection, supply chain management, and quality control standards, and after-sales services systems and measures throughout our entire operating processes, there is no assurance that the Company's quality control systems will prove to be effective at all times, or that it can identify any defects in our quality control systems in a timely manner. Nonetheless, our Company is committed in providing quality products and will continue to establish and strengthen our product management team and quality inspection team going forward.

3. *Regulatory and compliance risk*

East Buy sells food and also conducts livestreaming events on Douyin and its own App and sells products online. Therefore, we need to comply with online livestreaming and online sales related regulations. Laws relating to food safety, product quality, livestreaming and online sales are numerous, varied and evolving. As a result, it may be difficult to ensure full compliance with the laws and regulations in the food safety and product quality regime and the online sales and online livestreaming industry in a timely manner, and to the standard expected by relevant authorities. Failure to comply with these laws and regulations, or maintain the safety and quality of the products that East Buy distributes may pose risks to the East Buy (東方甄選) brand, reputation and business.

We have set up a specialised working group to closely monitor and analyse relevant developments in the legal and regulatory landscape of the industries in which we operate (including food safety, product quality, livestreaming and online sales). Additionally, our working group and our management will continuously review our compliance status. We have also employed external compliance consultants to monitor the compliance of our daily operations.

Directors' responsibilities in respect of the financial statements

Our Directors acknowledge their responsibility for preparing our Company's consolidated financial statements for FY2026. Our Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon our Company's ability to continue as a going concern.

Deloitte's reporting responsibilities for the financial statements is summarised in the "Independent auditor's report" prepared by them and set out at pages 150 to 154.

Director nomination policy

Our Company has adopted the Director Nomination Policy that sets out the considerations and procedures for selecting and nominating directors on our Board, and for succession planning of our Company's directors. According to the Director Nomination Policy, (i) the ultimate responsibility for selection and appointment of Directors rests with the entire Board; (ii) the Nomination Committee will identify, consider and recommend suitable individuals to act as directors on our Board; (iii) in assessing a candidate's suitability and the potential contribution to our Board, our Nomination Committee would consider a number of aspects, including the candidate's reputation for integrity, his/her professional qualifications and skills, accomplishments and experience and Board diversity considerations (see Diversity Policy below); and (iv) the Nomination Committee shall make recommendations to our Board on the appointment or re-appointment of directors and their succession planning.

Notwithstanding, the ultimate responsibility for selecting and appointing directors rests with our entire Board.

Board independence mechanism

The Company recognises that Board independence is key to good corporate governance. As part of the established governance framework, the Group has established the board independence mechanism (the "**Mechanism**"), which demonstrates the Company's commitment to high standards of corporate governance, and making good governance integral to the Company's culture.

According to the Mechanism, the Board, Board committees or individual Directors may seek such independent professional advice, views and input as considered necessary to fulfil their responsibilities and in exercising independent judgement when making decisions in furtherance of their directors' duties at the Company's expense. Independent professional advice shall include legal advice and advice of accountants and other professional financial advisers on matters of law, accounting, tax and other regulatory matters.

In the event that independent professional advice, views and input are considered necessary, the Board, Board committees or individual Directors shall communicate with the company secretary to start the Mechanism, providing background and details of the relevant incidents and/or transactions, and the issues involved which would require independent views and input. They may direct any questions, queries, concerns or specific advice to be sought to the company secretary who will then contact the Company's professional advisers (including legal advisers, accountants, independent auditor, internal control adviser) or other independent professional parties to obtain such independent professional advice within a reasonable period of time. Any advice obtained through the Mechanism shall be duly documented and made available to other members of the Board.

Despite having obtained any information or advice from the chairperson of the Board and/or any independent professional advisers through the Mechanism, the Directors are expected to exercise independent judgement in forming their decisions.

During the Reporting Period, the Board has reviewed and considered the implementation of the Mechanism to be effective.

Board diversity policy

Our Company has adopted the Diversity Policy that sets out our approach to achieving diversity of members on our Board. We embrace the benefits of having a diverse Board and view diversity at the Board level, including gender diversity, as an essential element in maintaining our competitive edge and enhancing our ability to attract, retain and motivate employees. In identifying and selecting suitable candidates to serve on our Board as Directors, our Nomination Committee would consider a number of aspects, including gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

The Nomination Committee will discuss periodically and when necessary, agree on measurable objectives for achieving diversity, including gender diversity, among our Board members as recommendations proposed to our Board for adoption.

Pursuant to the Diversity Policy, the Company has set the following measurable objectives:

- the Company aims to maintain an appropriate balance of skills, experience and diversity of perspectives on the Board that are relevant to the Company's business growth. The Company is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered; and

- the Nomination Committee will discuss periodically and, where appropriate, agree on measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

The Nomination Committee will review our Diversity Policy as appropriate from time to time to ensure its effectiveness.

During the Reporting Period, the Board has reviewed and considered the implementation of the Diversity Policy to be effective. The Diversity Policy is well implemented as evidenced by the fact that there are both female and male Directors from a diverse age group with experience from different industries and sectors. The Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of business management, e-commerce, engineering, finance, law and computer science. They obtained degrees in various areas including business administration, economics, law, computer science and technology. Following the resignation of Ms. Sun Chang as Director on 21 August 2026, as at the date of this report, the Board comprises six Directors, one is female. The Board targets to maintain at least the current level of female representation, with the ultimate goal of achieving gender diversity. The Board is characterised by significant diversity in terms of gender, age, education background and professional experience.

WORKFORCE DIVERSITY

As at 31 May 2026, the gender diversity of the Group was approximately 63.13%, representing 1,144 females out of 1,812 employees (including senior management). Further details of workforce diversity of the Group are set out in the "Environmental, Social and Governance Report" at page 98. With a strong focus on promoting gender diversity in the workforce, the Group will continue to maintain the number of female employees. To support the achievement of these targets, specific initiatives have been implemented, including a review of the recruitment process, with job descriptions and postings amended to motivate a broader applicant pool, as well as changes to applicant screening and interviews. In addition, to support diversity across all facets, the Group is enhancing diversity and inclusion efforts through employee networks, mentoring programmes, equitable hiring practices, policies and awareness raising events and training for all employees to support inclusive behaviours.

DIVIDEND POLICY

Our Company has adopted the Dividend Policy, which aims to increase or maintain the value of dividends per Share, to provide reasonable return in investment to investors, and to allow Shareholders to assess its dividend pay-out trend and intention.

Pursuant to our Dividend Policy, a dividend may only be declared and paid out of our Company's profits and reserves that are lawfully available for distribution (including share premium), and may not be declared and paid out if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. Our Board has absolute discretion as to whether to pay a dividend, and alternatively, Shareholders may by way of ordinary resolution declare dividends provided that no dividend declared is in excess of the amount recommended by our Board.

The form, frequency, and amount of dividends declared and paid will depend on, among others, our Company's: (a) future operations and business prospects; (b) cash flow, general financial condition, and capital adequacy ratio; and (c) the availability of dividends received from subsidiaries, considering applicable statutory and regulatory restrictions (if any) and other factors that our Board considers relevant. At present, our Company does not have a fixed dividend payout ratio.

Our Board will continue to review and amend our Dividend Policy as appropriate from time to time.

AUDITOR'S REMUNERATION

We have appointed Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong as our Company's external auditor for FY2026. Our Auditor's reporting responsibilities for the financial statements is summarised in the "Independent auditor's report" prepared by them and set out at pages 150 to 154.

We set out below details of fees paid or payable to Deloitte for Deloitte providing audit and non-audit services to us during FY2026:

Services provided by Deloitte	Fees paid or payable (RMB '000)
Audit services	3,950
Interim review services	1,200
Tax fees[(1)]	320
Total	5,470

Notes:

(1) "Tax fees" means the aggregate fees billed in fiscal year of 2026 for professional services rendered by our principal auditors for tax compliance and tax advice.

JOINT COMPANY SECRETARIES

During FY2026, our joint company secretaries had been Ms. Song and Ms. Ma. Ms. Song is the head of investor relations of our Company. Ms. Ma is the assistant manager of SWCS Corporate Services Group (Hong Kong) Limited. Ms. Ma's primary contact persons at our Company were Ms. Song and our executive Director and chief financial officer (Mr. Yin), whom SWCS can contact. During FY2026, Ms. Song and Ms. Ma have undertaken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

Before Ms. Song and Ms. Ma were appointed as the joint company secretaries, Mr. Cheung Kai Cheong Willie ("**Mr. Cheung**") acted as the company secretary and resigned on 22 August 2025.

SHAREHOLDERS' RIGHTS

The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per share basis, in the share capital of the Company, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal place of the meeting, 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.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Shareholders may send enquiries to the following:

Address:	Room 906, Level 9, Building A E-World Fortune Center Zhongguancun, Haidian District Beijing, China
Attention:	Head of Investor Relations and Joint Company Secretary **The Board of Directors/Ms. SONG Jie**
Email:	songjie@eastbuy.com

For shareholding matters, or transfer of Shares, change of name or address, replacement of Share certificates, please write to our Hong Kong share registrar below:

Address:	*For change of name or address, replacement of Share certificates, or other enquiries* Level 17M, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong *For Share transfers* Shops 1712-1716, Level 17, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Attention:	Computershare Hong Kong Investor Services Limited
Telephone:	+852 2862 8555
Email:	hkinfo@computershare.com.hk

To requisition a general meeting:

Address:	Level 40, Dah Sing Financial Centre 248 Queen's Road East Wanchai, Hong Kong
Attention:	East Buy Holding Limited **The Board of Directors/Ms. SONG Jie**
Other:	The requisition must be duly signed by Shareholders who hold at least one-tenth of our Company's paid up capital that carries voting rights at our Company's general meetings. The requisition must include notice or statement, or enquiry (as the case may be), and Shareholders are to provide their full name, contact details and identification in order to give effect to the requisition. Shareholders' information may be disclosed as required by law.

Shareholders' Communication Policy

We believe that effective communication with Shareholders is essential to maintaining our relationship with investors and enhancing investors' understanding of our business performance and direction. We endeavour to maintain an on-going dialogue with Shareholders and encourage them to communicate actively with the Company.

The Company considers effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company adopted a shareholders' communication policy (the "**Shareholders' Communication Policy**"), which aims to set out the approach of the Board to provide Shareholders of the Company and other stakeholders (including potential investors) with balanced and understandable information about the Company.

In accordance with the Shareholders' Communication Policy, the Company endeavours to maintain an on-going dialogue with Shareholders and encourage them to communicate actively with the Company, in particular, through annual general meetings and other general meetings. Directors (or their delegates as appropriate), appropriate management executives and external auditor will use all reasonable endeavours to attend annual general meetings and answer enquiries from Shareholders.

In addition, the Company discloses information and publishes periodic reports and announcements to the public on the Company's website and the Stock Exchange's website in a timely manner in accordance with the Listing Rules, the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and does not contain any material omission, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions.

Shareholders may also write to the Company's headquarters in the PRC at Room 906, Level 9, Building A, E-World Fortune Center, Zhongguancun, Haidian District Beijing, China for enquiries. Such enquiries will be fully responded to as soon as possible.

As the information of the Company be disseminated and the Shareholders' concerns can be communicated in a timely and effective manner, the Company has reviewed and considered the implementation of the Shareholders' Communication Policy to be effective during the Reporting Period.

During FY2026 and up to the date of this annual report, we have not made any changes to our Articles of Association. The current version of our Articles of Association is available for viewing on the Company's website (ir.eastbuy.com) and the Stock Exchange's website (www.hkexnews.hk).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

ESG reporting scope:

This report covers East Buy Holding Limited (the "**East Buy**", the "**Company**", "**we**", or "**us**"). This report has the same reporting scope as the 2026 annual report of East Buy Holding Limited.

Reporting period:

This report is released annually, covering the period from 1 June 2025 to 31 May 2026. Certain content may be beyond the aforesaid reporting period for illustrative purposes.

Basis for preparation:

This report was prepared in accordance with requirements including the Environmental, Social and Governance Reporting Code (the "**ESG Reporting Code**") in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to the GRI Sustainability Reporting Standards (the "**GRI Standards**") published by the Global Reporting Initiative.

Reporting principles:

Materiality: The materiality of our ESG issues is determined by the Board. The stakeholder communication, the process of identification of material issues and the materiality matrix are all disclosed in this report.

Quantitative: Statistical standards, methods, assumptions and/or calculation tools for quantitative key performance indicators disclosed herein and sources of conversion factors are all explained in the definitions of the report.

Balance: This report shall provide an objective and comprehensive picture of the performance of the Company during the reporting period. It should avoid selections, omissions, or presentation formats that may inappropriately influence the decision or judgment of report readers.

Consistency: Unless otherwise specified, the statistical methods and standards of data disclosed in this report are consistent. Changes in statistical methods or standards have been explained in the relevant explanatory notes.

Description of information:

Unless otherwise stated, the amounts in this report are denominated in Renminbi.

Form of publication:

This report is published in electronic form and prepared in both Traditional Chinese and English. The electronic version is available on the website of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") at www.hkexnews.hk.

SUSTAINABILITY MANAGEMENT

Statement of the Board on ESG Management

In strict compliance with the disclosure requirements of the "Environmental, Social and Governance Reporting Code" of the Hong Kong Stock Exchange, East Buy regards the environmental, social and governance ("ESG") concept as the core driving force for the long-term value creation of the Company. We continuously optimize our ESG governance system, ensuring that relevant principles are deeply integrated into major operational decision-making and the entire business chain.

The Board, as the highest governance body for ESG matters, is fully responsible for the formulation of ESG strategy, risk control, supervision and management, and information disclosure. During the reporting period, the Board continuously strengthened its supervisory function over ESG matters through systematically carrying out relevant risk and opportunity assessment, and reviewing and approving major material issues and their priorities; set scientific ESG targets, and established a normalized supervision mechanism to track policy implementation and performance achievement. At the same time, the Board actively enhances its performance capabilities, regularly organizing directors to participate in sustainable development specific training to ensure that the decision-making level possesses a forward-looking ESG vision, effectively promoting the high-quality and sustainable development of the Company.

This report comprehensively presents the ESG practices and effectiveness of East Buy Holding Limited for FY2026 and has been reviewed and approved by the Board.

ESG Management System

East Buy has elevated the sustainability governance level to the Board, establishing an ESG governance structure of "Board of Directors – ESG Committee – Management – Executive Staff". By clarifying the boundaries of authorities and responsibilities at each level, optimizing working mechanisms, and setting quantitative performance goals, the Company has formed a closed-loop governance that drives strategies from top-down and provides performance feedback from the bottom up.

Under the authorization of the Board, the Investor Relations Department coordinates the overall ESG work, undertaking key functions such as cross-departmental coordination, information integration, and capacity building to ensure the efficient implementation of various measures. The department leads the establishment of the ESG working group, which is specifically responsible for the promotion and execution of annual ESG work, covering the entire process including kick-off and training, target setting, departmental interviews, dynamic updating of indicators, data collection, and report preparation, and regularly reporting work progress to the Board. Currently, all 30 departments of the Company have been deeply involved in ESG-related work, achieving full coverage of ESG management.

ESG Governance Structure of East Buy

Governance Level	Responsibilities
Board of Directors	Responsible for formulating ESG management strategies and target systems, systematically identifying and assessing ESG-related risks and opportunities; considering and making decisions on major ESG matters, establishing and improving internal monitoring mechanisms to ensure effective operation of the ESG management system; reviewing and approving ESG reports, and continuously supervising the implementation progress of policies and their effectiveness.
ESG Committee	Composed of 2 executive directors and 1 non-executive director, under the authorization of the Board, coordinates and promotes ESG-related work, reviews important ESG issues, targets, work plans and implementation progress, supervises the implementation of ESG strategies and key measures, and regularly reports to the Board.
Management	Responsible for reviewing various issues and materials submitted by the ESG working group, coordinating various functional departments to cooperate with data submission and information collection work, and reporting progress to the Board in accordance with procedures.
Executive staff	The Company forms an ESG working group jointly by various business departments, and each department has a dedicated ESG reporting liaison specifically responsible for the ESG matters of the department. Group members regularly participate in ESG specific training, and based on actual business conditions, carry out cross-departmental communication and coordination to ensure the efficient collection and timely submission of ESG-related data and information.

For more information on the corporate governance of the Company, please refer to the Corporate Governance Report section of the 2026 Annual Report of East Buy Holding Limited (東方甄選控股有限公司 2026 年度報告). Meanwhile, the Company has formulated the Diversity, Equity and Inclusion (DEI) Policy (多元化、平等、包容政策), the Anti-Bribery and Anti-Corruption Policy (反賄賂反腐敗政策), the Responsible Marketing Policy (負責任營銷政策), and the Data Security and Privacy Protection Policy (數據安全與隱私保護政策), which are disclosed on the Company's official website https://ir.eastbuy.com/#/development.

Stakeholder Communication

East Buy attaches great importance to the demands and expectations of stakeholders, and has established a diversified normalized communication mechanism. We maintain close connection with all relevant parties through diversified channels such as official website, official accounts on various platforms, own APP community, customer service hotlines, emails and thematic meetings. On the basis of fully listening to the opinions of all parties, the Company establishes an efficient response and feedback mechanism, accurately identifies material issues, and takes them as an important basis for strategic decision-making, thereby continuously improving the scientificity and pertinence of ESG issue identification and management.

Stakeholders	Stakeholders of East Buy Expectations and demands	Communication channels
Government/regulatory authorities	• Operating in compliance with laws • Payment of tax pursuant to laws • Anti-corruption	• Regular communication • Regular report and information disclosure
Shareholders/investors/ financial institutions	• Corporate governance • Protecting investors' interests • The Company's products and services	• Regular report and information disclosure • Investor meeting • General meeting • Results press conference/ company event • Official website
Customers	• Customer privacy protection • Quality products and services • Protection of customers' rights	• Daily service communication • Customer satisfaction survey • Customer service hotline and platform • Own APP platform

Stakeholders of East Buy

Stakeholders	Expectations and demands	Communication channels
Suppliers and business partners	• Fair and open procurement • Supplier management • Win-win cooperation	• Public tender • Satisfaction survey • Supplier meeting • Routine communication
Employees	• Protection of employees' rights and interests • Salaries and benefits • Career development and training	• Staff training • Employee care event • Web portal, WeChat official account, etc
Community and media	• Open and transparent information • Promotion of the dissemination of high-value content • Public welfare in the community	• Public media • Press conference • Public welfare and charitable event
Environment	• Energy conservation • Reduction of emissions • Responding to climate change	• Green office • Environmental information disclosure • Environmental promotion event

Analysis of Material Issues

East Buy continues to optimize the process of ESG issue materiality assessment, strictly following the steps of "issue identification – issue assessment – issue reporting" to carry out systematic analysis. By scientifically determining the priorities that have a significant impact on the Company's sustainable development and are of general concern to stakeholders, a matrix of material issues is constructed. Based on the assessment results, the Company dynamically adjusts management strategies and information disclosure focus to ensure precise and effective resource allocation, and effectively respond to the core concerns of all relevant parties.

Issue identification

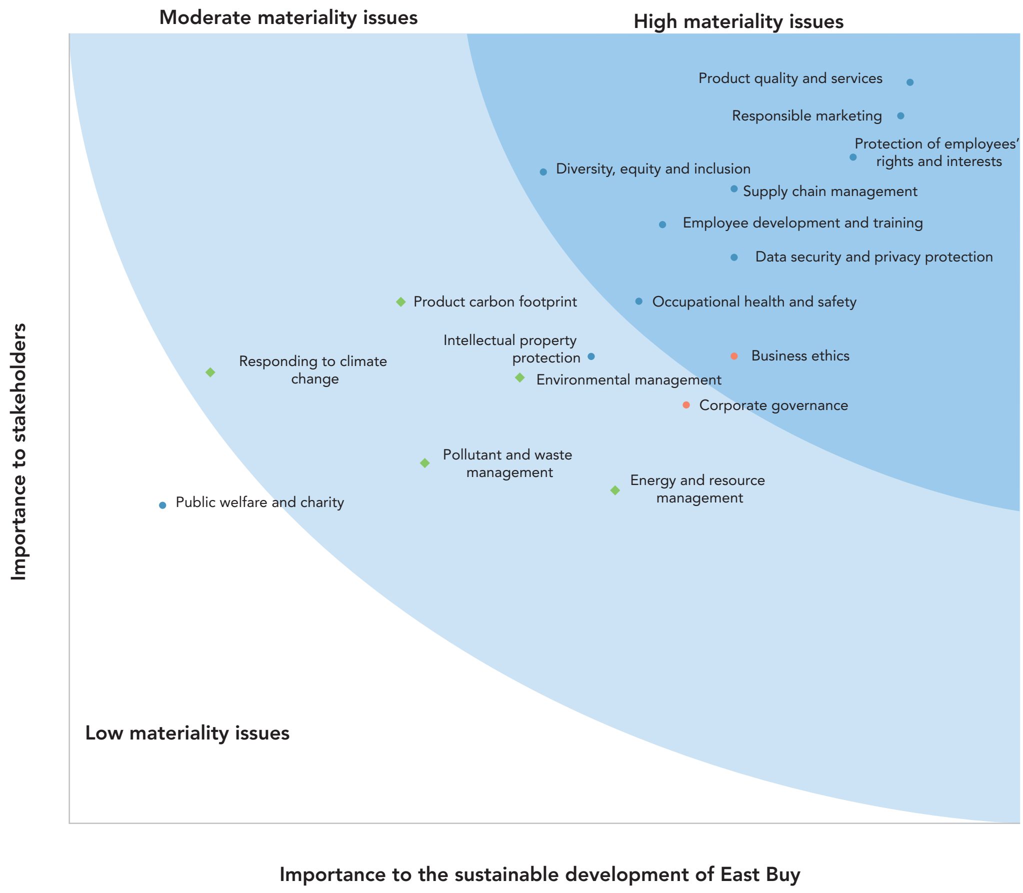
In FY2026, based on industry characteristics and business focus, and with reference to domestic and international sustainable development standards, we preliminarily screened out 17 ESG issues as the baseline list for materiality assessment.

Issue assessment

The Company comprehensively utilizes diversified methods such as in-depth interviews and questionnaire surveys to widely solicit stakeholders' concerns about the Company's ESG issues. In FY2026, the project collected a total of 133 valid questionnaires, providing data support for the precise identification of material issues.

Issue reporting

Based on the quantitative analysis of the questionnaire data, we prioritized the issues. A matrix of material issues has been created with the importance to the Company on the horizontal axis and importance to stakeholders on the vertical axis. The matrix of material issues, along with the guiding opinions of the Board of the Company, has been finalized.



Matrix of Material Issues of East Buy

1. BUILDING ON STABILITY, UPHOLDING INTEGRITY FOR SUSTAINABLE GROWTH

East Buy regards compliant operation as the basic requirement for corporate development. By improving risk prevention and control mechanisms, strictly adhering to integrity standards for business conduct, and strengthening information security and privacy protection, the Company continues to consolidate its governance foundation for steady operation.

1.1 Risk Prevention and Control

East Buy deeply recognizes that effective risk management is an important foundation for its steady operation. East Buy complies with laws, regulations and regulatory requirements such as the Company Law of the People's Republic of China (中華人民共和國公司法) and the Basic Norms for Corporate Internal Control (企業內部控制基本規範). It continuously tracks the developments and updates of laws, regulations and industry standards, formulates and regularly evaluates and improves internal control systems such as the Risk Management System (風險管理制度) and the Risk Assessment Methods (風險評估辦法), to standardize the Company's risk management work.

The Company has established a comprehensive risk management system covering all levels with cross-departmental collaboration, and built "three lines of defense" with progressive layers covering top-level decision-making, process oversight and execution monitoring. It defines the division of responsibilities among the Board, the Audit Committee, and the Audit and Supervision Department, with full participation and coordination of all functional departments and subsidiaries.

"Three Lines of Defense" for Risk Management

First line of defense	Board of Directors	• As the supreme decision-making body, it controls the direction of risk management, reviews the overall risk management objectives and risk appetite, approves risk management strategies, and makes decisions on the management and control of major risks.
Second line of defense	Audit Committee	• As the supervisory body, it supervises the operation of the risk management system, evaluates management effectiveness, guides the implementation of relevant strategies, and cultivates a risk management culture.
Third line of defense	Audit and Supervision Department	• As the management and execution department, it organizes annual risk identification and assessment, executes daily measures and emergency plans, and timely identifies and handles specific risks.

The Company continuously conducts internal control over major risks, significant events and key processes, with a focus on ESG-related risks. Centering on dimensions such as internal environment, risk assessment, control activities, information communication and internal monitoring, it identifies, measures and manages various risks through a closed-loop management mechanism covering identification, assessment, analysis and resolution.

