



瑞和数智科技控股有限公司

RUIHE DATA TECHNOLOGY HOLDINGS LIMITED


(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

STOCK CODE: 3680

2025
ANNUAL REPORT

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Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Xue Shouguang (*Chairman of the Board*)
Mr. Sun Dexin
Mr. Xue Xindi
Mr. Wang Jun

NON-EXECUTIVE DIRECTORS

Mr. Wu Xiaohua
Mr. Fei Xiang
Mr. Wu Kezhong

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Tian Yu
Mr. Wei Junheng
Ms. Chu Jijun
Mr. Yang Huan

CHIEF EXECUTIVE OFFICER

Mr. Xue Shouguang

COMPANY SECRETARY

Ms. So Ka Man (*FCG, HKFCG(PE)*)

AUTHORIZED REPRESENTATIVES

Ms. So Ka Man
Mr. Fei Xiang

AUDIT COMMITTEE

Dr. Tian Yu (*Committee Chairman*)
Mr. Wei Junheng
Ms. Chu Jijun

REMUNERATION COMMITTEE

Mr. Wei Junheng (*Committee Chairman*)
Mr. Fei Xiang
Dr. Tian Yu

NOMINATION COMMITTEE

Mr. Xue Shouguang (*Committee Chairman*)
Dr. Tian Yu
Mr. Wei Junheng
Ms. Chu Jijun

INDEPENDENT ACCOUNTANT**ZHONGHUI ANDA CPA Limited**

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HONG KONG LEGAL ADVISOR**Zhong Lun Law Firm LLP**

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**PRINCIPAL SHARE REGISTRAR AND
TRANSFER OFFICE IN THE CAYMAN
ISLANDS****Conyers Trust Company (Cayman) Limited**

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Corporate Information

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Tricor Investor Services Limited

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Website

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Stock Code

3680

Financial Highlights

1. Revenue for the Reporting Period amounted to approximately RMB321,383,000, representing a decrease of approximately 14.9% or approximately RMB56,460,000 as compared with that of 2024. During the Reporting Period, the Group strategically adjusted its business structure and there were mainly the following changes in the composition of revenue: (1) the proportion of the Group's data solutions business to the Group's overall revenue decreased from 39.2% to 18.1%, representing a decrease of approximately 60.6% or approximately RMB89,739,000 as compared with that of 2024; (2) the proportion of sales of hardware and software and related services as an integrated service to the Group's overall revenue increased from 26.2% to 45.7%, representing an increase of approximately 48.4% or approximately RMB47,942,000 as compared with that of 2024; (3) the proportion of commodities trading business to the Group's overall revenue increased from 33.0% to 33.3%, representing a decrease of approximately 14.2% or approximately RMB17,676,000 as compared with that of 2024; (4) the Group expanded its new business model and added cryptocurrency income of approximately RMB8,049,000 in the Reporting Period.
2. Gross profit for the Reporting Period was approximately RMB25,716,000, representing a decrease of approximately 32.5% as compared with that in 2024. Gross profit margin for the Reporting Period was approximately 8.0%, representing a decrease of approximately 2.1% as compared with that in 2024 (2024: approximately 10.1%). The decrease in gross profit and gross profit margin was mainly attributable to the adjustment of operating revenue structure in 2025, which resulted in an increase in the proportion of sales of hardware and software and related services as an integrated service with lower gross profit.
3. Net loss for the Reporting Period amounted to approximately RMB66,655,000, representing a decrease of approximately 10.0% as compared to that of 2024 (2024: net loss of approximately RMB74,044,000). The year-on-year decrease in loss was mainly attributable to the reduction in various costs as a result of a series of operational optimization measures taken by the Group:
 - (1) selling expenses for the Reporting Period decreased by approximately RMB2,513,000, representing a decrease of approximately 30% as compared with that of 2024;
 - (2) administrative expenses for the Reporting Period decreased by approximately RMB7,338,000, representing a decrease of approximately 13.7% as compared with that of 2024;
 - (3) research and development expenses for the Reporting Period decreased by approximately RMB21,037,000, representing a decrease of approximately 67.7% as compared with that of 2024.
4. Basic and diluted loss per share of the Company for the Reporting Period amounted to approximately RMB8.6 cents (2024: basic and diluted loss per share of approximately RMB11.4 cents).

Chairman's Statement

Dear investors,

On behalf of the board of directors of RUIHE DATA TECHNOLOGY HOLDINGS LIMITED, I am pleased to present to you the Group's annual results for the year ended 31 December 2025, and to review with you the development of the past year as well as our direction for the future.

The year 2025 was a pivotal year marked by accelerating global technological transformation and the deep integration of the digital economy. Faced with complex volatility in the macro environment and cyclical adjustments in the industry, the Group maintained strategic focus and kept closely aligned with the national strategy of "Digital China". With digital intelligence technology as our core engine, we seized opportunities amid challenges and pursued new development amid changes. During the year, we not only consolidated our core foundation but also made encouraging progress in expanding our business scope and enhancing our technological capabilities. On behalf of the board, I would like to express my highest respect and sincere gratitude to all investors, partners and employees for their long-term trust and support of the Group.

Over the past year, the Group's core business continued to strengthen. In the fintech sector, we focused on data intelligence infrastructure, intelligent marketing and artificial intelligence ("AI") model applications. Our cooperation with major state-owned commercial banks, joint-stock commercial banks and city commercial banks was further deepened, strengthening our comprehensive service capabilities in data applications and intelligent solutions. Meanwhile, we successfully replicated our service model from financial institutions to a wider range of industries, providing big data platform upgrading and operation and maintenance services to leading enterprises in new energy, manufacturing and other sectors. This verified the cross-industry adaptability of our technological capabilities and unlocked broader market space.

Building on our traditional strengths, the Group proactively explored emerging sectors with a forward-looking vision. We accurately grasped the growth trend of global digital assets and the policy opportunities arising from Hong Kong's development as a global digital asset innovation hub. We expanded into Web 3.0 and digital asset businesses, collaborated with world-leading mining machine manufacturers to enter the Bitcoin cloud mining sector, and partnered with Hong Kong fintech enterprises to jointly develop virtual asset trading systems, actively capitalizing on the upgrading of digital financial infrastructure. In parallel, we promoted a software and hardware integration strategy, gradually upgrading from a software technology service provider to a full-chain digital intelligence solution provider, and further expanding our business boundaries.

Chairman's Statement

Looking ahead to 2026, a new round of technological revolution is reshaping the global industrial landscape at an unprecedented pace. The deep integration of AI and big data will become the core driving force for productivity improvement, and the regulated development of the digital asset market will unleash trillion-level potential. We are full of confidence and deeply mindful of our mission.

In the new year, the Group will unswervingly implement the “Dual-Wheel Drive” strategy. On the one hand, we will continue to consolidate our leading advantages in data intelligence and marketing technology, deepen our presence in the financial industry, expand into the national market, and extend our technological capabilities to more industries. On the other hand, we will accelerate the development of a diversified business portfolio, advance Web 3.0 and digital asset businesses into stable operation, and further implement the domestic AI computing power software and hardware integration strategy. These will create synergies with our traditional digital intelligence business and form a more robust development structure.

The tide of the times surges forward, with opportunities and challenges coexisting. 2026 will be a crucial year for the Group to enter a new stage of development, and a year of solid progress and fruitful growth. Remaining true to our original aspiration, we will move forward steadily in the vast ocean of digital intelligence with a more open attitude and firmer steps, delivering stable returns to shareholders and making positive contributions to society.

Xue Shouguang

Chairman of the Board

Management Discussion and Analysis

I. INDUSTRY BACKGROUND ANALYSIS

The year 2025 marks both the conclusion of China's 14th Five-Year Plan and a pivotal transition point for the 15th Five-Year Plan. Confronting complex international challenges and domestic structural adjustments, the Chinese economy has demonstrated remarkable resilience and growth potential, with GDP growing by 5% year-on-year. The "Overall Layout Plan for Digital China Construction" issued in 2023 has strategically strengthened two foundational pillars: digital infrastructure and data resource systems. This initiative, coordinated with policies like the State Council's "Opinions on Deepening the Implementation of the 'AI+' Initiative," promotes deep integration of technologies including big data, AI, and blockchain, injecting systematic institutional momentum into digital economic development. This top-level design not only energizes the digital economy but also creates significant policy dividends and market opportunities for enterprises like our group specializing in big data and fintech.

The value of data as a new production factor is being rapidly unlocked. In the 2025 "Guiding Opinions on Promoting High-Quality Development of the Data Industry," the National Development and Reform Commission and other authorities emphasized that developing the data industry is a crucial measure to deepen market-oriented allocation reforms for data factors and build a digital economy with data as a key element. The document explicitly states that China's data industry is expected to maintain an annual growth rate of over 15% from 2025 to 2030, with its market size projected to exceed 13 trillion yuan by 2030.

The wave of AI applications has now permeated core business processes across all industries. Data from the China Academy of Information and Communications Technology reveals that China's AI sector has accelerated its growth this year, with the core AI industry's scale is projected to exceed 1 trillion yuan by 2025. The State Council's August 2025 policy document, "Guidelines on Deepening the Implementation of the 'AI Plus' Initiative," has further accelerated the large-scale commercial deployment of AI technologies.

The fintech sector has also seen a wave of policy incentives. In 2025, financial regulators issued the "Implementation Guidelines for Digital Transformation in the Banking Industry," requiring commercial banks to increase their technology investment to over 3% of operating revenue, with a focus on core technologies such as AI, big data, and blockchain. This policy direction has accelerated technological upgrades in the banking industry, with infrastructure development entering a fast track. Major state-owned banks have been upgrading their core systems. According to annual report statistics, the six major state-owned banks collectively invested RMB125.459 billion in fintech in 2024, marking a 2.15% increase from 2023.

Management Discussion and Analysis

iResearch Consulting's "2025 Fintech Industry Development Insight Report" further highlights the continuous expansion of China's fintech market, projecting it to exceed RMB650 billion by 2028 with a compound annual growth rate (CAGR) of approximately 13.3%.

The convergence of AI and big data has emerged as a key driver for industrial advancement. According to relevant research reports issued by International Data Corporation (IDC), by the end of 2025, 65% of domestic financial institutions will enhance their digital and intelligent capabilities through AI large model platforms. AI large model technology has become a game-changer for business transformation, empowering financial institutions to gain deep customer insights and achieve precise customer engagement.

The digital assets sector is experiencing explosive growth momentum. In 2025, the global Web3 and digital assets landscape demonstrated robust development potential with clear evolutionary pathways. The global user base continues to expand, with over 560 million individuals owning cryptocurrencies or utilizing Web3 tools. According to CoinGecko statistics, as of October 2025, the total global crypto asset market capitalization reached approximately United States Dollar ("**USD**") 3.85 trillion, marking an 11.3% increase from the previous quarter-end. Reuters reports indicate that as of September 2025, central banks' gold reserves stood at around USD4.50 trillion, meaning crypto assets now account for approximately 84% of the world's official gold reserves. Against this backdrop, the Hong Kong Special Administrative Region ("**SAR**") is actively establishing itself as a global digital assets innovation hub. The SAR government has implemented a virtual asset trading platform licensing system, released the "Digital Assets Development Policy Declaration 2.0" in 2025, and introduced the "Stablecoin Ordinance." These initiatives propose the "LEAP" policy framework, focusing on optimizing legal supervision and expanding tokenized products, to provide a clear regulatory roadmap for market development.

The group specializes in AI, big data, and marketing technology, with vast growth potential in this sector.

Management Discussion and Analysis

II. BUSINESS REVIEW FOR 2025

During the reporting period, the Group has steadfastly maintained its focus on digital intelligence technology as its core business, continuously consolidating and expanding its comprehensive data technology services. These services encompass integrated delivery of data solutions, software/hardware sales, and related support, along with ongoing Information Technology (“IT”) maintenance and assistance. Concurrently, the company engages in commodity trading. In terms of customer distribution, the Group is actively promoting cross-industry applications of its technical capabilities, expanding into sectors such as technology promotion and application services, software and IT services, and retail, with its comprehensive data technology services primarily targeting financial institutions. On the other hand, the commodity trading business, which focuses on copper and gold, is currently exploring potential collaboration opportunities and strategic positioning. Moving forward, the Group will continue to explore new strategic directions and actively engage in emerging technology fields and industry trends. This includes developing Web3 and its-based digital asset applications, researching financial AI large models, advancing the domestication strategy for IT innovation, and continuously enhancing the integration capabilities of software and hardware. These efforts aim to steadily advance the Group toward its goal of becoming a comprehensive digital intelligence service provider.

In 2025, the Group will actively diversify its investment portfolio in line with its strategic development direction.

(I) Digital intelligence core business is stable

1. *Fintech sector keeps deepening its efforts, consolidating traditional advantages*

During the reporting period, the Group continued to deepen its expertise in fintech, with steady business growth and partnerships in critical systems of multiple financial institutions. These achievements further solidified our comprehensive capabilities in data applications and smart solutions.

(1) *Data-driven smart infrastructure continues to deepen*

- ① Collaborated with a major domestic banks to enhance data warehouse development, optimize core systems, and implement IT innovation upgrades; and
- ② Secured a development project for a city commercial bank’s ‘One Warehouse, Four Markets’ data platform, supporting its data system upgrades and agile compliance with regulatory requirements.

Management Discussion and Analysis

(2) Expansion of marketing and customer service capabilities

- ① Assisted a major state-owned bank's branch in developing an intelligent customer marketing support system to enhance precision marketing capabilities; and
- ② Collaborated with a joint-stock bank to develop an intelligent marketing platform and a tag-based profiling system.

(3) AI model and data decision-making service implementation

- ① Provided end-to-end model development services for regional commercial banks, covering data mining, algorithm optimization, and model deployment, empowering their business analytics and data-driven decision-making; and
- ② Undertook data model and business report development projects to help clients enhance their data assetization capabilities.

Our ongoing collaboration in the financial sector demonstrates our comprehensive technical expertise and service capabilities in data governance and intelligent marketing, while also reflecting clients' trust in our professional delivery and scenario-based solutions.

2. Horizontal expansion of customer base and cross-industry transfer of technical capabilities

During the Reporting Period, the Group expanded its service model from financial institutions to broader industries. By integrating standardized service systems with customized solutions, we established a technical pathway for cross-industry data governance and platform development, creating a rapidly replicable delivery model that effectively supports customer group expansion.

In 2025, the Group expanded our digital finance sector in Fujian Province, achieving a pivotal breakthrough in business deployment. It forged a three-year partnership with Quanzhou Data Group, a wholly state-owned big data enterprise under Quanzhou Municipal Government, to jointly develop digital financial services and operate the "Quanxinrong Platform". Leveraging Quanzhou Data Group's strengths in municipal government data aggregation, public data development, and local market resources, the collaboration explores compliant sharing of government data. By integrating business registration, taxation, and social security data, the partnership establishes a credit evaluation model for inclusive finance clients, enabling banks to precisely identify high-quality small and micro enterprises and individual businesses. This initiative aims to bridge the data gap between government and banks, helping financial institutions reduce customer acquisition and risk control costs while enhancing the quality and efficiency of inclusive financial services.

Management Discussion and Analysis

During the Reporting Period, our group leveraged our proprietary private cloud big data platform solution to successfully upgrade the after-sales big data platform for a leading new energy enterprise, reducing query response time from 36 hours to under 1 hour while enhancing security safeguards. Through providing full-cycle maintenance services for CDH clusters to Shaanxi Heavy Duty Truck Co., Ltd., facilitating a seamless data mid-platform upgrade for Yuexiu Group, and assisting Midea Group in migrating its production environment big data platform across data centers, we have accumulated proven expertise in serving benchmark manufacturers and new energy industry leaders. This demonstrates the replicability and adaptability of our technical capabilities across diverse industrial scenarios.

3. Digging deep into fintech to seize the digital asset infrastructure opportunity

The Group is actively exploring the untapped blue ocean of financial industry segmentation. In July 2025, we partnered with a leading Hong Kong fintech company to develop a “Virtual Cryptocurrency Trading System,” providing securities firms with a compliant and efficient trading infrastructure to seize the opportunity of Hong Kong’s digital financial infrastructure upgrade. The intellectual property rights of this joint R&D achievement will be held by the Group, offering robust protection for future continuous innovation and strategic deployment in the virtual asset technology sector.

(II) Promote diversification and expand new strategic tracks

Amidst a volatile market environment and external challenges, while maintaining its core digital and intelligent business centered on traditional big data and smart marketing, the Group leverages its competitive strengths to actively explore diversified development pathways. Through business model innovation, it is reshaping its “profit structure” and proactively expanding growth drivers, including:

1. Layout Web3 and digital asset business

In 2025, the Group adopted a computing power procurement model by purchasing cloud mining services from Bitmain, the world’s largest mining equipment manufacturer, to participate in Bitcoin mining and validate blockchain transactions.

2. Promote the upgrade of software and hardware integration business

In 2025, the Group signed a cooperation agreement with Shanghai Yuanlu Jijia Information Technology Co., Ltd.* (上海源廬加佳信息科技有限公司). to jointly advance the development of integrated capabilities for ‘hardware + software + industrial solutions’ centered on domestically produced graphics processing units (GPUs).

Management Discussion and Analysis

(III) Deepen AI-driven model development to accelerate product digitalization and intelligent transformation

In 2025, the Group optimized its R&D investment structure in line with strategic planning and market demands, maintaining a focus on technological innovation centered on large-scale AI models and intelligent body technologies. This effort significantly advanced the iteration and upgrade of products including AI applications, data management platforms, tag imaging platforms, and smart marketing platforms. As at 31 December 2025, the Group had obtained 194 computer software copyright certificates and 50 invention patent authorizations. In late 2025, the Group achieved the highest-level certification in global software engineering – the CMMI V3.0 Level 5 certification. This marks the company's second international recognition following its initial certification in 2023, demonstrating its consistent compliance with the highest international standards in software development, project management, solution delivery, and process organization.

(IV) Optimize investment structure and grasp diversified industrial opportunities

1. Strategy layout in Web3 and cryptocurrency asset sector

In July 2025, the Group announced our strategic expansion into Web3 and cryptocurrency asset sectors, with an estimated Hong Kong Dollar (“HKD”) 80 million investment over the next two years for Web3 business development and cryptocurrency asset investments (the “**Cryptocurrency Asset Investment Plan**”). The plan adopts a dual-track development strategy combining “compliant digital asset investments” and “infrastructure construction,” with both modules being implemented in synergy and advanced concurrently.

In August 2025, the Group entered into a framework agreement with 鐵林(深圳)科技有限公司* (Tielin Chaoguang (Shenzhen) Technology Co., Ltd.) to form a strategic partnership and jointly advance RWA tokenisation-related business. The initial project involves an RWA project for a renewable energy power plant with an installed capacity of 61.66 megawatts. Based on the Group's over two decades of experience in the financial digitalisation sector, the Group's role in this project is primarily to provide professional services such as technical support and business consulting, which form part of the ordinary course of business of the Group. At present, the Group has no plan to invest directly in the RWA tokenised assets under this collaboration. This collaboration enables the Group to apply its accumulated expertise in data governance, model building and risk management to the emerging RWA field, thereby creating more business opportunities in diversified commercial areas. At present, the parties are still in discussion on the details of the collaboration.

Management Discussion and Analysis

In August 2025, the Group has entered into a limited partnership agreement and agreed to invest USD1.75 million (equivalent to approximately RMB12,264,000, representing approximately 3.36% of the total assets of the Group as at 31 December 2025) as one of the limited partners in People's Capital Digital III L.P. (the "**Fund**"). The sole investment target of the Fund is Hashkey Holdings Limited ("**Hashkey Holdings**"), whose shares were listed on the Stock Exchange. The Fund holds approximately 0.37% of the issued shares of Hashkey Holdings, and the Company indirectly holds approximately 0.09% of its issued shares. Hashkey Holdings is an established comprehensive digital asset company in Asia with a global footprint. Hashkey Holdings operates a licensed digital asset platform which provides (i) transaction facilitation services, (ii) on-chain services, and (iii) asset management services.

In September 2025, as part of the Cryptocurrency Asset Investment Initiative, the Company has also subscribed for the Bitcoin Plus SP Fund, a cryptocurrency asset investment fund, distributed by OSL Digital Securities Limited ("**OSL DS**"), a wholly-owned subsidiary of OSL Group Limited, for a subscription amount of USD200,000 (representing less than 1% of the total assets of the Group as at 31 December 2025). OSL DS also acts as the custodian for the Bitcoin held by the fund. The subscription was funded by the Group's internal resources. OSL Group Limited is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 863). OSL Group Limited and its subsidiaries ("**OSL Group**") are principally engaged in the digital assets and blockchain platform business in the Asia-Pacific region. OSL Group is the first licensed digital asset exchange that is listed on the Stock Exchange. The Bitcoin Plus SP Fund focuses on strategic investment opportunities in the cryptocurrency ecosystem through cryptocurrency basis funding rate arbitrage, aiming at achieving capital growth and providing stable returns through Bitcoin.