Risk Management Process

Risk identification and statistics	• Conduct normalized data analysis on key businesses, and systematically identify various potential risks in combination with industrial policies, industry dynamics and information related to the Company.
Risk assessment and measurement	• The Audit and Supervision Department, in collaboration with the Data Team and Product Department, evaluates and assigns values to the monthly performance of private label products through the private label product data model.
Risk analysis and reporting	• Regularly submit the normalized data analysis results to the management and business heads in the form of monthly risk reports.
Risk resolution and management	• The management and business heads dynamically optimize the structure of private label products based on the monthly risk reports; • For special risks, the management leads the establishment of a risk response team to study and implement solutions.
Routine rights protection and legal popularization	• The Company continuously monitors public opinion dynamics on a daily basis, timely responds to and addresses negative or infringing information in accordance with applicable laws, and actively safeguards the interests of shareholders and other stakeholders; • Organizes legal popularization training to strengthen employees' compliance awareness and risk identification and prevention capabilities.

1.2 Integrity and Compliance

East Buy always maintains a zero-tolerance attitude towards fraud and corruption and strictly complies with laws and regulations such as the Anti-Monopoly Law of the People's Republic of China (中華人民共和國反壟斷法) and the Law against Unfair Competition of the People's Republic of China (中華人民共和國反不正當競爭法). It continues to implement internal systems such as the Anti-Fraud and Anti-Corruption Management System (反舞弊與反腐敗管理制度) and the Implementing Rules for Whistleblowing (舉報實施細則), and has updated the East Buy Anti-Corruption and Integrity Reward System (東方甄選反腐獎廉制度), defining various types of misconduct and corresponding accountability, regulating the conduct of all employees, and building a business environment founded on integrity and compliance.

During the reporting period, none of the employees of the Company were involved in instances of fraud, such as corruption, bribery, or conflicts of interest.

1.2.1 Compliance Management System

The Company has established a four-level anti-fraud management structure consisting of "the Board – the Audit Committee – the management – the Audit and Supervision Department", with clearly-defined responsibilities and authorities at each level and coordination and collaboration among the respective levels, to ensure the effectiveness of business ethics management.

Anti-fraud Management Structure and Responsibilities

The Board	• To promote the management to foster an anti-fraud and anti-corruption cultural environment within the Company, and establishing a sound internal control system, including the prevention of fraud and corruption.
Audit Committee	• To supervise and guide anti-fraud and anti-corruption activities within the Company, and to accept fraud and corruption cases submitted by the Audit and Supervision Department.
The management	• To take the lead in implementing anti-fraud and anti-corruption procedures and controls, including risk assessment and prevention, and to conduct self-assessments.
Audit and Supervision Department	• To implement the daily work related to anti-fraud and anti-corruption, including managing fraud and corruption cases reported through various channels, and to promptly report to the Audit Committee.

The Company continuously improves its anti-fraud and anti-corruption internal control mechanism, and has established a closed-loop management process covering the acceptance, investigation, disposition, and rectification of cases, ensuring timely disposition and fair handling of relevant issues. The Company conducts a business ethics audit covering all business lines and subsidiaries once every financial year. In FY2026, the Company obtained the ISO 37301 compliance management system certification, which covers compliance management activities related to the Company's e-commerce platform operation management and live-streaming management (within the scope of qualifications).

1.2.2 Whistleblowing and Complaint Management

The Company continues to improve its whistleblowing management mechanism, and in accordance with the Implementing Rules of Whistleblowing (舉報實施細則) and the East Buy Anti-Corruption and Integrity Reward Policy (東方甄選反腐獎廉制度), provides smooth and confidential diversified channels for employees and partners to report issues related to business ethics. In response to reported matters, the Company will form a special anti-fraud and anti-corruption investigation team to investigate relevant matters and submit the investigation results to the Audit Committee for evaluation and decision-making. Meanwhile, the Company has established an incentive mechanism for whistleblowing and refusing bribes, providing bonuses to whistleblowers who actively report and refuse commercial bribes. For verified cases of bribery or attempted bribery, the Company will blacklist the parties involved and permanently cease cooperation.

The Company is committed to protecting the legitimate rights and interests of whistleblowers, strictly keeps the name, department, position, and contact information of real-name whistleblowers confidential, strictly prohibits any form of retaliation, and pays special attention to any changes in their positions.

Reporting Channels and Contact Information

Email	wubijubao@eastbuy.com
Telephone	010-62609088
Correspondence address	Audit and Supervision Department, Beijing New Oriental Xuncheng Network Technology Inc., Room 906, 9th Floor, E-Plaza Fortune Center, 11 Zhongguancun Avenue, Haidian District, Beijing Postal Code: 100080

1.2.3 Business Ethics Training

The Company continuously strengthens the development of a business ethics culture, conveying compliance knowledge and promoting the enhancement of integrity awareness among all employees through a combination of regular training, online columns, and typical case promotion. In FY2026, the coverage rate of business ethics-related training for employees (including part-time) and contractors was 100%.

Anti-corruption Performance

Name of the indicator	Unit	FY2026
Number of anti-corruption and integrity training sessions for employees	times	12
Number of anti-corruption and integrity training sessions for directors	times	2
Total number of anti-corruption and integrity training sessions organized	times	14
Number of employees participating in anti-corruption and integrity training sessions	person-time	2,526
Number of directors participating in anti-corruption and integrity training sessions	person-time	12
Total number of participants in anti-corruption and integrity training sessions	person-time	2,538
Total number of training hours	hours	1,299
Average training hours per person	hours/person	1.05

1.3 Information Safeguard

East Buy attaches great importance to information security and privacy protection, recognizing them as the cornerstone of compliant operations and trust building. The Company has established a comprehensive information security and privacy protection management system, supported by sound policies and systems, clear division of responsibilities, and regular training and promotion, so as to ensure the efficient operation of relevant management mechanisms and build a solid security barrier for the stable development of business.

1.3.1 Information Security Management

East Buy has established a complete information security management system from multiple dimensions such as organizational assurance, policies and systems, and education and training, continuously optimizing data processes, strengthening global protection capabilities, and effectively enhancing the ability to respond to cybersecurity threats. The Company regularly entrusts qualified third-party professional institutions to conduct independent security assessments on core business systems. The Company has obtained the national information security level protection (level 3) certification, successfully completed the annual re-test in this financial year, and continuously maintained a compliant status, laying a solid security foundation for stable business operations. Meanwhile, the Company's internet information services have obtained ISO 9001 certification.

In this financial year, the Company optimized its information security governance structure to enhance organizational operational efficiency. The Information Security Leading Group coordinates major matters and emergency responses through regular and special meetings in the form of a virtual team. The original Information Security Department was restructured into a cross-departmental virtual working group, with the Information Security Department taking the lead in daily disposition and relevant departments collaborating on specific tasks as required, forming a closed-loop management. The person in charge of information security regularly reports to the management on system security, threat intelligence and compliance risks, further strengthening the security safeguards.

East Buy Information Security Governance Structure

Governance Body	Responsibilities
The Board	Responsible for reviewing information security and privacy protection strategies, targets, and major matters, and overseeing relevant risk management, system execution, and work effectiveness.
ESG Committee	Under the authorization of the Board, coordinates and facilitates information security and privacy protection work, reviews relevant systems, targets, and work plans, supervises the implementation of key measures, and reports regularly.

East Buy Information Security Governance Structure

Governance Body	Responsibilities
Information Security Leading Group	The Information Security Leading Group operates in a virtual team model and coordinates major security decisions and incident responses through regular meetings and ad hoc emergency meetings. The Leading Group is fully responsible for approving the overall information security strategy, management policies, and technical standards, defining the security responsibilities of each department, and providing guidance and oversight for the Company's information security work to ensure the effective implementation of security management policies.
Information Security Working Group	As the core execution unit, it is jointly composed of the Information Security Department, Legal and Compliance, Development, Operations and Maintenance/IT, Network, and other departments, responsible for fully implementing the decisions of the Leading Group and coordinating the advancement of various information security tasks. Its responsibilities include taking the lead in reviewing major information security systems and technical strategies, coordinating and supervising the implementation of security initiatives by various functional departments and relevant units, and ensuring that security management requirements are embedded throughout the entire business process.

East Buy strictly adheres to laws and regulations such as the Cybersecurity Law of the People's Republic of China (中華人民共和國網絡安全法), the Data Security Law of the People's Republic of China (中華人民共和國數據安全法), and the Personal Information Protection Law of the People's Republic of China (中華人民共和國個人信息保護法), and benchmarks against national standards such as the Information security technology – Baseline for classified protection of cybersecurity (信息安全技術網絡安全等級保護基本要求) (GB/T 22239-2019) and live-streaming e-commerce industry norms, consolidating the foundation of compliant operations. The Company continues to improve the development of its information security system, laying the management foundation based on the existing "Information System Security Management Policy" (信息系統安全管理制度). Furthermore, during this financial year, the Company focused on revising internal systems applicable to the entire Company, such as the "Personal Information Protection Management Regulations" (個人信息保護管理規定) and "Data Operation and Data Security Management Standards" (數據運營和數據安全管理規範), to comprehensively regulate personal information processing activities and refine data full-lifecycle management requirements.

1.3.2 Data Security Management

The Company strictly adheres to laws and regulations such as the Data Security Law of the People's Republic of China (中華人民共和國數據安全法), and in light of the characteristics of the live-streaming e-commerce business, has established a security protection system covering the entire process. At the same time, the Company extends data compliance requirements to its upstream and downstream supply chain, effectively preventing the risks of data leakage and misuse.

East Buy has established a security protection mechanism covering data collection, transmission, storage, use, sharing, and destruction, adhering to the principles of lawfulness, compliance, and minimum necessity, and ensuring data security and compliant use through measures such as privacy compliance review, data desensitization, encrypted transmission and storage, access control, identity authentication, usage behavior monitoring and auditing, partner assessment, and confidentiality agreements. In accordance with the E-Commerce Law of the People's Republic of China (中華人民共和國電子商務法) and the Personal Information Protection Law of the People's Republic of China (中華人民共和國個人信息保護法), the retention period of e-commerce transaction data in the production environment shall not be less than three years from the date of completion, and deletion is strictly prohibited during the retention period; after the expiration of the retention period, the destruction of data is subject to the user's exercise of their right to deletion and may only be carried out following approval through the compliance review.

In addition, the Company has optimized a series of technical measures to protect the security of personal data and privacy data.

Technical Measures for Data Security and Privacy Enhancement

Access control and privilege management	Unified operation and maintenance via bastion host: Server operation and maintenance activities are conducted through the bastion host to achieve operation auditing and high-risk command interception, and R&D personnel are not granted access to production environments. Principle of least privilege: Based on the principle of least privilege for role-based access control, user authorization and permission release are centrally managed through the permission system, limiting access permissions to customer information, ensuring that data is accessed only by authorized personnel.
Identity authentication	A dual-factor authentication mechanism is employed to ensure that only authorized users can access customer information, effectively preventing unauthorized access risks caused by account leakage.

Technical Measures for Data Security and Privacy Enhancement

Security monitoring and alerts	A closed-loop security defense system covering prevention, detection, and response is established, and a security monitoring and alert system is deployed. Multiple layers of technical measures such as firewalls, WAF, HIDS, and baseline scanning are adopted to enhance the efficiency of security incident detection and ensure rapid response and effective handling.
Security vulnerability management	Vulnerabilities are identified through multi-dimensional methods such as manual assessment, automated tools, and SRC. A security vulnerability management mechanism has been established. Through regular scans and risk assessments, the Company promptly patches and updates systems to prevent vulnerabilities from being exploited.
Data security detection, alerts, and disposition	Automated database inspections are achieved through technical means to identify and check unencrypted sensitive fields, and work orders are sent to promote rectification implementation. At the same time, alerts for high-risk behaviors are issued through database auditing.

In this financial year, the Company newly formulated the "Data Leakage Emergency Plan"(數據洩漏應急預案), which sets out standardized disposition processes to ensure that data security incidents are quickly identified, effectively contained, and thoroughly eliminated. In the event of a data leakage incident, the Company will strictly initiate emergency response in accordance with the plan, submit compliance reporting materials to regulatory authorities within the statutory time limit, and promptly notify affected users through multiple channels such as SMS, APP push notifications, telephone, and official website announcements, fully safeguarding stakeholders' right to be informed and effectively protecting user rights and corporate reputation.

1.3.3 Personal Information Management

East Buy adheres to laws and regulations such as the Personal Information Protection Law of the People's Republic of China (中華人民共和國個人信息保護法) and the General Data Protection Regulation (通用數據保護條例), and has formulated internal systems such as the "Personal Information Protection Management Regulations" (個人信息保護管理規定) and "Data Operation and Data Security Management Standards" (數據運營和數據安全管理規範), building a high-standard privacy compliance system. During this financial year, no litigation cases concerning user privacy infringement occurred.

East Buy Customer Privacy Protection Measures

Key Measures	Description of Measures
Data collection and minimization principles	The Company sets out the scope of data collection in its privacy policy to ensure lawful and compliant collection, and desensitizes non-essential personal information.
Data encryption	Encryption technology is utilized to encrypt customers' personal information, ensuring confidentiality and integrity during data transmission and storage.
Access control	Strict access control mechanisms are established, limiting access permissions to customer information, ensuring that data is accessed only by authorized personnel.
Security auditing	A secure auditing mechanism is established to monitor and record access to and usage of customer information.
Regular backups	Real-time backups and full off-site backups are utilized to ensure prevention of customer data loss and damage.
Third-party collaborations	Strict security assessments and oversight are conducted on partners to ensure they have sufficient security protection measures in place to prevent the leakage and misuse of customer information.
Physical security measures	Physical security measures are implemented to safeguard customer information storage devices and data centers.

Relying on the "Personal Information Protection Management Regulations" (個人信息保護管理規定), East Buy fully safeguards users' rights to be informed and to make decisions in personal information processing activities, and clearly provides channels for exercising rights such as rule inquiry, information access, correction, deletion, and account cancellation through product design. The Company strictly abides by data retention period requirements, executes deletion or anonymization processing for expired data and retains records, and only obtains information from third parties in accordance with the law when necessary for business and verifies its lawfulness. Meanwhile, we will not use consumer data for any secondary purposes other than transactions and services without the user's separate consent and completion of compliance approval process, thereby ensuring compliant and controllable data flow.

1.3.4 Information Security Promotion

To continuously strengthen the information security awareness and compliance capabilities of all employees, East Buy has built a multi-dimensional promotion and training system. The Company regularly popularizes information security knowledge and compliance policies through channels such as special training and all-staff messages, thereby enhancing awareness across the workforce. At the same time, focusing on key positions and core business scenarios, by organizing internal data leakage emergency drills and special training on personal information protection, we deeply analyze potential security risks throughout the operational and product lifecycles, effectively enhancing the threat identification and emergency response capabilities of professional personnel. In FY2026, the Company organized a total of 4 IT training sessions, with 1,581 attendances, and 52 privacy and data security training sessions, covering 1,680 participants, including contractors and outsourced personnel.

2. CRAFTSMANSHIP IN QUALITY, CREATING A BETTER FUTURE TOGETHER

East Buy is committed to empowering organizational capabilities through talent growth, winning consumer trust with product quality, and optimizing user experience with premium services. Meanwhile, it regards responsible procurement and public welfare practices as the core driving forces for promoting the sustainable development of the value chain, thereby building a cornerstone of value co-creation that connects employee growth, consumer trust, and social responsibility.

2.1 Talent Empowerment

Talent is an important foundation for the long-term development of East Buy. The Company adheres to the principles of equal, compliant and inclusive employment, continuously improves its systems for compensation and benefits, performance management, career development, training and empowerment, health and safety, and employee communication, and strives to create a safe, open workplace that offers employees opportunities for growth.

2.1.1 Compliance Employment and Diversity and Inclusion

East Buy strictly complies with the requirements of laws and regulations such as the Labour Law of the PRC (中華人民共和國勞動法), the Labor Contract Law of the PRC (中華人民共和國勞動合同法) and the Social Insurance Law of the PRC (中華人民共和國社會保險法), and expressly defines employees' rights and codes of conduct through policies and documents such as the Staff Handbook (員工手冊), Labor Contract (勞動合同), and Internal Communication Management Policy (內部溝通管理制度). The Company adheres to the principle of equal employment, regulates wording and processes in job posting, recruitment channel selection, and interview processes, and avoids inquiries unrelated to the position, thereby mitigating discrimination risks arising from factors such as gender, age, ethnicity, religious beliefs, and marital status.

The Company prevents the risk of child labour and forced labour from the source by verifying the identity documents of applicants one by one during the recruitment process, and requires employees to sign a "Letter of Undertaking" upon onboarding to promise that the information provided is true and valid. The Company implements an overtime approval system, does not encourage overtime work, and has established email and telephone channels to receive relevant reports. Once any violation is identified, the Company will immediately investigate and handle the matter in accordance with the law. During the reporting period, the Company did not record any violations regarding child labour or forced labour. Over the past three years, the Company has not experienced any major employee complaints, labor disputes, labor arbitrations, major layoffs, or other major incidents related to employee rights and interests.

The Company attaches importance to diversity, equality and inclusion, and continues to promote fair recruitment, equal promotion opportunities, support for female employees and an inclusive culture. During the reporting period, ensured equal pay for equal work for male and female employees and set a recruitment diversity target under which women would account for more than 55% of new hires. Of the 501 employees hired during the reporting period, 303 were women, representing 60%.

During the reporting period, focusing on the recruitment of livestreamer talents, the Company carried out two large-scale livestreamer selection activities named "East Buy's Offer (甄選的offer)" to expand its talent recruitment channels to the society. Based on job requirements, the Company identified versatile talents with experience in live-streaming e-commerce, backgrounds in media and broadcasting, accumulated expertise in cultural content, or overseas study experience. The Company also reached cooperation with seven universities on the establishment of employment internship bases, continuously expanding the reserve channels for young talents.

Employment

Indicators		Unit	FY2026	FY2025	FY2024
Total number of employees		person	1,812	1,401	1,883
Number of employees by type of employment	Full-time	person	1,233	1,070	1,318
	Part-time	person	579	331	565
Number of employees by gender	Male	person	668	598	789
	Female	person	1,144	803	1,094
Number of employees by age group	Below 30	person	1,224	907	1,413
	30-50	person	587	492	469
	Above 50	person	1	2	1
Number of employees by title	Director and above	person	38	35	40
	Supervisor and manager	person	513	521	617
	Staff	person	1,261	845	1,226
Number of employees by geographical region	Beijing	person	1,728	1,379	1,872
	Henan	person	55	/	/
	Guangdong	person	29	22	10
	Shanghai	person	0	0	1
Number of employees by ethnicity	Han ethnicity	person	1,729	/	/
	Ethnic minorities	person	83	/	/
Number of employees by nationality	Chinese nationality	person	1,812	/	/
	Other nationalities	person	0	/	/

Diversity performance

Indicators	Unit	FY2026
Number of female management personnel	person	258
Percentage of female employees in management	%	47

Full-time employee turnover rate

Indicators		Unit	FY2026	FY2025	FY2024
Total turnover rate of full-time employees	Number of turnover	person	338	/	/
	Total turnover rate	%	22	/	/
Turnover rate of full-time employees by gender	Male	%	23	35	18
	Female	%	21	40	18
Turnover rate of full-time employees by age group	Below 30	%	21	34	17
	30-50	%	22	45	21
	Above 50	%	50	0	0
Turnover rate of full-time employees by geographical region	Beijing	%	22	38	18
	Henan	%	9	/	/
	Guangdong	%	39	/	/
	Shanghai	%	0	0	50

2.1.2 Remuneration, Benefits and Long-term Incentives

The Company has established a remuneration framework comprising basic salaries, performance bonuses and year-end bonuses, and determines employee remuneration based on job responsibilities, competencies, experience and performance. For full-time employees in active service, the Company operates a performance bonus or variable remuneration mechanism linked to individual performance results. Awards are calculated primarily with reference to the individual performance base, performance coefficient and active-service coefficient. To retain its core team and encourage employee creativity, the Company has established a long-term incentive mechanism for outstanding key employees, enabling them to grow together with the Company through employee share ownership plans or equity incentives.

The Company makes statutory contributions to the five social insurance schemes and the housing provident fund for employees, and provides supplementary medical insurance, personal accident insurance, annual health check-ups, holiday benefits, team-building activities and taxi allowances for overtime work. Female employees are legally entitled to prenatal check-up leave, maternity leave, miscarriage leave and breastfeeding leave, while paid parental leave is available to all employees. In addition, the Company continues to maintain mother-and-baby rooms and provides dedicated care initiatives on occasions such as Women's Day, continuously improving employee benefits and support while safeguarding employees' basic rights and interests.

Remuneration and incentive performance

Indicators	Unit	FY2026
Number of employees eligible for employee stock ownership plan/equity incentives	person	1,233
Number of employees actually participating in employee stock ownership plan/equity incentives	person	400
Coverage rate of employee stock ownership plan/equity incentives	%	32
Number of employees applicable to performance bonus/variable remuneration	person	1,183
Percentage of employees applicable to performance bonus/variable remuneration	%	96
Number of non-management employees applicable to performance bonus/variable remuneration	person	1,165
Percentage of non-management employees applicable to performance bonus/variable remuneration	%	96

2.1.3 Performance Management and Career Development

East Buy continues the performance management principle of "target-oriented, differentiated assessment, and closed-loop management", and sets differentiated assessment priorities based on position-based characteristics. Adopting a combination of monthly assessment, quarterly tracking, and annual review, the Company breaks down the Company's annual strategic targets level by level to departments, teams, and individuals, and the targets are confirmed by employees and their direct supervisors through two-way communication.

During the assessment process, superiors continue to synchronize the work progress and provide improvement suggestions by holding weekly regular meetings, monthly communications, etc. Upon confirming the assessment results, direct superiors conduct one-on-one performance interviews with their employees to communicate their target achievement, strengths and areas for improvement, improvement plans, and development needs. Employees that have objections to the performance results may submit performance appeals via email, and a review panel composed of department heads and HRBPs will conduct review and provide feedback. Through the mechanism of the regular performance evaluation, continuous feedback, performance interview, and review appeal, which covers 100% of our employees, the Company promotes the coordinated progress of individual growth and its organizational development.

The Company continues to provide employees with diverse learning and capability-development support, including discounted access for all employees to language courses offered by New Oriental Group. Employees may enroll in relevant courses at preferential internal rates based on their development needs, enhancing their foreign-language proficiency and professional skills.

The Company builds a dual-track career development system covering the management and specialist roles, and continues to improve the tiered and classified talent development mechanism focused on key position identification, talent review, succession pipeline building, and leadership development.

Mechanism	Content
Dual-track development	The dual track of management and specialist roles runs in parallel, and performance results are intended for the job promotion, job transfer, talent review, and training empowerment.
Succession pipeline	A three-tier talent pipeline of core management, middle management, and key and high-potential employees employees is built.
Talent cultivation programs	The "Navigator Program", "Sharpening Program", and "Young Seedling Program" are launched in combination with position practice, mentor coaching, and systematic training.
Young talents	The cultivation of campus recruitment graduates, interns, and reserve talents is advanced, covering onboarding, practical training, capability enhancement, and evaluation for retention.

2.1.4 Staff Training

The Company continues to implement the requirements of institutional documents such as the Training Management System (培訓管理制度) and the Administrative Measures for New Employee Training (新員工培訓管理辦法), and develops a multi-level training system covering new employees, managers, professional positions, livestreamers, and non-full-time personnel. The Company regularly provides 2 sessions of special training for new employees every week, which covers business development overview, corporate culture, employee benefits, workplace rules and regulations, etc., thereby enabling new employees to quickly complete role transitions, and laying a foundation for their subsequent integration into positions and stable development. During the reporting period, skills and knowledge development and training of the Company covered a total of 1,660 people, with a coverage rate of 92% and an average of 5 training hours per person. Trainees include non-full-time personnel including part-time personnel, contract workers, temporary workers, and contractors.

The Company launches a tailored leadership enhancement program for core managers of the Asset Administration Center and the finance team. By adopting a combination of pre-class research, classroom exercises, post-class follow-up, and one-on-one coaching, the said program focuses on training themes such as manager role perception, mental models, management communication, cross-departmental collaboration, problem analysis and resolution, review and experience extraction, and value chain analysis and optimization.

In addition, the Company has established a systematic training system for the livestreamers, which covers onboarding quarter training and daily continuous training, including corporate culture, platform rules, safety and compliance, livestreaming skills, topic planning, content expression, crisis management, and data review.

Employee Training Performance

Indicators		Unit	FY2026	FY2025	FY2024
Total employee training data	Total sessions	session	235	70	71
	Total employees	person-time	11,325	10,900	10,902
	Total training hours	hour	15,345	/	/
	Coverage rate	%	90	/	/
	Average training hours of full-time employees	hour/person	8	8	8
Percentage of employees trained by gender	Male	%	92	95	95
	Female	%	89	95	95
Percentage of employees trained by rank	Director and above	%	100	100	100
	Supervisor and manager	%	89	96	96
	Staff	%	90	94	94
Average training hours of employees by gender	Male	hour/person	11	7	7
	Female	hour/person	8	8	8
Average training hours of employees by rank	Director and above	hour/person	9	14	14
	Supervisor and manager	hour/person	10	9	9
	Staff	hour/person	9	7	7

2.1.5 Occupational Health and Safety

In recognizing the great importance of employee health and safety, East Buy strictly complies with laws and regulations including the Civil Code of the PRC (中華人民共和國民法典) and the Labour Law of the PRC (中華人民共和國勞動法), and incorporates occupational health and safety related requirements into our internal policies such as the Staff Handbook (員工手冊). The Company has established an emergency response coordination taskforce and a safety work supervision taskforce, with the Human Resources Department and the Asset Administration Center serving as the governing and oversight departments for safety work, who will be responsible for providing safety management communication and training, guiding various departments in implementing safety management measures, and formulating safety management emergency plans. The head of each department is the primary person responsible for safety within that department.