In December 2025, the Group participated its investment in Tykhe Capital Group Limited ("**Tykhe Capital**") through a private placement at a cost of around USD3.81 million. As at 31 December 2025, based on the total issued share capital of Tykhe Capital as of that date, the Group held approximately 0.47% of the company's shares. As at the date of this annual report, the equity change process in respect of the Group's participation in the capital increase of Tykhe Capital is in progress. Tykhe Capital is a private company strategically focused on securities token issuance and real-world asset tokenization. Through its affiliated entities, the company operates a licensed virtual asset trading platform regulated by the Securities and Exchange Commission (SEC), while also engaging in capital markets, wealth management, and Web3 technology development. This investment further strengthens the Group's presence in the Web3 sector and enhances its core competitiveness in these fields.

For further details of these initiatives and business updates, please refer to the announcement of the Company dated 29 January 2026.

Management Discussion and Analysis

2. Promote multi-field equity investment and expand industrial coordination space

On 25 April 2025, the Company acquired 15,000,000 ordinary shares in Shangshan Gold International Holdings Limited (the “**Target Company**”), whose shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (Stock Code: 1939), at a consideration of HKD6.6 million (equivalent to approximately RMB5,922,000, representing approximately 1.62% of the total assets of the Group as at 31 December 2025), constituting approximately 3% of the Target Company’s issued ordinary share capital. The Target Company is principally engaged in the provision of auction and related services, as well as the sale of artworks in Hong Kong and Japan, and operation of gold and gold related business in Hong Kong. As a financial investor, the Group intends to participate in and share the returns from capital growth.

On 25, 26 and 27 November 2025, the Group acquired an aggregate of 2,488,000 shares in ITC Properties Group Limited (HKEX stock code: 00199) for an aggregate consideration of approximately HKD3,116,000 (equivalent to approximately RMB2,796,000, representing approximately 0.77% of the total assets of the Group as at 31 December 2025). It is principally engaged in development of, selling of and investment in properties in Macau, Hong Kong, the PRC and Canada, securities investments and provision of loan financing services. As a financial investor, the Group intends to participate in and share the returns from capital growth.

In December 2025, the Group subscribed for approximately 2.36% of the fund shares in Shenzhen Share Yidao Private Equity Venture Capital Fund Partnership (Limited Partnership) for RMB5 million (representing approximately 1.37% of the total assets of the Group as at 31 December 2025) through a fund share transfer. The equity change in respect of such fund interest acquisition was completed in March 2026. The fund primarily focuses on healthcare industry investments, with key investments in precision medicine and consumer healthcare sectors. The fund’s manager, 深圳市分享成長投資管理有限公司* (Shenzhen Share Growth Investment Management Co., Ltd.), focuses on investments in the healthcare sector, with a specialization in biomedicine, medical services and innovative medical devices. By participating in this fund, the Group shares in the development opportunities within these industries.

The Company has established its investment policy and objectives, which are centered on strategic synergy, risk controllability and reasonable return, covering equity, debt and other investments within the permitted scope, while prohibiting high-risk speculative activities. Regarding risk management and control measures, the Company has set concentration limits, overall investment caps and stop-loss mechanisms, and implemented due diligence and counterparty vetting. For the approval and oversight mechanism, the Company has adopted a three-level governance structure consisting of the Board of Directors, the Investment Committee and the Securities Investment Department of the Company: (i) individual investments at or below RMB5 million are approved by management; (ii) individual investments exceeding RMB5 million (not constituting a discloseable transaction under the Listing Rules) or cumulative investments exceeding RMB20 million in the same target within 12 months are approved by the Investment Committee; (iii) investments constituting a discloseable transaction under Chapter 14 of the Listing Rules are approved by the Board of Directors. The Investment Committee regularly reviews investment performance and market conditions. The Board of Directors reviews the overall investment strategy and performance on a quarterly basis and conducts a comprehensive assessment annually.

Management Discussion and Analysis

III. FINANCIAL REVIEW

1. Revenue

	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers		
– Data solutions	58,257	147,996
– Sales of hardware and software and related services as an integrated service	146,999	99,057
– IT maintenance and support services	913	5,949
– Trading of commodities	107,165	124,841
	313,334	377,843
Revenue from other sources		
– Cryptocurrency mining	8,049	–
	321,383	377,843

Revenue for the Reporting Period amounted to approximately RMB321,383,000, representing a decrease of approximately 14.9% or approximately RMB56,460,000 as compared with that of 2024. During the Reporting Period, the Group strategically adjusted its business structure and there were mainly the following changes in the composition of revenue: (1) the proportion of the Group's data solutions business to the Group's overall revenue decreased from 39.2% to 18.1%, representing a decrease of approximately 60.6% or approximately RMB89,739,000 as compared with that of 2024. The decline in the Group's data solutions business solution revenue was mainly driven by macroeconomic pressure and tightened customer budgets. Financial institutions such as commercial banks, the Group's major customers, have seen weakened demand for traditional big data solutions. Meanwhile, the Group has proactively scaled down projects with low profit margins or in non-core geographical regions to optimize our business structure and enhance long-term efficiency. (2) the proportion of sales of hardware and software and related services as an integrated service to the Group's overall revenue increased from 26.2% to 45.7%, representing an increase of approximately 48.4% or approximately RMB47,942,000 as compared with that of 2024; (3) the proportion of commodities trading business to the Group's overall revenue increased from 33.0% to 33.3%, representing a decrease of approximately 14.2% or approximately RMB17,676,000 as compared with that of 2024; (4) the Group expanded its new business model and added cryptocurrency income of approximately RMB8,049,000 in the Reporting Period.

Management Discussion and Analysis

2. Gross profit and gross profit margin

Gross profit for the Reporting Period was approximately RMB25,716,000, representing a decrease of approximately 32.5% as compared with that in 2024. Gross profit margin for the Reporting Period was approximately 8.0%, representing a decrease of approximately 2.1% as compared with that in 2024 (2024: approximately 10.1%). The decrease in gross profit and gross profit margin was mainly attributable to the adjustment of operating revenue structure in 2025, which resulted in an increase in the proportion of sales of hardware and software and related services as an integrated service with lower gross profit.

3. Selling expenses

During the Reporting Period, our selling expenses amounted to approximately RMB5,874,000, representing a decrease of approximately 30% or approximately RMB2,513,000 as compared with that of 2024, accounting for approximately 1.8% of our revenue for the year (2024: approximately 2.2%). The decrease in selling expenses was mainly attributable to: (1) optimization of the sales and pre-sales team, resulting in a decrease of approximately 19.2% or approximately RMB1,143,000 in relevant labor costs as compared with that of 2024; (2) entertainment expenses decreased by approximately 69.4% or approximately RMB723,000 as compared with 2024; (3) travel expenses decreased by approximately 49.2% or approximately RMB308,000 as compared with 2024.

4. Research and development expenses

During the Reporting Period, our R&D expenditure amounted to approximately RMB10,036,000, which was lower than that in 2024 by approximately 67.7% or approximately RMB21,037,000, representing approximately 3.1% of our revenue during the Reporting Period (2024: approximately 8.2%). The main reasons for the decrease in R&D expenditures were: (1) depreciation and amortization were lower than that in 2024 by approximately 80.9% or approximately RMB9,830,000; (2) employee benefits expenses decreased by approximately 59.8% or approximately RMB10,284,000 as compared with 2024.

5. Administrative expenses

During the Reporting Period, we recorded administrative expenses of approximately RMB46,215,000, representing a decrease of approximately 13.7% or approximately RMB7,338,000 as compared with 2024. The decrease in administrative expenses was mainly due to: (1) optimization of the administrative team, resulting in a reduction of related manpower cost by approximately 19.4% or approximately RMB5,099,000 compared with 2024; (2) depreciation decreased by approximately 63.8% or approximately RMB1,632,000 as compared with 2024.

6. Income tax expenses

During the Reporting Period, we recorded income tax expenses of approximately RMB7,472,000 (2024: income tax credits of approximately RMB372,000). The primary cause of the change is the derecognition of certain deductible temporary differences arising from decelerated tax depreciation and impairment losses on financial and contract assets due to the unpredictability of future profit streams.

Management Discussion and Analysis

7. Net loss for the year

Net loss for the Reporting Period amounted to approximately RMB66,655,000, representing a decrease of approximately 10.0% as compared to that of 2024 (2024: net loss of approximately RMB74,044,000). The year-on-year decrease in loss was mainly attributable to the reduction in various costs as a result of a series of operational optimization measures taken by the Group:

- (1) selling expenses for the Reporting Period decreased by approximately RMB2,513,000, representing a decrease of approximately 30% as compared with that of 2024;
- (2) administrative expenses for the Reporting Period decreased by approximately RMB7,338,000, representing a decrease of approximately 13.7% as compared with that of 2024;
- (3) research and development expenses for the Reporting Period decreased by approximately RMB21,037,000, representing a decrease of approximately 67.7% as compared with that of 2024.

8. Loss for the year attributable to owners of our Company

For the Reporting Period, loss for the year attributable to owners of our Company was approximately RMB63,519,000 (2024: loss attributable to owners of our Company of approximately RMB74,998,000). Such change was mainly due to the decrease in the net loss for the Reporting Period as mentioned above.

9. Loss per share

Basic and diluted loss per share of the Company for the Reporting Period amounted to approximately RMB8.6 cents (2024: basic and diluted loss per share of approximately RMB11.4 cents).

Management Discussion and Analysis

10. Liquidity and financial resources: Summary of cash flow and notes

	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000
Net cash inflow/(outflow) from operating activities	(6,993)	(16,616)
Net cash inflow/(outflow) from investing activities	(72,136)	(7,413)
Net cash inflow/(outflow) from financing activities	94,634	(73,744)

The balance of our Group's cash and cash equivalents as at 31 December 2025 was approximately RMB31,882,000, approximately RMB25,449,000, RMB146,000 and RMB6,287,000 of which were denominated in RMB, USD and HKD, respectively, representing an increase of approximately RMB15,483,000 as compared with the balance of cash and cash equivalents as at 31 December 2024.

A Operating activities

The net cash used in operating activities of the Group during the Reporting Period amounted to approximately RMB6,993,000, representing a decrease of approximately RMB9,623,000 as compared with the amount of net cash used in operating activities in 2024, mainly due to the reduction in various costs as a result of a series of operational optimization measures taken by the Group during the Reporting Period.

B Investing activities

The net cash outflow from the Group's investment activities during the Reporting Period was approximately RMB72,136,000, which is approximately RMB64,723,000 more than the net cash outflow from the investment activities in 2024, mainly due to: (1) cash paid for acquiring financial assets measured at fair value through profit or loss of RMB20,982,000; (2) cash paid for acquiring financial assets of RMB48,556,000.

C Financing activities

The Group's net cash inflow from financing activities during the Reporting Period was approximately RMB94,634,000. The increase in net cash inflow from financing activities was mainly attributable to the increase in proceeds from share issuance and borrowings during the Reporting Period.

D Capital expenditure

For the Reporting Period, the Group incurred capital expenditure of approximately RMB671,000 (2024: RMB400,000) on property, plant and equipment, approximately RMB4,196,000 (2024: RMB4,843,000) on intangible assets and approximately RMB33,000 (2024: RMB1,354,000) on right-of-use assets.

Management Discussion and Analysis

11. Capital structure

Bank and other borrowings

As at 31 December 2025, our short-term bank borrowings were approximately RMB57,510,000 and other borrowings were approximately RMB65,852,000. As at 31 December 2025, the Group's borrowings were denominated in RMB, USD, and HKD. The Group's borrowings bear interest at either floating rates or fixed rates, of which borrowings with fixed rates accounted for approximately 53%.

Debt securities

As at 31 December 2025, the Group did not have any debt securities.

Contingent liabilities

As at 31 December 2025, except for the contingent liabilities of the Group as disclosed in Note 40 to this annual report, the Group did not have other material contingent liabilities or guarantees.

Treasury policy

Our Group has adopted a prudent financial management approach for our treasury policy. The Board closely monitors our Group's liquidity position to ensure that the liquidity structure of our assets, liabilities, and other commitments can meet our funding needs all the time.

Gearing ratio

The gearing ratio of our Group as at 31 December 2025 was approximately 1,623.30% (2024: approximately 277.90%). The increase in gearing ratio was mainly due to an increase of RMB50,166,000 in amounts due to Directors and a decrease of approximately RMB31,543,000 in total equity as compared with 2024. The gearing ratio is calculated by dividing the sum of bank and other borrowings and amounts due to Directors by our total equity as at the end of the Reporting Period.

12. Pledge of assets

- A.** As at 31 December 2025, the Group's bank borrowings were secured and/or guaranteed by:
- (i) corporate guarantee from independent third parties of RMB9,500,000 as at 31 December 2024;
 - (ii) pledged bank deposits of approximately RMB902,000 held at bank (2024: approximately RMB329,000);

Management Discussion and Analysis

- (iii) trade receivables outstanding from certain specific customers of the Group of approximately RMB18,030,000 (2024: approximately RMB22,501,000);
- (iv) personal guarantee of legal representatives of two subsidiaries (2024: personal guarantee of legal representatives of subsidiaries).

B. The Group's other borrowings are secured by certain shares of the Company held by a substantial shareholder and two former directors of the Company, as well as the personal guarantee from a former director of the Company.

13. Capital commitments

As at 31 December 2025, our Group had no capital commitments.

14. Material acquisitions and disposals of subsidiaries, associated companies and joint ventures and significant investment

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, associated companies and joint ventures.

In December 2025, the Group participated its investment in Tykhe Capital through a private placement at a cost of around USD3.81 million (representing approximately 7.33% of the total assets of the Company as at 31 December 2025), thereby subscribing for 9,061 Series B preferred shares in the company. As at 31 December 2025, based on the total issued share capital of Tykhe Capital as of that date, those shares subscribed by the Group represented approximately 0.47% of that company's shares. As at the date of this annual report, the equity change process in respect of the Group's participation in the capital increase of Tykhe Capital is in progress, and accordingly, no fair value or performance information was available as at the end of, or during, the Reporting Period. Tykhe Capital is a private company strategically focused on securities token issuance and real-world asset tokenization. Through its affiliated entities, the company operates a licensed virtual asset trading platform regulated by the Securities and Exchange Commission (SEC), while also engaging in capital markets, wealth management, and Web3 technology development. The Group seeks to achieve long-term capital appreciation through this investment, which further strengthens the Group's presence in the Web3 sector and enhances its core competitiveness in these fields. For details of the investment policy and strategy, risk management and control measures, and approval and oversight mechanism of the overall Cryptocurrency Asset Investment Initiative, please refer to the announcement of the Company dated 29 January 2026.

Save as disclosed above, during the Reporting Period, the Group did not hold any significant investment.

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15. Foreign exchange risk

As the majority of the Group's business transactions, assets and liabilities are denominated primarily in the functional currencies of our Group's entities, the Group is exposed to certain foreign currency risks. Our Group implemented effective management policies to closely monitor changes in foreign exchange rates and regularly review foreign exchange risks. Our Group will consider hedging significant foreign currency risk when necessary.

16. Future plans for material investments or capital assets

On 24 July 2025, the Board approved a Cryptocurrency Asset Investment Initiative with a total budget of HKD80 million, which intends to expand into the Web3 and cryptocurrency asset sectors within two years, investing in compliant digital assets and driving the on-chain transformation of traditional financial services. For details, please refer to the announcements of the Company dated 24 July 2025 and 29 January 2026. As at the date of this annual report, the Group has implemented part of the Investment Initiative, including investing USD1.75 million in a fund whose sole investment target is a licensed virtual asset service provider in Hong Kong, and approximately USD3.81 million in Tykhe Capital Group Limited. The remaining uninvested funds will continue to be advanced in accordance with the aforementioned plan.

IV. OUTLOOK FOR 2026

Looking ahead, the global digital and intelligent transformation continues to surge forward. As foundational drivers, big data and AI will keep reshaping industries. The Web3 and digital asset sectors, with their vast potential under regulatory frameworks, are attracting global capital and technological focus. Confronting these massive opportunities, our group will deepen strategic transformation: while optimizing traditional digital-intelligent core businesses to maintain stable contributions, we will simultaneously explore diversified investments and cutting-edge ventures to continuously develop and strengthen new growth engines, driving revenue structure optimization.

1. Consolidate the leading edge in data intelligence and marketing technology

In 2026, the Group will continue to focus on core areas of data intelligence and marketing technology. By deepening strategic partnerships with key clients and long-term partners, we aim to broaden our business scope and deepen services for leading financial institutions. Through continuous improvements in product and solution efficiency, we will enhance customer satisfaction and market influence while actively acquiring new clients while retaining existing ones. Simultaneously, we will extend our service model from financial institutions to more industries, enabling cross-industry technology transfer to cover diverse institutional types and business scenarios, thereby deepening the empowerment of digital transformation.

Management Discussion and Analysis

2. Build diversified business pattern, opening a new chapter of steady growth

Looking ahead to 2026, the Group will drive structural growth through diversified operations, creating synergies with its traditional digital and intelligent businesses to build a more robust and forward-looking development framework. In the Web3 and digital asset sectors, the virtual asset trading system is expected to be fully developed, with expanded opportunities to serve institutional clients.

3. Adhere to technological innovation and explore the AI-driven digital future

In 2026, the Group will fully leverage its exemplary role in independent intellectual property rights, persistently overcome core technological challenges, and maintain its leading position in data intelligence and marketing technology through continuous innovation. Key strategic focuses include:

① Drive product AI transformation

Gradually integrate AI into core products, optimise user experience, enhance the level of product intelligence, and assist customers in completing marketing tasks more efficiently.

② Deepen research on smart applications

We are continuously exploring the integration of large models with business scenarios, developing intelligent tools to support marketing decision-making and execution, and driving AI to deliver greater value in real-world operations.

③ Strengthen data and marketing synergy

Leveraging data platforms and algorithmic capabilities, we enhance the scientific rigor and precision of marketing campaigns, creating a more tightly-knit data-driven marketing closed loop.

Directors, Senior Management and Company Secretary

The biographical details of the Directors, senior management and company secretary of our Company are set out as follows:

Executive Directors

Mr. Xue Shouguang (薛守光), aged 55, has been appointed as our Chairman of the Board, an executive Director and our Chief Executive Officer since 18 July 2023. Mr. Xue is also a chairman of the Nomination Committee. He obtained a certificate of completion of the Training Class for Chairmen of Leading Enterprises and Groups (領跑企業與集團董事長研修班) from the Graduate School at Shenzhen, Tsinghua University (清華大學深圳研究生院) in October 2014, and a certificate of senior management education (高層管理教育證書) from Cheung Kong Graduate School of Business (長江商學院) in March 2018, majoring in executive management (總裁高級管理).

Mr. Xue Shouguang is experienced in investing in industries such as AI, mining and energy, automobile, new materials and hardcore technology. He had assisted a number of listed companies with their capital and resource injection. Prior to joining the Group, he founded the Jinjiang City Qingyang Qingshan Coffee Shop (晉江市青陽青山咖啡店) in 2004 and subsequently developed it into Qingshan Coffee (青山咖啡) chain enterprise, and has been the chairman of Polish Green Holdings Limited (寶樹集團有限公司) since January 2008. Mr. Xue Shouguang is an Economic Person of China Enterprise for the year 2020 (二零二零中國企業年度經濟人物) and currently serves as the standing vice chairman of the Entrepreneurs' Club of the Chinese Entrepreneur Commerce Club (中企會企業家俱樂部) and the honorary chairman of the Beijing Fuzhou Enterprise Chamber of Commerce (北京福州企業商會).

Mr. Sun Dexin (孫得鑫), aged 38, has been appointed as our executive Director since 4 March 2025. He obtained a Master of Business Administration in Financial Management from Cheung Kong Graduate School of Business in October 2024. He passed Licensing Examination for Securities and Futures Intermediaries of the Hong Kong Securities and Investment Institute and obtained Hong Kong Securities and Investment Institute Practicing Certificate (Assets Management) in 2017. He also received a practicing certificate from Asset Management Association of China in the same year.

Mr. Sun Dexin has more than 10 years of experience in investment and enterprise management. Since March 2015, he has served as the executive president of Shenzhen Zhongtian Hongxin Private Equity Investment Fund Management Co., Ltd. (深圳中天宏信私募股權基金管理有限公司). Since August 2022, Mr. Sun Dexin has been the actual controller of Theia Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. From October 2017 to August 2018, Mr. Sun Dexin served as an independent non-executive director of Century Energy International Holdings Limited, the shares of which are listed on GEM of the Stock Exchange (stock code: 8132). Since March 2023, Mr. Sun Dexin has been an executive director of CT Vision (International) Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 994).

Directors, Senior Management and Company Secretary

Mr. Xue Xindi (薛鑫頌), aged 29, has been appointed as our executive Director since 1 April 2025. He obtained a Bachelor of Science degree from the University of Manchester in June 2020, majoring in Management (Accounting and Finance), and further obtained a certificate of completion of the next generation global leading innovators program (接力長江) from Cheung Kong Graduate School of Business in June 2022.

Mr. Xue Xindi has extensive experience in investment in biomedical, integrated circuit and new energy industries. He has been the general manager of Hainan Wanshengyi Investment Holdings Group Co., Ltd.* (海南萬盛意投資控股集團有限公司) since April 2022, the executive partner of Xiamen Wanshengyi No.1 Venture Capital Fund Partnership (L. P.)* (廈門萬盛意壹號創業投資基金合夥企業(有限合夥)) and the vice president of Advantage Capital Industrial Investment Center (優勢資本產業投資中心) since January 2024. He has also been the chairman of Shanxi Ruixin Investment Co., Ltd.* (山西瑞鑫投資有限公司) since December 2021.

Mr. Xue Xindi is the son of Mr. Xue Shouguang, an executive Director, the chairman of the Board and the chief executive officer of the Company.

Mr. Wang Jun (王軍), aged 50, has been appointed as our executive Director since 6 March 2026. He holds a Bachelor of Arts degree from Shandong Normal University, a Master of Arts degree from Donghua University, and a Master of Business Administration degree from the University of Wales.

Mr. Wang Jun has over 20 years of experience in listed company operations, marketing, as well as strategy and investment management. He has been the chief executive officer of JHD Holdings Limited since April 2014. Prior to that, from October 2017 to March 2019, Mr. Wang Jun served as Chief Marketing Officer and General Manager of the Group C2M Strategy Promotion Center at Fosun International Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00656). From 2011 to 2017, he also held the positions of Vice President of Business Management and Chief Executive Officer of MasterCard Pinpoint China at Mastercard, the shares of which are listed on the New York Stock Exchange (stock code: MA). Before that, Mr. Wang Jun held business management positions at Lufthansa AirPlus Servicekarten GmbH and American Express Company.

Non-executive Directors

Mr. Wu Xiaohua (吳曉華), aged 52, is our non-executive Director. He joined our Group in May 2006 as the general manager and was appointed as a director, the chief financial officer and the deputy general manager of our Group in December 2015. He was the Chief Executive Officer of the Company until 26 March 2020 and an Executive Director of the Company until 18 July 2023. He obtained a bachelor's degree in production automation from Shenzhen University (深圳大學) in June 1995.

* For identification purposes only

Directors, Senior Management and Company Secretary

Mr. Wu Xiaohua has over 15 years of experience in business management. Prior to joining our Group, he served as a technical engineer of Shenzhen Hongbo Communication Investment Development Company* (深圳市鴻波通信投資開發公司) (now known as Guangdong Hongbo Communication Investment Holding Co., Ltd.* (廣東鴻波通信投資控股有限公司)) from July 1995 to February 1998; and later served as the head of sales in its trade department from February 1998 to January 2000. From January 2000 to May 2006, he worked at Shenzhen Post and Material Company Limited* (深圳市郵電物資有限公司) with his last position serving as a sales manager.

Mr. Fei Xiang (費翔), aged 46, was appointed as our independent non-executive Director on 18 July 2023, re-designated as an executive Director on 8 January 2024 and then as a non-executive Director on 4 March 2025. He is also a member of the Remuneration Committee. He obtained a Master of Business Administration for Senior Management degree (高級管理人員工商管理碩士學位) from the same university in July 2013. He has been pursuing a doctorate degree in management science and engineering at Nanjing University of Science and Technology (南京理工大學) since September 2014, majoring in management science and engineering. Mr. Fei obtained the qualification certificate of senior economist in October 2013 from the Department of Human Resources and Social Security of Jiangsu Province (江蘇省人力資源和社會保障廳).

Mr. Fei Xiang has over 10 years of experience in corporate management and extensive industry experience and client resources in banking and fintech sectors. Prior to joining the Group, Mr. Fei had successively engaged in teaching or administrative work at Suzhou Light Industry Vocational University (蘇州輕工業職業大學), Suzhou Art & Design Technology Institute (蘇州工藝美術職業技術學院) and Taizhou Institute of Sci.&Tech., Nanjing University of Science and Technology (南京理工大學泰州科技學院) from September 1999 to September 2014. He had served as the deputy director of Jingjiang National Economic Development Zone (靖江國家經濟開發區), the standing vice president of Industrial Technology Research Institute of Jingjiang City (靖江市產業技術研究院), and the vice chairman of Taizhou Association for Science and Technology (泰州市科學技術協會) during the period from September 2014 to August 2016; he served as the deputy general manager of Guotai Jinfeng Equity Investment Fund Management (Shanghai) Co. Ltd. (國泰金楓股權投資基金管理(上海)有限公司) from September 2016 to December 2018; served at the Nanjing branch and the Zhenjiang branch of Ping An Bank Co., Ltd. (平安銀行股份有限公司) from March 2019 to January 2021 with his last position serving as the branch vice president; has been an executive director and the general manager of Jiangsu Yingyuhe Corporate Management Consultancy Co. Ltd. (江蘇盈與和企業管理諮詢有限責任公司) since March 2022; and has been an executive director of Huiyin Capital (Jiangsu) Co. Ltd. (輝銀資本(江蘇)有限公司) since May 2023.

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Directors, Senior Management and Company Secretary

Mr. Wu Kezhong, aged 62, has been appointed as our non-executive Director since 6 March 2026. He holds a double bachelor's degree in Engineering and Technology Economics from Shanghai Jiao Tong University, and a Master of Business Administration degree from the University of Louisiana at Lafayette (UL Lafayette), USA.

Mr. Wu Kezhong is currently the founding partner and chairman of PreIPO Capital Partners Limited (the "**PreIPO Capital**"). He entered the securities investment consulting and investment banking industry in 1992, and started focusing on venture capital and private equity investment on Wall Street, USA in 1995. He founded PreIPO Capital in 2002. Mr. Wu Kezhong has accumulated over 30 years of rich practical experience in the field of financial investment and service innovation, and has led or participated in the investment in dozens of high-quality enterprises covering financial services, media, telecommunications, sales networks, consumption upgrading, new materials and other fields. Representative projects include E-house (China) (EJ.NYSE), NVC International Holdings Limited (2222.HK), Guangzhou Kingteller Technology Co., Ltd. (002177.SZ), Beijing Egova Co., Ltd. (300075.SZ), Fuyao Glass Industry Group Co., Ltd. (600660.SH/3606.HK), Skshu Paint Co., Ltd. (603737.SH), China Cord Blood Corporation (CO.NYSE), Montage Technology Co., Ltd. (688008.SH/06809.HK), Joyou Kitchen & Bath Co., Ltd.* (中宇廚衛股份有限公司), Yongle (China) Electrical Appliances Sales Co., Ltd. (永樂(中國)電器銷售有限公司), 1919 Liquor Platform Technology Co., Ltd. (壹玖壹玖酒類平台科技股份有限公司)* and WeDoctor Group Limited, etc.

Mr. Wu Kezhong led and promoted the implementation of a number of innovative industry models: he established PreIPO Capital in 2002 which became one of the earliest domestic institutions focusing on pre-IPO PE equity investment; in 2004, he introduced investment from more than 50 US hedge funds for PreIPO Capital's cooperative projects, and established and promoted SPAC funds targeting Chinese enterprises for acquisition; in 2006, he promoted cooperation between PreIPO Capital and local governments; in 2009, he took the lead in cooperating with Industrial and Commercial Bank of China Head Office to establish an equity investment fund to assist the bank in achieving business innovation and transformation; in 2013, he established an industrial M&A fund cooperating with A-share listed companies to help listed companies achieve industrial transformation, upgrading and integration; after 2017, he further deepened cooperation with local governments to help the high-quality development of regional industries.

Mr. Wu Kezhong has rich experience in academic and public policy participation. He once taught at the School of Management of Shanghai Jiao Tong University, served as assistant mayor of Nanyang City, Henan Province, and was appointed as a visiting tutor for EMBA programs at many universities including Peking University, Tsinghua University, Fudan University, Shanghai JiaoTong University and Zhejiang University, and also served as an economic consultant for many local governments and the United Nations Industrial Development Organization.

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Independent Non-executive Directors

Dr. Tian Yu (田宇), aged 61, was appointed as an independent non-executive Director on 14 March 2024. He is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee. He was a postdoctoral researcher in the field of business administration at Sun Yatsen University from October 2001 to July 2004. He received his doctoral degree from Zhongnan University of Economics and Law in June 2001, majoring in National Economics. He received his master's degree in Business Administration from Zhongnan University of Economics in June 1998. He has participated in the CEO program at Cheung Kong Graduate School of Business, the CEO program at Shanghai International Finance Institute, the CEO program at China Europe International Business School and the CEO program at Centennial Union Medical and Health Industry.

Dr. Tian Yu has been the president of Beijing Panmao Investment Management Co., Ltd.* (北京磐茂投資管理有限公司) since January 2019, which is the parent company of CPE, a Chinese asset management institute with global perspective and a successful track record in managing approximately RMB100 billion in assets. He was appointed as a Non-Independent Director of XCMG Construction Machinery Co., Ltd. on October 26, 2022. From May 2011 to December 2018, he served as the President of CITIC Private Equity Funds Management Co., Ltd.* (中信產業投資基金管理有限公司) From August 2008 to April 2011, he worked for China Life Insurance (Group) Company where he served as the assistant to the president and sales director. He served as Deputy General Manager of Guangdong Branch of China Life Insurance Company Limited from October 2005 to July 2008. From August 2001 to September 2005, he served as a member of the Party Committee and Secretary of the Discipline Inspection Commission at the Commissioner's Office of the Ministry of Finance in Guangdong Province. From August 1985 to August 1998, he worked in Haikou Branch of China Construction Bank Corporation and served as president of Haikou Branch of China Construction Bank Corporation and Director of Science and Technology Department of Hainan Branch of China Construction Bank Corporation.

Mr. Wei Junheng (魏俊恒), aged 51, was appointed as an independent non-executive Director since 4 March 2025. He is also a chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee. He obtained a bachelor's degree in finance from Xinyang Normal University (信陽師範大學) in July 2012. In January 2003 and November 2007, Mr. Wei Junheng obtained the certificate of futures qualification from China Futures Association and the certificate of securities qualification from the Securities Association of China, respectively.

Mr. Wei Junheng has over 20 years of management experience in the financial industry. From August 2003 to June 2021, Mr. Wei Junheng served several senior management positions, such as the general manager of the Wuhan branch and the deputy general manager of the Shenzhen branch of Everbright Securities Company Limited, where he was responsible for overall business management and financial management. During his tenure, Mr. Wei Junheng was awarded the honours of Leader of the Year and Outstanding General Manager. Since June 2021, Mr. Wei Junheng has been the vice chairman of Henan Genuine Biotech Co., Ltd.* (河南真實生物科技有限公司), where he has been responsible for the financing and listing related work.

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Ms. Chu Jijun (褚繼君), aged 36, was appointed as an independent non-executive Director since 14 March 2025. She is also the member of each of the Audit Committee and Nomination Committee. She obtained a bachelor's degree in management from Nanchang University (南昌大學) in July 2012 and a master's degree in accounting from Dongbei University of Finance and Economics (東北財經大學) in June 2014. Ms. Chu Jijun was qualified as a certified public accountant in the People's Republic of China in 2022 and has been a non-practicing member of the Chinese Institute of Certified Public Accountants since February 2023.

Ms. Chu Jijun has over 10 years of experience in auditing and strategic finance. From January 2023 to March 2025, Ms. Chu Jijun served as the strategic finance expert of China Resources Beer (Holdings) Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 291). From May 2021 to November 2022, she served as the project management professional of BU Finance at Mulin Enterprise Management Services (Beijing) Co., Ltd.* (睦鄰企業管理服務(北京)有限公司). Prior to that, from September 2014 to May 2021, Ms. Chu Jijun worked as an auditor at Beijing Branch of Mazars Consulting Shanghai) Co., Ltd.* (瑪澤諮詢(上海)有限公司).

Mr. Yang Huan (楊桓), aged 38, was appointed as an independent non-executive Director since 28 July 2025. He graduated from Northeast Normal University in China with a master's degree and a bachelor's degree in management.

Mr. Yang Huan is currently a Senior Partner at Kang Kong Venture Capital (Shenzhen)Co., Ltd. (康控創業投資(深圳)有限公司). He previously worked in financial institutions such as Morgan Stanley (formerly known as Morgan Stanley Huaxin), Shenzhen Qianhai Junchuang Fund* (深圳前海君創基金), and Shenzhen Chuangwei (深圳創維), providing investment banking and investment services for various large-scale central and state-owned enterprises as well as listed companies. He has years of senior management experience in private equity funds, serving as an investment committee member or a key person or an external expert in a number of private equity funds. Mr. Yang Huan also has extensive practical experience in the businesses of domestic and foreign IPOs of corporations, mergers and acquisitions and restructuring of listed companies, investment in industry funds and web3.0 investment and financing. Mr. Yang Huan has also served as an independent non-executive director of OSL Group Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code:863), from 17 June 2024 to 15 January 2026.

Senior Management

Ms. Zhang Fengwei (張鳳偉), aged 48, is the vice president and secretary of the Board of the Group. She joined the Group as secretary of the Board in November 2023 and was later appointed as the vice president of the Group in January 2024. She graduated from Saxion Hogeschool in May 2002 with a bachelor's degree in marketing management and from University of Portsmouth in June 2004 with a master's degree in finance. She obtained the Chartered Financial Analyst qualification in July 2008.

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Directors, Senior Management and Company Secretary

She has over 20 years of experience in investment financing and investor relations. Prior to joining the Group, she (i) worked as an assistant investor relations manager in Towngas China Investment Company Limited from June 2004 to July 2007; (ii) worked as a senior manager of investor relations in Shenzhen Maoye Commercial City Company Limited from November 2011 to January 2015; (iii) secretary of the board of Shenyang Commercial City Company Limited from January 2015 to August 2016; (iv) director of investor relations of A8 New Media Group Limited from September 2016 to November 2019; and (v) secretary of the board of Shenzhen Delta Industrial Intelligent Electric Vehicle Co.* (深圳市德塔工業智能電動汽車有限公司) from January 2021 to September 2023.

Ms. Liu Qin (柳琴), aged 39, is the director of our Group's Business & Legal Department. She joined the Group in July 2011 as the manager of the human resources administration department, in December 2017 as the manager of the commercial department, in December 2020 as the director of the commercial legal department, and thereafter from November 2022 to June 2024 as director of the digital ITS business unit. She was awarded a certificate of completion of the Self-Study Examination in Higher Education in Human Resources Management by the Guangdong Higher Education Self-Study Examination Committee and South China University of Technology in December 2020.

She has over 12 years of experience in human resources and business management. Prior to joining our Group, she worked in a number of companies including Emerson Home Appliance Application Technology (Shenzhen) Co. Ltd.

Mr. Liu Jinrong (劉金榮), aged 43, is vice president of the Group. He joined the Group on 31 May 2024. He graduated from Nanjing Agricultural University in July 2005 majoring in human resources management and obtained a bachelor's degree in management. He obtained the certificate of senior human resources manager in 2013 and the certificate of intermediate economist in 2018.

He has over 20 years of working experience in human resources management. Prior to joining the Group, he worked in COFCO Coca-Cola Beverages Xinjiang Co., Ltd. (中糧可口可樂飲料新疆有限公司) from July 2008 to November 2010 as a recruitment and employee relations supervisor and a compensation and benefits supervisor; in China Construction Real Estate Xinjiang Co. Ltd. (中建地產新疆有限公司) from November 2010 to August 2013 as manager and assistant general manager of the integrated department; from August 2013 to May 2019 as director of human resources and administration of Xinjiang Hongfa Investment Group (新疆宏發投資集團); from April 2020 to July 2023 as deputy general manager of the human resources center of the real estate group, deputy general manager of the innovative development business department and director of the integrated management department of the pharmaceutical and glass industry group of Dongxu Group (東旭集團); and from November 2023 to April 2024 as director of the integrated management department of Shenzhen Huako Yuken Group. Ltd. (深圳華科育成科技開發有限公司) from November 2023 to April 2024 as Human Resources Director and General Management Director.

Directors, Senior Management and Company Secretary

Mr. Gao Quan, (高泉), aged 39, he is the Director of Operations Management of the Group and joined the Group on 5 September 2023. He graduated from Jiangxi Normal University in July 2010 with a Bachelor's degree in Financial management. He has obtained the International Certified Management Accountant Certificate since 2019.

He has over 15 years of professional experience in corporate finance. Prior to joining the Group, he worked as a financial accountant in Chow Tai Fook Jewellery Company Limited (周大福珠寶有限公司) from August 2010 to August 2012; From March 2014 to February 2016, he served as the accounting supervisor in Shenzhen Alweijia Clothing Co., LTD. (深圳市艾維嘉服飾有限公司). From April 2016 to December 2019, he served as financial Manager of Diah Stock. Co., LTD. (迪阿股份有限公司). From February 2020 to February 2023, he worked as a financial manager at Shenzhen Qixing Medical Technology Co., LTD. (深圳企杏醫療科技有限公司).

Mr. ZHANG Honglin (張鴻林), aged 56, is the director of the business division of the Group. He joined the Group on 25 June 2023 and graduated in June 1999 from the Jiangsu Provincial Party Committee School Cadre Correspondence College, majoring in economics and management.

He has over 20 years of working experience in product sales in the financial industry. Prior to joining the Group, he worked in Zhenjiang Jinhe Paper Company Limited (鎮江金河紙業有限公司) as the deputy manager of the marketing department and the general manager of Jinrun Pulp and Paper Operation Department in Jingkou District from 1989 to 2004; Hengbao Company Limited (恒寶股份有限公司) as the general manager of the security products business department from 2004 to 2010; Beijing Daming Wuzhou Science and Technology Company Limited (北京大明五洲科技有限公司) as the deputy general manager from 2010 to 2014; Beijing Huada Leading Technology Company Limited (北京華大領創科技有限公司) as the deputy general manager from 2014 to 2017; deputy general manager at Beijing Datang Smart Card Technology Company Limited (北京大唐智能卡技術有限公司) from 2017 to 2019; Vice General Manager and General Manager of the Financial Industry Department of Cloud Technology Group Co., Limited (雲從科技集團股份有限公司) from 2019 to 2021; as Deputy Sales Director of Beijing Hai Zhi Xing Tu Technology Co. (北京海致星圖科技有限公司) from 2021 to 2022.

Mr. FU Zhigang (付志剛), aged 47, is the director of the business division of the Group. He joined the Group on 1 May 2021. He graduated from Wuhan Institute of Chemical Technology in June 2002 with a Bachelor's Degree majoring in Mechanics.

He has over 22 years of working experience in banking industry solutions. Prior to joining the Group, he worked as a key account manager in Beijing Advanced Digital Information Technology Company Limited (北京先進數通信息技術有限公司) from February 2003 to December 2009; as a key account executive in Digital China Rongxin Software Company Limited (神州數碼融信軟體股份有限公司) from December 2009 to December 2013; as a sales director in Tianyang Hongye Technology Company Limited (天陽宏業科技股份有限公司) from January 2014 to May 2018; and from May 2018 to April 2021, he was the sales director of Chongqing Zhongke Yunzhong Technology Co. (重慶中科雲從科技有限公司).

Directors, Senior Management and Company Secretary

Mr. Liu Qingyuan (劉清源), aged 48, is the project director of the Group. He joined the Group on 13 September 2021. He graduated from China Medical University in July 2004 majoring in medical (information) science. He graduated from Tongji University in July 2009, majoring in software engineering and obtained a master's degree. He has obtained the certificate of Information System Project Manager since 2014.

He has over 17 years of working experience in project management. Prior to joining the Group, he worked as a project manager/product manager in AMDOCS-LONGSHINE (Xiamen) from August 2004 to June 2008, and as a project director in Govinda Software Co. (高偉達軟件股份有限公司) from June 2008 to September 2021.

Mr. Liu Nianjun (劉念軍), aged 50, is the project director of the Group. He joined the Group on 11 January 2021. He graduated from Xi'an University of Electronic Science and Technology in July 1997 with a bachelor's degree in engineering, majoring in computer software. He has obtained the certificate of ACP Cloud Computing from Aliyun since 2020 and the certificate of Information System Project Manager since 2011.