The Company continues to improve safety management and health support mechanisms, and safeguards employees' physical and mental health through measures including inspection and troubleshooting, emergency drills, health protection, and care for special positions.

Category of Measures	Main Content
Safety management	The Company carries out inspections and maintenance of safety equipment, as well as emergency drills; and ensures hazards are rectified on the same day through daily inspections, hourly patrols, and fire and housing safety inspections.
Safety regulations	The Company clarifies categories of safety risk items and activities, requires its employees to be familiar with the use of fire-fighting equipment and the location of safety exits, and strictly prohibits blocking fire passages.
Health support	The Company provides annual physical examinations, pre-employment physical examinations, and supplementary medical insurance, with a 100% physical examination coverage rate for its regular employees; carries out psychological counseling activities for the livestreamers.
Rest protection	The Company advocates reasonable working hour arrangements, and protects employees' right to rest through overtime approval and make-up leave mechanisms.

The Company continues to consolidate the foundation of employee health and safety protection through the parallel implementation of safety management and health support. During the reporting period, the Company carried out a total of 8 safety-related training sessions, with an employee training coverage rate of 95%. Among them, occupational health and safety related training covered 376 person-times, with an average of 1 training hour per person, thereby continuously enhancing employees' safety awareness and emergency response capabilities.

Figure: Psychological Counseling Services

Performance of Occupational Health and Safety and Labour Standards

Indicators	Unit	FY2026	FY2025	FY2024
Number of work-related fatalities	person	0	0	0
Rate of work-related fatalities	%	0	0	0
Number of days lost due to work-related injury	day	0	76	0
Health check-up coverage rate of full-time employees	%	100	100	/
Number of child labour related non-compliance incidents	case	0	/	/
Number of forced labour related non-compliance incidents	case	0	/	/

2.1.6 Employee Communication and Care

The Company advocates a culture of open and transparent communication, and regularly collects employees' work feedback, suggestions, and concerns through business communication meetings, departmental debriefing meetings, management communication meetings, and one-on-one communication and feedback mechanisms. At the same time, the Company has established internal platforms such as dedicated mailboxes, DingTalk channels, HRBP communication mechanisms, and HR micro-services, where employees may submit suggestions, appeals, or complaints. In addition, we have established an incentive mechanism. For employees who put forward reasonable suggestions that are adopted, the Company will offer commendations through public announcement, or tangible rewards, or additional appraisal points to encourage all employees to actively speak up and foster an equal and efficient communication culture.

The Company continues to promote diversified employee care, carrying out work in areas such as annual health checkup, commercial insurance, holiday benefits, care for female employees, cultural activities for all employees, and department team building. By embedding employee care into everyday work settings, the Company enhances team collaboration efficiency.

Category	Measures
Activities for all employees	Annual gala, outstanding employee commendation, annual health check-up, and staff engagement activities
Holiday care	Welfare and themed activities for Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, Women's Day, and Lantern Festival
Daily care	Birthday parties, workplace afternoon tea, Programmers' Day, workplace housewarming celebrations
Team building	Outdoor outings, team-building activities

Figure: 2025 East Buy Annual Gala

Figure: Birthday Party Activities

Figure: Team Building Activities

2.2 Exceptional Quality

East Buy safeguards product safety through its strict management system, guarantees quality credibility with traceable raw materials, responds to consumer needs with health-oriented R&D, and supports long-term competitiveness through innovation incentives and intellectual property protection, striving to provide consumers with safe, healthy, and trustworthy products.

2.2.1 Product Quality Management

East Buy always regards product quality as the foundation of its existence. Supported by sound systems, full-process control, and regular training, we embed quality requirements into every stage from product project initiation to delivery, and continue to provide safe and reliable products for consumers.

Product Quality Management System

In compliance with the Product Quality Law of the People's Republic of China (中華人民共和國產品質量法), the Law of the People's Republic of China on Protection of Consumer Rights and Interests (中華人民共和國消費者權益保護法), and various national laws, regulations, and implementation standards for food and daily necessities, East Buy adheres to the philosophy of "ensuring that people can enjoy safe and high-quality agricultural products in every meal and lead a healthy and quality life". Supported by internal systems such as the Management System of East Buy for OEM of Private Label Products (東方甄選代工生產自營產品管理制度) and the Optimization Plan for Private Label Product Production and Supplier Management (自營產品生產與供應商管理優化方案), we continue to improve full lifecycle management measures for product quality.

The Company promotes refined quality management focused on the two major categories of food and daily necessities, moves the quality control forward to the product project initiation and supplier access stages, and carries out third-party testing and internal testing based on the Company's product quality testing standards to continuously safeguard product quality. During the reporting period, the internal quality inspection pass rate of the Company's private label products was 100%.

The Company actively advances product safety and quality certifications for itself and its suppliers. In FY2026, the Company's pre-packaged food (including refrigerated and frozen food) has obtained ISO 22000 Food Safety Management System certification and ISO 9001 Quality Management System certification, accounting for more than 70% of the Company's total revenue. Fish oil gel candy has obtained IFOS certification[1]. At the same time, the Company regards ISO 22000 or HACCP system certification as one of the important standards for qualification review of private label product suppliers.

1 International Fish Oil Standards, also known as IFOS, is a global fish oil testing and certification system established by SGS Nutrasource, which tests and determines the content, freshness, heavy metals, industrial pollutants and other aspects of fish oil related products.

Product Quality Management Measures for Food and Daily Necessities

Product Category	Quality Management Measures
Food	• In terms of raw materials, heavy metal and pesticide residue testing is strengthened for juice products; • In terms of sensitive additives (such as sodium dehydroacetate, etc.), access is not permitted if relevant components are detected; • In terms of seasonal and best-selling commodities, special random inspections are set up, focusing on indicators such as microorganisms.
Daily necessities	• In terms of single-use hygiene items, microbial limits, product efficacy, and relevant hygiene indicators are the core of testing.

Full Lifecycle Management of Product

The Company continuously optimizes full-cycle management covering project initiation, R&D, production, and after-sales, and implements quality control from raw materials to delivery. In FY2026, no product recalls due to quality issues occurred in the Company.

Full Lifecycle Management Measures for Product

Stages	Measures
Product project initiation	• The Company carries out project initiation meetings, and scores four aspects, including market and product competitiveness, supply chain and cost, user experience and operation, and quality compliance and risk, to determine products that can be initiated.
Product R&D	• The Company directionally designs formulas according to different category needs, and determines the final formula and processing technology through multiple rounds of experiments.

Full Lifecycle Management Measures for Product

Stages	Measures
Factory selection	• The Company clarifies that OEM suppliers must hold relevant product quality system certification; • The Company conducts qualification verification and on-site factory inspections for candidate factories, focusing on understanding their production sites and equipment facilities, production technology and process control, inspection management, warehouse and procurement management, personnel management, as well as product parameters, traceability, sample retention, and other elements of full-process product control; • Partners are required to provide compliant quality inspection reports and have no major food safety violations in the past.
Product production	• The Company sets acceptance requirements for raw materials, semi-finished products, and finished products and key process control points to ensure consistent product quality; • The Company implements irregular unannounced inspections based on industry risk levels and daily performance of suppliers to strictly control risks in the production stage.
Product inspection	• The Company appoints third-party institutions to carry out random inspections, the testing content of which cover net content, physical and chemical properties, microorganisms, drug residues, nutritional ingredients, food additives, and many other aspects; • The Company arranges production follow-up plans and frequency according to product characteristics and production reality, rectifies identified issues immediately, and orders production suspension and rectification for serious issues; • Each product is compiled with a Product Technical Specification and a Quality Assurance Plan to ensure that quality standards are implemented.

Full Lifecycle Management Measures for Product

Stages	Measures
Product after-sales	• The Company analyzes users' neutral and negative feedback every week, and optimizes products and user experience accordingly; • The Company establishes a rapid response channel, and in case of quality problems, actively recalls, investigates into the root cause, and makes rectification in a timely manner.

Product Quality Training

East Buy extends its efforts to foster product safety and quality awareness to relevant internal employees and external partner suppliers, and steadily enhances the quality control of personnel at each stage through regular training and communication.

Internally, the Company incorporates positions such as product selection specialists, quality control officers, livestreamers, and customer service agents into the product quality training program, and provides relevant knowledge such as product standards, testing requirements, and safety regulations. Through case studies and scenario simulations, the Company facilitates the implementation of quality awareness throughout various stages including product selection, inbound inspection, and sales. In FY2026, the Company carried out a total of 15 training sessions related to quality and services, recording 2,103 person-times.

For suppliers, the Company organizes pre-production meetings with suppliers on key matters related to product production prior to mass production, and separately sets up a regular communication mechanism to hold monthly review meetings with partner factories to discuss improvement measures for specific issues identified in production, helping improve the product quality steadily. In FY2026, the Company's product quality related review meetings covered all private label product suppliers.

2.2.2 Raw Materials Traceability

East Buy aims for 100% traceability of raw materials for private label products, and sets different levels of traceability according to the characteristics of different product categories: animal-derived products are traced back to the farming stage, processed foods to the final stage of raw materials supply, and commodities bearing claims of origin to the source of their raw materials, ensuring that key information of product raw materials is verifiable and traceable. As of the end of the reporting period, the Company's Thai live frozen black tiger shrimp has obtained its BAP[2] certification.

Traceability Measures for Seafood and Dairy Products

Seafood products	• For core seafood products, the Company traces their origins back to the fishing source, and conducts product testing before and after processing. Furthermore, the Company will follow up and control product quality throughout the process, thereby ensuring both the integrity of seafood traceability and consistency in product quality.
Dairy products	• The Company builds a traceability system covering from dairy farms to production, and only cooperate with dairy farms that have passed a comprehensive audit of their farming systems; • The Company regularly supervises farming, milking, the receipt of raw milk at production facilities, the release of finished products, and other key stages, so that all batches of dairy products can be traced back to its farm of origin.

Performance Table of Traceable Proportion of Product Raw Materials

Indicator Name	Unit	FY2026
Proportion of products traceable to fishing grounds or aquaculture farms among seafood products	%	100
Proportion of products traceable to farms of origin among dairy products	%	100
Proportion of products traceable to forests of origin among paper products	%	21

2 Best Aquaculture Practices (BAP) is an international third-party aquaculture certification standard published by the Global Seafood Alliance (GSA), covering the entire aquaculture value chain to ensure environmental sustainability, food safety, animal welfare, and traceability.

2.2.3 Nutritional and Healthy Products

East Buy regards nutrition and health as its core focus of product development. In response to consumers' demand for natural and healthy products, the Company actively optimizes formula components, and meticulously selects natural raw materials, integrating health considerations throughout every stage of product design and production.

Nutritional and Healthy Food

In practicing the principles of "high safety, high-quality taste, and high value for money" and "health inclusiveness", East Buy takes the development of natural and healthy products as its strategic direction, and balances the nutritional attributes and affordability of its products. With reference to external authoritative benchmarks such as the Dietary Guidelines for Chinese Residents (2022), the Company ensures the health and nutrition standards of its products align with such benchmarks, develops new products in response to changes in consumers' dietary patterns, and concurrently collaborates with high-quality OEM factories to jointly advance the development and upgrade of private label products, driving the enhancement of healthy food across multiple dimensions from formulation optimization to alignment with consumption scenarios.

The Company continues to develop nutritional and healthy food. Products with reduced sugar, reduced salt, and nutritional enhancement are launched to satisfy consumers' healthy dietary needs, and relevant formula adjustments and health statements are based on nutrition science guidelines to ensure that product information and claims are evidence-based. The Company promotes small packages and quantitative packaging to guide consumers to intake reasonably and prevent excessive consumption. At the same time, we strengthen organic certification, full-chain traceability, and third-party testing, promote suppliers to reduce the use of chemical fertilizers, and reduce preservatives, artificial colors, flavors, and controversial sweeteners in products to enhance the nutritional health profile of products.

Natural and Healthy Daily Necessities

The Company actively develops natural and healthy daily necessities. In personal care and household cleaning products, it prioritizes the use of plant extracts, natural surfactants, and plant essential oils to reduce the use of chemical additives. At the same time, it widely selects natural materials including silk, pure cotton, hemp, and wool in household and apparel products to provide consumers with gentler and healthier options for everyday use.

Performance Table of Nutritional and Healthy Products

Indicator	Unit	FY2026
Proportion of revenue from organic, low-sugar, low-fat[3], and low-sodium[4] products in the Company's total revenue	%	1
Proportion of revenue from products with reduced artificial ingredients[5] in the Company's total revenue	%	6
Proportion of revenue from nutritional and healthy products[6] in the Company's total revenue	%	8
Proportion of revenue from small-sized products[7] in the Company's total revenue	%	13

2.2.4 Incentives for Innovation

East Buy continues to simultaneously advance the development of its R&D team and optimization of the innovation mechanism, thereby driving the steady accumulation of R&D capabilities and innovation achievements.

R&D Team

The Company regards independent R&D as the core support for the competitiveness of private label products, continues to introduce professional R&D personnel, improves the configuration of experimental platforms, and maintains synchronous follow-up with domestic and international food industry trends and academic research. Through standardized project management and technical collaboration, the team drives the improvement in both health attributes and market suitability of private label products.

3 Low-sugar and low-fat products: products that comply with the relevant definitions in "GB 28050-2025 National Food Safety Standard – General Rules for Nutrition Labeling of Prepackaged Foods".

4 Low-sodium products: salt reduction of more than 25%.

5 Products with reduced artificial ingredients: products with no added or reduced addition of artificial flavors and fragrances, synthetic colors, synthetic preservatives, and other controversial additives.

6 Nutritional and health products: products that comply with the relevant definitions in "GB/T 21922-2026 General Terminology for Food Nutrition and Health Management".

7 Small-size products: products with packaging less than or equal to 200g or 200ml.

Intellectual Property Protection

East Buy strictly implements the requirements of laws and regulations such as the Trademark Law of the People's Republic of China (中華人民共和國商標法) and the Copyright Law of the People's Republic of China (中華人民共和國著作權法). Furthermore, in compliance with internal policy frameworks such as the Copyright Management Measures (著作權管理辦法), Patent Management Measures (專利管理辦法), and Trademark Management Measures (商標管理辦法), the Company implements full-process standardized management of various intellectual property rights such as copyrights, patents, and trademarks, thereby solidifying the compliance foundation of brand assets and innovation achievements.

The Company incorporates intellectual property risk prevention and control into daily operation and management. Pursuant to the Agency Agreement on Network Infringement Governance and Rights Protection Service signed with professional brand management agencies, the Company maintains regular monitoring of online platform infringement, and takes timely action through complaints, reports to administrative authorities, litigation, and other methods when counterfeit brand names, trade names, or selling counterfeit goods in the name of the brand occur, to safeguard the legitimate rights and interests of the Company and consumers. In FY2026, the Company organized special training for the product manager team around trademark registration and geographical indication related knowledge to enhance the intellectual property protection capability of frontline personnel.

2.3 Excellence in Service

East Buy continuously strengthens its efforts across platform operations, marketing compliance and customer service throughout the entire consumer shopping journey, steadily enhancing consumer trust and satisfaction through a high-quality platform, compliant marketing and timely service.

2.3.1 Responsible Marketing

East Buy adheres to the principles of honest operations and compliant promotion. It strictly complies with the Advertising Law of the People's Republic of China (中華人民共和國廣告法), the E-Commerce Law of the People's Republic of China (中華人民共和國電子商務法), the Administration of Live Streaming Marketing (網絡直播營銷管理辦法) and other laws and regulations. It also continuously implements the Regulations on Live-streaming Marketing Service Quality Control (直播營銷服務質量管控規範) and various regulations of the Douyin platform regarding live-streaming conduct and content, clarifying the boundaries of livestreamers' scripts and detailed penalties for violations, thereby providing internal benchmarks for marketing activities. The Company has strengthened marketing compliance management by incorporating the same into the performance assessments of relevant positions, driving the transition of compliance requirements from externally imposed controls to proactive internal execution. In FY2026, the Company did not receive any administrative penalties from regulatory authorities due to false marketing, nor did it bear any legal responsibilities arising therefrom.

The Company ensures that its marketing activities comply with commercial norms through live-streaming platform reviews and AI-powered reviews, which are integrated throughout the entire live-streaming process. Meanwhile, the Company conducts responsible marketing training for its livestreamers and relevant operation teams, and encourages the promotion of positive consumption concepts during live streaming sessions.

Highlights of Responsible Marketing Initiatives

Stage	Key Initiatives
Responsible Marketing Review	• Before live streaming, verify the commodity price mechanism and inspect the validity of food production-related qualifications; • During live streaming, monitor livestreamers' scripts, bullet-chat public opinion, live-streaming room visuals, props, and demonstration activities in real-time to ensure timely rectification of issues; • After live streaming, identify risk areas, clarify the direction for rectifications, and improve review processes and script libraries through daily script reviews and monthly compliance review meetings. • Conduct routine dynamic maintenance of the absolute words and sensitive terms libraries to continuously ensure lexical compliance.
Responsible Marketing Training	• Before livestreamers take up their posts, conduct scenario-based drills to enhance their awareness of script compliance; • Regularly conduct training on the Advertising Law and platform rules, and promptly update training content in line with regulatory priorities and new regulations, ensuring livestreamers are kept informed of relevant requirements and product knowledge to avoid inappropriate statements; • In response to non-compliance incidents, regularly organize relevant employees to learn high-frequency non-compliance risk areas, and invite Douyin to conduct specialized training on non-compliance issues for livestreamers.
Guidance on Rational Consumption	• Provide recommendations on appropriate purchase of fresh products based on family size and product shelf life, advocating for demand-based consumption and waste reduction.

2.3.2 Customer Service

East Buy regards customer experience as the fundamental driving force behind its business development. By maintaining open communication channels, standardizing complaint handling, and continuously monitoring customer satisfaction, the Company responds to customer feedback in a timely manner and drives the steady improvement in service quality.

Customer Communication

East Buy actively expands customer communication channels and builds a diversified and accessible communication network. The Company provides around-the-clock inquiry support through online customer service and telephone hotlines, and assigns dedicated customer service staff to each live-streaming room for real-time responses to interaction messages. At the same time, leveraging the "Customers' Voice" section on its APP, social platforms, and WeChat 1v1 exclusive services, the Company collects customer suggestions and maintains engagement across multiple channels. Through the "Customer Wishlist", we collect customer requests regarding new product development and packaging design, which are then evaluated and transformed into guidance for product innovation and improvement. For after-sales issues that are frequently raised in communications, the Company has formulated separate after-sales rules and compensation standards by commodity category to properly address different types of customer demands. Furthermore, the suggestions received are incorporated into the continuous optimization of products and services to promote the closed-loop implementation of customer feedback.

Customer Complaints

East Buy continues to implement internal systems such as the Real-Time Callback Mechanism for Product Negative Reviews (商品中差評實時外呼挽回機制) and the Customer Complaint Risk Control Mechanism (客訴風險管控機制), clarifying the processes for public opinion monitoring and handling as well as customer complaint response to ensure the timeliness and compliance of customer services. During the financial year, the Company further expanded the scope of public opinion monitoring, tracking and timely following up on negative comments concerning the Company across the entire internet through a combination of system monitoring and manual searches, effectively mitigating potential negative impacts. Meanwhile, leveraging the customer complaint risk control mechanism, the Company adopts a tiered collaboration model between frontline customer service staff and complaint specialists, proactively engaging with customers and conducting post-event reviews of complaint incidents to drive process optimization and frontline empowerment, thereby reducing the occurrence of customer complaints at the source.

The Company has established a tiered customer complaint handling process: customer complaints are centrally received by frontline customer service staff, who listen and empathize to soothe customer emotions, identify the issues and their concerns, and resolve issues within their scope of authority on the spot. Issues that exceed their authority or cannot be resolved are reported to supervisors for escalation or referred to complaint specialists, who conduct in-depth investigations, engage in cross-departmental communications and formulate solutions. Upon completion of complaint handling, the Company conducts a review to continuously optimize relevant processes.

Customer Satisfaction

East Buy attaches high importance to customer experience and is committed to providing customers with high-quality services. The Company continuously iterates its customer service standards, clarifying service requirements centered on timely pre-sales response, efficient after-sales handling, and contract fulfillment in good faith, while refining service standards based on different customer service scenarios to ensure efficient and stable service responses. In pursuit of service quality enhancement, the Company actively promotes the empowerment of customer service staff and the transformation of customer feedback. In FY2026, customer service satisfaction reached 97%.

Initiatives for Customer Satisfaction Enhancement

Category	**Initiatives**
Customer Service Capacity Building	• Establish a repository of exemplary service cases and positive customer feedback to assist customer service staff in consolidating their script experience and boost their work enthusiasm; • Establish pre-job training and on-the-job upskilling mechanisms to build a full-cycle capability development path for customer service staff.
Transformation of Customer Feedback	• Leverage "Customers' Voice" to continuously collect customer feedback across the entire internet, and employ AI tools to identify and address effective opinions, driving the launch of new products, the reintroduction of classic products, the upgrading of after-sales standards, and the improvement of the APP's functions, thereby addressing customers' diverse demands in an all-round manner.

Key Performance Table – Customer Service

Indicators	Unit	FY2026	FY2025	FY2024
Number of private label products and livestreaming e-commerce customer complaints	case	6,114	4,360	6,833
Percentage of private label products and livestreaming e-commerce customer complaints being handled	%	100	100	100
Service satisfaction of private label products and livestreaming e-commerce customers	%	97	97	93

2.4 Responsible Procurement

East Buy is well aware that the level of supply chain management directly affects product delivery quality and consumer trust. By improving internal systems, building full-process audit mechanisms, and integrating ESG concepts into the cooperation process, the Company works with suppliers to lay a solid foundation for compliant operations and sustainable development.

2.4.1 Supply Chain Management

East Buy follows laws and regulations such as the E-commerce Law of the People's Republic of China (中華人民共和國電子商務法), the Law of the People's Republic of China on Protection of Consumer Rights and Interests (中華人民共和國消費者權益保護法), and the Product Quality Law of the People's Republic of China (中華人民共和國產品質量法), and consistently complies with internal systems such as the Supplier Management System (供應商管理制度), the Supplier Qualification Audit and Management System (供應商資質審核管理制度), the On-site Audit Management System (現場審核管理制度), the Risk Rating Management System (風險評級管理制度), the Merchant Shipping Behavior Norms (商家發貨行為規範), the Management Rules for Non-compliance by Merchants (商家違規行為管理規範), and the APP Channel Merchant Exit Norms (APP渠道商家退出規範), which clarify specific requirements for suppliers in terms of compliant operations and fulfilment of contractual obligations. The Company also updates the Merchants Onboarding Standards and Regulations (商家入駐標準與規範) in line with business developments, revising content related to onboarding methods.

The Company continuously improves the full-cycle supplier management process, insists on implementing supplier audit and control at every stage, and continuously monitors supplier performance to ensure cooperation compliance. Meanwhile, the Company has selected alternative suppliers to ensure stable production capacity in the event of supply disruptions from existing suppliers, thereby mitigating supply chain risks.

Full Process Management of Suppliers

Screening	• Conduct preliminary screening of partners based on product process characteristics and positioning, targeting suppliers that meet the requirements of our private label products.
Access	• Achieve standardized information entry and automatic verification through the supplier management system, with manual review providing a dual layer of checks; • Verify risk-related information such as industrial and commercial registration, operational status, and judicial and administrative penalties of suppliers through third-party credit reporting platforms; • Require all suppliers to obtain relevant product safety and quality certifications (such as HACCP, ISO 22000, etc.); • Quality control personnel conduct on-site access audits, covering key processes such as product traceability, inspection, and production.
Assessment	• Regularly conduct batch reviews of existing suppliers' qualifications to dynamically monitor operational changes and new credit risks; • Carry out unannounced audits and annual audits, focusing on the resolution of quality-related customer complaints and production-side issues; • Suspend cooperation with suppliers identified during assessments as requiring rectification or found to have committed environmental violations; cooperation may only resume once the rectification has been assessed as satisfactory.
Exit	• Terminate cooperation with suppliers who fail to meet standards in unannounced inspections or annual inspections.

East Buy actively integrates compliance requirements in dimensions such as environmental protection, labor rights, and integrity and anti-corruption into its supplier management. It resolutely refuses to cooperate with suppliers that violate environment-related laws or infringe upon human rights, thereby contributing to the sustainable development of the supply chain.

Supplier ESG Management Initiatives

Dimension	Key Initiatives
Environmental Protection	• Prioritize agricultural product suppliers that employ organic or natural farming methods and have passed third-party testing; • Encourage suppliers to adopt green packaging solutions, resolutely oppose excessive product packaging, and support them in applying for environmental qualifications such as the Green Food label; • Verify suppliers' compliant pollutant discharge during the access stage and deduct points from suppliers with records of environment-related administrative penalties.
Labor Rights	• Continuously monitor new signals of labor-related non-compliance among suppliers through third-party credit data, and intervene immediately upon the triggering of warnings; • Conduct human rights assessments on private label product suppliers, and prohibit access to suppliers with serious labor rights violations, use of child labor, gender discrimination, or other human rights violations.
Integrity and Anti-corruption	• All suppliers are required to enter into standardized cooperation contracts prior to the commencement of cooperation to ensure integrity and compliance in cooperation.

2.4.2 Supplier Training

East Buy deepens supply chain co-development through supplier empowerment, working hand-in-hand with partners to build long-term, stable, and win-win relationships. The Company continuously conducts training and communication based on the actual needs of suppliers at every stage of the cooperation process, promoting their comprehensive understanding of cooperation rules and consistent fulfillment capabilities. Furthermore, the Company synchronizes customer feedback and production requirements with suppliers to facilitate the steady improvement in supply chain synergy.

Supplier Training Initiatives

Training Category	**Main Content**
Onboarding and Compliance Training	• Provide comprehensive explanation of requirements for the onboarding process, signing of cooperation agreements, and exit norms to help suppliers familiarize themselves with platform rules and complete relevant procedures in a compliant manner.
Product Management Training	• Provide guidance for suppliers on completing submission forms and product information, ensuring the standardization and completeness of product data to meet the platform's listing requirements.
Pre-production Technical Communication	• Engage in thorough communication with suppliers regarding product technical requirements, process control, and quality acceptance standards prior to the commencement of production to help suppliers accurately understand production requirements and ensure consistent delivery quality.
Order and After-sales Processing Training	• Train suppliers on completing order confirmation, logistics coordination, and after-sales order processing in the backend system, ensuring the timeliness and accuracy of order processing; • Production follow-up personnel conduct monthly feedback sessions with suppliers based on customer complaints, assisting suppliers in identifying improvement directions and enhancing their service capabilities.

Third-party Product Supply Chain Management

Indicators	Unit	FY2026
Total number of suppliers	quantity	38,826
Number of suppliers by geographical region		
Guangdong	quantity	5,473
Zhejiang	quantity	5,336
Shanghai	quantity	2,858
Beijing	quantity	2,015
Shandong	quantity	2,444
Jiangsu	quantity	1,932
Fujian	quantity	2,012
Henan	quantity	1,464
Anhui	quantity	1,492
Hebei	quantity	1,218
Other regions	quantity	12,582
Number of suppliers where the practices are being implemented	quantity	38,826
Annual evaluation rate of practices implemented over suppliers	%	100

Private Label Product Supply Chain Management

Indicators	Unit	FY2026
Total number of suppliers	quantity	433
Number of suppliers by geographical region		
Shandong	quantity	63
Guangdong	quantity	48
Fujian	quantity	19
Jiangsu	quantity	30
Anhui	quantity	16
Zhejiang	quantity	28
Other regions	quantity	229
Number of suppliers where the practices are being implemented	quantity	433
Annual evaluation rate of practices implemented over suppliers	%	100
Number of product quality test reports	quantity	10,888

2.5 Partnering in Public Welfare

East Buy continuously pays attention to the development needs of the communities and regions in which it operates, prioritizing public welfare and charity, rural revitalization, cultural communication, and disaster relief as key areas of community engagement. By collaborating with local governments, conducting outdoor livestreaming, implementing charitable donations, and organizing employee participation, the Company promotes the integration of commercial capabilities with social responsibility, contributing to the dissemination of local specialty resources and the enhancement of community value.

2.5.1 Community Engagement and Cultural Communication

The Company actively establishes strategic cooperation mechanisms with various local governments, giving full consideration to community interests in brand communication and rural revitalization activities. At the end of 2025, the Company launched the "Follow East Buy to See the World (東方甄選看世界)" activity, actively collaborating with local governments and inviting local representatives for in-depth dialogues on intangible cultural heritage inheritance and rural revitalization, integrating intangible cultural heritage, cultural tourism, and agriculture assistance into the entire process of brand communication and rural revitalization activities.

During the reporting period, East Buy's "See the World – City Tour (看世界•城市行)" series adopted the innovative model of "Live Streaming + Cultural Tourism + Intangible Cultural Heritage" to systematically carry out regional cultural communication and intangible cultural heritage inheritance and promotion activities nationwide. The series covered cities of historical and cultural significance, including Zhongshan, Fuzhou, Shengzhou, Yuhuan, Yulin, Suizhou, and Taian, with a cumulative total of nearly 20 outdoor live-streaming sessions broadcasted simultaneously on the East Buy App and Douyin platform. Through continuous scenario-based communication, the Company continuously contributes to the dissemination of local culture.

In terms of promoting intangible cultural heritage, the activities integrated national and provincial-level intangible cultural heritage from various regions into the main livestreaming program, ranging from traditional Chinese opera and folk dance to handicrafts and folk festivals. Through visits to inheritors and immersive experiences and real-time commentary, the initiative transforms intangible cultural heritage from a static display into a vibrant form of communication that is watchable, understandable, and empathetic. In terms of community cultural co-development, the Company delved into various historic and cultural districts, museums, and intangible cultural heritage inheritance bases. By storytelling about local history and showcasing distinctive local customs and attractions, the Company enhanced the cultural pride and community cohesion of local residents and expanded the reach and influence of local cultural and tourism resources, thereby forging a closer linkage between traditional cultural promotion and local development.

2.5.2 Disaster Relief and Public Welfare Initiatives

East Buy remains attentive to relief needs arising from major natural disasters and emergencies and provides timely support through donations of funds and supplies. In FY2026, following extreme torrential rain in the Beijing-Tianjin-Hebei region, the Company donated emergency relief supplies with a value of RMB500,000 on 29 July 2025 to aid rescue efforts. Upon the occurrence of severe floods in Rongjiang County, Qiandongnan Prefecture, Guizhou, the Company donated disaster relief supplies with a value of RMB1 million to the affected areas of Rongjiang to support post-disaster reconstruction. After a serious fire occurred in Tai Po, Hong Kong on 26 November 2025, the Company donated HK$1 million on 28 November for the emergency relief and resettlement of affected residents.

Community Investment Performance

Indicators	Unit	FY2026	FY2025	FY2024
Number of public welfare campaigns	session	407	363	363
Investment in public welfare campaigns	RMB million	2	2	8
Number of staff participating in public welfare campaigns	person-time	1,574	1,699	2,162
Hours spent by staff in participating in public welfare campaigns	hours	854	415	421

3. GREEN OPERATIONS, ADVANCING LOW-CARBON TRANSFORMATION

Facing the common challenge of global climate change, East Buy upholds the philosophy of green development and deeply embeds low-carbon logic across the entire chain of business operations. We focus on improving energy utilization efficiency and strictly controlling pollutant emissions. Through systematic low-carbon operational practices, we continuously reduce our environmental footprint and strengthen the resilience of our sustainable development.

3.1 Climate Response[8]

Proactively responding to climate change is a key priority for East Buy in achieving sustainable development. The Company strictly follows the recommended framework of the Task Force on Climate-related Financial Disclosures (TCFD) to continuously improve its climate governance mechanisms, systematically analyze climate-related risks and opportunities, steadily implement energy conservation and emission reduction measures, and comprehensively enhance climate resilience. Meanwhile, we actively collaborate with upstream and downstream partners to jointly promote the green and low-carbon transformation across the supply chain and build a resilient and sustainable development ecosystem.

8 As the Company is temporarily unable to obtain the relevant information at a reasonable cost or effort, it has applied the reasonable information exemption clause under the HKEX Climate Information Disclosure Implementation Guide and plans to conduct scenario analysis in future years.

The Company has not yet established processes for the identification, assessment, prioritization, and monitoring of climate-related risks and opportunities, nor has it formulated relevant risk management policies.

3.1.1 Climate Governance

East Buy has established an ESG governance structure of "Board of Directors – ESG Committee – Management – Executive Staff" to coordinate climate-related initiatives and build an efficient and orderly low-carbon management system.

The Board, as the highest decision-making body for climate governance, comprehensively supervises the formulation and implementation of climate strategies, reviews and approves climate targets and response solutions, and regularly receives progress reports from the management on climate actions. At the management level, the Investor Relations Department takes the lead in coordinating the implementation of the low-carbon development strategy, and is responsible for organizing the identification, assessment, and response to climate-related risks and opportunities. Business and functional departments decompose and implement emission reduction tasks in accordance with the Company's overall climate strategy, ensuring that climate management is integrated into daily operations and achieving end-to-end alignment from decision-making to execution.

3.1.2 Climate Strategy

East Buy deeply integrates the green operation concept into its development path, focusing on improving energy efficiency, optimizing resource allocation and controlling carbon emissions at source, while systematically formulating and implementing multiple emission reduction measures. We continuously promote green and low-carbon upgrades across our office premises, logistics and warehousing, and daily operations, while gradually improving our corporate carbon management system. Meanwhile, the Company closely monitors potential risks and opportunities brought by climate change. By dynamically optimizing our energy structures and operational models, we steadily solidify the foundation for our low-carbon transformation and drive the implementation of our sustainable development strategies.

3.1.3 Risk and Opportunity Management[9]

In advancing its low-carbon transformation, the Company continuously monitors the evolving trends of climate change, systematically identifying the physical and transition risks arising therefrom, and thoroughly exploring relevant market opportunities. The establishment of a normalized risk assessment mechanism provides a solid decision-making basis for formulating scientific and precise climate response strategies.

Regarding financial impacts, the Company did not incur material losses due to climate-related physical risks and transition risks during the reporting period.

[9] As of the end of the reporting period, the Company has not formulated any climate-related transition plan. The Company will continue to monitor climate-related issues and consider developing relevant transition plans when appropriate in the future.

Climate-related Risks and Opportunities of East Buy[10]

Risks/ Opportunities	Type of Risk/ Opportunity	Potential Impact	Response Measures
Transition Risks	Policy and Regulatory Risks	As the national dual-carbon strategy advances, regulatory requirements on carbon emission management and green product packaging are becoming increasingly stringent. Insufficient response may lead to higher operating costs.	• Establish a dynamic compliance management system covering operations and the supply chain to respond to policy changes; • Strengthen employee training and technological innovation to improve product compliance; • Promote green transformation across the supply chain and collaborate with upstream partners to enhance environmental management standards.
	Technology Risk	Alongside the low-carbon transition of the industrial chain, energy-intensive and inefficient products and operation models will increase compliance costs. Lagging low-carbon technologies may expose the Company to the risk of decreased product and service competitiveness.	• Implement green packaging alternatives and logistics energy-saving retrofits to reduce per-product carbon footprint; • Prefer suppliers with energy-saving and carbon-reduction capabilities or green certifications when selecting private label products, driving upstream green transformation.

10 As the underlying data related to climate financial impacts, time horizons of climate-related risks and opportunities, cross-industry indicators, and Scope 3 greenhouse gas emissions are still being collected and the available information is currently incomplete, the Company has applied the reasonable information exemption clause under the HKEX Climate-related Financial Disclosures Implementation Guide and will temporarily refrain from disclosing cross-industry indicators and Scope 3 greenhouse gas emission data.

Climate-related Risks and Opportunities of East Buy

Risks/ Opportunities	Type of Risk/ Opportunity	Potential Impact	Response Measures
	Market Risk	With growing consumer awareness of environmental protection, preference for green consumption is increasing. Failure to convey environmental value in products and communications in a timely manner may result in the loss of a portion of the customer base.	• Promote source traceability for agricultural products to enhance product sustainability image; • Expand green product categories and strengthen live-streaming content and brand communication on "green consumption"; • Enhance consumer interaction mechanisms to timely capture sustainable consumption trends and adjust product selection and operational strategies.
	Reputation Risk	Failure to fulfill environmental commitments or insufficient information disclosure may lead to a decline in consumer trust, affecting brand reputation and business partnerships.	• Demonstrate environmental commitments and progress through transparent environmental performance reports and effective public communication; • Convey sustainability concepts through live-streaming platforms to strengthen users' perception of the Company's environmental image; • Participate in public welfare and environmental activities to enhance corporate image.

Climate-related Risks and Opportunities of East Buy

Risks/ Opportunities	Type of Risk/ Opportunity	Potential Impact	Response Measures
Physical Risks	Acute Risks	Increased frequency of extreme weather events (e.g., typhoons, heavy rainfall, and floods) raises the risk of supply chain disruptions and logistics obstruction, which may impact customer satisfaction and brand reputation.	• Establish a more resilient supply chain and diversify procurement network to enhance the ability to respond to emergencies and ensure operational continuity; • Optimize logistics networks to improve the flexibility of transportation routes and emergency response capabilities; • Strengthen building safety assessment and inspection, and formulate relevant emergency plans for extreme weather to ensure the safety of employees and operations.
	Chronic Risks	Long-term climate changes, such as climate warming and rising sea levels, may result in risks such as raw material cost fluctuations, higher energy consumption, and increased operational difficulty, affecting the Company's stable business operations.	• Establish long-term climate risk monitoring mechanisms to assess potential impacts on business; • Integrate climate change into strategic planning and progressively advance the green transition of its operating models.

Climate-related Risks and Opportunities of East Buy

Risks/ Opportunities	Type of Risk/ Opportunity	Potential Impact	Response Measures
Opportunities	Products and Services	Considering consumers' preference for sustainable products, the development of low-carbon products can enhance brand competitiveness and expand the green consumption market.	• We will make more investments in our product research and development, adopt eco-friendly materials and packaging, strengthen green brand building, and promote our products through diversified channels to guide customers toward sustainable consumption.
	Resource and Energy Consumption	Our reduction in energy consumption and emissions, combined with optimization of resource management, can lower operational costs and increase overall operational efficiency.	• We will strengthen energy consumption monitoring, water resource management, and waste recycling; enhance resource utilization efficiency; and establish performance tracking mechanisms to drive continuous optimization.
	Energy Use	Our expansion in use of clean energy sources, such as wind and solar power, contributes to reducing carbon emissions and enhancing corporate green image.	• We will optimize energy management, improve energy efficiency, and leverage policy support to achieve a sustainable energy transition.

3.1.4 Indicators and Targets

The Company is firmly committed to implementing the national "Dual Carbon" strategy, comprehensively promoting its green transformation, and strengthening the management of climate impacts at the operational level. Focusing on the core elements of energy consumption and carbon emissions, we implement routine data monitoring and refined management, while continuously enhancing the transparency and controllability of environmental data.

Emission Reduction Targets[11]

3% reduction in electricity consumption intensity per unit of revenue compared to FY2026;

2.5% year-on-year reduction in monthly electricity consumption per capita in office areas;

100% coverage of nighttime power-off for non-essential lighting in public areas.

Target Baseline Year and Target Year

Baseline Year: FY2026

Target Year: FY2027

Climate Change-Related Performance Indicators

Indicators	Unit	FY2026	FY2025	FY2024
Scope 1: Greenhouse gas emissions from direct sources[12]	tCO_2e	0	0	0
Scope 2: Greenhouse gas emissions from indirect sources	tCO_2e	1,123.23[13]	1,270.24	1,285.06
Total greenhouse gas emissions	tCO_2e	1,123.23	1,270.24	1,285.06
Greenhouse gas emission intensity	tCO_2e/RMB million revenue	0.20	0.29	/

11 The targets cover all self-owned and leased office premises and livestreaming office areas nationwide. The scope of the statistics only includes electricity consumption for office operations, excluding electricity consumption for equipment manufacturing and warehousing and cold chain operations. The Asset Administration Center will compile electricity meter data on a monthly basis to monitor achievement.

12 East Buy did not generate Scope 1 greenhouse gas emissions as no actual production activities were involved, and there were no direct sources of greenhouse gas emissions arising from its operations during the reporting period.

13 The Company's Scope 2 greenhouse gas emission factors refer to the Announcement on the Release of Electricity Carbon Dioxide Emission Factors for 2023 (關於發布 2023 年電力二氧化碳排放因子的公告) by the Ministry of Ecology and Environment.

3.2 Low-Carbon Operations

East Buy places great emphasis on low-carbon management, and attaches great importance to the efficiency and effectiveness of resource utilization while advancing the reduction of greenhouse gas emissions. We focus on the two major areas of energy consumption and water resource management, continuously improving resource utilization efficiency and low-carbon operation levels through the establishment of sound monitoring systems and the promotion of energy-saving initiatives.

3.2.1 Energy Management

In strict compliance with the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), the Energy Conservation Law of the People's Republic of China (中華人民共和國節約能源法) and other laws and regulations, with a focus on its green and low-carbon transformation goals and based on internal documents and systems such as the Environment Management System (環境管理制度) and the Implementation Rules for Energy-saving Management in Office Premises (辦公場所節能管理實施細則), East Buy has clearly defined the environmental management responsibilities of various departments and systematically arranged energy conservation and emission reduction initiatives in office scenarios. To deepen green office practices and efficient energy use, the Company continuously improves its energy management system, coordinating multiple aspects to promote consumption reduction and efficiency enhancement.

In its daily operations, the Company focuses on high-energy-consuming scenarios and systematically implements initiatives such as warehouse energy efficiency enhancement, logistics emission reduction, facility and equipment energy conservation, and green office. These efforts continuously optimize the energy structure and operational processes, effectively reducing indirect energy consumption and related carbon emissions during operations.

Warehouse Energy Efficiency Enhancement

Warehouse layout optimization	• Regularly analyze order structures and operational workflows, dynamically adjust goods storage and aisle arrangements to shorten handling paths and reduce overall equipment energy consumption by approximately 15%-20%.
Facility and equipment energy-saving transformation	• Promote full enclosure transformation of warehouses, equip loading/unloading areas with inflatable door seals, and install automatically timed rolling shutters and pedestrian doors to effectively reduce energy loss. • Suzhou warehouse utilizes automated equipment such as cyclone sorters, and the self-built warehouse in Henan plans to introduce semi-automated operational equipment to enhance operational efficiency and save energy.

Application of clean energy	• Distributed photovoltaic systems have been deployed in Guangzhou and Zhengzhou warehouses, with the generated green electricity used for daily operations. • Cold storage facilities in Qingdao and other locations prioritize environmentally friendly refrigerants such as ammonia and carbon dioxide to replace traditional high-carbon-emission refrigerants.
LED lighting	• Suzhou cold storage has fully adopted a motion-sensing LED lighting system, reducing lighting energy consumption.
Intelligent warehouse management	• Cold-chain warehouses integrate Internet of Things (IoT) and big data technologies to intelligently regulate temperature and humidity, reducing refrigeration system energy consumption by approximately 25%-30%. • Storage and picking paths are optimized through intelligent systems, improving efficiency and further lowering energy consumption.

Green Logistics Management

Optimization of transportation routes and modes	• Dynamically plan a combined transportation solution of cold-chain, air, and land based on order distance and delivery time requirements to improve efficiency and reduce transportation energy consumption.
Application of new energy vehicles	• Promote the replacement of conventional fuel vehicles with new energy electric vehicles, which can reduce carbon emissions by approximately 118 kilograms per month.

Energy-saving Technology and Facility Upgrades

Optimization of refrigeration equipment	• Promote the renovation and replacement of refrigeration equipment, gradually reduce the use of freon-based equipment, and give priority to air-cooled or water-cooled systems to enhance energy efficiency.
Collaboration with green data centers	• Lease green data centers compliant with the "Guiding Opinions on the Construction of Green Data Centers" (綠色數據中心建設指導意見), adopting energy-efficient cooling, intelligent temperature control, and other technologies to reduce energy consumption from data storage and computing.

Green Office

Energy management of air conditioning and lighting	• Designated administrative staff conduct daily evening patrols across all floors to turn off lighting, air conditioning, idle computers, water dispensers, and other equipment in unoccupied office areas. • Uniformly adjust air conditioning control standards in office areas: cooling temperature not lower than 20°C in summer, heating not higher than 26°C in winter, and central air conditioning automatically shut down during unoccupied periods. • Replace traditional fluorescent and incandescent lamps in office areas in batches with Grade 1 energy-efficiency LED lamps. • Turn off background lighting, fill lights, and idle large screen equipment in livestreaming rooms during off-air periods to prevent lights from being left on continuously. • Install motion-sensing lighting in meeting rooms, which automatically switches off after 30 minutes of inactivity. • Export meter readings for all premises monthly to calculate energy consumption intensity per unit of revenue and investigate and rectify floors with abnormal electricity consumption.

Optimization of online office and business travel	• Promote online communication methods such as video and telephone conferences to reduce in-person meeting arrangements. • Optimize business travel management, encourage reduction of unnecessary trips, and encourage the prioritized use of public transportation.
Energy-saving promotion	• Organize energy-saving awareness campaigns for all staff, incorporate electricity-saving management requirements into induction training for new employees, post energy-saving reminders in office areas, and encourage employees to develop energy-saving habits.

Energy-related Performance Indicators

Indicators	Unit	FY2026	FY2025	FY2024
Total electricity consumption	10,000 kWh	211.69	236.72	225.33
Comprehensive energy consumption	tce	260.17	290.93	276.93
Comprehensive energy consumption intensity	tce/RMB million revenue	0.05	0.07	/

3.2.2 Water Resource Management

East Buy attaches great importance to the conservation and efficient utilization of water resources. In strict compliance with the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法) and other relevant laws and regulations, and guided by documents such as the Environment Management System of East Buy (東方甄選環境管理制度) and the Detailed Rules for Water-saving Management in Office Areas (辦公區域節水管理細則), the Company has established a water-saving control system covering all office scenarios. While ensuring that basic water requirements for daily operations are met, the Company focuses on coordinated efforts across multiple dimensions, including equipment management, behavioral norms, and awareness enhancement to promote the sustainable use of water resources.

Water Resource Management Targets
3% reduction in daily domestic water consumption per capita in office areas compared to FY2026;

100% completion rate for the rectification of equipment with running, dripping, and leaking issues;

An increase in the coverage of water-saving taps and sanitary ware across all areas to over 98%.

Target Baseline Year and Target Year
Baseline Year: FY2026 (June 2025 – May 2026)

Target Year: FY2027 (June 2026 – May 2027)

The Company has intensified efforts to advance water-saving hardware upgrades and refined operation and maintenance. It has replaced outdated and non-water-saving taps with flow-restricted water-saving aerated taps in batches to control water output of individual units from the source. It has established a weekly inspection mechanism for administrative staff to conduct routine checks on pipelines and drinking water equipment in pantries and restrooms, repairing seepage and dripping points in a timely manner to completely eliminate hidden water losses. At the same time, the Company has further regulated daily water-use practices, requiring cleaning staff to use buckets for wiping and strictly prohibiting the use of running water to rinse floors. Previous management practices have been continued and optimized, such as reducing the unnecessary display of bottled water in reception areas and having the front desk centrally control the quantity distributed, thereby avoiding excessive consumption.

In addition, the Company continues to strengthen the cultivation of water-saving awareness among all employees by posting water-saving promotional signs in prominent locations such as pantries and restrooms to guide employees to take water only as needed and develop good water-use habits. It also consistently collects water bills for each office premises on a monthly basis to accurately calculate sewage discharge and water consumption intensity, ensuring the effective implementation of water-saving targets through dynamic benchmarking and control.

Water Resource-related Performance Indicators

Indicators	**Unit**	**FY2026**	FY2025	FY2024
Total water consumption	tonne	**5,030.00**	5,410.00	6,041.00
Water consumption intensity	tonne/RMB million revenue	**0.88**	1.23	/

3.3 Emissions Reduction and Pollution Control

While pursuing business growth, East Buy strictly upholds the baseline of environmental compliance. We focus on source control and compliant disposal of pollutants throughout the entire operational process. By optimizing waste composition and treatment methods, we reduce the negative impact of our business activities on the ecological environment.

3.3.1 Environmental Management

In strict compliance with the requirements of the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法) and relevant environmental regulations, East Buy has formulated the Environment Management System of East Buy (東方甄選環境管理制度) to comprehensively regulate its environmental management efforts. By strengthening cross-departmental coordination and collaboration, the Company has broken down key responsibilities such as energy conservation management, waste sorting and resource recovery, and environmental management at construction sites into specific tasks for each business unit to ensure the effective implementation of environmental management targets. No significant environmental non-compliance incidents occurred during the financial year.

3.3.2 Solid Waste Management

East Buy complies with national and local regulations such as the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution (中華人民共和國固體廢物污染環境防治法) and the Directory of National Hazardous Wastes (國家危險廢物名錄). Upholding the principles of "reduction, resource utilization, and harmlessness", the Company continuously improves its waste management system. During the reporting period, the Company revised the Environment Management System of East Buy (東方甄選環境管理制度), with a focus on refining the detailed management of hazardous waste ledgers, classification standards for recyclable waste, and the full-process traceability mechanism for transfer and disposal. This further clarified the environmental management responsibilities of various departments in areas such as energy conservation management, waste resource recovery, and environmental protection at construction sites, driving waste management towards standardization and refinement.