He has over 20 years of working experience in project management. Prior to joining the Group, he worked as a software engineer from July 1997 to August 1998 in Huaxu Gold Card Company Limited (華旭金卡有限公司), an institute of the Ministry of Electronics Industry Ltd.; Motorola (China) Electronics Co., Ltd. (摩托羅拉(中國)電子有限公司) from August 1998 to October 2002; Samsung Data Systems (China) Co., Ltd. from November 2002 to October 2016 as a project manager and system architect; and Guo Ruixinke Technology (Beijing) Co; Ltd. from November 2016 to August 2019 as Senior Project Manager; and from August 2019 to January 2021 as Delivery Manager at Accenture (China) Co.

Mr. Liang Dexing (梁德興), aged 38, is the project director of the Group. He graduated from North China University of Science and Technology in July 2009 with a bachelor's degree in management, majoring in information management and information system.

He has over 16 years of working experience in IT technology. Prior to joining the Group, he worked as a wireless network optimization engineer in Beijing Messenger Online Technology Development Company Limited (北京訊息線上科技發展有限公司) from March 2009 to September 2012; as an implementation engineer in Beijing Minxun Technology Company Limited (北京敏訊科技有限公司) from April 2013 to October 2013; as a system engineer in Beijing Kellett Technology Company Limited (北京柯萊特科技有限公司) from February 2014 to July 2016; as a system engineer in Beijing Colette Technology Co. (天睿信科技(北京)有限公司) from July 2016 to March 2023 System Engineer.

Company Secretary

Ms. So Ka Man (蘇嘉敏) is the Company Secretary of the Group. She is currently a director of Company Secretarial Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. She has over 20 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. So Ka Man is a Chartered Secretary, a Chartered Governance Professional and a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

The Board presents the Group's annual report and audited consolidated financial statements for the Reporting Period.

PRINCIPAL ACTIVITIES

The Group is a leading enterprise in the field of data intelligence and marketing technology, providing big data, AI and digital marketing solutions and professional consulting services to financial institutions and other enterprises and helping all kinds of enterprises and organizations to fully realize the value of data and accelerate their digital transformation driven by data. The core businesses of the Group are the provision of data solutions, sales of hardware and software and related services as an integrated service, IT maintenance and support services, as well as trading of commodities.

BUSINESS REVIEW

The Group's business review for the Reporting Period, using financial key performance indicators, and prospects are set out in the section headed "Management Discussion and Analysis" on pages 8 to 23 of this annual report.

An analysis of the Group's performance for the Reporting Period by business segments and geographical locations is contained in note 5 to the consolidated financial statements.

The above discussions form part of this Directors' Report.

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on page 216 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environmental protection and has not noted any material non-compliance with any relevant laws and regulations in relation to health and safety, workplace conditions, employment and the environment. The Group has implemented environmental protection measures and has also encouraged staff to be environmentally friendly at work by consuming the electricity and paper according to actual needs, so as to reduce energy consumption and minimize unnecessary waste.

The discussion on the Group's environmental policies and performance, the Group's key relationship with employees, customers, suppliers and other stakeholders, and the Group's compliance with the relevant laws and regulations that have significant impact on the Group, can be found in the Environmental, Social and Governance Report set out on pages 74 to 104 of this annual report. These discussions form part of this Directors' Report.

Directors' Report

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations or growth prospects may be affected by risks and uncertainties pertaining to the Group's businesses. Factors set out below are the principal risks and uncertainties that the Group believes could result in the Group's businesses, financial condition, results of operations or growth prospects differing materially from expected or historical results.

- If the Group fails to keep up with technological advancements of the PRC big data and AI solution industry, its business, financial condition and results of operations may be materially and adversely affected.
- The Group generally do not have long-term contracts with its customers for significant amounts that expose its revenues to uncertainty and potential volatility.
- If the Group fails to expand its solution and product offerings or develop and deliver solutions and products to meet increasingly complex customer demands and attract new customers, its financial condition and results of operations may be materially and adversely affected.
- The Group's operations and financial results would be adversely affected if it is unable to secure new contracts from existing customers or secure contracts from new customers.
- Actual or alleged failure to comply with data privacy and protection laws and regulations could damage the Group's reputation, and any security and privacy breaches may hurt the business, operations and financial results of the Group.
- The Group's solutions and products may experience quality issues that could have a materially adverse effect on its reputation and customer relationships, which may in turn have a negative impact on its revenue and profitability.

For other risks and uncertainties faced by the Group, please refer to the section headed "Risk Factors" in the prospectus of the Company dated 28 November 2019.

SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries of the Company are set out in note 36 to the consolidated financial statements.

ASSOCIATES OF THE COMPANY

Details of the associates of the Company is set out in note 23 to the consolidated financial statements.

DIVIDEND

At the Board meeting on 31 March 2026, the Board does not recommend payment of any final dividend for the Reporting Period. The Company is not aware of any arrangements under which a shareholder of the Company (the "**Shareholder(s)**") has waived or agreed to waive any dividends (2024: Nil).

DIVIDEND POLICY

The Group adopted a dividend policy. However, the Group does not have a pre-determined dividend payout ratio. Any dividends the Company pays will be determined at the absolute discretion of the Board, taking into account factors including the results of operations, working capital and cash position, future business and earnings, capital requirements, contractual restrictions, if any, as well as any other factors which the Directors may consider relevant. Subject to the Cayman Islands Companies Act Chapter 22 (Law no. 3 of 1961, as consolidated and amended) (the "**Cayman Companies Laws**") and the articles of associations of the Company (the "**Articles of Association**"), the Company may declare dividends in any currency, but no dividend shall be declared in excess of the amount recommended by the Board. In addition, any declaration and payment as well as the amount of the dividends will be subject to the provisions of (i) the Articles of Association, which require any final dividends to be approved by the Shareholders at a general meeting, and (ii) the Cayman Companies Laws, which provides that dividends may be paid out of sums standing to the credit of its share premium account provided that immediately following the payment of dividend, the Company shall be able to pay its debts as they fall due in the ordinary course of business. Under applicable PRC laws, each of the subsidiaries of the Group in the PRC may only distribute after-tax profits after it has made allocations or allowances for recovery of accumulated losses and allocations to the statutory reserves.

SHARE CAPITAL AND SHARES ISSUED

Details of the share capital of the Company are set out in note 25 to the consolidated financial statements.

For shares issued under the share option scheme (the "**Share Option Scheme**") and share award scheme (the "**Share Award Scheme**") of the Company, please refer to the section headed "Equity Incentive Plans" of this annual report.

DEBENTURES ISSUED

The Group has not issued any debenture during the Reporting Period.

Directors' Report

RESERVES

Details of movements in the reserves of the Group and the Company during the Reporting Period are set out on in the “Consolidated Statement of Changes in Equity” of this annual report and in note 38 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company’s distributable reserves amounted to approximately RMBNil under the Cayman Companies Laws.

EQUITY LINKED AGREEMENTS

Save as disclosed in sections headed “Equity Incentive Plans” and “Share Capital and Share Issued” of this annual report and note 38 to the consolidated financial statements, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Report Period.

PROPERTY AND EQUIPMENT

Details of the movements in the property and equipment of the Company and the Group during the Reporting Period are set out in note 13 to the consolidated financial statements.

BANK LOANS AND OTHER BORROWINGS

Details of the bank loans and borrowings of the Group as at 31 December 2025 are set out in note 30 to the consolidated financial statements.

DONATIONS

On 20 June 2025, the Group donated 21 computers to the Guangdong Provincial Education Foundation. Save as disclosed above, the Group had no other donations during the Reporting Period.

PRE-EMPTIVE RIGHT

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or controlling shareholders of the Company had any interests in businesses, which compete or are likely to compete either directly or indirectly, with the businesses of the Group.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period.

As at 31 December 2025, there were no treasury shares (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) held by the Company.

DIRECTORS

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

Executive Directors

Mr. Xue Shouguang (*Chairman of the Board and Chief Executive Officer*)
Mr. Sun Dexin (*Appointed on 4 March 2025*)
Mr. Xue Xindi (*Appointed on 1 April 2025*)
Ms. Zhao Yiqing (*Resigned on 1 April 2025*)
Mr. Wang Jun (*Appointed on 6 March 2026*)

Non-Executive Directors

Mr. Wu Xiaohua
Mr. Fei Xiang (*Re-designated from an executive Director to a non-executive Director on 4 March 2025*)
Mr. Chen Zhenping (*Resigned on 4 March 2025*)
Mr. Wu Kezhong (*Appointed on 6 March 2026*)
Dr. Wu Fu-Shea (*Resigned on 6 March 2026*)

Independent Non-Executive Directors

Dr. Tian Yu
Mr. Wei Junheng (*Appointed on 4 March 2025*)
Ms. Chu Jijun (*Appointed on 14 March 2025*)
Mr. Yang Huan (*Appointed on 28 July 2025*)
Dr. Jin Yong (*Resigned on 4 March 2025*)
Mr. Yang Haifeng (*Resigned on 4 March 2025*)

Directors' Report

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has received an annual independence confirmation from each of the existing independent non-executive Directors in accordance with Rule 3.13 and paragraph 12B of Appendix D2 to the Listing Rules and that all independent non-executive Directors are considered to be independent.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out in the section headed “Directors, Senior Management and Company Secretary” of this annual report.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts. Such permitted indemnity provision has been in force during the Reporting Period. The Company has purchased appropriate liability insurance for its directors and senior management members.

DIRECTOR'S SERVICE CONTRACTS

Each of the executive Directors and non-executive Directors has entered a service contract with the Company for a term of three years. The terms of service contracts for Mr. Xue Shouguang, Mr. Sun Dexin, Mr. Xue Xindi and Mr. Wang Jun (the executive Directors) commenced on 18 July 2023, 4 March 2025, 1 April 2025 and 6 March 2026 respectively. The terms of service contracts for Mr. Wu Xiaohua, Mr. Fei Xiang and Mr. Wu Kezhong (the non-executive Directors) commenced on 18 July 2023, 4 March 2025 and 6 March 2026, respectively. The aforesaid service contracts may be terminated by either party giving not less than three months' prior notice in writing to the other party.

The independent non-executive Directors have each entered a letter of appointment with the Company for a period of one year, which is renewable automatically for a successive term of one year each commencing from the next day after the expiry of the then current term of appointment, and terminable by either party giving not less than three months' prior notice in writing to the other party. The current terms of the letters of appointment for Dr. Tian Yu, Mr. Wei Junheng, Ms. Chu Jijun and Mr. Yang Huan commenced on 14 March 2024, 4 March 2025, 14 March 2025 and 28 July 2025, respectively.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting of the Company (the “**Annual General Meeting**”) has a service contract/letter of appointment with the Company that is not determinable within one year without payment of compensation (other than statutory compensation).

REMUNERATIONS AND PENSION COSTS/RETIREMENT BENEFITS OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the remunerations and pension costs/retirement benefits of the Directors and the five highest paid individuals are set out in notes 35 and 8 to the consolidated financial statements.

None of the Directors has waived any emoluments during the Reporting Period. In addition, no emoluments were paid by the Group to the Directors as an inducement to join the Group, or as compensation for loss of office during the Reporting Period.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed “Connected transactions, continuing connected transactions and related party transactions” of this annual report, no other transactions, arrangements or contracts of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party and in which any Director or an entity connected with a Director is or was materially interested, either directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

CONTROLLING SHAREHOLDERS' CONTRACTS OF SIGNIFICANCE

There is no Shareholder holding more than 30% of the voting rights of the Company during the Reporting Period.

POTENTIAL CONFLICT OF INTERESTS WITH CONTROLLING SHAREHOLDERS

There is no Shareholder holding more than 30% of the voting rights of the Company during the Reporting Period.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed at the end of the Reporting Period or at any time during the Reporting Period.

Directors' Report

REMUNERATION POLICY AND EMPLOYMENT BENEFITS

The Group had 193 employees altogether in the PRC and Hong Kong as at 31 December 2025. The Group offers a comprehensive and competitive remuneration, retirement scheme and benefit package to its employees. Discretionary bonus is offered to the Group's staff depending on their performance. The Group is required to make contribution to a social insurance scheme in the PRC.

The Directors and senior management of the Group receive compensation in the form of salaries, contributions to pension schemes and other allowances and benefits in kind subject to applicable laws, rules, and regulations. The primary goal of the remuneration policy regarding the remuneration packages of the executive Directors is to enable the Group to retain and motivate executive Directors.

The Group have not experienced any significant problems with its employees or disruption to the Group's operations due to labour disputes, nor have experienced any difficulties in the recruitment and retention of experienced staff.

RETIREMENT BENEFITS

The Group has participated in defined contribution retirement plans and other employee social security plans, including pension, medical, other welfare benefits, organized and administered by the relevant governmental authorities for employees in the PRC. The Group contributes to these plans based on certain percentages of the total salary of employees, subject to a certain ceiling, as stipulated by the relevant regulations. The Group does not forfeit any contributions on behalf of its employees who leave these plans prior to full vesting. Accordingly, there was no forfeited contribution available for the Group to reduce the existing level of contributions. Details of the retirement benefits provided by the Group to employees are set out in note 35 the consolidated financial statements. Save as the aforesaid, the Group did not participate in any other pension schemes during the Reporting Period.

EQUITY INCENTIVE PLANS

The Share Option Scheme and the Share Award Scheme have been adopted by the Shareholders at the annual general meeting of the Company held on 8 June 2020. The purposes of the Share Option Scheme and the Share Award Scheme are to recognise and motivate the contribution of the eligible participants, provide incentives and help the Group retain its existing employees and recruiting additional employees, and to provide it with a direct economic interest in attaining the long-term business objectives of the Group.

Share Option Scheme

The participants of the Share Option Scheme include any employee, consultant, supplier and/or customer who in the sole discretion of the Board has contributed or may contribute to the Group.

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within the period of ten years after 8 June 2020 to grant options to any participants as the Board may in its absolute discretion select. The maximum number of ordinary shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme by the Company shall not exceed 10% of the total number of the shares in issue on 8 June 2020, i.e. 40,000,000 shares, (the "**Share Option Scheme Mandate Limit**") unless Shareholders' approval has been obtained. Options lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) any options granted under other share option schemes of the Company will not be counted for the purpose of calculating the Share Option Scheme Mandate Limit. The Company may renew the Share Option Scheme Mandate Limit subject to prior Shareholders' approval but in any event, the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as renewed must not exceed 10% of the shares in issue as at the date of approval of the renewal of the Share Option Scheme Mandate Limit.

The maximum number of shares issued and to be issued upon exercise of the share options granted and to be granted to each participant (including both exercised, cancelled and outstanding share options) under the Share Option Scheme or any other share option schemes adopted by the Company in any 12-month period is limited to 1% of the shares in issue, unless otherwise separately approved by Shareholders in general meeting with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting.

As at 1 January 2025 and 31 December 2025, the number of options available for grant under the scheme mandate was 39,370,621 and 39,407,062, respectively.

During the Reporting Period, the Company did not grant any new share options.

The offer of a grant of share options may be accepted within 21 business days from the date of offer. Upon acceptance of the share options, the duplicate letter comprising acceptance of the option duly signed by the Share Option Scheme grantee together with a remittance in favour of the Company of HKD0.01 or any other amount as determined by the Board by way of consideration for the grant shall be provided. Such remittance shall in no circumstances be refundable. Subject to such terms and conditions as the Board may determine, there is no minimum period for which a share option must be held before it can be exercised.

Directors' Report

Subject to the terms of grant of any option, an option may be exercised by the grantee of the option at any time during the exercise period and in accordance with the vesting schedule and other terms specified in the offer. No option may be vested more than ten years after the date of the offer made. The vesting period of options granted under the Share Option Scheme is from the date of grant until the commencement of the exercise period. For options granted to employees, vesting is on the condition that the employees remain in service. There is no performance target that must be achieved before the options can be exercised except otherwise imposed by the Board and stated in the offer of grant of an option. For the options granted during the year ended 31 December 2021 and 31 December 2022, the Board specified performance conditions that must be satisfied before the option can be exercised. These conditions include group financial performance targets and individual key performance indicators.

The exercise price shall be at a price determined by the Board at its absolute discretion and shall be not be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the relevant offer date in respect of such option, which must be a trading day; or (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding relevant offer date in respect of such option; or (iii) the nominal value of a Share. In the event of fractional prices, the exercise price per share shall be rounded upwards to the nearest whole cent.

Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of ten years commencing on 8 June 2020. As at date of this annual report, the remaining life of the Share Option Scheme was approximately four years and one month.

As at the date of this annual report, the total number of shares available for issue upon the exercise of the options to be granted and the outstanding options already granted under the Share Option Scheme were 39,407,062 and 592,938, representing approximately 4.4% and 0.066% of the total issued shares as at the date of this annual report, respectively.

Further details of the Share Option Scheme are set out in circular of the Company dated 28 April 2020 and note 39 to the consolidated financial statements.

Directors' Report

The table below sets out details of the outstanding options granted to the grantees under the Share Option Scheme and movements during the Reporting Period:

Name or category of grantee	Date of Grant	Vesting Schedule	Exercise Period	Exercise Price per Share Option (HKD)	Outstanding as at 1 January 2025	Granted during the year	Closing price of the shares immediately before the date on which the options were granted (HKD)	Fair value per share option at the date of grant (HKD)	Exercised during the year	Weighted average closing price of the shares immediately before the dates on which the options were exercised (HKD)	Lapsed/forfeited during the year	Cancelled during the year	Outstanding as at 31 December 2025
Other grantees -													
Employees													
In aggregate	28 December 2021	25% of the share options granted shall vest on the first trading day after each of 31 March 2022, 31 March 2023, 31 March 2024; and after 31 March 2025, respectively	Subject to the vesting dates, from 8 April 2022 to 7 June 2030	6.33 (Note1)	70,000	-	6.27	3.28	-	-	-	-	70,000
In aggregate	28 December 2021	25% of the share options granted shall vest on the first trading day after each of 31 March 2023, 31 March 2024, 31 March 2025 and after 31 March 2026, respectively	Subject to the vesting dates, from 8 April 2022 to 7 June 2030	6.33 (Note1)	21,000	-	6.27	3.28	-	-	-	-	21,000
In aggregate	8 April 2022	25% of the share options granted shall vest on the first trading day after each of 31 March 2023, 31 March 2024, 31 March 2025 and after 31 March 2026, respectively	Subject to the vesting dates, from 8 April 2022 to 7 June 2030	5.38 (Note2)	538,379	-	5.21	2.84	-	-	36,441	-	501,938
Sub-total					<u>629,379</u>	<u>-</u>			<u>-</u>		<u>36,441</u>	<u>-</u>	<u>592,938</u>

Note 1: The exercise price of the share options represents the highest of: (i) the closing price of HKD6.33 per Share as stated in the Stock Exchange's daily quotation sheets on the date of grant; (ii) the average closing price of HKD6.246 per Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of HKD0.01 per Share.

Note 2: The exercise price of the share options represents the highest of: (i) the closing price of HKD5.38 per Share as stated in the Stock Exchange's daily quotation sheets on the date of grant; (ii) the average closing price of HKD5.272 per Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of HKD0.01 per Share.

Details of the fair value of the options at the date of grant and the accounting standard and policy adopted are set out in note 39 to the consolidated financial statements.

Directors' Report

Share Award Scheme

The participants of the Share Award Scheme include any employee, adviser, consultant, agent, contractor, client or supplier of any member of the Group whom the Board in its sole discretion considers may contribute or have contributed to the Group.

Subject to the terms of the Share Award Scheme, the Board shall be entitled at any time within the period of ten years after 8 June 2020 to grant restricted shares (the "**Restricted Shares**") to any participants as the Board may in its absolute discretion select, such Restricted Shares can be satisfied by (i) new shares issued by the Company at par, (ii) existing shares purchased by the trustee on the market, in either case out of cash paid by the Company by way of settlement to the trustee pursuant to the Share Award Scheme or (iii) returned shares or further shares awarded under the Share Award Scheme. The Company has appointed Trident Trust Company (HK) Limited or its wholly owned subsidiary, being SXD Talent Success Limited, as the trustee of the Share Award Scheme.

The maximum number of Restricted Shares which may be awarded under the Share Award Scheme by the Company or held by the trustee under the Share Award Scheme shall not exceed 5% of the total number of the shares in issue on 8 June 2020, i.e. 20,000,000 Shares, (the "**Share Award Scheme Limit**"). Restricted Shares awarded but cancelled, lapsed and/or not yet vested are all excluded from the Share Award Scheme Limit. The Company may refresh the Share Award Scheme Limit subject to prior approval from the Board but in any event, the total number of Restricted Shares which maybe awarded under the Share Award Scheme or held by the trustee under the Share Award Scheme under the limit as refreshed must not exceed 5% of the shares in issue as at the date of approval of the refreshment of the Share Award Scheme Limit. The maximum number of Restricted Shares to be awarded to each grantee under the Share Award Scheme is limited to 1% of the issued share capital of the Company as at 8 June 2020 or at the date on which the Share Award Scheme Limit is refreshed.