The Company focuses on source control and full-process standardization to systematically promote waste reduction. With FY2026 as the baseline year, quantitative targets have been set for FY2027 to achieve a 4% year-on-year reduction in total domestic waste in office areas, an increase in the resource recovery rate of recyclable waste to over 85%, and the maintenance of 100% compliance in hazardous waste disposal.

With regard to hazardous waste management, the Company implements ledger-based management and engages qualified third parties for the compliant disposal of electronic waste, toner cartridges, and batteries. As for non-hazardous waste management, based on the implementation of sorted collection and centralized treatment, the Company deeply explores recycling value: paper and plastic waste are sold for secondary use, phased-out electronic equipment is resold after maintenance, and foam insulation boxes are recycled and reused by dedicated personnel. Meanwhile, the Company advocates for green office practices, continuously reducing its operational environmental footprint through measures such as plastic reduction, paperless operations, and packaging recycling.

Waste Management Initiatives

Type of Measure	Hazardous Waste	Non-hazardous Waste
Source reduction	• Give priority to purchasing rechargeable batteries to reduce the use of disposable batteries; • Encourage extending the service life of electronic devices to improve equipment utilization.	• Promote the use of direct drinking water equipment to reduce the use of disposable paper cups and bottled water; • Advocate for paperless offices to minimize paper waste; • For outdoor filming catering, switch to biodegradable and eco-friendly food containers.
Sorted collection and storage	• Dispose of waste lamps, batteries, toner cartridges, etc., at dedicated collection points with clear labels, which shall be collected by the Administration Department on a regular basis.	• Place classified waste bins in work areas with clear labeling, and cleaning staff sorts the trash daily; • Set up collection points for used cardboard and packaging materials to enable centralized management.

	Waste Management Initiatives	
Type of Measure	**Hazardous Waste**	**Non-hazardous Waste**
Resource recovery and reuse	• Collect and refill used toner cartridges for secondary use; • Prioritize repair and reuse of eligible electronic devices.	• Encourage employees to reuse single-sided printed paper; • Recycle packaging materials such as cardboard boxes for reuse.
Compliant disposal	• Discarded employee protective gear will be counted by the cleaning supplies vendor and sent to the solid waste treatment center; • All hazardous waste is disposed of in compliance by qualified third parties.	• General household waste is collected and removed by cleaning staff in accordance with local environmental requirements; • During outdoor shoots, use biodegradable and eco-friendly food containers to reduce plastic pollution.

During the financial year, East Buy focused on comprehensively implementing a green construction management model for office area fitting-out works, embedding environmental compliance requirements into the entire process of fitting-out works. In terms of material control, the Company strictly enforced environmental standards for office refurbishment and livestreaming room renovation projects, mandating the use of low-VOC eco-friendly water-based paints and formaldehyde-free panels. Test reports were verified on a case-by-case basis prior to materials being delivered to the site to prevent high-pollution building materials from entering the project. During the construction process, by conducting a unified preliminary survey of the electrical circuit layout and optimizing wiring design, cable usage was accurately measured, effectively avoiding excessive procurement and waste of materials. At the same time, dust control measures were implemented. Construction waste and discarded panels were sorted and stacked separately, while recyclable metals, wires and other materials were sent for professional recycling and disposal, minimizing the environmental impact of construction works to the greatest extent possible.

3.3.3 Wastewater Discharge Management

The wastewater generated during East Buy's operations mainly consists of domestic wastewater from office activities, all of which is discharged through the municipal sewage network into qualified urban sewage treatment facilities for unified treatment. During the reporting period, the Company did not discharge wastewater directly into land, water bodies, or other environmental receptors, and various discharge indicators complied with national and local environmental laws and regulations. To further reduce total wastewater discharge, the Company started with the management of water-use behavior, achieving secondary utilization of partial domestic wastewater by equipping tea water buckets, and actively promoted water-saving operation models to strengthen reduction at source and effectively lower its impact on the environment.

Waste-related Performance Indicators

Indicators	Unit	FY2026	FY2025	FY2024
Generation of hazardous waste	kg	3,806.50	18,427.00[14]	1,392.41
Hazardous waste intensity	kg/RMB million revenue	0.67	4.20	/
Generation of non-hazardous waste	kg	117,638.38	122,539.98	164,752.24
Non-hazardous waste intensity	kg/RMB million revenue	20.63	27.90	/
Office sewage discharge	m^3	4,024.00	4,328.00	6,041.00
Packaging material consumption (paper)	tonne	7,753.00	6,192.00	25,505.17
Packaging material consumption (plastic)	tonne	2,910.00	2,927.00	/

14 The sudden surge in FY2025 was due to the centralized disposal of obsolete and damaged assets.

APPENDIX

HKEX Guide

	Subject Areas, Aspects, General Disclosures and KPIs	Section in ESG Report
A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	3.3.2
	A1.1 The types of emissions and respective emissions data.	3.3.2
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1.4
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.3.2
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.3.2

	Subject Areas, Aspects, General Disclosures and KPIs	Section in ESG Report
	A1.5 Description of emission target(s) set and steps taken to achieve them.	3.3.2
	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.	3.3.2
A2 Use of Resources	General Disclosure	3.2.1
	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.	
	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).	3.2.1
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.2.2
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	3.2.1
	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.	3.2.2
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	3.1.4
A3 The Environment and Natural Resources	General Disclosure	3.3.1
	Policies on minimising the issuer's significant impacts on the environment and natural resources.	
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.3.1

	Subject Areas, Aspects, General Disclosures and KPIs	Section in ESG Report
B1 Employment	General Disclosure	2.1.1 2.1.2
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
	B1.1 Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	2.1.1
	B1.2 Employee turnover rate by gender, age group and geographical region.	2.1.1
B2 Health and Safety	General Disclosure	2.1.5
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.	2.1.5
	B2.2 Lost days due to work injury.	2.1.5
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	2.1.5

	Subject Areas, Aspects, General Disclosures and KPIs	Section in ESG Report
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	2.1.4
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	2.1.4
	B3.2 The average training hours completed per employee by gender and employee category.	2.1.4
B4 Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	2.1.1
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	2.1.1
	B4.2 Description of steps taken to eliminate such practices when discovered.	2.1.1
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	2.4.1
	B5.1 Number of suppliers by geographical region.	2.4.2
	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.	2.4.1 2.4.2

	Subject Areas, Aspects, General Disclosures and KPIs		Section in ESG Report
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	2.4.1
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	2.4.1
B6 Product Responsibility	General Disclosure 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.		2.2.1
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.2.1
	B6.2	Number of products and service related complaints received and how they are dealt with.	2.3.2
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.2.4
	B6.4	Description of quality assurance process and recall procedures.	2.2.1
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	1.3.1 1.3.2 1.3.3

	Subject Areas, Aspects, General Disclosures and KPIs	Section in ESG Report
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.2.1
	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.	1.2.1
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.2.2
	B7.3 Description of anti-corruption training provided to directors and staff.	1.2.3
B8 Community Investment	General Disclosure 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.	2.5.1
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	2.5.1 2.5.2
	B8.2 Resources contributed (e.g. money or time) to the focus area.	2.5.2

	Subject Areas, Aspects, General Disclosures and KPIs	Section in ESG Report
PART D CLIMATE-RELATED DISCLOSURES	Governance	
	Skills and competencies	3.1.1
	Approach and frequency	3.1.1
	Board's role and responsibilities	3.1.1
	Monitoring progress	3.1.1
	Management's role and responsibilities	3.1.1
	Strategy	
	Climate-related risks and opportunities	3.1.2
	Business model and value chain	3.1.2
	Climate resilience	3.1.2
	Financial position, financial performance and cash flows	3.1.2
	Strategy and decision-making	3.1.2
	Risk Management	
	Risk identification	3.1.3
	Risk assessment	3.1.3
	Risk prioritization	3.1.3
	Risk management	3.1.3
	Risk integration	3.1.3

Subject Areas, Aspects, General Disclosures and KPIs	Section in ESG Report
Metrics and Targets	
Greenhouse gas emissions	3.1.4
Cross-industry metrics	Not applicable
Internal carbon pricing	Not applicable
Remuneration	Not applicable
Industry-based metrics	Not applicable
Climate-related targets	3.1.4

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EAST BUY HOLDING LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of East Buy Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 155 to 240, which comprise the consolidated statement of financial position as at 31 May 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 May 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition of sales of products	
We have identified the recognition of revenue from sales of products as a key audit matter as we spent significant efforts on auditing the occurrence and accuracy of the revenue due to the magnitude of the revenue amount and the significant volume of revenue transactions. As stated in Note 5 to the consolidated financial statements, for the year ended 31 May 2026, the revenue of sales of products amounted to RMB4,839 million representing 85% of the Group' total revenues. Revenue from sales of products was principally derived through live-streaming and other online sales channels. where the Group obtains control of the goods before that goods are delivered and title is passed to a customer, the Group acts as principal and recognises revenue at the gross amount of consideration to which the Group expects to be entitled in exchange for the specified goods sold. Revenue is recognised when the goods are delivered and title is passed to customers, at which time, the customer obtains control of such goods.	Our procedures in relation to the recognition of revenue from sales of products included: • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls which govern such revenue recognition; • Understanding the terms and arrangements of the contract with customers and assessing whether the management of the Group recognised the revenue in accordance with the Group's accounting policy and when the Group's performance obligations are satisfactorily fulfilled; • Reconciling, on a sample basis, revenue recognised to settlement statements and cash collections from the e-commerce platforms and to bank receipts; • Testing, on a sample basis, the occurrence and accuracy of revenue transactions by examining the supporting documents, including products delivery records and/or evidence of the customers' acknowledgement of receipt of the products on the e-commerce platforms; and • Recalculating the revenue recognised for accuracy by using computer-assisted audit techniques.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter 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 TO, Kim Lai, Ricky (practising certificate number: P07430).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
21 August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2026

	NOTES	2026 RMB'000	2025 RMB'000
Revenue	5	5,701,007	4,392,071
Cost of revenue		(3,662,176)	(2,988,030)
Gross profit		2,038,831	1,404,041
Other income, gains and losses	6	35,462	176,944
Impairment losses recognised under expected credit loss model, net of reversal	19	(12,399)	(2,708)
Selling and marketing expenses		(1,078,282)	(902,110)
Research and development expenses		(108,259)	(126,998)
Administrative expenses		(188,899)	(484,817)
Share of results of associates	15	(558)	(675)
Finance costs		(1,536)	(2,932)
Profit before tax		684,360	60,745
Income tax expense	7	(140,490)	(54,554)
Profit for the year	8	543,870	6,191
Profit and total comprehensive income for the year		543,870	6,191
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		543,549	5,735
Non-controlling interests		321	456
		543,870	6,191
Earnings per share			
– Basic (RMB)	11	0.52	0.01
– Diluted (RMB)	11	0.51	0.01

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MAY 2026

	NOTES	At 31 May 2026 RMB'000	2025 RMB'000
Non-current Assets			
Property and equipment	13	27,825	31,639
Right-of-use assets	14	35,697	53,298
Interests in associates	15	50,001	72,550
Financial assets at fair value through profit or loss ("FVTPL")	16	312,640	88,187
Deferred tax assets	27	21,807	16,416
Deposits for acquisition of property and equipment		1,275	2,094
Refundable rental deposits		1,024	9,115
Term deposits	21	182,812	60,269
		633,081	333,568
Current Assets			
Inventories	17	483,699	308,565
Trade and other receivables	18	264,469	189,691
Prepayments	20	102,640	121,339
Financial assets at FVTPL	16	2,273,782	1,957,486
Term deposits	21	1,354,508	560,763
Restricted bank deposits	21	126,604	121,562
Cash and cash equivalents	21	1,701,445	2,499,539
		6,307,147	5,758,945
Current Liabilities			
Lease liabilities	25	22,032	32,764
Contract liabilities	22	87,663	52,315
Refund liabilities		9,665	3,902
Trade payables	23	697,843	432,695
Accrued expenses and other payables	24	437,553	374,546
Income tax payables		55,701	58,329
		1,310,457	954,551
Net current assets		4,996,690	4,804,394
Total assets less current liabilities		5,629,771	5,137,962

	NOTES	At 31 May 2026 RMB'000	2025 RMB'000
Capital and Reserves			
Share capital	26	137	135
Treasury shares		(1)	–
Reserves		5,615,918	5,116,962
Equity attributable to owners of the Company		5,616,054	5,117,097
Non-controlling interests		1,182	861
Total equity		5,617,236	5,117,958
Non-current Liabilities			
Deferred tax liabilities	27	2,114	1,990
Lease liabilities	25	10,421	18,014
		12,535	20,004
Net assets		5,617,236	5,117,958

The consolidated financial statements on pages 155 to 240 were approved and authorised for issue by the board of directors of the Company (the "Directors") on 21 August 2026 and are signed on its behalf by:

Yu Minhong
Director

Yin Qiang
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2026

	Attributable to owners of the Company										
	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Statutory reserve[i] RMB'000	Translation reserve RMB'000	Share-based payments reserve RMB'000	Other reserves[ii] RMB'000	Accumulated profit RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 June 2024	133	–	4,503,904	120,974	–	309,885	(140,767)	175,087	4,969,216	405	4,969,621
Profit for the year	–	–	–	–	–	–	–	5,735	5,735	456	6,191
Other comprehensive income for the year	–	–	–	–	–	–	–	–	–	–	–
Profit and total comprehensive income for the year	–	–	–	–	–	–	–	5,735	5,735	456	6,191
Recognition of equity-settled share-based payments (Note 28)	–	–	–	–	–	160,653	–	–	160,653	–	160,653
Exercise of share options (Note 26)	2	–	131,120	–	–	(39,229)	–	–	91,893	–	91,893
Vest of share awards (Note 26)	1	–	177,854	–	–	(177,855)	–	–	–	–	–
Repurchase of shares (Note 26)	–	(1)	(110,399)	–	–	–	–	–	(110,400)	–	(110,400)
Cancellation of shares repurchased (Note 26)	(1)	1	–	–	–	–	–	–	–	–	–
Transfer to statutory reserve	–	–	–	1,502	–	–	–	(1,502)	–	–	–
Changes in equity for the year	2	–	198,575	1,502	–	(56,431)	–	(1,502)	142,146	–	142,146
At 31 May 2025	135	–	4,702,479	122,476	–	253,454	(140,767)	179,320	5,117,097	861	5,117,958

	Attributable to owners of the Company										
	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Statutory reserve[i] RMB'000	Translation reserve RMB'000	Share-based payments reserve RMB'000	Other reserves[ii] RMB'000	Accumulated profit RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
Profit for the year	-	-	-	-	-	-	-	543,549	543,549	321	543,870
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-
Profit and total comprehensive income for the year	-	-	-	-	-	-	-	543,549	543,549	321	543,870
Recognition of equity-settled share-based payments (Note 28)	-	-	-	-	-	81,081	-	-	81,081	-	81,081
Exercise of share options (Note 26)	1	-	62,569	-	-	(20,838)	-	-	41,732	-	41,732
Vest of share awards (Note 26)	1	-	139,470	-	-	(139,471)	-	-	-	-	-
Repurchase of shares (Note 26)	-	(1)	(167,404)	-	-	-	-	-	(167,405)	-	(167,405)
Transfer to statutory reserve	-	-	-	8,027	-	-	-	(8,027)	-	-	-
Changes in equity for the year	2	(1)	34,635	8,027	-	(79,228)	-	(8,027)	(44,592)	-	(44,592)
At 31 May 2026	137	(1)	4,737,114	130,503	-	174,226	(140,767)	714,842	5,616,054	1,182	5,617,236

Notes:

(i) In accordance with the articles of association of all subsidiaries established in the People's Republic of China (the "PRC"), the PRC subsidiaries are required to set aside 10% of their profit after tax as per statutory financial statements determined under the PRC laws and regulations for the statutory surplus reserve fund until the reserve reaches 50% of their registered capital. Transfer to this reserve must be made before distributing dividends to equity owners of the subsidiaries. The statutory reserve can be used to make up previous years' losses, expand the existing operations or convert into additional capital of the respective subsidiaries.

(ii) Other reserves represent (a) the difference between the amount by which the non-controlling interests are adjusted and the consideration to acquire additional interests in subsidiaries; and (b) the difference between the capital contribution from non-controlling interests and its respective share of the carrying amounts of the net assets of a subsidiary.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2026

	NOTE	2026 RMB'000	2025 RMB'000
OPERATING ACTIVITIES			
Profit before tax		684,360	60,745
Adjustments for:			
Depreciation of property and equipment		15,882	15,840
Depreciation of right-of-use assets		32,823	32,959
(Gain) loss on disposal of property and equipment		(400)	668
Impairment losses recognised under expected credit loss model, net of reversal		12,399	2,708
Share-based compensation expenses		81,081	160,653
Interest income from bank balances		(13,411)	(32,043)
Interest income from term deposits		(63,466)	(58,347)
Interest income from rental deposits		(394)	(402)
Finance costs		1,536	2,932
Gain on early termination of lease contracts		–	(29)
Net foreign exchange loss (gain)		99,394	(18,634)
Gain on fair value changes of financial assets at FVTPL		(55,604)	(37,625)
Share of results of associates		558	675
Loss on disposal of investments in an associate		11,991	–
Gain on disposal of a financial asset at FVTPL		(8,402)	–
Loss on disposal of a subsidiary		–	7,566
Operating cash flows before movements in working capital		798,347	137,666
(Increase) decrease in inventories		(175,134)	113,776
(Increase) decrease in trade and other receivables		(69,075)	65,160
Decrease in prepayments		17,890	4,101
Increase in contract liabilities		35,348	4,320
Increase (decrease) in refund liabilities		5,763	(508)
Increase (decrease) in trade payables		265,148	(157,436)
Increase (decrease) in accrued expenses and other payables		58,880	(39,957)
Cash from operating activities		937,167	127,122
Income tax paid		(148,385)	(69,873)
Interest received		13,411	32,043
NET CASH FROM OPERATING ACTIVITIES		802,193	89,292

	NOTE	2026 RMB'000	2025 RMB'000
INVESTING ACTIVITIES			
Proceeds from disposal of wealth management products		1,904,277	2,402,932
Purchases of financial assets at FVTPL		(2,465,909)	(3,135,910)
Proceeds on disposal of property and equipment		928	1,327
Net cash outflow on disposal of a subsidiary		–	(109,393)
Proceeds from disposal of financial assets at FVTPL		84,889	–
Interest received from term deposits		23,105	64,059
Purchases of property and equipment		(6,841)	(25,830)
Payments for rental deposits		–	(244)
Refund of rental deposits		290	4,253
Placement of term deposits		(1,854,546)	(1,131,219)
Withdrawal of term deposits		900,688	1,597,275
Net cash inflow on disposal of education business		–	527,678
(Placement) withdrawal of restricted bank deposits		(5,042)	567
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(1,418,161)	195,495
FINANCING ACTIVITIES			
Proceeds from issuance of shares upon exercise of share options		41,827	91,805
Payments on repurchase of ordinary shares		(167,405)	(110,400)
Repayments of lease liabilities		(35,083)	(34,526)
NET CASH USED IN FINANCING ACTIVITIES		(160,661)	(53,121)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(776,629)	231,666
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,499,539	2,262,464
Effect of exchange rate changes		(21,465)	5,409
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,701,445	2,499,539

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

East Buy Holding Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 7 February 2018 under the Companies law, Cap 22 (law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and the principal place of business of the Company and its subsidiaries (collectively referred to as the "Group") are disclosed in the section headed "Corporate Information" in the annual report. New Oriental Education & Technology Group Inc ("New Oriental Group"), incorporated in the Cayman Islands, is the ultimate controlling shareholder of the Company.

The Company is an investment holding company. The principal activities of the Group are operating e-commerce business for sales of private label products to individual customers and provision of commission services.

The shares of the Company have been listed on the Stock Exchange with effect from 28 March 2019 (the "Listing" and "Listing Date").

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Basis of preparation of consolidated financial statements

Contractual Arrangements

Due to the restrictions imposed by the relevant laws and regulatory regime of the PRC on foreign ownership of companies engaged in the value-added telecommunications services carried out by the Group, the Group conducts a substantial portion of the business through Beijing New Oriental Xuncheng Network Technology Inc. ("Beijing Xuncheng") (the "Consolidated Affiliated Entities") in the PRC. On 10 May 2018, the wholly-owned subsidiary of the Company, Beijing Dexin Dongfang Network Technology Co., Inc. ("Dexin Dongfang") has entered into the contractual arrangements (the "Contractual Arrangements") with the Consolidated Affiliated Entities and their respective equity holders, which enable Dexin Dongfang and the Company to:

- expose, or has rights, to variable returns from its involvement with the Consolidated Affiliated Entities and has ability to affect those returns through its power over the Consolidated Affiliated Entities;

- exercise equity holders' controlling voting rights of the Consolidated Affiliated Entities;

- receive substantially all of the economic interest returns generated by the Consolidated Affiliated Entities in consideration for the business support, technical and consulting services provided by Dexin Dongfang;

- obtain an irrevocable and exclusive right to purchase all or part of equity interests in the Consolidated Affiliated Entities from the respective equity holders at nil consideration or a minimum purchase price permitted under the PRC laws. Dexin Dongfang may exercise such options at any time until it has acquired all equity interests and/or all assets of the Consolidated Affiliated Entities. In addition, the Consolidated Affiliated Entities are not allowed to sell, transfer, or dispose any assets, or make any distributions to their equity holders without prior consent of Dexin Dongfang; and

- obtain a pledge over the entire equity interest of the Beijing Xuncheng from their equity holders as collateral security for all of Beijing Xuncheng's payments due to Dexin Dongfang and to secure performance of Beijing Xuncheng's and obligations under the Contractual Arrangements.

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Basis of preparation of consolidated financial statements (Continued)

Contractual Arrangements (Continued)

The Group does not have any equity interest in the Consolidated Affiliated Entities. However, as a result of the Contractual Arrangements, the Group has power over the Consolidated Affiliated Entities, has rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities and is considered to have control over the Consolidated Affiliated Entities. Consequently, the Company regards the Consolidated Affiliated Entities as indirect subsidiaries for accounting purpose. The Company consolidated the assets, liabilities, revenue, income and expenses of the Consolidated Affiliated Entities upon the completion of the reorganisation on 10 May 2018.

Total assets of the Consolidated Affiliated Entities were RMB3,445,136,000 as of 31 May 2026 (31 May 2025: RMB2,734,655,000) and these balances have been reflected in the Group's consolidated financial statements after intragroup eliminations.

Total revenue of the Consolidated Affiliated Entities was RMB5,700,044,000 for the year ended 31 May 2026 (2025: RMB4,392,071,000) and these amounts have been reflected in the Group's consolidated financial statements after intragroup eliminations.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

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

Amendments to IAS 21	Lack of Exchangeability

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

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

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

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

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[2]
Amendments to IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]
IFRS 20	Regulatory Assets and Regulatory Liabilities[4]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 Effective for annual periods beginning on or after 1 January 2029

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

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions.

The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements. The Group currently presents interest received in operating activities, they will be classified in the investing activities on the consolidated statement of cash flows.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

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

Basis of consolidation

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

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

The Group reassesses whether 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 listed above.

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Investments in associates

An associate is an entity over which the Group 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 results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9 *Financial Instruments*, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

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

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

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The Group measures the progress towards complete satisfaction of a performance obligation based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depicts the Group's performance in transferring control of goods or services.

Refund liabilities

The Group recognises a refund liability if the Group expects to refund some or all of the consideration received from customers.

Sale with a right of return

For a sale of products with a right of return, the Group recognises all of the following:

(a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognised for the products expected to be returned);

(b) a refund liability; and

(c) an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers and are presented as right to returned goods asset.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

The Group primarily sales products to individual customers and others through live broadcast and its own APP.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

Sales of products to customers (revenue recognised at a point in time)

The Group sells products through both livestreaming e-commerce and online sales channels on third-party platforms and its own APP. In livestreaming sales, hosts introduce and recommend products during live broadcasts where viewers can place immediate orders. For third-party platforms and APP sales, customers browse and purchase products directly through the related platforms and APP.

In relation to the products sold during the livestreaming and via online sales channels, when the Group obtains control of the good before that goods are delivered and title is passed to a customer, the Group acts as a principal and recognises revenue in the gross amount of consideration to which the Group expects to be entitled in exchange for the specified good sold. Revenue is recognised when goods are delivered and title is passed to a customer, at which time, the customer obtains control of such good. When the Group, as a promoter, provides promotion services about the specified goods to the merchants in the form of live broadcast on the e-commerce platforms, the Group acts as an agent. The Group charges commissions on the sales of the specified goods completed through the e-commence platform based on agreed commission rates. Commission revenue is recognised at a point in time upon the customers purchase merchants' products through the e-commence platforms.