As at 1 January 2025 and 31 December 2025, the number of Restricted Shares available for grant under the scheme mandate maintained at 13,289,099.

During the reporting period, the Company did not grant any share awards.

As at the date of this annual report, the total number of shares available for issue for Restricted Shares available for grant and the outstanding Restricted Shares already granted but unvested under the Share Award Scheme was 13,289,099 and 29,770, representing approximately 1.5% and 0.0033% of the total issued shares as at the date of this annual report, respectively.

The Company shall comply with the relevant Listing Rules when granting the Restricted Shares. If awards are made to the directors or substantial shareholders of the Group, such awards shall constitute connected transaction under Chapter 14A of the Listing Rules and the Company shall comply with the relevant requirements under the Listing Rules.

Nil consideration is required to be paid by the eligible participants for the grant of Restricted Shares under the Share Award Scheme. The vesting period of Restricted Shares granted under the Share Award Scheme may differ among the grantees. For Restricted Shares granted to employees, vesting is on the condition that the employees remain in service. For the Restricted Shares granted during the years ended 31 December 2021 and 31 December 2022, the Board specified performance conditions that must be satisfied before vesting in the relevant grant letters. These conditions include group financial performance targets and individual key performance indicators.

As at the date of this annual report, the remaining life of the Share Award Scheme was approximately four years and one month.

Further details of the Share Award Scheme are set out in circular of the Company dated 28 April 2020 and note 39 to the consolidated financial statements.

Directors' Report

The table below sets out details of the Restricted Shares granted to the grantees under the Share Award Scheme and movements during the Reporting Period:

Name or category of share grantee	Date of grant	Vesting Schedule	Purchase price of share awards (HKD)	Unvested as at 1 January 2025	Granted during the year	Closing price per share immediately before the date of grant (HKD)	Fair value per share of awards as at the date of grant (HKD)	Vested during the year	Weighted average closing price of the shares immediately before the vesting date (HKD)	Lapsed/forfeited during the year	Cancelled during the year	Unvested as at 31 December 2025
To be satisfied by new shares issued/to be issued												
Other grantees - Employees												
In aggregate	28 December 2021	25% of the Restricted be vested on the first trading day after each of 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025, respectively	-	82,657	-	6.27	6.33	42,657	0.96	40,000	-	-
In aggregate	28 December 2021	25% of the Restricted Share granted shall be vested on the first trading day after each of 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025, respectively	-	35,000	-	6.27	6.33	35,000	0.96	-	-	-
In aggregate	8 April 2022	25% of the Restricted Share granted shall be vested on the first trading day after each of 31 March 2023, 31 March 2024, 31 March 2025 and 31 March 2026, respectively	-	76,068	-	5.21	5.38	31,869	0.96	14,429	-	29,770
Sub-total				193,725	-			109,526		54,429	-	29,770
To be satisfied by existing shares												
Other grantees (employees) in aggregate	8 April 2022	25% of the Restricted Share granted shall be vested on the first trading day after each of 31 March 2023, 31 March 2024, 31 March 2025 and 31 March 2026, respectively	-	20,000	-	5.21	5.38	10,000	0.96	-	-	10,000
Total				213,725	-			119,526		54,429	-	39,770

Details of the fair value of the Restricted Shares at the date of grant and the accounting standard and policy adopted are set out in note 39 to the consolidated financial statements.

The number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period, divided by the weighted average number of shares of the shares for the Reporting Period, is nil.

CONNECTED TRANSACTIONS, CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

During the Reporting Period, the Company did not engage in any connected transactions, continuing connected transactions or related party transactions.

CONFIRMATION FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Our independent non-executive Directors have reviewed the continuing connected transactions mentioned under section 3 (the “**Continuing Connected Transactions**”), and confirmed that the Continuing Connected Transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) according to relevant agreement governing them, on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”)) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules were as follows:

Name of Director/ Chief Executive	Capacity/Nature of Interest	Number of Shares Interested	Approximate Percentage of Shareholding (%)	Long/Short Position
Mr. Xue Shouguang	Interest in controlled corporation ⁽¹⁾	104,000,000	13.15	Long position
	Beneficial owner	28,495,000	3.60	Long position
Mr. Xue Xindi	Beneficial owner	846,000	0.11	Long position
Mr. Wu Xiaohua	Interest in controlled corporation ⁽²⁾	29,490,000	3.73	Long position
Dr. Wu Fu-Shea	Beneficial owner ⁽³⁾	11,450,000	1.45	Long position

Directors' Report

Notes:

1. Mr. Xue Shouguang held 100% equity interest in Treasure Tree Asia Holdings Co. LTD. Accordingly, Mr. Xue Shouguang was deemed to be interested in the 104,000,000 shares of the Company ("**Shares**") held by Treasure Tree Asia Holdings Co. LTD pursuant to Part XV of the SFO.
2. Mr. Wu Xiaohua held 100% equity interest in Ideal Treasure Holdings Limited. Accordingly, Mr. Wu Xiaohua was deemed to be interested in the 29,490,000 Shares held by Ideal Treasure Holdings Limited pursuant to Part XV of the SFO.
3. Dr. Wu Fu-Shea has resigned from his position as non-executive Director with effect from 6 March 2026.

Save as disclosed above, as at 31 December 2025, none of the Directors nor the chief executive of the Company had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2025, so far as it is known to the Directors and the chief executive of the Company, the following corporations or persons (other than the Directors or the chief executive of the Company) had interests or short positions in the Company's Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Capacity/ Nature of Interest	Number of Shares Interested	Approximate Percentage of Shareholding (%)	Long/Short Position
Treasure Tree Asia Holdings Co. LTD ⁽¹⁾	Beneficial owner	104,000,000	13.15	Long position
Ms. Chen Weiping ⁽²⁾	Interest of spouse	132,495,000	16.75	Long position
Mr. Gu Yi ⁽³⁾	Interest of controlled corporation	70,003,840	8.85	Long position
嘉盈管理有限公司 (Jiaying Management Co., Limited) ⁽³⁾	Interest of controlled corporation	70,003,840	8.85	Long position
Mindas Touch Global Limited	Beneficial owner	70,003,840	8.85	Long position
香港合盛投資有限公司(HK Hesheng Investment Limited) ⁽⁴⁾	Person having a security interest in shares	66,080,000	8.36	Long position

Notes:

1. According to the disclosure of interests as set out on the website of the Stock Exchange, Mr. Xue Shouguang's shareholding in the Company is held through Treasure Tree Asia Holdings Co. LTD. Mr. Xue Shouguang held 100% equity interest in Treasure Tree Asia Holdings Co. LTD. Accordingly, Mr. Xue Shouguang was deemed to be interested in the 104,000,000 Shares held by Treasure Tree Asia Holdings Co. LTD. pursuant to Part XV of the SFO.
2. According to the disclosure of interests as set out on the website of the Stock Exchange, Ms. Chen Weiping is the spouse of Mr. Xue Shouguang and was therefore deemed to be interested in the 132,495,000 Shares in which Mr. Xue Shouguang was interested pursuant to Part XV of the SFO.
3. According to the disclosure of interests as set out on the website of the Stock Exchange, Mr. Gu Yi's shareholding in the Company is held through Mindas Touch Global Limited. Mindas Touch Global Limited is wholly owned by Jiaying Management Co., Limited, which is wholly owned by Mr. Gu Yi. Accordingly, Mr. Gu Yi and Jiaying Management Co., Limited were deemed to be interested in these Shares pursuant to Part XV of the SFO.
4. According to the disclosure of interests as set out on the website of the Stock Exchange, HK Hesheng Investment Limited was interested in 66,080,000 Shares as person having a security interest in shares.

Save as disclosed above, as at 31 December 2025, so far as it is known to the Directors and the chief executive of the Company, no person, other than the Directors or the chief executive whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, has an interest or a short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as the grants and awards made under the Share Option Scheme and Share Award Scheme as disclosed above, neither at the end of nor at any time during the Reporting Period there subsisted any arrangement to which the Company or any of its subsidiaries was a party and the objects of or one of the objects of such arrangement are/is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

TAX RELIEF AND EXEMPTION

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

MATERIAL LEGAL PROCEEDINGS

Save as disclosed in this annual report, during the Reporting Period, the Company was not involved in any material legal proceeding or arbitration. To the best knowledge of the Directors, there is no material legal proceeding or claim which is pending or threatened against the Company.

Directors' Report

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the Reporting Period, the revenue generated from the Group's top five customers accounted for 53% of the Group's total revenue, while the revenue generated from the Group's largest customer accounted for 19% of the Group's total revenue.

Major Suppliers

For the Reporting Period, the total purchases from the Group's top five suppliers accounted for 65% of the total purchases, while the purchases from the Group's largest supplier accounted for 22% of the Group's total purchases.

During the Reporting Period, none of the Directors, any of their close associates or any Shareholders (which to the best knowledge of the Directors own more than 5% of the issued Shares) was interested in the top five customers or suppliers of the Group.

USE OF NET PROCEEDS FROM THE PLACING

On 2 May 2025, the Company entered into a placing agreement with respect to placing of the Company's ordinary shares at the subscription price of HKD0.301 per share to not less than six placees, who and whose ultimate beneficial owners shall be third parties independent of the Company and its connected persons. The closing price per share at HKD0.370 was quoted on the Stock Exchange on the date of the placing agreement on 2 May 2025. On 21 May 2025, a total of 130,000,000 placing shares (with an aggregate nominal value of HKD1,300,000, representing approximately 16.44% of the Company's issued share capital immediately following the completion of the placing) were placed to not less than six placees at the placing price of HKD0.301 per share to raise gross proceeds of approximately HKD39.1 million. The net proceeds from the placing amounted to approximately HKD38.65 million ("**Net Proceeds**"), with a net issue price of approximately HKD 0.297 per share.

Directors' Report

Set out below is the status of the use of Net Proceeds from the placing:

	Allocation percentage % of Net Proceeds	Allocation of the Net Proceeds (HKD million)	Utilised Net Proceeds as at 31 December 2025 (HKD million)	Unutilised Net Proceeds as at 31 December 2025 (HKD million)
Replenishment of general working capital	20%	7.73	7.73	0.00
Repayment of the Group's borrowings	80%	30.92	30.92	0.00
Total	100%	38.65	38.65	0.00

As at the date of this report, all the Net Proceeds have been fully utilised according to the intentions mentioned above.

The above placing could strengthen the financial position of the Group by reducing the Group's liabilities on the one hand and providing additional working capital to the Group to meet any future development and obligations on the other hand. It also represented a good opportunity to broaden the shareholders' base and the capital base of the Company. For details, please refer to the Company's announcements on 2 May 2025, 9 May 2025 and 21 May 2025, respectively.

SUFFICIENT PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained a sufficient public float for the issued shares (i.e. at least 25% of the issued shares being held by the public) as required under the Listing Rules.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 6 February 2026, the Company completed a placing pursuant to the terms and conditions of the placing agreement. A total of 108,334,000 shares were placed under the placing. Following the completion of the placing, the placed shares represent approximately 12.05% of the Company's enlarged issued share capital. The placing price was HKD0.783 per share, and the placing was made to not less than six places.

On 6 March 2026, changes to the board of directors of the Company were made as follows: Dr. Wu Fu-Shea resigned as a non-executive Director; Mr. Wang Jun was appointed as an executive Director; and Mr. Wu Kezhong was appointed as a non-executive Director.

Save as disclosed above, there were no other important events affecting the Group that have occurred after 31 December 2025 and up to the date of this report.

Directors' Report

AUDIT COMMITTEE

The Company's Audit Committee comprises three independent non-executive Directors, namely Dr. Tian Yu, Ms. Chu Jijun and Mr. Wei Junheng. The Audit Committee has reviewed the annual results and the audited consolidated financial statements of the Group for the Reporting Period. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and the auditors of the Company. Based on this review and discussions with the management and the auditors, the Audit Committee was satisfied that the Group's audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the Reporting Period.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 53 to 73 of this annual report.

AUDITOR

The consolidated financial statements of the Group for the Reporting Period have been audited by ZHONGHUI ANDA CPA LIMITED ("**ZHONGHUI ANDA**"), who will retire at the conclusion of the Annual General Meeting and, being eligible, will offer themselves for re-appointment. A resolution will be submitted to the Annual General Meeting to seek Shareholders' approval on the re-appointment of ZHONGHUI ANDA as the auditor of the Company.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Save as disclosed in the Corporate Governance Report, for the Reporting Period, the Group is not aware of any material non-compliance with any relevant legislation or regulations that materially affect the Group's business and operations.

By order of the Board

Xue Shouguang

Chairman of the Board

Hong Kong, 31 March 2026

Corporate Governance Report

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the Reporting Period.

CORPORATE CULTURE

The Group recognizes that a good corporate culture is necessary to support and complement its corporate governance efforts and corporate image, and has gradually developed a corporate culture emphasising on lawful, ethical and responsible business conduct over the years, which has been reflected in the overall operations and management of the Group, in order to facilitate the long-term sustainability of the Group. To promote open communication in the workplace and high ethical standards among staff and management of the Group, the Group has established anti-corruption and whistle-blowing policies, to provide guidance on identifying relevant breaches or improper behaviour, reporting procedures and consequences of violations of such policies. For further details on the Group's anti-corruption and whistle-blowing policies, please refer to the Environmental, Social and Governance report.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving good corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**")* contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

During the Reporting Period and up to the date of this annual report, the Company has complied with the CG Code, except for the code provision C.2.1 of part 2 of the CG Code which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following Mr. Xue Shouguang's appointment as an executive Director, the Chairman of the Board and the Chief Executive Officer on 18 July 2023, he has been assuming the dual roles of the Chairman and the Chief Executive Officer. The Board believes that having the same individual in both roles as the Chairman and the Chief Executive Officer will ensure that the Company has consistent leadership and the ability to make and implement the overall strategy of the Company effectively. The Board believes that this structure does not compromise the balance of power and authority between the Board and the management of the Company. The Board will regularly review the effectiveness of this structure to ensure that it is appropriate to the Company's circumstances.

* The amendments to the CG Code effective on 1 July 2025 will apply to corporate governance reports and annual reports for financial years commencing on or after 1 July 2025. For the purposes of this annual report, the Company shall refer to the then effective CG Code.

Corporate Governance Report

Dr. Jin Yong and Mr. Yang Haifeng resigned as independent non-executive Directors on 4 March 2025. Following these changes, the Company did not meet the requirements of (i) having at least three independent non-executive Directors on the Board; (ii) having at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise; (iii) having independent non-executive Directors representing at least one-third of the Board; and (iv) having at least three members in the Audit Committee of the Board (the “**Audit Committee**”) under Rules 3.10(1), 3.10(2), 3.10A, and 3.21 of the Listing Rules, respectively.

On 4 March 2025, Mr. Wei Junheng was appointed as an independent non-executive Director and a member of the Audit Committee. On 14 March 2025, Ms. Chu Jijun was appointed as an independent non-executive Director and a member of the Audit Committee. Following these appointments, the Company resumed compliance with the requirements under Rules 3.10(1), 3.10(2), 3.10A and 3.21 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ dealing in the Company’s securities.

Having made specific enquiry to all the Directors, the Directors confirmed that they have complied with the required standards set out in the Model Code during the Reporting Period.

The Company has also adopted the Model Code as the standard of dealings in the Company’s securities by the relevant employees who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Model Code by the employees was noted by the Company during the Reporting Period.

Corporate Governance Report

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board has reviewed the contribution of the Directors in respect of performing their responsibilities and the time they devoted to the Company.

Board Composition

The Board of the Company was comprised of the following Directors during the Reporting Period and up to the date of this annual report:

Executive Directors

Mr. Xue Shouguang (*Chairman of the Board and Chief Executive Officer*)

Mr. Sun Dexin (*Appointed on 4 March 2025*)

Mr. Xue Xindi (*Appointed on 1 April 2025*)

Ms. Zhao Yiqing (*Resigned on 1 April 2025*)

Mr. Wang Jun (*Appointed on 6 March 2026*)

Non-Executive Directors

Mr. Wu Xiaohua

Mr. Fei Xiang (*Re-designated from an executive Director to a non-executive Director on 4 March 2025*)

Mr. Chen Zhenping (*Resigned on 4 March 2025*)

Mr. Wu Kezhong (*Appointed on 6 March 2026*)

Dr. Wu Fu-Shea (*Resigned on 6 March 2026*)

Independent Non-Executive Directors

Dr. Tian Yu

Mr. Wei Junheng (*Appointed on 4 March 2025*)

Ms. Chu Jijun (*Appointed on 14 March 2025*)

Mr. Yang Huan (*Appointed on 28 July 2025*)

Dr. Jin Yong (*Resigned on 4 March 2025*)

Mr. Yang Haifeng (*Resigned on 4 March 2025*)

The biographical information of the current Directors is set out in the section headed "Directors, Senior Management and Company Secretary" in this annual report. Save that Mr. Xue Xindi is the son of Mr. Xue Shouguang, none of the members of the Board is related to one another.

Corporate Governance Report

Board Meetings and Directors' Attendance Records

During the Reporting Period, at least four Regular Board meetings involving active participation, either in person or through electronic means of communication, of a majority of Directors were held.

A summary of the attendance records of the Directors at the 7 Board meetings held during the Reporting Period is set out below:

Directors	Number of Attendance/ Number of Board Meetings Eligible to Attend
Executive Directors:	
Mr. Xue Shouguang	7/7
Mr. Sun Dexin (<i>Appointed on 4 March 2025</i>)	6/6
Mr. Xue Xindi (<i>Appointed on 1 April 2025</i>)	5/5
Ms. Zhao Yiqing (<i>Resigned on 1 April 2025</i>)	1/2
Mr. Wang Jun (<i>Appointed on 6 March 2026</i>)	N/A
Non-Executive Directors:	
Mr. Wu Xiaohua	6/6
Mr. Fei Xiang (<i>Re-designated from an executive Director to a non-executive Director on 4 March 2025</i>)	7/7
Mr. Chen Zhenping (<i>Resigned on 4 March 2025</i>)	0/1
Mr. Wu Kezhong (<i>Appointed on 6 March 2026</i>)	N/A
Dr. Wu Fu-Shea (<i>Resigned on 6 March 2026</i>)	6/7
Independent Non-Executive Directors:	
Dr. Tian Yu	7/7
Mr. Wei Junheng (<i>Appointed on 4 March 2025</i>)	6/6
Ms. Chu Jijun (<i>Appointed on 14 March 2025</i>)	6/6
Mr. Yang Huan (<i>Appointed on 28 July 2025</i>)	2/2
Dr. Jin Yong (<i>Resigned on 4 March 2025</i>)	1/1
Mr. Yang Haifeng (<i>Resigned on 4 March 2025</i>)	1/1

Corporate Governance Report

Chairman and Chief Executive Officer

The Chairman is responsible for providing leadership for the Board, ensuring that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. The Chairman also acts as the person who is primarily responsible for drawing up and approving the agenda for each board meeting and will take into account any appropriate matters proposed by the other Directors for inclusion in the agenda. The Chairman takes primary responsibility for ensuring that good corporate governance practices and procedures are established and encourage Directors' active contribution to the Board's affairs and provide an environment to Directors to voice their concerns. He also takes the lead to ensure that the Board acts in the best interest of the Company and promote a culture of openness and debate. The Chief Executive Officer generally focuses on the business and day-to-day management and operations of the Company.

The code provision C.2.1 of part 2 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following Mr. Xue Shouguang's appointment as an executive Director, the Chairman of the Board and the Chief Executive Officer on 18 July 2023, he has been assuming the dual roles of the Chairman and the Chief Executive Officer. The Board believes that having the same individual in both roles as the Chairman and the Chief Executive Officer will ensure that the Company has consistent leadership and the ability to make and implement the overall strategy of the Company effectively. The Board believes that this structure does not compromise the balance of power and authority between the Board and the management of the Company. The Board will regularly review the effectiveness of this structure to ensure that it is appropriate to the Company's circumstances.

Independent Non-executive Directors

During the Reporting Period, save as disclosed in the above paragraph headed "Corporate Governance Practices", the Board met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Board has received written annual confirmation from each of the independent non-executive Directors as at the end of the Reporting Period in respect of his/her independence in accordance with the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors as at the end of the Reporting Period independent.

Corporate Governance Report

Board Independence

The Company has implementable and effective mechanisms to ensure independent views and input are available to the Board, with the following key features: (i) the Nomination Committee is established with clear terms of reference to identify suitable candidates, including independent non-executive Directors, for appointment as Directors; (ii) the Nomination Committee will assess annually the independence of all independent non-executive Directors; and (iii) the Directors are entitled to seek, at the Group's expense, independent professional advice reasonably necessary for discharging their duties as Directors. During the Reporting Period, the Board has reviewed the implementation and effectiveness of the mechanism and considered it to be effective. The Chairman also held one meeting with the independent non-executive Directors without the presence of other Directors to discuss the Company's business.