Membership program

The Group operates a membership program through which customers can earn membership points from qualified purchases. The membership points can be used to redeem coupons or applied directly against amounts owed to the Group in future purchases. The membership points awarded are accounted for as a separate performance obligation and the transaction price is allocated between the products sold and the membership points awarded on a relative stand-alone selling price basis. The standalone selling price of each award membership point is estimated based on the right to be given when the award membership points are redeemed by the customers as evidenced by the Group's historical experience. The amount allocated to the award membership points is deferred as contract liability and recognised as revenue when the customers utilise points or apply the coupons redeemed to offset consideration on future purchases.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Research and development expenses

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

When no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Leases

Definition of 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.

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

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Short-term leases

The Group applies the short-term lease recognition exemption to leases for buildings 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 expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Refundable rental deposits

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

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates, and the credit risk adjustment based on bond yields.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and

- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications (Continued)

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Foreign currencies

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

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Retirement benefit costs

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

Share-based payments

Equity-settled share-based payment transactions

Share options/Share awards granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

Share options/Share awards granted to employees (Continued)

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to accumulated losses.

When share awards granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share premium.

When share options are cancelled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Group immediately recognises the cancellation of share options as an acceleration of vesting as share based payment expenses and the relevant amount recognised in share-based payments reserve will be transferred to accumulated losses.

Taxation

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

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

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Property and equipment

Property and equipment other than construction in progress as described below are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

Construction in progress is carried at cost, less any recognised impairment loss. Such assets are classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Impairment on property and equipment and right-of use assets

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

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Restricted cash

Restricted cash represents mainly cash received from consumers and deposited in a special bank account reserved for payments to merchants.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

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

Financial assets

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets

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

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

All other financial assets are subsequently measured at FVTPL.

(i) Amortised cost and interest income

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

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other income, gains and losses" line item.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, refundable rental deposits, restricted bank deposits, term deposits and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables. Except for certain debtors with significant balances, which are assessed for impairment individually, the remaining trade receivables are assessed collectively using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast of future conditions at the reporting date, including time value of money where appropriate.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(i) *Significant increase in credit risk*

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

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

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event; and

(c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

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

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

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

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

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

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

Financial liabilities and equity

Classification as debt or equity

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at amortised cost

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

Equity instruments

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying accounting policies

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

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

Critical judgements in applying accounting policies (Continued)

Contractual Arrangements

On 10 May 2018, to comply with the relevant laws and regulations in the PRC which prohibit or restrict foreign ownership of the companies where the PRC operating licenses are required, Dexin Dongfang has entered into the Contractual Arrangements with the Consolidated Affiliated Entities (see Note 1) and their respective equity holders. The Group does not have any equity interest in the Consolidated Affiliated Entities. The Directors assess whether or not the Group has control over the Consolidated Affiliated Entities based on whether the Group has the power over the Consolidated Affiliated Entities, has rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities. After the assessment, the Directors conclude that the Group has control over the Consolidated Affiliated Entities as a result of the Contractual Arrangements and other measures and accordingly, the Group has consolidated the Consolidated Affiliated Entities.

Nevertheless, the Contractual Arrangements and other measures may not be as effective as direct legal ownership in providing the Group with direct control over the Consolidated Affiliated Entities and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the Consolidated Affiliated Entities. The Directors, based on the advice of its legal counsel, consider that the Contractual Arrangements among Dexin Dongfang, the Consolidated Affiliated Entities and their equity holders are in compliance with the relevant PRC Laws and are legally enforceable as at 31 May 2026.

Key sources of estimation uncertainty

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

Fair value of financial assets at FVTPL

Investment in unlisted equity securities are classified as financial assets at FVTPL. The fair value of the unlisted equity securities are determined using the valuation techniques. Valuation technique is certified by independent and recognised international business valuer before being implemented for valuation and is calibrated to ensure that output reflect market condition. Valuation model established by valuer make the maximum use of market inputs and rely as little as possible on the Group's specific data. For the discounted cash flow model, it mainly involves estimates on revenue growth rate, weighted average cost of capital ("WACC") and discount for lack of marketability.

As at 31 May 2026, the carrying amounts of the investment in unlisted equity securities classified as financial assets at FVTPL is RMB11,640,000 (2025: RMB88,187,000). Should any of the estimates be revised, it may lead to a material change to the fair value of the financial assets at FVTPL.

5. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	Year ended 31 May	
	2026	2025
	RMB'000	RMB'000
Timing of revenue recognition		
Over time	**48,000**	42,265
At a point in time	**5,653,007**	4,349,806
Total	**5,701,007**	4,392,071
Type of revenue		
Sales of products	**4,839,400**	3,522,831
Service revenue and others	**861,607**	869,240
Total	**5,701,007**	4,392,071

All revenues of the Group were generated from private label products, livestreaming e-commerce and other related services.

There were no adjustments or eliminations between the revenue from contracts with customers and the amount disclosed in the segment information.

Information reported to the executive directors, being the chief operating decision maker (the "CODM"), for the purposes of resources allocation and assessment of segment performance focuses on types of goods or services provided.

The Group mainly operates e-commerce business for sales of private label products and provision of commission services for the two years ended 31 May 2026, the CODM assesses the operating performance and allocates resources of operations of the Group as a whole, as all of the Group's activities are considered to be online commerce business. Accordingly, the Directors consider there is only one operating segment under the requirements of IFRS 8.

The Group's operations are located on PRC and all of the Group's revenues were generated from external customers in the PRC. The Group's non-current assets are all located in the PRC. Therefore, no geographical information is presented.

No service or product provided to a single customer exceeds 10% or more of the total revenue of the Group for the year ended 31 May 2026 (2025: Nil).

6. OTHER INCOME, GAINS AND LOSSES

	Year ended 31 May	
	2026	2025
	RMB'000	RMB'000
Interest income from term deposits	**63,466**	58,347
Gain on fair value changes of financial assets at FVTPL	**55,604**	37,625
Interest income from bank balances	**13,411**	32,043
Gain on disposal of financial assets at FVTPL	**8,402**	–
Government grants[i]	**4,312**	4,529
Interest income from rental deposits	**394**	402
Net foreign exchange (loss) gain	**(99,394)**	18,634
Loss on disposal of an associate	**(11,991)**	–
Loss on disposal of a subsidiary	**–**	(7,566)
VAT exemption	**–**	29,868
Others	**1,258**	3,062
	35,462	176,944

Note:

(i) Government grants amounted to RMB4,312,000 (2025: RMB4,529,000) have been recognised for the subsidies relating to its local municipal business development. The amounts have been recognised as other income, and there was no unfulfilled condition attached to these government grants in the year in which they were recognised.

7. INCOME TAX EXPENSE

	Year ended 31 May	
	2026	2025
	RMB'000	RMB'000
Current tax:		
PRC enterprise income tax	**145,757**	54,921
Deferred tax (Note 27)	**(5,267)**	(367)
	140,490	54,554

The Company was incorporated in the Cayman Islands. It is tax exempted under the tax laws of the Cayman Islands, as no business is carried out in the Cayman Islands.

Under the two-tiered profits tax rates regime of Hong Kong, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Applicable tax rates of the Group's major subsidiaries are as follows.

Under the law of the PRC on enterprise income tax (the "EIT Law") and implementation regulation of the EIT Law, the statutory tax rate of the PRC subsidiaries is 25% during the year ended 31 May 2026 (2025: 25%).

The Group's subsidiaries operating in the PRC are eligible for certain tax concessions. Under the EIT Law effective on 1 January 2008, the "High and New Technology Enterprise" (the "HNTE") status is valid for three years and qualifying entities can reapply for an additional three years provided their business operations continue to qualify for the new HNTE status. In 2023, Beijing New Oriental Xuncheng Network Technology Inc. ("Beijing Xuncheng") renewed the certificate of the HNTE status and enjoyed the preferential tax rate of 15% from calendar year 2023 to 2025. In 2023, Dexin Dongfang renewed the HNTE status and enjoyed the preferential tax rate of 15% from calendar year 2023 to 2025. However, considering Beijing Xuncheng is not qualified for HNTE as it fails to meet the revenue requirements for the HNTE, the Group considered that it is appropriate for Beijing Xuncheng to use the statutory tax rate of 25% for the period ended 31 May 2026. Considering Dexin Dongfang met some criteria for HNTE in the year ended 31 May 2026, it has submitted the application for HNTE and is expected to obtain the HNTE for the 2026 calendar year, thus the preferential corporate income tax rate of 15% is still applied in the current period.

According to the EIT Law, qualified research and development expenses can be deducted at 175% of such expenses for income tax deduction purpose. The State Taxation Administration of the PRC announced in September 2022 that enterprises that currently apply 175% deduction in qualified research and development expenses would be entitled to claim 200% of their qualified research and development expenses as super deduction from 1 October 2022 to 31 December 2022, and the implementation period was subsequently extended as announced in March 2023.

7. INCOME TAX EXPENSE (Continued)

The Group's subsidiaries operating in Hainan and Zhuhai are eligible for local tax concessions. According to the local tax policies, Hainan Haiyue Dongfang Network Technology Co., Ltd. and Zhuhai Chongsheng Heli Network Technology Co., Ltd., subsidiaries of the Group, meet the relevant criteria and can enjoy a preferential tax rate of 15% during the year ended 31 May 2026 (2025: 15%).

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB1,407,736,000 (2025: RMB945,893,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The income tax expenses for the year can be reconciled to profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 May	
	2026	2025
	RMB'000	RMB'000
Profit before tax	684,360	60,745
Tax at applicable income tax rate of 25% (2025: 25%)	171,090	15,186
Tax effect of share of results of associates	139	169
Tax effect of expenses not deductible for tax purposes	8,950	282
Tax effect of income not taxable for tax purpose	–	(325)
Tax effect of additional deduction on certain research and development expenses	(9,377)	(23,578)
Tax effect of tax losses and deductible temporary differences not recognised	27,660	82,377
Utilisation of tax losses and deductible temporary differences previously not recognised	(69,625)	(7,140)
Effect of different tax rates of PRC subsidiaries	(19,364)	(5,312)
Effect of different tax rates of subsidiaries operating in other jurisdictions	31,017	(7,105)
Income tax expense for the year	140,490	54,554

Note:

The domestic tax rate of 25% (2025: 25%) which is the statutory tax rate of the PRC where the operation of the Group is substantially based for the year ended 31 May 2026 is used.

8. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging the following items:

	Year ended 31 May	
	2026	2025
	RMB'000	RMB'000
Staff cost, including directors' and chief executive's remuneration		
– Salaries, allowances and benefits in kind	**680,390**	966,465
– Retirement benefit scheme contributions	**47,489**	49,114
– Equity-settled share-based payments	**81,081**	160,653
Total staff cost	**808,960**	1,176,232
Depreciation of property and equipment	**15,882**	15,840
Depreciation of right-of-use assets	**32,823**	32,959
Expense of short-term leases	**10,034**	6,689
Auditor's remuneration[(i)]	**5,150**	5,150

Note:

(i) During the year ended 31 May 2026, auditor's remuneration includes RMB3,950,000 (2025: RMB3,950,000) in relation to annual audit and RMB1,200,000 (2025: RMB1,200,000) in relation to interim review.

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to directors and the chief executive for the year were as follows:

For the year ended 31 May 2026

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses[i] RMB'000	Equity-settled share-based payments RMB'000	Retirement benefits RMB'000	Director's fees RMB'000	Total RMB'000
Executive Directors and the Chief Executive						
Mr. Yu Minhong[ii]&[iii]	–	–	6,297	–	–	6,297
Mr. Yin Qiang	565	685	1,518	53	–	2,821
Subtotal	565	685	7,815	53	–	9,118
Non-Executive Director						
Ms. Sun Chang	–	–	343	–	–	343
Subtotal	–	–	343	–	–	343
Independent Non-Executive Directors						
Mr. Lin Zheying	–	–	182	–	–	182
Mr. Kwong Wai Sun Wilson	–	–	182	–	–	182
Mr. Yan Andrew Y	–	–	182	–	–	182
Ms. Zhe Wan[iv]	–	–	–	–	–	–
Subtotal	–	–	546	–	–	546
Total	565	685	8,704	53	–	10,007

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

The emoluments paid or payable to directors and the chief executive for the year were as follows: (Continued)

For the year ended 31 May 2025

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses[(i)] RMB'000	Equity-settled share-based payments RMB'000	Retirement benefits RMB'000	Director's fees RMB'000	Total RMB'000
Executive Directors and the Chief Executive						
Mr. Yu Minhong[(ii)&(iii)]	–	–	10,722	–	–	10,722
Mr. Yin Qiang	583	1,075	3,988	50	–	5,696
Subtotal	583	1,075	14,710	50	–	16,418
Non-Executive Director						
Ms. Sun Chang	–	–	395	–	–	395
Subtotal	–	–	395	–	–	395
Independent Non-Executive Directors						
Mr. Tong Sui Bau	–	–	29	–	188	217
Mr. Lin Zheying	–	–	29	–	206	235
Mr. Kwong Wai Sun Wilson	–	–	29	–	206	235
Mr. Yan Andrew Y	–	–	29	–	53	82
Subtotal	–	–	116	–	653	769
Total	583	1,075	15,221	50	653	17,582

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Notes:

(i) Performance related bonuses for executive directors and the chief executive were determined based on certain financial and non-financial measures including: revenue, operating profit, employee turnover rate etc.

(ii) Mr. Yu Minhong serves as the chairman of the board of directors and was appointed as the chief executive officer on 16 December 2023.

(iii) Excluding the equity-settled share-based expenses, the directors' emoluments were paid by New Oriental Group during both years.

(iv) Ms. Zhe Wan serve as the independent non-executive director on 29 May 2026, and She is nominated as a member of the Nomination Committee of our company.

The emoluments of the executive directors and the chief executive shown above were mainly for their management services rendered to the Company and the Group and were determined by the shareholders of the Group having regard to the performance of individuals and market trends. The non-executive directors' emoluments shown above were for their services as directors of the Company. The independent non-executive directors' emoluments were for their services as independent directors of the Company.

There was no arrangement under which a director or chief executive waived or agreed to waive any remuneration during both years.

During the year ended 31 May 2026, 100,000 (2025: 80,000) share awards under the share scheme of the Company were granted to certain directors of the Company in respect of their services provided to the Group. During the year ended 31 May 2026, no (2025: Nil) share options under the share option scheme of the Company were granted to certain directors of the Company in respect of their services provided to the Group.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year ended 31 May 2026 include no director (2025: Nil). Details of the remuneration for the year ended 31 May 2026 of the five highest paid employees (2025: five) who are neither a director nor the chief executive of the Company as of 31 May 2026 are as follows:

	2026 RMB'000	2025 RMB'000
Salaries, allowances and benefits in kind	16,913	26,153
Performance related bonuses	44,923	247,613
Equity-settled share-based expenses(i)	13,660	61,357
Retirement benefits	309	281
Total	75,805	335,404

Note:

The number of the highest paid employees who are neither a director nor a chief executive of the Company whose remuneration fell within the following bands:

	2026 No. of employees	2025 No. of employees
Hong Kong dollar ("HK$") 7,500,001 to HK$8,000,000	1	–
HK$11,500,001 to HK$12,000,000	1	–
HK$16,500,001 to HK$17,000,000	–	1
HK$22,500,001 to HK$23,000,000	1	–
HK$24,500,001 to HK$25,000,000	1	–
HK$25,000,001 to HK$25,500,000	–	1
HK$26,000,001 to HK$26,500,000	1	–
HK$34,500,001 to HK$35,000,000	–	1
HK$35,500,001 to HK$36,000,000	–	1
HK$253,000,001 to HK$253,500,000	–	1
Total	5	5

During the year ended 31 May 2026, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining of the Group or as compensation for loss of office (2025: Nil).

11. EARNINGS PER SHARE

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

	2026 RMB'000	2025 RMB'000
Earnings:		
Earnings for the purpose of calculating basic and diluted earnings per share	543,549	5,735

	2026	2025
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	1,051,257,114	1,035,797,903
Effect of dilutive potential ordinary shares:		
Share options and share awards	20,501,932	25,999,727
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,071,759,046	1,061,797,630

12. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the year ended 31 May 2026 (2025: Nil), nor has any dividend been proposed since the end of the reporting period.

13. PROPERTY AND EQUIPMENT

	Electronic equipment RMB'000	Leasehold improvement RMB'000	Furniture and fixtures RMB'000	Transportation equipment RMB'000	Total RMB'000
COST					
At 1 June 2024	93,044	20,397	7,540	1,138	122,119
Additions	14,085	4,002	1,058	–	19,145
Disposal of a subsidiary	(10,914)	(1,790)	(840)	–	(13,544)
Disposals	(18,344)	(252)	(526)	–	(19,122)
At 31 May 2025	77,871	22,357	7,232	1,138	108,598
Additions	9,721	2,474	401	–	12,596
Disposals	(6,449)	(170)	(61)	–	(6,680)
At 31 May 2026	81,143	24,661	7,572	1,138	114,514
DEPRECIATION AND IMPAIRMENT					
At 1 June 2024	58,433	15,221	5,092	171	78,917
Provided for the year	11,726	2,628	1,208	278	15,840
Eliminated on disposal of a subsidiary	(649)	(18)	(4)	–	(671)
Eliminated on disposals	(16,622)	(58)	(447)	–	(17,127)
At 31 May 2025	52,888	17,773	5,849	449	76,959
Provided for the year	11,602	3,101	780	399	15,882
Eliminated on disposals	(5,953)	(170)	(29)	–	(6,152)
At 31 May 2026	58,537	20,704	6,600	848	86,689
CARRYING VALUES					
At 31 May 2026	22,606	3,957	972	290	27,825
At 31 May 2025	24,983	4,584	1,383	689	31,639

The above items of property and equipment, other than construction in process, after taking into account their estimated residual value of 5% of the cost, except for the leasehold improvement of which the estimated residual value is nil, are depreciated on a straight-line basis with the following expected useful lives:

Electronic equipment	3 – 5 years
Furniture and fixtures	5 years
Leasehold improvement	shorter of the lease term or estimated useful lives
Transportation equipment	4 years

14. RIGHT-OF-USE ASSETS

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	RMB'000
Carrying amount:	
At 1 June 2024	98,972
Additions	3,603
Decreases due to terminations	(16,318)
Depreciation charges	(32,959)
At 31 May 2025	53,298
Additions	15,222
Decreases due to terminations	–
Depreciation charges	(32,823)
At 31 May 2026	**35,697**
For the year ended 31 May 2025	
Expense relating to short-term leases	6,689
Total cash outflow for leases	41,215
For the year ended 31 May 2026	
Expense relating to short-term leases	**10,034**
Total cash outflow for leases	**45,117**

The Group leases buildings for its operations. Lease contracts were entered into for fixed terms of 2 years to 5 years. Lease terms were negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applied the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for buildings. As at 31 May 2026, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Leases committed

As at 31 May 2026 and 2025, no new lease has been entered into by the Group which has not yet commenced.

15. INTERESTS IN ASSOCIATES

Details of the Group's investment in associates are as follows:

	2026 RMB'000	2025 RMB'000
Cost of investment in associates	57,672	69,672
Share of results and other comprehensive (expense) income	(7,671)	2,878
	50,001	72,550

Details of the Group's associates at the end of the reporting period are as follows:

Name of entities	Country of incorporation	Principal place of business	Proportion of ownership interest held by the Group At 31 May		Proportion of voting rights held by the Group At 31 May		Principal activities
			2026	2025	2026	2025	
Tianjin Xuncheng Shangyue Education and Technology Ltd. (天津迅程尚悦教育科技有限公司)	PRC	Tianjin	49.00%	49.00%	49.00%	49.00%	Education consulting
Huoerguosi Oriental New Venture Equity Investment Partnership (L.P.) (霍爾果斯東方新創股權投資合夥企業(有限合夥))	PRC	Huoerguosi	49.00%	49.00%	49.00%	49.00%	Equity investment fund
Hone KTHL SMA, L.P. ("Hone")[b]	USA	Delaware	100.00%	100.00%	100.00%	100.00%	Equity investment fund
Beijing Shidai Yuntu Book Co., Ltd. ("Shidai Yuntu") (北京時代雲圖圖書有限責任公司)[a]	PRC	Beijing	–	24.75%	–	24.75%	Publisher of teaching materials

Notes:

(a) During the year ended 31 May 2026, the Group completed the equity transfer of its 24.75% equity interest in Shidai Yuntu. Pursuant to the equity transfer agreement, Beijing Ai Qihang Network Technology Co., Ltd. acquired the 24.75% equity interest in Shidai Yuntu held by the Group at a total consideration of RMB10,000,000. All rights, interests, and corresponding obligations attaching to the transferred equity interest have been fully transferred accordingly.

15. INTERESTS IN ASSOCIATES (Continued)

Notes: (Continued)

(b) Hone is a limited partnership established on 28 December 2018, of which the primary purpose is to invest in education industry related business. The Group is the sole limited partner of Hone and holds 100% of the partnership interest, and an independent third party is the sole general partner which also controls the investment committee of Hone. Under the limited partnership agreement, the Group has power to approve or refuse investment opportunities proposed by the investment committee, but does not have power over any other decisions of Hone, including but not limited to, decision over disposal of investments held by Hone and power to remove the general partner. The Directors considered that the Group has significant influence over Hone and it was therefore classified as an associate of the Group.

In the opinion of the directors of the Company, none of the individual investments in associates materially affected the results or net assets of the Group.

Aggregate information of associates that are not individually material

	2026 RMB'000	2025 RMB'000
The Group's share of loss	(558)	(675)
The Group's share of total comprehensive expense	(558)	(675)
Aggregate carrying amount of the Group's interests in these associates	50,001	72,550

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 RMB'000	2025 RMB'000
Non-current assets		
Financial assets at FVTPL		
– Unlisted equity investments[(i)(ii)]	11,640	88,187
– Wealth management products[(iii)]	301,000	–
	312,640	88,187
Current assets		
Financial assets at FVTPL		
– Wealth management products[(iii)]	2,273,782	1,957,486

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes:

(i) The Group held two unlisted equity investments as at 31 May 2025, ordinary shares with preferential rights in East Buy (Henan) Food Technology Co., Limited ("Henan Oriental") incorporated in the PRC and preferred shares in EEO Education Technology Co., Limited ("EEO Group") incorporated in the Cayman Islands. As at 31 May 2026, the Group held the investment in Henan Oriental. The major assumptions used in the valuation for investments in these unlisted entities are set out in Note 34.

During the year ended 31 May 2026, the Group disposed of its investment in preferred shares of EEO Group incorporated in the Cayman Islands. Pursuant to a share agreement between the Group and EEO Group, EEO Group repurchased all of the preferred shares held by the Group at a total consideration of USD11,951,000 (equivalent to approximately RMB84,958,000).

(ii) On 18 January 2023, Dongfang You Xuan (Beijing) Technology Co., Ltd., one of the Company's subsidiaries, invested 30% ordinary shares with preferential rights in Henan Oriental, a grilled sausages producer, for a total cash consideration of RMB17,527,000. With the preferential rights, the Group has the right to require and demand the investee to redeem all of the shares held by the Group at a guaranteed predetermined fixed amount upon certain redemption events which are out of control of the investee. Hence, the investment is accounted for under IFRS 9 and measured at financial assets at FVTPL.

(iii) Wealth management products are purchased from various banks with expected rate of return ranging from 1.68% to 3.24% (2025: 1.30 % to 4.30 %) per annum, and maturity period ranging from 1 day to 727 days (2025: 1 day to 370 days). The principals and returns of these wealth management products are not guaranteed.

During the year ended 31 May 2026, the Group did not make any sales to EEO Group (2025: Nil) and made sales to Henan Oriental amounting to RMB21,263,000 (2025: RMB30,751,000).

During the year ended 31 May 2026, the Group did not make any purchases from EEO Group (2025: Nil) and made purchases from Henan Oriental amounting to RMB82,928,000 (2025: RMB73,460,000).

17. INVENTORIES

	2026 RMB'000	2025 RMB'000
Products	429,456	280,824
Products in transit	54,243	27,741
	483,699	308,565

18. TRADE AND OTHER RECEIVABLES

	2026 RMB'000	2025 RMB'000
Trade receivables	32,103	36,168
Less: allowance for credit losses	21,137	8,738
	10,966	27,430
Other receivables:		
Amounts due from related parties	17,713	28,352
Amounts due from third-parties	20,830	–
Receivables from third-party payment platforms	170,718	94,957
Deductible input on VAT	9,045	9,648
Advances to employees	382	1,174
Rental deposits[i]	8,936	677
Others	25,879	27,453
	253,503	162,261
Trade and other receivables	264,469	189,691

Note:

(i) The rental deposits represent refundable rental deposits that are due within one year.

18. TRADE AND OTHER RECEIVABLES (Continued)

Settlement related to private label products and livestreaming e-commerce

Customers of private label products and livestreaming e-commerce usually pay in advance through the third-party platform. For payment through third-party payment platforms, the third-party payment platforms normally settle the amounts received, net of handling charges, within one month after the trade date. The receivables from third-party payment platforms include payments that are not yet settled by third-party payment platforms.

The Directors are of the opinion that the credit risks of these receivables are minimal as these are from creditworthy third-party payment platforms with no history of defaults. No impairment is made for receivables from third-party payment platforms.

The following is an analysis of trade receivables by age, net of allowance for credit losses, presented based on the invoice date:

	2026 RMB'000	2025 RMB'000
1-90 days	8,247	7,040
91-180 days	2,419	2,196
181 days -1 year	135	251
1-2 years	165	125
>2 years	–	17,818
	10,966	27,430

Before accepting new customers, the Group assesses the potential customers' credit quality and defines credit limits for each individual customer. Recoverability of the existing customers is reviewed by the management of the Group regularly.

As at 31 May 2026, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of RMB23,745,000 (2025: RMB29,121,000) which are past due. Out of the past due balance, RMB504,000 (2025: RMB26,923,000) has been past due 90 days or more and is not considered as default as there has not been a significant change in the credit standing of the debtors. The Group did not hold any collateral over these receivables.

Included in trade receivables, RMB9,351,000 as at 31 May 2026 (2025: RMB8,991,000) were amounts due from related parties (details as set out in Note 35), which were mainly aged 1-90 days based on the invoice date.

18. TRADE AND OTHER RECEIVABLES (Continued)

Settlement related to private label products and livestreaming e-commerce (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach for the year:

	ECL (not credit-impaired) RMB'000	ECL (credit-impaired) RMB'000	Total RMB'000
At 1 June 2024	5,906	124	6,030
Changes due to financial instruments recognised as at 1 June 2024:			
Impairment losses recognised, net	2,822	(124)	2,698
New financial assets originated	10	–	10
At 31 May 2025	8,738	–	8,738
Changes due to financial instruments recognised as at 1 June 2025:			
Transfer to credit impaired	(8,728)	8,728	–
Impairment losses recognised, net	186	12,061	12,247
New financial assets originated	152	–	152
At 31 May 2026	**348**	**20,789**	**21,137**

Details of impairment assessment of trade and other receivables are set out in Note 19.

19. OVERVIEW OF THE GROUP'S EXPOSURE TO CREDIT RISK

Credit risk refers to the risk that the Group's counterparties default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk exposures are primarily attributable to trade and other receivables. At the end of the reporting period, the Group's maximum exposure to credit risk which cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets measured at amortised cost as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. Management uses historical credit loss experience to rate its customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

19. OVERVIEW OF THE GROUP'S EXPOSURE TO CREDIT RISK (Continued)

The Group's internal credit risk grading assessment, which is applicable for financial assets at amortised cost excluding trade receivables, comprises the following categories:

Categories	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts or aged within 90 days	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition or aged over 90 days but less than 2 years	Lifetime ECL – not credit -impaired
In default	There is evidence indicating the asset is credit-impaired or aged over 2 years	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

For trade receivables, the Group has applied the simplified approach under IFRS 9 to measure the loss allowance at lifetime ECL. The Group determined ECL on these items by using a provision matrix, estimated based on the financial quality of the debtors, historical credit loss experience based on the past due status of the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forward-looking information that is available without undue cost or effort at the reporting date. In addition, debtors with gross carrying amounts of RMB20,789,000 as at 31 May 2026 (2025: RMB26,498,000) were assessed individually.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs earlier. During the year ended 31 May 2026, no trade receivables had been written off (2025: Nil).

The following details the risk portfolio of trade receivables arising from customers, based on the Group's provision matrix. As the Group's historical credit loss experience showed significantly different loss patterns for different customer portfolio (including low risk, normal risk and high risk type), the provision for loss allowance was further distinguished between the Group's customer portfolio of different risk type.

Low risk type customers	Represent the counterparties with credit terms of less than 12 months
Normal risk type customers	Represent the counterparties with a 12-month to 24-month credit term
High risk type customers	Represent customers that have occurred defaults with lower collectability

19. OVERVIEW OF THE GROUP'S EXPOSURE TO CREDIT RISK (Continued)

At 31 May 2026

	Expected credit loss rate %	Gross carrying amount RMB'000	Credit loss allowance RMB'000
Low risk type customers			
Trade receivables	1.39	11,121	155
Normal risk type customers			
Trade receivables	100.00	193	193
High risk type customers			
Trade receivables	100.00	–	–

At 31 May 2025

	Expected credit loss rate %	Gross carrying amount RMB'000	Credit loss allowance RMB'000
Low risk type customers			
Trade receivables	0.10	9,670	10
Normal risk type customers			
Trade receivables	39.10	–	–
High risk type customers			
Trade receivables	100.00	–	–

19. OVERVIEW OF THE GROUP'S EXPOSURE TO CREDIT RISK (Continued)

For other receivables and deposits, the Directors make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Directors believe that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For both years, the Group concluded the ECL for other receivables and deposits are insignificant and thus no loss allowance is recognised.

As at 31 May 2026, the Group provided RMB348,000 (2025: RMB10,000) impairment allowance for trade receivables based on the provision matrix and impairment allowance of RMB20,789,000 (2025: RMB8,728,000) were made based on individual assessment.

There has been no change in the estimation technique or significant assumptions made during both years.

20. PREPAYMENTS

	2026 RMB'000	2025 RMB'000
Prepaid marketing expense	48,523	38,868
Prepaid to suppliers	27,534	50,131
Prepaid daily expense	14,193	15,380
Prepayments for packing materials	5,381	5,905
Prepaid rental expense	1,435	1,641
Prepaid property fee	722	118
Prepaid office system fee	–	368
Others	4,852	8,928
	102,640	121,339

Included in prepayments, RMB1,247,000 (2025: RMB515,000) were amounts due from related parties (details as set out in Note 35) as at 31 May 2026.

21. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TERM DEPOSITS

Cash and cash equivalents

Cash and cash equivalents include demand deposits and short term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates range from 0.00% to 0.45% (2025: 0.00% to 4.37%) per annum as at 31 May 2026.

Cash and cash equivalents that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	2026 RMB'000	2025 RMB'000
HK$	20,320	631,815
United States dollars ("US$")	318,826	598,615

Restricted cash

Restricted cash represents cash received from consumers and deposited in a special bank account reserved for payments to merchants. As at 31 May 2026, such balances carry interest at a fixed rate of 0.95% per annum (31 May 2025: 0.2% per annum).

Term deposits

Term deposits represent short-term and long-term bank deposits at interest rates ranging from 1.75% to 4.40% per annum as at 31 May 2026 (31 May 2025: 2.15% to 4.50%).

Term deposits that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	2026 RMB'000	2025 RMB'000
United States dollars ("US$")	1,354,508	560,763

22. CONTRACT LIABILITIES

	2026 RMB'000	2025 RMB'000
Contract liabilities in relation to:		
Membership fees	45,458	23,623
Customers for advertising service	5,335	13,134
Membership points	14,006	9,212
Advance from livestreaming e-commerce customers	8,365	4,535
Others	14,499	1,811
	87,663	52,315

The following table shows how much of the revenue recognised for the year relates to carried-forward contract liabilities.

	2026 RMB'000	2025 RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year:		
Membership fees	23,623	19,513
Membership points	9,212	14,658
Advance from livestreaming e-commerce customers	4,535	8,391
Customers for advertising service	13,134	4,836
Others	1,811	2,197
Total	52,315	49,595

22. CONTRACT LIABILITIES (Continued)

The following table shows the unsatisfied contracts at the end of the reporting period and the expected timing of recognising revenue.

	2026 RMB'000	2025 RMB'000
Expected to be recognised within one year:		
Membership fees	32,656	23,623
Customers for advertising service	5,335	13,134
Membership points	14,006	9,212
Advance from livestreaming e-commerce customers	8,365	4,535
Others	14,499	1,811
	74,861	52,315
Expected to be recognised over one year:		
Membership fees	12,802	–
Total	87,663	52,315

23. TRADE PAYABLES

The following is an analysis of trade payables by age, presented based on the invoice date.

	2026 RMB'000	2025 RMB'000
1-90 days	648,117	364,924
91-180 days	37,641	36,348
181 days-1 year	4,637	12,082
1 year-2 years	6,876	18,598
>2 years	572	743
	697,843	432,695

Included in trade payables, RMB7,019,000 as at 31 May 2026 (31 May 2025: RMB13,558,000) were amounts due to related parties (details as set out in Note 35), among which RMB6,971,000 (31 May 2025: RMB10,348,000) were aged 1-90 days, Nil (31 May 2025: RMB1,000) were aged 181 days-1 year, RMB1,000 (31 May 2025: RMB2,544,000) were aged 1 year-2 years, RMB47,000 (31 May 2025: RMB665,000) were aged over 2 years based on the invoice date.

24. ACCRUED EXPENSES AND OTHER PAYABLES

	2026 RMB'000	2025 RMB'000
Payment to merchant (Note 21)	98,957	104,807
Accrued payroll and welfare	118,294	97,037
Amounts due to related parties (Note 35)	70,968	74,736
Other tax payables	28,204	23,243
Accrued office expenses	26,277	16,226
Accrued storage expenses	14,811	13,733
Accrued marketing expenses	37,780	11,110
Refundable individual income tax	16,458	14,027
Refundable business deposits received	10,034	9,714
Payables for property and equipment	9,021	4,894
Social insurance expenses payable	2,634	2,339
Others	4,115	2,680
	437,553	374,546

25. LEASE LIABILITIES

	2026 RMB'000	2025 RMB'000
Lease liabilities payable:		
Within one year	22,032	32,764
Within a period of more than one year but not more than two years	3,652	18,014
Within a period of more than two years but not more than five years	6,769	–
	32,453	50,778
Less: Amount due for settlement with 12 months shown under current liabilities	22,032	32,764
Amount due for settlement after 12 months shown under non-current liabilities	10,421	18,014

The weighted average incremental borrowing rates applied to lease liabilities range from 2.32% to 4.60% (2025: from 2.24% to 4.60%) per annum.

26. SHARE CAPITAL

Details of the movements of share capital of the Company are as follows:

Issued and fully paid	Number of ordinary shares	Par value per ordinary share		Share capital	
		US$	RMB	US$	RMB
At 1 June 2024	1,031,251,556			20,625	133,042
Exercise of share options(i)	12,795,122	0.00002	0.00014	256	1,816
Vest of share awards(ii)	7,998,860	0.00002	0.00014	160	1,148
Shares repurchased and cancelled(iii)	(5,883,000)	0.00002	0.00014	(118)	(837)
At 31 May 2025	1,046,162,538			20,923	135,169
Exercise of share options(i)	8,484,000	0.00002	0.00014	170	1,157
Vest of share awards(ii)	5,479,680	0.00002	0.00014	110	747
At 31 May 2026	1,060,126,218			21,203	137,073

Notes:

(i) In the current year, as a result of exercise of share options, 8,484,000 ordinary shares (2025: 12,795,122 ordinary shares) were issued by the Company. Upon the exercise of share options, RMB62,569,000 (2025: RMB131,120,000) was credited to share premium and RMB20,838,000 (2025: RMB39,229,000) was debited to share-based payments reserve during the current year.

(ii) In the current year, 5,479,680 share awards (2025: 7,998,860) were vested. When share awards were vested, RMB139,470,000 (2025: RMB177,854,000) was credited to share premium and RMB139,471,000 (2025: RMB177,855,000) was debited to share-based payments reserve during the current year.

(iii) During the year ended 31 May 2026, the Company repurchased its own ordinary shares through the Stock Exchange as follows:

26. SHARE CAPITAL (Continued)

Month of repurchase	Number of ordinary shares	Price per share Highest HK$	Lowest HK$	Aggregate consideration paid HK$'000
May 2026	7,418,000	27.08	22.86	186,753

During the year ended 31 May 2026, the Company repurchased 7,418,000 of its own ordinary shares through the Stock Exchange of Hong Kong Limited with an aggregate consideration of HK$186,753,000 (approximately RMB163,174,000) paid, with transaction costs of approximately RMB252,000 incurred. All ordinary shares repurchased during the Reporting Period were cancelled on 14 July 2026.

27. DEFERRED TAX ASSETS AND LIABILITIES

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2026 RMB'000	2025 RMB'000
Deferred tax assets	21,807	16,416
Deferred tax liabilities	(2,114)	(1,990)
	19,693	14,426

27. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

The following are the deferred tax assets and liabilities recognised and movements thereon during the current and prior year:

	Accrued expenses RMB'000	Provision for credit losses RMB'000	Changes in value of financial assets at FVTPL RMB'000	Lease RMB'000	Tax losses RMB'000	Total RMB'000
At 1 June 2024	61,487	1,507	(8,132)	(1,041)	–	53,821
(Credited) charged to profit or loss	(40,798)	678	314	411	–	(39,395)
At 31 May 2025	20,689	2,185	(7,818)	(630)	–	14,426
Charged (credited) to profit or loss	3,608	3,280	(1,467)	(154)	–	5,267
At 31 May 2026	24,297	5,465	(9,285)	(784)	–	19,693

As at 31 May 2026, the Group has deductible temporary differences of RMB1,809,963,000 (2025: RMB1,734,960,000). No deferred tax assets have been recognised in relation to such deductible temporary differences as it is not probable that taxable profits will be available against which the deductible temporary differences can be utilised.

As at 31 May 2026, the Group has unused tax losses of RMB712,791,000 (2025: RMB955,655,000), which are available for offset against future profits. Of which, deferred tax asset has been recognised for unused tax losses of nil at 31 May 2025 and nil as at 31 May 2026. No deferred tax assets have been recognised in respect of the remaining losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB45,258,000 (2025: RMB95,762,000) with expiry dates as disclosed in the following table. Other losses may be carried forward indefinitely.

	2026 RMB'000	2025 RMB'000
2026	–	–
2027	673	673
2028	1,981	1,981
2029	2,275	2,275
2030	11,294	90,833
2031	29,035	–
	45,258	95,762

28. SHARE-BASED PAYMENT TRANSACTIONS

The table below sets forth share-based payments for share options and share awards:

	2026 RMB'000	2025 RMB'000
Share options	–	7,912
Share awards	81,081	152,741
	81,081	160,653

Post-IPO Share Option Scheme

On 30 January 2019, the Directors approved an employee's share option plan (the "Post-IPO Share Option Scheme"). The details of the Post-IPO Share Option Scheme are as follows:

Eligibility:
Any director, employee, contractor or affiliate of the Group (including nominees and/or trustees of any employee benefit trusts established for them) who the Directors consider, in its sole discretion, to have contributed or will contribute to the Group.

Maximum number of shares:
The overall limit on the number of shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option schemes of the Group (collectively, "All Share Option Schemes") must not exceed 30% of the Company's total issued share capital from time to time, and upon exercise of all options granted under All Share Option Schemes must not exceed 10% (being 91,395,910 shares) of the total number of share in issue on the Listing Date (being 913,959,102 shares).

Grant of options:
On and subject to the terms of the Post-IPO Share Option Scheme, the Directors shall be entitled (but shall not be bound) at any time within the scheme period to make an offer to any participant, as the Directors may in its absolute discretion select, to take up an option pursuant to which such participant may, during the option period, subscribe for such number of shares as Directors may determine at the subscription price as defined in the scheme. The offer shall specify the terms on which the option is to be granted. Such terms may include, but are not limited to, any minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved, before the option can be exercised in whole or in part, and may include at the discretion of the Directors such other terms either on a case by case basis or generally.

On 15 November 2021, pursuant to the Post-IPO Share Option Scheme, the Company granted 48,441,590 options to 236 employees for the purpose of providing incentives to directors and employees. For the share options granted, one third vested on the first anniversary of the grant date, one third vested on the second anniversary of the grant date, one third vested on the third anniversary of the grant date. The options will expire on 15 November 2031.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Post-IPO Share Option Scheme (Continued)

Grant of options: (Continued)

The details of the Post-IPO Share Option Scheme are as follows:

Number of shares underlying the share options	Grant date	Exercise period	Exercise price (HK$)	Grant date average fair value (RMB)	Vesting dates
48,441,590	15 November 2021	From the first anniversary to the ten anniversary of the grant date	5.22	2.20	One third vested on the first anniversary of the grant date, one third vested on the second anniversary of the grant date and one third vested on the third anniversary of the grant date

The movements of share options under the Post-IPO Share Option Scheme are summarised as follows:

	Number of share options	Weighted average exercise price per option (HK$)
Outstanding as at 1 June 2024	34,483,946	5.22
Forfeited during the year	(120,288)	5.22
Exercised during the year	(3,550,122)	5.22
Outstanding as at 31 May 2025	30,813,536	5.22
Exercised during the year	(8,484,000)	5.22
Outstanding as at 31 May 2026	22,329,536	5.22
Exercisable as at 31 May 2025	30,813,536	
Exercisable as at 31 May 2026	22,329,536	

The estimated fair value of the share options granted on 15 November 2021 was RMB106,571,000.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Post-IPO Share Option Scheme (Continued)

Grant of options: (Continued)

Fair value of share options under the Post-IPO Share Option Scheme:

The Group has used the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the grant date as the fair value of underlying ordinary shares of the Company. The binomial option-pricing model has been used to estimate the fair value of the Post-IPO Share Option Scheme. Option valuation model requires the input of highly subjective assumptions, including the option's expected life and the price volatility of the underlying shares, and changes in the subjective input assumptions can materially affect the fair value estimate of share options.

	15 November 2021 Post-IPO Share Option Scheme
Weighted average share price	HK$5.22
Exercise price	HK$5.22
Expected volatility	61.10%
Expected life	10 years
Risk-free rate	1.63%
Expected dividend yield	0.00%

The Group recognised the total expense of Nil (2025: RMB7,912,000) for the year ended 31 May 2026 in relation to Post-IPO Share Option Scheme granted by the Company.

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise was RMB26.58 (2025: RMB18.99).

2023 Scheme

On 20 February 2023, the Directors approved a new post-IPO share scheme (the "2023 Scheme"). The details of the 2023 Scheme are as follows:

Eligibility:

Eligible participants as determined by the board and/or any committee of the board or other person(s) to whom the board has delegated its authority (the "Scheme Administrator") from time to time shall be eligible to participate in the 2023 Scheme.

Maximum number of shares:

The total number of shares that may be issued pursuant to all awards to be granted under the 2023 Scheme and awards to be granted under any other share schemes of the Company is initially set at 10% of the shares in issue as at the adoption date of the 2023 Scheme, being 101,351,871 shares.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

2023 Scheme (Continued)

Grant of share awards:

On 11 April 2023, pursuant to the 2023 Scheme the Company granted 30,459,000 share awards to 154 individuals including certain directors for the purpose of providing incentives to them. The fair value of the share awards granted was RMB775,132,000 based on the fair value of the ordinary shares of the Company on the date of grant.

On 28 November 2023, the Directors announced to grant 30,000 share awards to a non-executive director pursuant to the 2023 Scheme. The fair value of the share awards granted was RMB829,000 based on the fair value of the ordinary shares of the Company on the date of grant.

On 28 April 2026, pursuant to the 2023 Scheme the Company granted 19,301,400 share awards to 302 individuals including certain directors for the purpose of providing incentives to them. The fair value of the share awards granted was RMB480,392,000 based on the fair value of the ordinary shares of the Company on the date of grant.

The issue price of each share underlying the share awards upon vesting is nil. Each grant has a total vesting period of 3 years from the date of grant, and shall vest according to the following schedule upon certain performance conditions are met:

(1) between 20% to 50% of the total share awards granted will vest on the first anniversary of the date of grant;

(2) between 20% to 50% of the total share awards granted will vest on the second anniversary of the date of grant; and

(3) between 20% to 50% of the total share awards granted will vest on the third anniversary of the date of grant.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

2023 Scheme (Continued)

Grant of share awards: (Continued)

The movement of share awards granted under the 2023 Scheme is summarised as follows:

	Number of share awards	Weighted average grant-date fair value (HK$)
Outstanding as at 31 May 2023	30,314,000	29
Granted on 28 November 2023	30,000	30
Forfeited during the year	(399,000)	29
Vested during the year	(12,298,670)	29
Outstanding as at 31 May 2024	17,646,330	29
Forfeited during the period	(4,084,350)	29
Vested during the year	(7,998,860)	29
Outstanding as at 31 May 2025	5,563,120	29
Granted on 28 April 2026	19,301,400	28.44
Forfeited during the period	(83,440)	28.93
Cancelled during the period	(39,000)	28.44
Vested during the year	(5,479,680)	29
Outstanding as at 31 May 2026	19,262,400	28.44

The Group recognised total expense of RMB70,330,000 (2025: RMB151,166,000) for the year ended 31 May 2026 in relation to the share awards granted under 2023 Scheme of the Company.

At the end of each reporting period, the Group revises its estimates of the number of share awards that are expected to vest based on all relevant non-market vesting conditions, with the impact of the revision to original estimates, if any, in profit or loss, along with a corresponding adjustment to equity.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

2025 Scheme

During the year ended 31 May 2025, the Company purchased 1,780,000 shares on the Stock Exchange through a trust for an aggregate consideration of HK$21,782,000 (approximately RMB20,236,000), with transaction costs of approximately RMB31,000 incurred. These shares were subsequently granted to five individuals, comprising four directors and one employee.

During the year ended 31 May 2026, the Company purchased 160,000 shares on the Stock Exchange through a trust for an aggregate consideration of HK$4,545,000 (approximately RMB3,979,000). 100,000 shares were subsequently granted to five directors, and 60,000 shares were held by the Company for satisfying share grants.

On 11 April 2025, the Company granted 1,780,000 share awards to 5 individuals, including four directors and one employee, and under the 2025 Scheme, four independent non-executive directors would be granted 20,000 shares each year over the next three years and the employee was granted 1.7 million shares awards, which will vest over three years. The fair value of the share awards granted was RMB18,790,000 based on the fair value of the ordinary shares of the Company on the date of grant.

On 29 May 2026, the Company granted 20,000 shares each year over the next three years to a non-executive director.

During the year ended 31 May 2026, the fair value of the share awards granted was RMB2,477,000 based on the fair value of the ordinary shares of the Company on the date of grant.

The movements of share awards of the 2025 Scheme are summarised as follows:

	Number of share awards	Weighted average grant-date fair value (HK$)
Granted on 11 April 2025	1,780,000	11.36
Forfeited during the period	–	11.36
Outstanding as at 31 May 2025	1,780,000	11.36
Granted on 11 April 2026	80,000	29.92
Granted on 29 May 2026	20,000	21.78
Vested during the year	(641,000)	11.36
Outstanding as at 31 May 2026	1,239,000	12.73

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

2025 Scheme (Continued)

The Group recognised total expense of RMB10,751,000 for the year ended 31 May 2026 (2025: RMB1,575,000) in relation to the share awards granted under 2025 Scheme of the Company.

At the end of each reporting period, the Group revises its estimates of the number of share awards that are expected to vest based on all relevant non-market vesting conditions, with the impact of the revision to original estimates, if any, in profit or loss, along with a corresponding adjustment to equity.

29. RETIREMENT BENEFITS PLANS

Employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefit scheme.

The total expenses recognised in the consolidated statement of profit or loss and other comprehensive income of RMB47,489,000 for the year ended 31 May 2026 (2025: RMB49,114,000), represent contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31 May 2026, contributions of RMB3,979,000 (31 May 2025: RMB3,602,000) were due in respect of the year then ended, which had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period. No forfeited contribution is available as at 31 May 2026 (31 May 2025: Nil) to reduce the contribution payable in the future years.

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes lease liabilities disclosed in Note 25, net of cash and cash equivalents, restricted bank deposits, term deposits and equity attributable to owners of the Company, comprising share capital and reserves in the consolidated statement of changes in equity.

31. CATEGORIES OF FINANCIAL INSTRUMENTS

	At 31 May 2026 RMB'000	2025 RMB'000
Financial assets		
Financial assets at amortised cost	3,621,435	3,430,117
Financial assets at FVTPL	2,586,422	2,045,673
Financial liabilities		
Financial liabilities measured at amortised cost	986,264	684,621
Lease liabilities	32,453	50,778

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Lease liabilities RMB'000	Total RMB'000
As at 1 June 2024	94,809	94,809
Financing cash flows	(34,526)	(34,526)
New leases entered/lease modified/lease terminated	(12,437)	(12,437)
Interest expenses	2,932	2,932
At 31 May 2025	50,778	50,778
Financing cash flows	(35,083)	(35,083)
New leases entered	15,222	15,222
Interest expenses	1,536	1,536
At 31 May 2026	32,453	32,453

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES

The Group's major financial instruments include financial assets at FVTPL, trade and other receivables, cash and cash equivalents, restricted bank deposits, term deposits, refundable rental deposits, trade payables, other payables, accrued expenses and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include currency risk, interest rate risk, other price risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Several subsidiaries and the Company have foreign currency denominated intra-group balances, wealth management products, term deposits and bank balances which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities and intra-group balances at the end of the reporting period are as follows:

	2026 RMB'000	2025 RMB'000
Assets		
US$	4,227,925	3,348,151
HK$	910,017	1,382,834
	5,137,942	4,730,985
Liabilities		
US$	2,554,512	2,187,212
HK$	855,910	805,880
	3,410,422	2,993,092

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2025: 5%) increase and decrease in RMB against the relevant foreign currencies, 5% (2025: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2025: 5%) change in foreign currency rates. The sensitivity analysis also includes intra-group balances where the denomination of the balances is in a currency other than the functional currency of the group entities. A negative number below indicates a decrease in post-tax profit or an increase in post-tax loss, where RMB strengthens against the relevant foreign currency. For a weakening of RMB against the relevant foreign currency, there would be an equal and opposite impact on the profit or loss.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (Continued)

Currency risk (Continued)

Sensitivity analysis (Continued)

	2026 RMB'000	2025 RMB'000
US$	(92,157)	(64,689)
HK$	(8,767)	(31,510)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits (Note 21) and lease liabilities (Note 25). The Group is exposed to cash flow interest risk in relation to variable rate bank balances (Note 21), which carry prevailing market interest rates and investments in wealth management products (Note 16). The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

The management of the Group considers the fluctuation in interest rates on bank balances and investments in wealth management products is insignificant. Therefore, no sensitivity analysis is presented.