The Board authorises the management to implement the business strategies and has formulated clear written guidelines which stipulate the circumstances where the management should report to and obtain prior approval from the Board before making decisions or entering into any contracts and commitments on behalf of the Group. The Board will conduct regular reviews on these authorisation and guidelines.

Appointment and Re-election of Directors

All Directors of the Company are appointed for a specific term. Each of the executive Directors and non-executive Directors is engaged on a service contract for a term of three years, which may be terminated by either party by not less than three months' written notice. Each of the independent non-executive Directors of the Company is appointed for a term of one year and renewable automatically for a successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by either party giving to the other not less than 3 months' prior notice in writing.

All the Directors of the Company are subject to retirement by rotation and re-election at the annual general meetings. Under the Articles of Association of the Company, at each annual general meeting, one-third of the 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 shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office until the first annual general meeting of the Company after his/her appointment and be subject to re-election at such meeting.

All Directors appointed during the Reporting Period has obtained legal advice pursuant to Rule 3.09D of the Listing Rules on the respective dates of their appointments and such Directors have confirmed they understood their obligations as Directors of the Company.

Corporate Governance Report

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations, and taking the lead in managing issues involving potential conflicts of interests.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses, for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

According to the code provision D.1.2 of part 2 of the CG Code, the management shall provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. The Company has provided all members of the Board monthly updates of financial, compliance and operation matters to enhance the corporate governance of the Group and provide more adequate and complete information to the Board in a timely manner.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities.

Corporate Governance Report

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director shall receive a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors.

For the Reporting Period and up to the date of this annual report, the Company organized training sessions conducted by the legal advisers for all Directors. The training sessions covered relevant topics including directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual/legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

All the Directors named in the section headed "Board Composition" in this Corporate Governance Report confirmed that they have complied with the code provision C.1.4 of part 2 of the CG Code during the Reporting Period by participating in appropriate continuous professional development activities, and reading materials relating to regulatory updates and handouts or reviewing the papers and circulars sent by the Company.

Corporate Governance Report

The training records of the Directors for the Reporting Period are summarised as follows:

Directors	Types of Training Note
Mr. Xue Shouguang (<i>Chairman of the Board and Chief Executive Officer</i>)	A+B
Mr. Sun Dexin (<i>Appointed on 4 March 2025</i>)	A+B
Mr. Xue Xindi (<i>Appointed on 1 April 2025</i>)	A+B
Mr. Wang Jun (<i>Appointed on 6 March 2026</i>)	A+B
Mr. Wu Xiaohua	A+B
Mr. Fei Xiang (<i>Re-designated from an executive Director to a non-executive Director on 4 March 2025</i>)	A+B
Ms. Wu Kezhong (<i>Appointed on 6 March 2026</i>)	A+B
Dr. Tian Yu	A+B
Mr. Wei Junheng (<i>Appointed on 4 March 2025</i>)	A+B
Ms. Chu Jijun (<i>Appointed on 14 March 2025</i>)	A+B
Mr. Yang Huan (<i>Appointed on 28 July 2025</i>)	A+B
Dr. Jin Yong (<i>Resigned on 4 March 2025</i>)	–
Mr. Yang Haifeng (<i>Resigned on 4 March 2025</i>)	–
Mr. Chen Zhenping (<i>Resigned on 4 March 2025</i>)	–
Ms. Zhao Yiqing (<i>Resigned on 1 April 2025</i>)	–
Dr. Wu Fu-Shea (<i>Resigned on 6 March 2026</i>)	–

Note:

Types of Training

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Corporate Governance Report

Audit Committee

The Audit Committee currently consists of three independent non-executive Directors, namely Dr. Tian Yu, Mr. Wei Junheng and Ms. Chu Jijun. Dr. Tian Yu is the chairman of Audit Committee.

The primary duties of the Audit Committee include ensuring that an effective financial reporting, risk management and internal control systems are in place and compliance of the Listing Rules, controlling the completeness of the Company's financial statements, selecting external auditors and assessing their independence and qualifications, and ensuring the effective communication between the internal and external auditors of the Group.

During the Reporting Period, the Audit Committee held 3 meetings to review, the interim and annual financial results and reports for the year/period under review, significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment and change of external auditors and relevant scope of works and arrangements for employees to raise concerns about possible improprieties. The Board, after consultation with the chairman of the Audit Committee, provides sufficient resources to the Audit Committee to enable it to discharge its duties.

These 3 meetings were held with the external auditors without the presence of the executive Directors.

The attendance records of the members of the Audit Committee during the Reporting Period are as follows:

Name of Members of the Audit Committee	Number of Attendance/ Number of Meetings Eligible to Attend
Dr. Tian Yu (<i>Re-designed on 14 March 2025 as chairman of the Audit Committee</i>)	3/3
Mr. Wei Junheng (<i>Appointed on 4 March 2025</i>)	3/3
Ms. Chu Jijun (<i>Appointed on 14 March 2025</i>)	3/3
Dr. Jin Yong (<i>Resigned on 4 March 2025</i>)	N/A
Mr. Yang Haifeng (<i>Resigned on 4 March 2025</i>)	N/A

Corporate Governance Report

Remuneration Committee

The Remuneration Committee currently consists of two independent non-executive Directors, namely Mr. Wei Junheng and Dr. Tian Yu, and one non-executive Director, namely Mr. Fei Xiang. Mr. Wei Junheng is the chairman of the Remuneration Committee. Majority of the Remuneration Committee members are independent non-executive Directors.

The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management, assessing the performance of executive Directors, and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee held 2 meetings during the Reporting Period to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the Directors and senior management of the Company as well as the remuneration packages of the Directors appointed during the year.

The Board, after consultation with the chairman of the Remuneration Committee, provides sufficient resources to the Remuneration Committee to enable it to discharge its duties.

The attendance records of the members of the Remuneration Committee during the Reporting Period are as follows:

Name of Members of the Remuneration Committee	Number of Attendance/ Number of Meetings Eligible to Attend
Mr. Wei Junheng (<i>Appointed as chairman of the Remuneration Committee on 4 March 2025</i>)	1/1
Mr. Fei Xiang	2/2
Dr. Tian Yu	2/2
Mr. Yang Haifeng (<i>Resigned on 4 March 2025</i>)	N/A

The annual remuneration of senior management of the Company (whose biographies are set out on pages 29 to 32 of this annual report) by band for the Reporting Period is set out below:

Band of remuneration (RMB)	Number of individuals
0–500,000	1
500,001–1,000,000	8

Corporate Governance Report

Nomination Committee

The Nomination Committee currently consists of an executive Director and Chairman of the Board, namely Mr. Xue Shouguang, and three independent non-executive Directors, namely Ms. Chu Jijun, Dr. Tian Yu and Mr. Wei Junheng. Mr. Xue Shouguang is the chairman of the Nomination Committee. Majority of the Committee members are independent non-executive Directors.

The primary duties of the Nomination Committee include assisting the Board in identifying suitable candidates for the Directors and making recommendations to the Board, assessing the performance of executive Directors, assessing the structure and composition of the Board, preparing, making recommendations to and supervising the execution of the Board Diversity Policy of the Company, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

The procedures for appointment, re-election and dismissal of Directors are set out in the Articles of Association.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Company's Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, before making recommendation to the Board.

During the Reporting Period, the Nomination Committee held 2 meetings to review the structure, size and composition of the Board and the independence of the independent non-executive Directors, to consider the qualifications of the retiring Directors standing for election at the Annual General Meeting, and made recommendation to the Board on appointments of new Directors. The Board, after consultation with the chairman of the Nomination Committee, provides sufficient resources to the Nomination Committee to enable it to discharge its duties.

Corporate Governance Report

The attendance records of the members of the Nomination Committee are as follows:

Name of Members of the Nomination Committee	Number of Attendance/ Number of Meetings Eligible to Attend
Mr. Xue Shouguang	2/2
Mr. Wei Junheng (<i>Appointed on 4 March 2025</i>)	1/1
Ms. Chu Jijun (<i>Appointed on 14 March 2025</i>)	1/1
Dr. Tian Yu (<i>Appointed on 4 March 2025</i>)	1/1

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

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

- Character, integrity and reputation;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules;

Corporate Governance Report

- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- Board's succession planning and the Company's long term needs.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Company's Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, before making recommendation to the Board.

The Nomination Committee will review the Director Nomination Policy to ensure its effectiveness.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the objective and approach to achieve and maintain diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance and the ability to attract employees from the widest pool of available talents.

Pursuant to the Board Diversity Policy, the Nomination Committee will review the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile at least annually. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to pursue diversity at all levels and will consider a number of aspects, including but not limited to skills, professional experience, knowledge, age, gender, cultural and educational background, ethnicity and length of service.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth. The Nomination Committee will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

Corporate Governance Report

The following table shows the diversity profile of the Board as at the date of this annual report:

Name of Directors	Gender	Age	Date of appointment as Directors
Executive Directors:			
Mr. Xue Shouguang	Male	55	18 July 2023
Mr. Sun Dexin	Male	38	4 March 2025
Mr. Xue Xindi	Male	29	1 April 2025
Mr. Wang Jun	Male	50	6 March 2026
Non-executive Directors:			
Mr. Wu Xiaohua	Male	52	6 December 2018
Mr. Fei Xiang	Male	46	18 July 2023
Mr. Wu Kezhong	Male	62	6 March 2026
Independent non-executive Directors:			
Dr. Tian Yu	Male	61	14 March 2024
Mr. Wei Junheng	Male	51	4 March 2025
Ms. Chu Jijun	Female	36	14 March 2025
Mr. Yang Huan	Male	38	28 July 2025

Under the Board Diversity Policy, the Company aims to maintain female representation in the Board and the composition of the Board satisfies the Board Diversity Policy goal.

The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management:

	Female	Male
<i>As at the date of this annual report</i>		
Board	9% (1)	91% (10)
<i>As at 31 December 2025</i>		
Board	10% (1)	90% (9)
Senior Management	38% (3)	62% (5)
Other employees	24% (43)	76% (139)
Overall workforce	24%(47)	76% (153)

Further details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report of the Company.

Corporate Governance Report

The Board considers that the diversity of the Board and Group's workforce (including senior management) in terms of gender are satisfied. The Company will continue to strive to achieve an appropriate balance of gender diversity in the workforce as well as the Board according to business needs and future development so as to develop a pipeline of potential successors to the Board in the future.

During the Reporting Period, the Nomination Committee had reviewed the Board Diversity Policy to ensure its effectiveness.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of part 2 of the CG Code.

The Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for maintaining sound and effective internal control and risk management systems to safeguard the Group's assets and Shareholders' interests, and reviewing the effectiveness of the Group's internal control and risk management systems to ensure that the existing internal control and risk management systems are adequate. Such systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss and within the risk tolerance level set up by the Board.

The Company also has an internal audit function which primarily carries out the analysis and appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems, and reports their findings to the Board on, at least, an annual basis. The Company implements and strictly enforces procedures on inside information according to the relevant procedures stated under the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission.

The Group's internal control system includes a well-established organizational structure with clearly defined lines of responsibility and authority. The day-to-day departmental operations are entrusted to individual department which is accountable for its own conduct and performance and is required to operate its own department's business within the scope of the delegated authority and to implement and strictly adhere to the strategies and policies set by the Company from time to time. Each department is also required to keep the executive directors and senior management informed of material developments of the department's business and implementation of the policies and strategies set by the Board on a regular basis so as to identify, evaluate and manage significant risks in a timely manner. The senior management is responsible for providing the Board with necessary financial, operational and compliance information through meetings and monthly management reporting mechanism.

Corporate Governance Report

During the Reporting Period and up to the date of this annual report, the Board has reviewed the effectiveness of the internal control and risk management systems of the Group to ensure that a sound system is maintained and operated by the management in compliance with the agreed procedures and standards. The review covered all material controls, including financial, operational and compliance controls, risk management functions and environmental, social and governance (“**ESG**”) risks, when applicable. The Board also considered the resources, staff qualifications and experience, training programmes and budget of the Company’s accounting, internal audit, financial reporting functions and those relating to the Company’s ESG performance and reporting adequate. The review was conducted through discussions with the Company’s management, its external and internal auditors and the assessment performed by the Audit Committee. The Board, with the confirmation from the management, is of the view that throughout the Reporting Period, the risk management and internal control systems of the Group are effective and adequate.

During the Reporting Period, an experienced, competent and professionally qualified senior management member remained as the head of internal audit department of the Company for the purpose of further enhancing the independence and professional level of internal audit department. The head of internal audit is instructed and empowered by the Board to carry out on-going monitoring of the Company’s risk management and internal control system independently.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company’s strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and marketing, financial reporting, human resources and IT.

The Company’s risk management and internal control systems have been developed with the following principles, features and processes:

- Divisions/departments conducted internal control assessments regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted to confirm that control policies are properly complied with by each division/department.
- The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

Corporate Governance Report

- The internal audit department is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit department, with the assistance of the external internal control consultant firm examined key issues and material controls and provided its findings and recommendations for improvement to the Audit Committee.
- The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the Reporting Period.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the "Independent Auditor's Report" in this annual report.

AUDITOR'S REMUNERATION

An analysis of the remuneration paid/payable to the external auditor of the Company (ZHONGHUI ANDA) in respect of audit and non-audit services for the Reporting Period is set out below:

Service Category	Fee paid/ payable (HKD)
Audit services	1,930,000
Non-audit services (Note)	<u>160,000</u>
Total	<u>2,090,000</u>

Note:

Non-audit services include review of the interim financial information of the Group for the six months ended 30 June 2025.

Corporate Governance Report

COMPANY SECRETARY

Ms. So Ka Man of Tricor Services Limited, external service provider, has been appointed as the company secretary of the Company with effect from 20 June 2024. The primary contact person at the Company was Ms. Zhang Fengwei.

All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters.

For the Reporting Period, Ms. So Ka Man undertook not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

During the Reporting Period, the Company held a general meeting, being the annual general meeting held on 29 May 2025. Details of individual attendance of each Director at the aforesaid general meetings are set out below:

Directors	Number of Attendance/ Number of Meetings Eligible to Attend
Executive Directors:	
Mr. Xue Shouguang (<i>Chairman of the Board and Chief Executive Officer</i>)	1/1
Mr. Sun Dexin (<i>Appointed on 4 March 2025</i>)	1/1
Mr. Xue Xindi (<i>Appointed on 1 April 2025</i>)	1/1
Ms. Zhao Yiqing (<i>Resigned on 1 April 2025</i>)	N/A
Mr. Wang Jun (<i>Appointed on 6 March 2026</i>)	N/A
Non-Executive Directors:	
Mr. Wu Xiaohua	1/1
Mr. Fei Xiang (<i>Re-designated from an executive Director to a non-executive Director on 4 March 2025</i>)	1/1
Mr. Chen Zhenping (<i>Resigned on 4 March 2025</i>)	N/A
Mr. Wu kezhong (<i>Appointed on 6 March 2026</i>)	N/A
Dr. Wu Fu-Shea (<i>Resigned on 6 March 2026</i>)	1/1

Corporate Governance Report

Directors	Number of Attendance/ Number of Meetings Eligible to Attend
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Independent Non-Executive Directors:

Dr. Tian Yu	1/1
Mr. Wei Junheng (<i>Appointed on 4 March 2025</i>)	1/1
Ms. Chu Jijun (<i>Appointed on 14 March 2025</i>)	1/1
Mr. Yang Huan (<i>Appointed on 28 July 2025</i>)	N/A
Dr. Jin Yong (<i>Resigned on 4 March 2025</i>)	N/A
Mr. Yang Haifeng (<i>Resigned on 4 March 2025</i>)	N/A

Convening an Extraordinary General Meeting

Pursuant to Article 58 of the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The objects of the meeting must be stated in the written requisition.

Putting Forward Proposals at General Meetings

If a Shareholder wishes to put forward proposals at a Shareholders' meeting, the Shareholder, who has satisfied the shareholding requirements set out in the above paragraph headed "Convening an Extraordinary General Meeting", may follow the same procedures by sending a written requisition to the Board or the Company Secretary. The Shareholder should state his/her proposals in the written requisition and submit the written requisition as early as practicable to enable the Board to make necessary arrangement.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholder may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Corporate Governance Report

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 19/F, Skyworth Semiconductor Design Building, West Block, High-tech South 4th Road, Nanshan District, Shenzhen, Guangdong, the PRC

Email: ir@datamargin.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding on the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings.

At the annual general meetings, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

The Company amended its Articles of Association on 25 May 2023. Details of the amendments are set out in the circular of the Company dated 24 April 2023. An up-to-date version of the Articles of Association is available on the Company's website and the Stock Exchange's website.

Shareholders' Communication Policy

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed, promote effective communication with Shareholders and other stakeholders, encourage Shareholders to engage actively with the Company and enable Shareholders to exercise their rights as Shareholders effectively. The policy is regularly reviewed to ensure its effectiveness. During the Reporting Period, the Board had reviewed the policy and considered that the implementation of the policy was effective.

The Company has used the following methods to communicate with its shareholders:

- publication of announcements, interim reports and annual reports
- publication of key corporate governance policies on the Company's website
- holding of annual general meeting and other general meetings of the Company

Environmental, Social and Governance Report

ABOUT THE REPORT

This Environmental, Social and Governance (“**ESG**”) Report presents our efforts and achievement made in sustainability and social responsibility. The ESG Report details our Group’s performance in carrying out the environmental and social policies and fulfilling the principle of sustainable development.

ESG Governance Structure

Our Group is committed to incorporating ESG factors into our decision-making process and our daily operation. The ESG governance structure of our Group comprised the board of directors (the “**Board**”) and the ESG working group (the “**ESG Working Group**”).

The Board has overall responsibility for our Group’s ESG governance, ESG strategy and reporting, as well as evaluating and managing our Group’s ESG-related risks. The Board is also responsible for setting the ESG management approach, strategy, priorities and objectives and reviewing our Group’s performance periodically against ESG-related goals and targets. The Board discusses and reviews our Group’s ESG-related risks and opportunities, performance, progress, goals and targets regularly with the assistance of the ESG Working Group.

The Board is also responsible for ensuring that appropriate and effective ESG risk management and internal control systems are in place. The ESG Working Group comprises of senior management from different departments of our Group. The ESG Working Group reports to the Board periodically and assists the Board to oversee the ESG-related issues and has the responsibility for collecting and analysing ESG data, implementing our Group’s ESG strategy and policies, monitoring and evaluating our Group’s ESG performance, and preparing ESG reports. The ESG Working Group meets regularly to discuss and review ESG-related issues including but not limited to the ESG policies and procedures and ESG-related performance.

The Scope of the ESG Report

The core businesses of our Group are the provision of data solutions, sales of hardware and software and related services as an integrated service, as well as IT maintenance and support services, to corporate customers. Unless stated otherwise, the ESG Report covers our Group’s major operating revenue activities under direct management control. The ESG key performance indicator (“**KPI**”) data are gathered and are shown in the ESG Report as well as supplemented by explanatory notes to establish benchmarks. Our Group will continue to assess the major ESG aspects of different businesses to determine whether they need to be included in the ESG reporting.

Reporting Standard

The ESG Report was prepared in accordance with the “Environmental, Social and Governance Reporting Code” (the “**ESG Code**”) under Appendix C2 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited.

Environmental, Social and Governance Report

Reporting Period

The ESG Report specifies the ESG activities, challenges and measures being taken during the financial year ended 31 December 2025 ("**Reporting Period**", "**2025**").

Reporting Principles

The reporting principles of this ESG Report are governed by "**materiality**", "**quantitative**", "**balance**" and "**consistency**".

Materiality: The ESG Report has included the ESG factors that are sufficiently material to different stakeholders. Our Group's directors and senior management are mainly responsible for identification of key ESG factors on the basis of the feedback from the stakeholders. In order to determine the ESG factors that are relevant and material to our business with respect to sustainability, our Group is aware that the importance to understand the issues that our stakeholders concerned the most. Please refer the section headed "**Stakeholder Engagement**" for details of the main expectations and concerns of our key stakeholders and the corresponding management responses and the section headed "**Materiality assessment**" for details of the annual materiality assessment conducted by our Group to identify the key ESG issues that material and relevant to our Group's operation.

Quantitative: The data presented in this report have been examined. Summary tables of performance are shown in relevant sections. Information on the standards, methodologies, assumptions and/or calculation tools, and source of conversion factors used for the reporting of emissions and energy consumption are mainly referred to the ESG Code.