Other price risk

The Group is exposed to other price risk through its investments in wealth management products and unlisted equity investments measured at FVTPL. Sensitivity analyses for unlisted equity investments with fair value measurement categorised within Level 3 were disclosed in Note 34. The management considers the other price risk of the Group on its investments in the wealth management products is limited as the maturity periods of these investments are not long. Therefore, no sensitivity analysis is presented.

Credit risk and impairment assessment

The Group's maximum exposure to credit risk which cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets measured at amortised cost and investments in wealth management products at FVTPL as stated in the consolidated statement of financial position.

Except for investments in wealth management products at FVTPL, the Group performed impairment assessment for financial assets measured at amortised cost under ECL model. The Group's credit risk is primarily attributable to its trade and other receivables.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (Continued)

Credit risk and impairment assessment (Continued)

In order to minimise the credit risk on trade and other receivables, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group performs impairment assessment under the ECL model on trade receivables individually or collectively based on provision matrix. The Group performs periodic individual assessment on ECL of other receivables. Details of impairment assessment of trade and other receivables are set out in Note 18 and Note 19.

The credit risk on cash and cash equivalents, restricted bank deposits and term deposits is limited because the counterparties are banks with high credit ratings. Trade and other receivables consist of a large number of customers or parties, the Group does not have any significant concentration of credit risk on trade and other receivables.

The Group has concentration of credit risk on term deposits as 95.40% of the total term deposits were due from two commercial banks as at 31 May 2026, compared with 90.30% was due from one commercial bank as at 31 May 2025.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (Continued)

Liquidity risk (Continued)

Liquidity tables

	Weighted average incremental borrowing rates	On demand or within 3 months RMB'000	3 months to 1 year RMB'000	1-5 years RMB'000	>5 years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount at 31 May 2026 RMB'000
As at 31 May 2026							
Trade payables	–	697,843	–	–	–	697,843	697,843
Accrued expenses and other payables	–	288,421	–	–	–	288,421	288,421
Lease liabilities	2.32% to 4.60%	7,657	14,551	11,201	–	33,409	32,453
		993,921	14,551	11,201	–	1,019,673	1,018,717

	Weighted average incremental borrowing rates	On demand or within 3 months RMB'000	3 months to 1 year RMB'000	1-5 years RMB'000	>5 years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount at 31 May 2025 RMB'000
As at 31 May 2025							
Trade payables	–	432,695	–	–	–	432,695	432,695
Accrued expenses and other payables	–	251,927	–	–	–	251,927	251,927
Lease liabilities	2.24%-4.60%	8,662	25,777	18,454	–	52,893	50,778
		693,284	25,777	18,454	–	737,515	735,400

34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value for financial reporting purposes. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used) as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Fair value hierarchy as at 31 May 2026

	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVTPL			
Unlisted equity investments	–	11,640	11,640
Wealth management products	2,574,782	–	2,574,782

Fair value hierarchy as at 31 May 2025

	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVTPL			
Unlisted equity investments	–	88,187	88,187
Wealth management products	1,957,486	–	1,957,486

34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 May 2026 RMB'000	Fair value as at 31 May 2025 RMB'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
Wealth management products issued by banks classified as financial assets at FVTPL	2,574,782	1,957,486	Level 2	Discounted cash flow – future cash flows are estimated based on contractual terms of the wealth management products and discounted at a rate that reflects the credit risk of the counterparties.	N/A
Private equity investments classified as financial assets at FVTPL – 30% equity investment in Henan Oriental which is engaged in meat processing industry	11,640	11,700	Level 3	Income approach – discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate WACC.	As at 31 May 2026 and 31 May 2025: WACC determined using a Capital Asset Pricing Model is 16% (Note). As at 31 May 2026 and 31 May 2025: Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries of 2.0% (Note). As at 31 May 2026 and 31 May 2025: Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries is 24% (Note).

34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 May 2026 RMB'000	Fair value as at 31 May 2025 RMB'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
Private equity investments classified as financial assets at FVTPL – 5.61% equity investment in EEO Group which engaged in development of computer platforms used in online education services	–	76,487	Level 3	Market approach – Fair value is estimated based on value of comparable listed companies and discounted for lack of marketability due to the impracticality in making long-term financial projections with uncertainties.	As at 31 May 2025: Discount for lack of marketability is 20% (Note).

Note:

During the years ended 31 May 2026 and 31 May 2025, fair value changes arose from the financial assets at FVTPL classified within Level 3 as listed in the table above were insignificant. The directors of the Company consider that any reasonable changes in the significant unobservable inputs would not result in a significant change in the Group's results. Accordingly, no sensitivity analysis is presented.

34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

The following table represents the reconciliation of level 3 fair value measurements during the year.

	2026 RMB'000	2025 RMB'000
At the beginning of the year	88,187	94,889
Changes in fair value	(60)	(6,702)
Disposal	(76,487)	–
At the end of the year	11,640	88,187

The Directors consider that the carrying amounts of financial assets and financial liabilities at amortised cost recognised in the consolidated financial statements approximate their fair values.

35. RELATED PARTY TRANSACTIONS

Besides, during the year, the Group had entered into the following transactions with related parties set out below:

	Relationships	Nature of transactions	2026 RMB'000	2025 RMB'000
New Oriental Group	Controlling shareholder of the Company	Trade sales	61,275	61,727
		Trade purchases	2,982	31
Metropolis Holding (Tianjin) Co., Ltd. ("Metropolis Holding")	A company wholly owned by the chairman of the Board of Directors	Interest expenses on lease liabilities	128	147
		Property management fee	332	206
Henan Oriental	Associate of the Group	Trade sales	21,263	30,751
		Trade purchases	82,928	73,460

35. RELATED PARTY TRANSACTIONS (Continued)

The following balances represent outstanding balance with related parties at the end of the reporting period:

	Nature of Balance	31 May 2026 RMB'000	31 May 2025 RMB'000
New Oriental Group	Trade and other receivables	25,632	36,624
	Prepayments	459	515
	Trade payables	259	3,210
	Accrued expenses and other payables	70,968	74,555
	Contract liabilities	11,357	–
Metropolis Holding	Lease liabilities	8,938	2,019
	Trade and other receivables	1,432	687
	Prepayments	788	–
	Accrued expenses and other payables	–	181
Henan Oriental	Trade and other receivables	–	32
	Trade payables	6,760	10,348
	Contract liabilities	732	–

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2026 RMB'000	2025 RMB'000
Short-term employee benefits	1,250	1,658
Post-employment benefits	53	50
Share-based payments	8,158	15,105
	9,461	16,813

The remuneration of directors and other members of key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

36. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Company as at 31 May 2026 are set out below:

Name of subsidiaries	Place of incorporation/ registration/ operation/ nature of legal entity in PRC	Date of incorporation/ establishment	Paid up issued/ registered capital	Proportion ownership interest held by the Company Directly 2026 %	2025 %	Indirectly 2026 %	2025 %	Proportion of voting power held by the Company Directly 2026 %	2025 %	Indirectly 2026 %	2025 %	Principal activities
Subsidiaries directly and indirectly held:												
New Oriental Xuncheng Technology (HK) Limited	Hong Kong	2 Mar 2018	HK$1	100	100	–	–	100	100	–	–	Investment holding
Dexin Dongfang	PRC/Limited Liability Company	21 Mar 2018	RMB350,000,000	–	–	100	100	–	–	100	100	Provision of software and technology services
Zhuhai Chongsheng Heli Network Technology Co., Ltd	PRC/Limited Liability Company	23 Jul 2019	RMB52,000,000	–	–	100	100	–	–	100	100	Provision of software and technology services
Hainan Haiyue – Dongfang Network Technology Co., Ltd.	PRC/Limited Liability Company	13 Oct 2020	RMB50,000,000	–	–	100	100	–	–	100	100	Provision of education advisory services
Dong Xiaozhen (Beijing) Trading Co., Ltd.	PRC/Limited Liability Company	28 Nov 2025	RMB6,000,000	–	–	100	–	–	–	100	–	Engaged in e-commerce services
Dong Xiaozhen (Zhengzhou) Technology Co., Ltd.	PRC/Limited Liability Company	2 Mar 2026	RMB100,000	–	–	100	–	–	–	100	–	Engaged in e-commerce services
East Buy Global Shopping (Hong Kong) Limited	Hong Kong	11 Feb 2026	HK$100,000	–	–	100	–	–	–	100	–	Engaged in e-commerce services
EAST BUY GLOBAL SHOPPING PTY LTD	Australia	13 Apr 2026	AUD$1	–	–	100	–	–	–	100	–	Engaged in e-commerce services

36. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

Name of subsidiaries	Place of incorporation/ registration/ operation/ nature of legal entity in PRC	Date of incorporation/ establishment	Paid up issued/ registered capital	Proportion ownership interest held by the Company Directly 2026 %	Directly 2025 %	Indirectly 2026 %	Indirectly 2025 %	Proportion of voting power held by the Company Directly 2026 %	Directly 2025 %	Indirectly 2026 %	Indirectly 2025 %	Principal activities
Subsidiaries-structured entities[i]:												
Beijing Xuncheng	PRC/Limited Liability Company	11 Mar 2005	RMB122,351,229	–	–	100	100	–	–	100	100	Provision of software and technology services
Beijing Xinyuanfang Human Resources Service Co., Ltd.	PRC/Limited Liability Company	21 Oct 2021	RMB2,000,000	–	–	100	100	–	–	100	100	Provide human resources and related services
Dongfang Youxuan (Beijing) Technology Co., Ltd.	PRC/Limited Liability Company	27 Oct 2021	RMB10,000,000	–	–	100	100	–	–	100	100	Engaged in e-commerce services
Oriental Selection (Beijing) Technology Co., Ltd.	PRC/Limited Liability Company	7 Dec 2021	RMB10,000,000	–	–	100	100	–	–	100	100	Engaged in e-commerce services
East Buy (Zhuhai) Tourism Culture Co., Ltd.	PRC/Limited Liability Company	16 Oct 2023	RMB10,000,000	–	–	100	100	–	–	100	100	Engaged in tourism services
East Buy (Jiaxing) Supply Chain Management Co.	PRC/Limited Liability Company	6 Mar 2024	RMB1,000,000	–	–	60	60	–	–	60	60	Engaged in supply chain services
Zhenxiang Shiguang (Beijing) Technology Co., Ltd	PRC/Limited Liability Company	27 Sep 2024	RMB1,000,000	–	–	100	100	–	–	100	100	Engaged in e-commerce services

36. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

Note:

(i) The Company does not have directly or indirectly legal ownership in equity of these structured entities or their subsidiaries. Nevertheless, under certain Contractual Arrangements entered into with the equity holders of these structured entities, the Company through its legal owned subsidiary has power over these structured entities, has rights to variable returns from its involvement with these structured entities and has the ability to affect those returns through its power over these structured entities and is considered to have control over these structured entities. Consequently, the Company regards these structured entities as indirect subsidiaries of the Company.

There are no statutory requirements for subsidiaries to issue statutory audited financial statements. None of the subsidiaries had issued any debt securities as at 31 May 2026 (31 May 2025: None).

37. EVENT AFTER THE END OF THE REPORTING PERIOD

The Group has no significant event took place subsequent to the end of the reporting period that needs to be disclosed.

38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2026 RMB'000	2025 RMB'000
Non-current Assets		
Amounts due from subsidiaries	2,733,621	2,735,079
Financial assets at FVTPL	–	76,487
Interests in subsidiaries	1,166,166	1,089,711
	3,899,787	3,901,277
Current Assets		
Amounts due from subsidiaries	1,187,312	303,068
Financial assets at FVTPL	33,426	27,329
Prepayments	97	–
Cash and cash equivalents	15,583	1,201,107
	1,236,418	1,531,504
Current Liability		
Income tax payables	2,229	1,798
	2,229	1,798
Net current assets	1,234,189	1,529,706
Non-current Liability		
Deferred tax liabilities	–	1,532
Net assets	5,133,976	5,429,451
Capital and Reserves		
Share capital	137	135
Treasury shares	(1)	–
Reserves	5,133,840	5,429,316
Total Equity	5,133,976	5,429,451

38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

The movement in the reserves of the Company is shown as follows:

	Share premium RMB'000	Share-based payments reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 June 2024	4,339,662	309,885	588,814	5,238,361
Profit and total comprehensive income for the year	–	–	48,811	48,811
Recognition of equity-settled share-based payments	–	160,653	–	160,653
Exercise of share options	131,120	(39,229)	–	91,891
Vest of share awards	177,854	(177,855)	–	(1)
Repurchase of shares	(110,399)	–	–	(110,399)
Cancellation of shares repurchased	–	–	–	–
Change in equity for the year	198,575	(56,431)	–	142,144
At 31 May 2025	4,538,237	253,454	637,625	5,429,316
Loss and total comprehensive expense for the year	–	–	(250,883)	(250,883)
Recognition of equity-settled share-based payments	–	81,081	–	81,081
Exercise of share options	62,569	(20,838)	–	41,731
Vest of share awards	139,470	(139,471)	–	(1)
Repurchase of shares	(167,404)	–	–	(167,404)
Cancellation of shares repurchased	–	–	–	–
Change in equity for the year	34,635	(79,228)	–	(44,593)
At 31 May 2026	4,572,872	174,226	386,742	5,133,840

DEFINITIONS

Unless otherwise stated or set out below, capitalised terms have the same meanings as those defined in the Prospectus (defined below).

"2019 Scheme"	the post-IPO share option scheme of the Company adopted in January 2019, the terms of which are summarised in Appendix IV to the Prospectus
"2020 Subscription"	the subscription of an aggregate of 59,432,000 Shares by the Subscribers for a subscription price of HK$30.00 per subscription share, which was completed on 24 December 2020, the further details of which are contained in the Company's circular dated 14 October 2020
"2023 Scheme"	the share incentive scheme of the Company adopted on 9 March 2023, a summary of the principal terms of which is set out in the Company's circular dated 21 February 2023
"2025 Share Scheme"	share incentive scheme of the Company adopted on 24 March 2025, funded by the shares acquired through on-market purchase
"Adjusted EBITDA"	adjusted EBITDA (or earnings before interest, taxes, depreciation, and amortisation) represents profit for the year plus income tax expenses, share-based compensation expenses, finance costs, impairment losses recognised under expected credit loss model, net, depreciation of property and equipment, depreciation of right-of-use assets, less other income, gains and losses for the financial year
"Adjusted Profit"	for the year represents profit for the year less loss on fair value changes of financial assets at FVTPL (non-current), gain on disposal of a financial asset at FVTPL (non-current) and loss on disposal of an associate, plus share-based compensation expenses for the financial year
"ADS(s)"	representing the same number of underlying common shares of New Oriental
"AGM"	annual general meeting of our Company
"APP"	software that causes a computer, smartphone, or electronic mobile device to perform tasks, specifically in our Company's context, it refers to a private label products and livestreaming e-commerce application
"Applicable Requirements"	Listing Rules requirements in respect of the Contractual Arrangements: (a) the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.105 of the Listing Rules; (b) the requirement under Rule 14A.53 of the Listing Rules of setting an annual cap for the transactions; and (c) the requirement under Rule 14A.52 of the Listing Rules of limiting the terms of the Contractual Arrangements to three years or less, for as long as our Shares are listed on the Stock Exchange

"Articles of Association"	the third amended and restated articles of association of our Company adopted on 3 November 2022, as amended from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Auditor"	Deloitte Touche Tohmatsu
"Beijing Xuncheng" or "Operating Entity"	Beijing New Oriental Xuncheng Network Technology Inc. (北京新東方迅程網絡科技有限公司), a company established under the Laws of the PRC on 11 March 2005 and a Consolidated Affiliated Entity.
"Board"	the board of Directors
"Board Committees"	the Audit Committee, the Remuneration Committee and the Nomination Committee, collectively
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"CCT Agreements"	Contractual Arrangements and each of our framework agreements in respect of our continuing connected transactions collectively
"Century Friendship"	Beijing Century Friendship Education Investment Co., Ltd., a company incorporated under the laws of the PRC on 19 July 2002 and a substantial shareholder of our Operating Entity
"Chairman"	Mr. YU Minhong, the chairman of the Board
"China" or "the PRC"	the People's Republic of China, and for the purposes of this annual report only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"Companies Ordinance"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "we", "us", or "our"	East Buy Holding Limited 東方甄選控股有限公司, an exempted company with limited liability incorporated under the laws of the Cayman Islands on 7 February 2018
"connected person(s)"	has the meaning ascribed to it under the Listing Rules

"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"continuing connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Consolidated Affiliated Entity"	an entity controlled by the Company through the Contractual Arrangements; one or more of which is known as "Consolidated Affiliated Entities"
"Contractual Arrangements"	the series of contractual arrangements, as amended from time to time, entered into by and among our wholly-foreign owned entities, the Consolidated Affiliated Entities and the Previous Registered Shareholder and the Registered Shareholder (as the case may be), details of which are described in "Contractual Arrangements" of the Prospectus and "Directors' report" in this annual report
"Controlling Shareholder"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to New Oriental
"Corporate Governance Code"	the Corporate Governance Code, Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
"Daily Quotations Sheet"	the daily quotations sheet issued by the Stock Exchange
"Dexin Dongfang"	Beijing Dexin Dongfang Network Technology Co., Ltd. (北京德信東方網絡科技有限公司), a company incorporated under the Laws of the PRC on 21 March 2018 and a wholly-owned subsidiary of our Company
"Director(s)"	the director(s) of our Company
"Director Nomination Policy"	a director nomination policy adopted by our Company
"Diversity Policy"	a board diversity policy adopted by our Company
"Dividend Policy"	a dividend policy adopted by our Company
"Dongfang Youbo"	Beijing Dongfang Youbo Network Technology Co., Ltd. (北京東方優播網絡科技有限公司), a company incorporated under the Laws of the PRC on 23 June 2016 and a Consolidated Affiliated Entity

"Education Disposal"	the disposal of the education business from the Group to New Oriental Group in accordance with the disposal agreement entered into among the Company, Beijing Xuncheng, Dexin Dongfang, New Oriental Xuncheng Technology (HK) Limited (新東方迅程科技(香港)有限公司), New Oriental China and Elite Concept Holdings Limited (晉盟控股有限公司) setting out the terms and conditions of the disposal, the further details of which are contained in the Company's announcement dated 21 November 2023 and the circular dated 28 December 2023
"Employee Participant(s)"	as defined in the 2023 Scheme and 2025 Share Scheme (as the case may be) rules, being an employee, director or officer of the Group on the date of grant
"First Bravo"	First Bravo Asia Limited, a company incorporated under the laws of the British Virgin Islands on 15 January 2018 and one of our Shareholders
"FVTPL"	fair value through profit or loss
"FY"	financial year ended 31 May
"GMV"	gross merchandise volume
"Group"	the Company and its subsidiaries from time to time or, where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"IFRS(s)"	the International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Kuxue Huisi"	Beijing New Oriental Kuxue Huisi Network Technology Co., Ltd. (北京酷學慧思網絡科技有限公司), a company established under the Laws of the PRC on 1 February 2013 and a Consolidated Affiliated Entity

"Latest Practicable Date"	31 August 2026, being the latest practicable date to ascertain certain information set out in this annual report prior to its publication
"Laws"	all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, orders, judgments, decrees, or rulings of any government or regulatory authority (including, without limitation, the Stock Exchange and the SFC) of all relevant jurisdictions, whether at the city, provincial, state or federal level (as appropriate)
"Leci Internet"	Leci Internet Technology (Beijing) Company Limited
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	28 March 2019
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"New Oriental"	New Oriental Education & Technology Group Inc., a company incorporated under the Laws of the Cayman Islands on 16 March 2006, the American depository shares of which are listed on the New York Stock Exchange under the symbol "EDU" and our Controlling Shareholder
"New Oriental China"	New Oriental Education & Technology Group Co., Ltd. (新東方教育科技集團有限公司), a company incorporated under the Laws of the PRC on 2 August 2001 and our Registered Shareholders
"New Oriental Group"	New Oriental and its subsidiaries from time to time (including its consolidated affiliated entities but excluding our Group)

"New Venture"	Huoerguosi Oriental New Venture Equity Investment Partnership) (L.P.) (霍爾果斯東方新創股權投資合夥企業有限合夥)
"Nomination Committee"	the nomination committee of the Board
"PRC Legal Adviser"	Tian Yuan Law Firm
"Pre-IPO Scheme"	share option scheme adopted by the Company on 13 July 2018 and subsequently amended on 29 September 2018
"Previous Period" or "FY2025"	the financial year ended 31 May 2025
"Previous Registered Shareholders"	New Oriental China, Linzhi Tencent Technology Co., Ltd. (林芝騰訊科技有限公司), and the Tianjin Limited Partnerships
"Prospectus"	the prospectus of the Company in relation to the Listing dated 15 March 2019
"Registered Shareholder"	New Oriental China
"Related Entity Participant(s)"	as defined in the 2023 Scheme and 2025 Share Scheme rules, being an employee, director or officer of a holding company of the Company (as defined in the SFO), a subsidiary of a holding company of the Company (as defined in the SFO) other than the Group, or an associate of the Company (as defined under the Listing Rules)
"Relevant VIE Entities"	Beijing Xuncheng and Kuxue Huisi
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period" or "FY2026"	the financial year ended 31 May 2026, or FY2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of China

"Service Provider Participant(s)"	as defined in the 2023 Scheme and 2025 Share Scheme (as the case may be) rules, being a person (including an entity) that falls under one of the sub-categories (i.e. (i) content creators, and (ii) consultants suppliers and service providers) and that provides services to the Group on a continuing basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group as determined by the scheme administrator pursuant to the criteria as detailed in the 2023 Scheme rules and 2025 Share Scheme (as the case may be)
"SFC"	Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company currently with a par value of US$0.00002 each
"Share Subscription"	the subscription of an aggregate of 59,432,000 Shares by New Oriental and Tigerstep for a subscription price of HK$30.00 per subscription share pursuant to the subscription agreement dated 8 September 2020, the further details of which are contained in the Company's circular dated 14 October 2020
"Shareholder(s)"	holder(s) of our Share(s)
"SPU"	standard product units
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscribers"	New Oriental Group and Tigerstep
"subsidiary"	has the meaning ascribed to it in the Listing Rules and includes our Consolidated Affiliated Entities; one or more of which is known as "Subsidiaries"
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules

"Tencent"	Tencent Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 700) and a connected person of the Company
"Tianjin Limited Partnerships"	the limited partnerships that hold interests in our Operating Entity, namely Tianjin Xuncheng Yiyue Technology Partnership (L.P.) (天津迅程壹月科技合夥企業(有限合夥)), Tianjin Xuncheng Luyue Technology Partnership (L.P.) (天津迅程陸月科技合夥企業(有限合夥)), Tianjin Bayue Technology Partnership (L.P.) (天津迅程捌月科技合夥企業(有限合夥)), Tianjin Xuncheng Jiuyue Technology Partnership (L.P.) (天津迅程玖月科技合夥企業(有限合夥)), Tianjin Xuncheng Shiyue Technology Partnership (L.P.) (天津迅程拾月科技合夥企業(有限合夥)), Tianjin Xuncheng Shieryue Technology Partnership (L.P.) (天津迅程拾貳月科技合夥企業(有限合夥)), and Tianjin Xuncheng Shisanyue Technology Partnership (L.P.) (天津迅程拾叁月科技合夥企業(有限合夥))
"Tigerstep"	Tigerstep Developments Limited, a company incorporated under the Laws of the British Virgin Islands, and a connected person of the Company
"United States" or "U.S."	United States of America, its territories, its possessions and all areas subject to its jurisdiction
"WFOEs"	Dexin Dongfang, Zhuhai Chongsheng and Hainan Haiyue collectively
"Xi'an Ruiying"	Xi'an Ruiying Huishi Network Technology Co., Ltd. (西安睿盈慧師網絡科技有限公司)
"Zhuhai Chongsheng"	Zhuhai Chongsheng Heli Network Technology Co., Ltd. (珠海崇勝合力網絡科技有限公司)

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