Balance: This ESG Report was prepared based on an objective and impartial manner to ensure that the information provided an unbiased picture of the overall ESG performance of our Group.

Consistency: The methodologies and KPIs are used and calculated in a consistent approach. If there are any changes in consistency that may affect a meaningful comparison, detail would be disclosed. There is no change in the collection and computation of data presented in this report as compared to the ESG Report for the previous reporting periods.

Review and Approval

The Board acknowledges its responsibilities for ensuring the integrity of the ESG Report and to the best of their knowledge, this report addresses all relevant material issues and fairly presents the ESG performance of our Group. The Board confirms that it has reviewed and approved the ESG Report.

Environmental, Social and Governance Report

Comments and suggestions from our stakeholders are welcome. You may provide comments on the ESG Report or towards our performance in respect of sustainable development via the following:

Address: 19/F, Skyworth Semiconductor Design Building, West Block, High-tech South 4th Road, Nanshan District, Shenzhen, Guangdong, the PRC

Email: ir@datamargin.com

Stakeholder Engagement

Understanding and taking actions towards stakeholders' concerns and expectations is essential towards our sustainability development. The engagement of stakeholders helps us recognise our sustainability performance. Therefore we have established appropriate communication channels so that comments and feedbacks from major stakeholders are effectively and timely addressed.

The following table summarises the main expectations and concerns of our key stakeholders and the corresponding management responses.

Stakeholders	Expectations	Management Responses/ Communication Channels
Government and Regulators	<ul style="list-style-type: none"> Compliance with national policies, laws and regulation Support for local economic growth Tax payment in full and on time 	<ul style="list-style-type: none"> Regular information reporting Meetings with regulators Examination and inspection
Shareholders	<ul style="list-style-type: none"> Returns Compliance operations Rise in company value Transparency and effective communication 	<ul style="list-style-type: none"> General meetings Announcements Company website
Partners	<ul style="list-style-type: none"> Operation with integrity Equal Rivalry Performance of contracts Mutual benefits 	<ul style="list-style-type: none"> Business communication Discussion and exchange of opinions Engagement and cooperation
Customers	<ul style="list-style-type: none"> Outstanding products and services Performance of contracts Operation with integrity 	<ul style="list-style-type: none"> Forums, talks, industrial events Meetings with customers Daily operation/communication
Environment	<ul style="list-style-type: none"> Energy saving reduction Environmental 	<ul style="list-style-type: none"> ESG Reporting

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Stakeholders	Expectations	Management Responses/ Communication Channels
Employees	<ul style="list-style-type: none"> • Protection of rights • Occupational health • Remunerations and benefits • Career development • Humanity cares 	<ul style="list-style-type: none"> • Meetings with employees • Training and workshop • Employee activities
Community and the public	<ul style="list-style-type: none"> • Transparency 	<ul style="list-style-type: none"> • Company website • Announcements • Interview with media • Social media platforms

Materiality Assessment

Our Group has conducted the annual materiality assessment to identify the key ESG issues that are important to our business. The objective of materiality assessment is to identify ESG issues that are material and relevant to our operation.

Identification

Reference is made to the ESG Code to set ESG subject areas and aspects for all stakeholders' assessment. We obtain feedbacks from all stakeholders through the various communication channels.

Prioritisation

The identified ESG issues are then ranked and reviewed by the ESG Working Group in the materiality matrix based on consideration of their impact on our business financials and operations, environment, customers and community.

Verification

The findings are then reviewed by to the Board in order to confirm the material ESG issues are relevant and material to our Group for disclosure.

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According to the results of the materiality assessment, the list below demonstrated the ESG issues with the level of materiality to the Group.

Materiality	ESG Issues
High materiality	Customer Privacy and Company Data Protection Intellectual Property Protection Customer Complaint Management Project Quality Management Employment practices and compliance Employee Retention Employee Health and Safety Labor Standards
Medium materiality	Staff Development and Training Business Ethics and Ethics Anti-Corruption Resource Use and Efficiency Supply Chain Management Energy Management Control emissions
Low materiality	Environmental Compliance Water Resources Management Waste Management Community Investment Climate Change Response Material Use and Packaging Environment and Natural Resources

A. ENVIRONMENTAL ASPECT

Aspect A1: Emissions

We do not operate in a highly polluting industry, and our production processes primarily involve system integration and software development. However, we regard environmental protection as an important corporate responsibility, and have taken measures to facilitate the environmental-friendliness of our workplace by encouraging, among other things, an energy-saving culture within our Group. We support the waste hierarchy of "3Rs" – Reduce, Reuse and Recycle – which aims at waste control and minimisation. We have adopted the following measures to mitigate the emissions in our operations: (1) ensuring strict compliance with relevant laws and regulations in all commercial activities related to the emission of exhaust gases, greenhouse gases and waste management; (2) conveying the environmental management measures of energy conservation to all the staff of our Group in order to deepen their awareness of environmental protection; and (3) continuously monitoring the progress of environmental management measures to ensure compliance at all times. During the Reporting Period, we have not identified any material non-compliance with relevant laws and regulations relating to air and greenhouse gas ("GHG") emissions, discharges into water and land, and generation of hazardous and non-hazardous waste such as the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法) and the Environment Protection Law of the People's Republic of China (中華人民共和國環境保護法).

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Air Emissions – Due to our business nature, we consider the relevant air emissions generated by our daily operations are not significant except for the vehicles used for maintaining our daily operation. However, we still strive to mitigate the exhaust gas generated from our business operation as much as possible. To reduce emission, we require all the users of our Company's vehicles to switch off the idling engine to avoid unnecessary emission.

During the Reporting Period, the quantitative information in relation to air emission of our Group is as follows:

Air Emission	For the year ended 31 December 2025
Nitrogen oxides (NO _x)	1.48kg
Sulphur oxides (SO _x)	0.04kg
Particulate matter (PM)	0.11kg

Greenhouse Gas Emissions – Although we are not involved in energy-intensive businesses, normal office operation which is essential to maintain our professional services is still a source of GHG emission. As such, we exert ourselves to abide by the relevant laws and regulations and make our daily operation more environmentally friendly. In addition to the use of vehicles, which is a type of direct emission of GHG, indirect emission from processes such as electricity and paper consumption and business air travel of employees are the main sources of emission from our operation. During the Reporting Period, the Group successfully achieved the previously set target of reducing total GHG emissions per employee over the following three years. This target was established using the total GHG emissions per employee (0.84 tonnes) for the year ended 31 December 2021 as the baseline level. We have adopted the following measures to mitigate GHG emissions: (1) posting up labels to promote electricity conservation on all types of electronic appliances, reminding employees to switch off any idle appliances and lighting, and to switch off conference equipment promptly after the end of the meeting; (2) implementing management control to monitor the use of vehicles; and (3) implementing management control to monitor business air travel of employees.

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During the Reporting Period, the quantitative information in relation to greenhouse gases emission of our Group is as follows:

Greenhouse Gases Emission	For the year ended 31 December 2025
Direct Emission (Scope 1)	
– Fuel consumption of our vehicles	7.06 tonnes
Indirect Emission (Scope 2)	
– Electricity	137.82 tonnes
Indirect Emission (Scope 3)	
– Paper	0.0005 tonnes
– Business air travels	0.03 tonnes
Total emission of greenhouse gases	144.91 tonnes
Total emission of greenhouse gases per employee	0.75 tonnes

Sewage Discharge – Due to our business nature, we generated no water pollutants commonly discharged from manufacturing processes and therefore our business activities did not generate material discharges into water during the Reporting Period.

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Waste Management – We adhere to the waste management principle and strives to properly manage and dispose wastes produced by our business activities. We maintain high standard in waste reduction, educates our employees the significance of sustainable development and provides relevant support in order to enhance their skills and knowledge in sustainable development. Wastes are systematically collected and transported to designated disposal facilities. For surplus resources, e.g. end-of-life disposal products, we make every effort to ensure their responsible handling and disposal. Donation of surplus resources to charitable organisations is strongly supported.

Hazardous Waste – Due to our business nature, we did not generate significant amount of hazardous wastes during the Reporting Period.

Non-hazardous Waste – The non-hazardous wastes generated by our Group’s operations mainly consist of daily office garbage produced by employees and solid waste derived from packaging material. We carry out waste classification with respect to the non-hazardous wastes. The non-hazardous wastes are collected by the cleaning company employed by the buildings where our offices are located. We carry out promotion and encourage our employees to carry out proper waste classification with respect to recyclable wastes (hardware equipment and other recyclable wastes), food wastes, hazardous wastes and other wastes. During the Reporting Period, our Group has set a target to reduce the amount of non-hazardous waste discarded per employee over the next three years and has set a benchmark of non-hazardous waste discarded per employee (6.53 kg) for the year ended 31 December 2021.

During the Reporting Period, the non-hazardous wastes generated by our Group is as follows:

For the year ended 31 December 2025

Total non-hazardous wastes	2,358.50 kg
Non-hazardous waste discarded per employee	12.22 kg

Aspect A2: Use of Resources

Given that our business involves no production element, the use of resources by us, such as energy, water and other raw materials, in our day-to-day operations is minimal. As we are aware of our electricity, water and fuel consumption in the office environment (and from the use of our Group’s vehicles), we will focus on ESG improvements in these areas. In our operations, we have adopted the following measures regarding the use of resources: (1) routine inspections; (2) green purchasing; (3) water management; (4) double-sided printing and recycling of waste paper; (5) save and recycle paper; (6) minimize or avoid using disposable paper cups; and (7) other measures (including the maintenance of green plants and promotion of paperless office).

Environmental, Social and Governance Report

Energy Consumption – We have formulated policies and procedures relating to environmental management. During the Reporting Period, the Group has set target to reduce electricity consumption per employee and fuel consumption per employee over the next 3 years and the relevant intensity performances for the year ended 31 December 2021 is set as the baseline year. Total energy consumption per employee for the year ended December 31, 2021 was 240.72 kWh and fuel consumption per employee was 2.13 liters. The Group achieved a year-on-year decrease in total energy consumption, but the reduction in total fuel consumption was limited and remained largely flat. Meanwhile, due to a significant decrease in the number of employees compared with the baseline year, both total energy consumption per employee and fuel consumption per employee (on a per capita basis) increased, resulting in the failure to achieve the preset per capita reduction targets. Improvement plans for the unmet targets: (1) Dynamically adjust targets. Reassess the reasonableness of per-capita intensity targets in light of future workforce size and business trends, and revise the baseline or set phased targets as appropriate. (2) Strengthen fuel consumption control. Optimise vehicle deployment, reduce the frequency of business-related vehicle use, and encourage the use of public transport and carpooling. (3) Continue to reduce absolute energy consumption. Further implement energy-saving measures such as turning off idle equipment, using energy-efficient lighting, and optimising air conditioning temperatures, striving for further reduction in total energy consumption. (4) Regularly promote energy-saving awareness. Enhance company-wide awareness of emission reduction.

Energy Consumption

For the year ended 31 December 2025

Total energy consumption	192,716.16 kWh
Direct energy consumption	27,998.16 kWh
Indirect energy consumption	164,718.00 kWh
Total energy consumption per employee	998.53 kWh
Electricity consumption	164,718.00 kWh
Electricity consumption per employee	853.46 kWh
Fuel consumption	2,899.98 Liters
Fuel consumption per employee	14.97 Liters

Water Consumption – At present, the water consumption of the Group is limited to the use of drinking fountains and basic cleaning and sanitation in our offices. During the Reporting Period, the Group has set target to reduce water consumption per employee over the next 3 years and the water consumption per employee for the year ended 31 December 2021 is set as the baseline year. We have adopted the following measures to mitigate water consumption: (1) promoting the use of filtered water dispensers in offices to replace plastic bottled water; (2) promoting and encouraging our employees to conserve water; (3) reduce the supply of bottled water and paper cups, and encourage employees to bring their own water cups; and (4) reduce the supply of bottled water and instead provide reusable cups.

Environmental, Social and Governance Report

Water Consumption

For the year ended 31 December 2025

Water consumption	460.50 m ³
Water consumption per employee	2.39 m ³

During the Reporting Period, we had no issue in sourcing water that is fit for purpose.

Packaging Materials – As our Group has no industrial production or any factory facilities, we do not consume significant amounts of package materials for product packaging.

Aspect A3: The Environment and Natural Resources

Due to our business nature, our operations have little impact on the environment or natural resources apart from those mentioned in the previous section. While we do encourage our employees to practise the “3Rs” and to protect the natural environment, as this aspect has no material relevance to our business, we have opted not to report on it, and KPI A3.1 (concerning the significant impacts of activities on the environment and natural resources and the actions taken to manage them) is not applicable.

Environmental, Social and Governance Report

B. SOCIAL

As a professional services company, talent and their capabilities are our greatest asset, and they are critical to the company's sustainability. We firmly believe that investing in our people and their development is inseparable from business development and continued success. Human resource is a solid foundation to support the development of our Group. We firmly believe that each employee plays an important role in providing a good service experience for customers. We are committed to providing a healthy, fulfilling and happy working environment that encourages communication, innovation, continuous learning and employee engagement. In terms of human resources, we have adopted the following measures: (1) maintaining excellent employment standards, from staff selection to staff growth and quality work experience; (2) building a diversified career development channel and competitive salary system through the rank system; and (3) focusing on building a cultural environment suitable for the growth of knowledge workers and creating a good learning organizational atmosphere.

Our human resources policy is in strict compliance with the labor law promulgated by the government and other laws and regulations concerning compensation, insurance, employment, equal opportunity, diversity, anti-discrimination, other treatment and benefits, promotion and dismissal of employees.

Aspect B1: Employment

Human resources are the foundation to support the development of our Group. We believe that every employee plays a vital role in executing a good service experience for our customers. We dedicate in offering a pleasant working environment that encourages communication, innovation, continuous learning and fosters employee engagement.

During the Reporting Period, we were not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on our Group such as the Labour Law of the People's Republic of China (中華人民共和國勞動法), the Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法), the Provisions on the Prohibition of Using Child Labour (禁止使用童工規定) and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法).

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As at 31 December 2025, our Group had 193 full-time employees, the distribution of employees according to gender, age group and geographical region are as follows:

Employees	Percentage (%)
By Gender	
Male	76.17%
Female	23.83%
By Age Group	
Under 30 years old	36.27%
30– 50 years old	61.66%
Over 50 years old	2.07%
By Geographical Region	
Mainland China	100%
Hong Kong	0%

During the Reporting Period, the Group's total employee turnover rate was approximately 126.6%. The table below shows the employee turnover rate by gender, age group and geographical region.

	Turnover Rate (%)
By Gender	
Male	57.86%
Female	43.56%
By Age Group	
Under 30 years old	64%
30– 50 years old	49.42%
Over 50 years old	40.00 %
By Geographical Region	
Mainland China	54.42%
Hong Kong	N/A

Recruitment, Promotion and Dismissal – Employees' qualification, professional skills and experiences exert significant influence on the quality of services. In order to meet the needs of the business development for talents, in line with the principle of fairness and justice, and standardize and improve the recruitment mechanism to improve the efficiency and quality of recruitment, we adopt a robust and transparent recruitment process. We adhere to the principle of internal priority and give priority to our internal talents to provide them with development opportunities. In the case where our internal talent resources cannot meet our needs, we will carry out external recruitment. We motivate our staff to actively recommend excellent talents to join us.

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We have implemented a rank system internally to help each employee to better understand his/her current position, provide each employee with a clearer promotion and development path and help each employee to better understand the ability requirements of each development path. In order to facilitate employees' promotion, department heads would discuss their performance through effective two-way communication. Any termination of employment contract should be based on reasonable, lawful grounds and internal policies, such as the human resources management system of our Group. We strictly prohibit any kind of unfair or illegitimate dismissals. For (a) those who seriously violate our system; those seriously breach their duty; (c) those who continue to be in labor relationship with other employers while being our employee and affecting their work performance at our Group after being reminded by us to cease such labor relationship; (d) those who provide false information; (e) those who are held criminally liable; and (f) those who directly and intentionally cause us to lose business opportunities or use our resources to benefit themselves or others, we will consider terminating their employment in accordance with relevant laws and our employee handbook. For those who continue to have unsatisfactory job performance after training or job position adjustment, we will consider terminating their employment in accordance with relevant laws.

Remuneration and Benefits – Employees are a key resource for our continued growth and success, and we offer a market competitive compensation package that includes compensation and benefits to ensure we attract and retain the best talent. Firstly, we have a value-based and performance-based compensation system. Secondly, we formulate different salary strategies for different job positions every year according to the external market salary survey data. Finally, we regularly review the salary level every year to attract outstanding talents to join us and improve the salary competitiveness for our internal outstanding personnel through promotion and salary adjustment. We also provide comprehensive welfare plan for our employees, including social insurance, supplementary medical insurance, housing fund, annual physical examination, statutory holidays and other welfare.

Diversity and Equal Opportunity – Our diversity is shaped by the skills, experiences, perspectives, styles and characteristics of our employees (including but not limited to gender, age, marital or family status, race, cultural background, disability and religious beliefs). We recognize that these differences should be respected and will contribute to innovation, change and long-term growth of our business. We also recognize that advocating diversity creates value and more benefits for our customers and shareholders, such as higher efficiency, talent retention rate, broader skill mix and more abundant talent mix. For all these reasons, we are committed to providing an inclusive, equal and fair workplace that values, respects and promotes diversity in our Group.

We have adopted the following measures to avoid forced labor: (1) our Group adopts the principle of fairness and voluntariness and does not charge any referral fee or other fees from the applicants in the recruitment process; (2) the successful applicants shall negotiate and sign the labor contract with us; (3) our employees can ask for leave with the support of doctor certificate if they are sick; and (4) our employees can freely allocate their off hours and statutory holidays.

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We have also adopted the following measures to avoid discrimination: (1) we do not discriminate nor interfere our employees on the basis of race, gender, nationality, disability and gender orientation; (2) we do not discriminate our employees in terms of employment, compensation and promotion on the basis of ethnicity, race, gender, age, religion, belief or disability; and (3) we adhere to the principle of equal pay for men and women. Women who meet the employment requirements for their work shall enjoy equal employment opportunities as men.

Working Hours and Rest Periods – We have organized occasional afternoon tea internally to help our employees relax during the working hours. In addition, we have adopted vacation and rest policies with terms better than the requirements under the national policies. When formulating the vacation and rest policies, we have taken into consideration the importance of our employees’ physical and mental health and our objectives to actively attract talents to join us and to retain our employees. Our policies with respect to working hours and rest periods and the remuneration in relation to working hours and rest periods are in full compliance with the relevant employment laws.

Aspect B2: Health and Safety

We place great importance to the health and safety of our employees. During the Reporting Period, we were not aware of any material non-compliance with relevant laws and regulations that have a significant impact on our Group relating to providing a safe working environment and protecting employees from occupational hazards. We provide our employees with a safe and healthy working environment and formulate various safety management measures, such as potential accident investigation and management system. In addition, we have implemented other discretionary policies, including: (1) providing good working conditions, such as reasonable working space and easy-to-use meeting systems; (2) promoting flexible working hours; (3) providing a clean, tidy and hygienic workplace; (4) equipped our offices with first-aid medicine kits which are to be replenished regularly; (5) providing fitness equipment in the designated areas in our offices; and (6) carrying out indoor or outdoor activities regularly and organising various associations, etc.

Our Group has not recorded any work-related fatalities occurred in each of the past three years including the year of the Reporting Period. During the Reporting Period, our group has 33 lost working days due to work-related injuries. Besides, there was no claims or compensation for our employees due to such incidents, and no significant violations of laws and regulations relating to employees’ health and safety matters during the Reporting Period.

We have established a work injury management response team to respond to potential work injury cases in the first instance. The work injury management response team is responsible for following up medical assistance for employees’ work injuries, coordinating medical insurance and social insurance reporting of work injuries, etc. In addition, we provide supplemental commercial insurance and annual body check for employees and develop specific health checkup programs based on industry characteristics and employees’ health conditions to protect employees’ health and actively improve health welfare services.

Environmental, Social and Governance Report

The Group consistently regards its employees as the most valuable asset, prioritizing their inner well-being, enhancing their sense of happiness and belonging, and retaining top talent. We have established a comprehensive benefits system to fully address employees' life and personal needs. In addition to providing statutory social security benefits such as pension, medical insurance, unemployment insurance, work-related injury insurance, and housing provident fund in accordance with legal requirements, we also offer other distinctive benefits, including talent housing, New Year red packets, festival gifts, team-building funds, meal allowances, outdoor activities, and health check-ups.

Beyond work, the Group organizes a variety of employee activities to enrich staff leisure time, integrating humanistic care into daily corporate operations and strengthening team cohesion. For instance, the Group not only presents bouquets of flowers to female employees on International Women's Day as a gesture of appreciation and goodwill, but also distributes carefully prepared festive gifts during traditional holidays such as the Dragon Boat Festival and Mid-Autumn Festival to preserve cultural heritage and warm hearts. We also organize dumpling-making events on the Winter Solstice, fostering a joyous atmosphere of reunion, and regularly conduct outdoor team-building activities. These initiatives allow team members to enhance physical fitness, appreciate natural scenery, deepen mutual rapport, and significantly boost team cohesion. These ongoing employee care measures vividly reflect the Group's people-oriented core values and inject strong momentum into the company's sustainable development.



Honoring Female Employees with Bouquets on International Women's Day



Employee Afternoon Tea Benefit



Outdoor Team-Building Activities



New Year Gathering

Environmental, Social and Governance Report

Aspect B3: Development and Training

We regard our staff as the most important asset and resource as they help to sustain our core values and culture. The training and development of personnel is of utmost importance to the management of our Group. As our business continues to grow, it is crucial that we build a sustainable workforce and continue to develop a team of employees who keep up with emerging technologies and deliver solutions that meet the fast-changing requirements of our customers. We have adopted the following measures in relation to development and training: (1) developing our annual training plan; (2) establishing our internal learning platform; (3) focusing on internal knowledge sharing and organizing internal knowledge sharing regularly and from time to time, which involves all aspects of our business operation, such as project completion sharing and business product introduction, etc.; (4) providing induction training for our new employees to introduce our corporate culture to them and help them adapt to our corporate environment by sharing with them videos which show our service standards and procedures; and (5) when internal training cannot fully meet the personal development needs of employees, sending our employees to external training institutions or abroad to study and improve.

During the Reporting Period, the percentage of employees trained by gender and employee category and the average training hours completed per employee by gender and employee category are as follows:

Percentage of employees trained	100%
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The percentage of employees trained by gender

Male	70%
Female	30%

The percentage of employees trained by employee category

Management	9%
Non-management	91%

Average training hours for employees	4 Hours
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The average training hours completed per employee by gender

Male	4 Hours
Female	4 Hours

The average training hours completed per employee by employee category

Management	5 Hours
Non-management	5 Hours

Environmental, Social and Governance Report

Aspect B4: Labour Standards

Our Group strictly prohibits the employment of minors or engagement of child labour activities as defined by laws and regulations. Once discovered, our Group will commence a thorough investigation and immediately dismiss the relevant employees. As a means to avoid employing child labour, all newly employed staff is required to provide identification documents for age verification purpose. We have adopted the following measures in relation to labour standards: (1) incorporation of guidelines concerning forced and child labour in employment practices, which expressly requires that no employee under the age of 18 should be employed; (2) consistent verification of compliance with the latest legal development; and (3) whistleblower protection to record any illegal activities. Our Group strictly complies with laws and conducts recruitment according to relevant laws and regulations. We will also continue to review the measures on recruitment practices to avoid child labour and forced labour. We prohibit any punishments, management methods and behaviours involving verbal abuse, physical punishment, physical abuse, oppression, sexual harassment, etc. against the employees for any reason. During the Reporting Period, no incidents of child and forced labour were reported or discovered.

Our Group has an active whistleblower policy and encourages individuals to come forward in complete privacy and without penalty to report potential incidents of abuse or illegality. We are committed to upholding our business ethics and corporate governance standards, effectively preventing our operation and management risk, timely monitoring and reporting any internal violations by our employees and ensuring that we operate in accordance with the laws and regulations.

Aspect B5: Supply Chain Management

Our Group understands the importance of supply chain management in mitigating the indirect environmental and social risks. We are aware of the environmental and social practices of our suppliers, we have adopted the following measures in relation to supply chain management: (1) prohibiting commercial bribery to create a fair, just and non-corrupt cooperation atmosphere; (2) establishing a reporting channel to allow our suppliers to communicate complaints, feedback, suggestion and supervision; and (3) ensuring confidentiality and requiring our suppliers to sign the agreement with us and agree to the confidentiality clause therein such that both parties agree not to disclose any information in relation to the cooperation to third parties in order to protect our business secrets. We negotiate with our suppliers on a mutual genuine, and full basis and cooperate with them for mutual benefits.

Environmental, Social and Governance Report

To ensure that our suppliers meet the quality, environmental and safety standards of our customers, we select suppliers based on the following criteria: qualification, technical capability, business capability, product and service quality and environmental impact. After comprehensive evaluation and selection, we have a list of qualified suppliers to supply products and/or services to our Group. In addition, our Group also evaluates the qualifications and service levels and standards of our suppliers comprehensively before making a decision on whether to cooperate with them or not and the extent of cooperation based on the results of our evaluation. For those suppliers who fail to meet our requirements, we will cease cooperation with them. We will make a decision on whether to cooperate with them again by re-evaluating whether they are able to meet our requirements after they have carried out rectification measures. During the Reporting Period, all suppliers engaged by the Group has been reviewed through the said procedures. Our Group also regularly monitors environmental and social risks at each part of the supply chain, including understand and identify related risks through close communication with suppliers.

The number of supplier breakdown by geographical region are as follows:

Mainland China	71
Hong Kong	17

Note: The number of suppliers refers to the number of enterprises that are active suppliers in the supplier database, and the geographical region refers to the place where the supplier is registered.

We have established systems to ensure fair and sustainable development of procurement activities and ensure equal competition among suppliers. Our Group strictly monitors all procurement activities, opens channels for complaints and reports, cracks down on various forms of commercial bribery, prevents conflicts of interest, and prevents any stakeholders from participating in procurement activities.

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Aspect B6: Product Responsibility

As an enterprise-level big data and AI technology and service provider in the PRC, achieving and maintaining high product and service quality is crucial to our sustainable development. In terms of product liability, we have adopted the following measures: (1) establishing and implementing a formal quality management system in all aspects of project implementation; (2) introducing after-sales service policies on our products and services, mainly focusing on technical advice and vulnerability repair requests; (3) placing an emphasis on the importance of the management of product intellectual property rights by establishing a product intellectual property management system to improve the Group's independent innovation system, and enhance employees' awareness of intellectual property protection through training and other means; and (4) establishing a sound process for dealing with and handling customer complaints. During the Reporting Period, to the best of the Board's and management's knowledge, our Group was not aware of any products and service-related complaints received. While focusing on the challenges and pressures faced by our customers, we provide high quality AI solutions and services to meet the business needs of our customers. Meanwhile, we also comply with the internationally recognized quality standards and have successfully renewed the ISO9000 and CMMI5 quality management system certifications. We always enter into contracts with our customers with contract terms concerning project quality and carry out periodic test and inspection according to such project quality terms to ensure that the corresponding products and services meet the standards and requirements of our customers. During the Reporting Period, we were not aware of any incidents of non-compliance with laws and regulations that have a significant impact on our Group, concerning product health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. We have not received any complaints about our Group's products and services.

Intellectual Property Protection – In order to promote our product innovation and protect various research and development results from infringement, we have established the intellectual property rights protection policies and implementation procedures in the product development process in strict accordance with the Patent Law of the People's Republic of China (中華人民共和國專利法), the Trademark Law of the People's Republic of China (中華人民共和國商標法), the Copyright Law of the People's Republic of China (中華人民共和國著作權法), the Regulations on the Protection of Computer Software (計算機軟件保護條例), Measures for the Administration of Internet Domain Names (互聯網域名管理辦法) and other regulations and standard documents, to perform the product invention, management and protection of intellectual property rights all in all. We also strive to cultivate our staff's awareness of protection of intellectual property rights through trainings, so as to comprehensively strengthen our Company's overall capabilities of protection of intellectual property rights and pave our road for further innovation and development.

As at 31 December 2025, we have registered 101 trademarks, granted 49 patents and obtained 196 computer software copyright registrations.

Environmental, Social and Governance Report

Product Health and Safety – Although we are not involved in the manufacturing of hardware, we strictly follow the Product Quality Law of the People’s Republic of China (中華人民共和國產品質量法) when selecting and purchasing products. We always set up contract terms regarding product quality with suppliers to ensure that the corresponding products have passed necessary testing and attained certain industrial standards. There were no incidents of recalls on products and services due to safety and health reasons during the Reporting Period, and that KPI B6.1 is not applicable as our core business does not involve safety and health risks.

Advertising and Labelling – Due to our business nature, our Group has limited risk of non-compliance in advertising and labelling. In our dealings with clients, providing complete, true, accurate, clear information and complying with all relevant laws and regulations regarding the proper advertising are utmost important for our Group.

Privacy Protection – We have implemented measures to comply with relevant laws and regulations on data protection and privacy of our business operations. When signing the employment contract with us, our employees shall also sign the employee confidentiality agreement and the professional ethics and confidentiality undertaking. No employee is allowed to disclose technical secrets, business secrets, etc. Employees are generally required to carry out product development or provide technical services at our customers’ locations. If necessary, prior to the commencement of the project, our employees are required to sign non-disclosure agreements or confidentiality undertakings as required by our customers. Generally, we use the computer equipment, intranet and computer room of our customers when we access the data of our customers. We do not collect or store any confidential information regarding our customers.

Furthermore, we have established the ISO27001 information security management system and set up the information security management committee in order to ensure the security of our trade secrets, customer information and other confidential information relating to our business. The information security management team is responsible for coordinating any information security-related events, identifying security trends, and planning and monitoring information security. The information security response team is also responsible for investigating and dealing with information security incidents, including but not limited to system failures, information leaks, unauthorized access, hackers, viruses and other incidents that threaten daily operations. They are also responsible for conducting regular internal audits to ensure that information security is in good working order, and to monitor and correct issues identified. We have developed information security management procedures, the scope of influence of which will be divided into four levels based on the nature and severity of the information security incidents, and the information security incidents are investigated and dealt with accordingly. It is the responsibility of our employees to report suspicious security incidents to their supervisor in accordance with our information security management procedures. Any employee who violates our information security management procedures will be punished depending on our potential loss and impact on operations, with our measures including verbal warnings, written warnings, administrative penalties and legal action.

Environmental, Social and Governance Report

Aspect B7: Anti-corruption

Our Group strives to achieve high standards of ethics in our business operations and does not tolerate any corruptions, frauds, extortion, money laundering and all other behaviors violating work ethics. Unethical or illegal events such as corruption, bribery, and collusion are strictly prohibited. We have adopted the following measures in relation to anti-corruption: (1) implementation of the anti-corruption and bribery requirements in our staff handbook; and (2) reporting procedures and whistleblower protection measures. We are committed to conducting our business with honesty and integrity and in compliance with the relevant laws and regulations. This includes compliance with all laws, domestic and foreign, prohibiting improper payments or inducements to any person, including public officials. We stipulate the disciplinary code and code of conduct in our employee handbook and encourage employees to report any suspected misconduct. It is our policy to conduct all business in an honest and ethical manner. We take a zero-tolerance approach to corruption and bribery and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.

We have adopted a whistleblower policy to strongly encourage individuals to come forward in complete privacy and without penalty for all levels and operations. Staff can raise concerns, confidence, about possible improprieties such as misconduct and malpractice in any matter related to our Group. Reports made by employees will be handled fairly consistently, and expeditiously. All reports will be handled with appropriate confidentiality. The results of the investigation will be notified to the relevant employees in accordance with appropriate channels. Such policy also aims at protecting whistle-blowers from unfair dismissal, victimization and unwarranted disciplinary actions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under the anti-corruption and anti-bribery policies of our Group, even if they turn out to be mistaken. Where there are new laws and regulations that may impact our business, all employees will be provided updates with training or summary training memos through email and our internal control policies and measures will be updated accordingly to ensure compliance. During the Reporting Period, we were not aware of any breach of laws and regulations in relation to bribery, extortion, fraud and money laundering that had a significant impact on our Group, such as the Regulations of the People's Republic of China for Suppression of Corruption (中華人民共和國懲治貪污條例). During the Reporting Period, there was no legal case regarding corrupt practices brought against our Group or our employees.

Environmental, Social and Governance Report

Aspect B8: Community Investment

Our Group is committed to making a positive impact on our internal and external stakeholders, as well as the communities we interact with through active social or philanthropic investments. As part of our Group's strategic development, we are committed to supporting social participation and contribution through public means, and to nurture the corporate culture and practices of corporate citizen in our daily operation. We have adopted the following measures in relation to community investment: (1) defining the nature and extent of involvement in the communities where the corporation has operations to ensure that our Group's business activities are conducted with due regard to the interests of the community; and (2) periodic assessment of success, regarding philanthropic initiatives. We encourage employees to care for and spend time on the local communities through participating in all kinds of social activities such as attending local community activities and charitable donations. Employees are also encouraged to participate in environmental protection activities and promote environmental awareness within our Group.

The Group has always embedded social responsibility deeply within its corporate development strategy. In June 2025, Shenzhen Suoxinda Data Technology Co., Ltd. ("**Shenzhen Suoxinda**"), a subsidiary of the Group, donated 21 computers to the Guangdong Education Foundation. After professional refurbishment and with a two-year warranty service included, all these computers were allocated to support rural schools within the province that lack IT teaching resources, enabling them to establish computer courses. This initiative aims to bridge the urban-rural digital divide and provide students with opportunities to engage with IT and broaden their horizons.

Adhering to the principle of "Technology for Good," the Group actively fulfills its corporate social responsibilities. This donation not only provides hardware support but also serves as a vital empowerment for the sustainable development of rural education. Moving forward, as a listed company on the Stock Exchange, the Group will continue to actively shoulder its social responsibilities, maintain a focus on the advancement of rural education, promote educational equity, and contribute to society through concrete actions.



Environmental, Social and Governance Report

PART D: CLIMATE RELATED DISCLOSURES

During the Reporting Period, to progressively enhance the management of climate-related work, the Company has, to the extent feasible and applicable, referenced “Part D: Climate-Related Disclosures” in this report to present information on its climate-related responses.

D.1 Governance

The Board of Directors of the Group confirms that it has overall responsibility for the Group’s environmental, social and governance (ESG) governance, ESG strategy and reporting, as well as the assessment and management of ESG related risks.

When overseeing the Group’s strategy and major transaction decisions, the Board has taken climate related risks and opportunities into consideration. In reviewing the annual business plan and strategic direction, the Board requires management to provide assessment opinions on climate related risks (e.g., the impact of extreme weather on operational continuity) and opportunities (e.g., the feasibility of developing green financial products), and to use these as reference factors in decision making. Pursuant to the Group’s investment policy and objectives, the Board is responsible for approving significant investments that constitute notifiable transactions under Chapter 14 of the Listing Rules. When considering such significant transactions, the Board requires management to assess whether the subject of the transaction is exposed to climate related risks (e.g., high carbon transition risks) and to take such factors into account in the decision making process.

The Group has formally established an ESG Working Group to manage climate related issues on a day to day basis. The ESG Working Group is headed by the Vice President and includes the heads of the Securities Department, Human Resources Department, Administration Department, Product Department, Brand & PR Department, and Finance Department. Each member department integrates climate related control measures into its internal functions in accordance with its respective responsibilities: the Administration Department is responsible for environmental management and greenhouse gas (GHG) data collection; the Human Resources Department is responsible for extreme weather emergency drills and the coordination of flexible working arrangements; the Finance Department is responsible for reviewing the effectiveness of the implementation of ESG related policies and measures; and the Product Department, when evaluating data centre hosting service providers, includes the provider’s disaster recovery capability in response to extreme weather as part of its assessment. The ESG Working Group regularly reports to the Board on the identification and assessment of climate related risks, progress in achieving emission reduction targets, and progress of ESG report preparation.

The Board of Directors of the Group is composed of members with diverse professional backgrounds, covering areas such as AI, financial management, investment, auditing and risk management, providing the necessary skill base for overseeing ESG strategies. Members of the ESG Working Group possess corresponding professional competencies in environmental management, data collection, compliance oversight and internal audit. During the Reporting Period, the Group organised training for its directors covering corporate governance and regulatory updates, and engaged external professional institutions to provide support where necessary, so as to continuously enhance its supervisory capabilities.

Environmental, Social and Governance Report

D.2 Strategy

Definition of Time Horizons and Their Relevance to Strategic Decisions

With reference to the recommendations of the Task Force on Climate related Financial Disclosures (“TCFD”) and the ESG Code of The Stock Exchange of Hong Kong Limited, and taking into account the Group’s business operation cycles and strategic planning, the Group defines its short, medium and long term time horizons as follows: the short term is 1 to 3 years, corresponding to the Group’s annual operating plan and rolling budget cycle; the medium term is 4 to 10 years, corresponding to the Group’s five year strategic planning cycle; and the long term is over 10 years, corresponding to the Group’s sustainable development vision and long term investment positioning.

Identified Climate Related Risks and Opportunities and Their Expected Time Horizons of Impact

The Group has identified the following climate related risks and opportunities that may reasonably be expected to have an impact over the short, medium or long term. The expected time horizons of impact for each risk and opportunity are set out below.

Risk/Opportunity Type		Risk/Opportunity	Expected Time Horizon	Mitigation Measures
Physical Risks	Acute risk	Extreme weather events such as typhoons or heavy rain may pose immediate threats to the Group’s power supply, communication facilities and employee commuting safety, potentially causing operational disruption, project delivery delays and increased costs.	Short term	<ul style="list-style-type: none"> – Conduct drills for extreme weather conditions (e.g., typhoons) – Establish a remote working platform to ensure stable operation of business
	Chronic risk	Chronic risks such as high temperatures and drought may lead to higher total energy consumption and costs in the Group’s office buildings.	Medium to long term	<ul style="list-style-type: none"> – Monitor energy consumption in a timely manner and adjust according to circumstances – Continuously optimise energy efficiency

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Risk/Opportunity Type		Risk/Opportunity	Expected Time Horizon	Mitigation Measures
Transition Risks	Policy and legal risk	As addressing climate change gains importance, government and regulatory authorities may impose stricter environmental disclosure and compliance requirements on companies, potentially increasing compliance risks.	Short to medium term	– Continuously track and interpret regulatory policies to ensure full compliance
	Market risk	As clients become more concerned about the low carbon attributes of products, failure to provide relevant information or meet clients' low carbon requirements in a timely manner may affect business development and thus revenue.	Medium to long term	– Continuously understand the needs of business partners
	Reputation risk	If the Group fails to disclose its measures and targets in a timely manner, it may face questions from investors and the public, affecting corporate reputation.	Medium term	– Continuously implement low carbon measures and make timely disclosures
Opportunities	Resource efficiency improvement	Implement energy saving and emission reduction measures to lower operating costs.	Short to medium term	– Reduce resource consumption through paper free office initiatives and electricity usage optimisation

Environmental, Social and Governance Report

Quantitative Disclosure of Assets Vulnerable to Climate Related Risks and Business Activities Aligned with Climate Related Opportunities

The physical climate risks identified by the Group include acute risks such as typhoons and heavy rain, as well as chronic risks such as high temperatures and drought. Transition risks include policy and legal risks, market risks and reputation risks. Climate opportunities include resource efficiency improvement, product and service innovation, and operational resilience enhancement. For the above mentioned risks and opportunities, the Group has not yet disclosed the specific amounts or percentages of assets or business activities that are vulnerable. In particular:

For physical risks, the Group has relied on the capability relief and reasonable data relief. This is because the Group operates under a light asset model and currently lacks a mature methodology to quantitatively link the carrying value of its assets to physical risks under different climate scenarios. Obtaining and calculating the relevant data would entail significant cost and effort.

For transition risks, the Group has relied on the capability relief. This is because the Group is not involved in high carbon production or manufacturing activities. The impact of transition risks is primarily reflected in operating costs and compliance aspects, and a mature quantitative assessment methodology is currently lacking.

For climate opportunities, the Group has relied on the capability relief and reasonable data relief. The identified climate opportunities (resource efficiency improvement) have not yet formed a separately identifiable asset class or business segment, and their potential financial impact is difficult to isolate from the existing financial statements. There is also no mature methodology to quantitatively link these opportunities to the carrying value of assets. The Group will progressively improve these disclosures when conditions permit.

Climate Resilience Assessment and Scenario Analysis

Regarding the Group's assessment of its climate resilience as of the reporting date, and how and when climate related scenario analysis was conducted, the Group has not yet performed a comprehensive climate resilience assessment or scenario analysis, and has relied on the capability relief. The reasons are as follows: climate scenario analysis involves complex climate model construction and multi variable assumptions, and requires specialised climate assessment tools and the support of an interdisciplinary expert team. The Group currently does not possess the skills, capabilities or resources required to conduct climate scenario analysis. The Group continues to monitor the development of relevant assessment methodologies and industry best practices, and will engage external professional institutions to assist in such work when appropriate.

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Capital Expenditure, Financing and Investment

With respect to the amount of capital expenditure, financing or investment allocated to climate related risks and opportunities, the Group has not yet separately accounted for such data and has relied on the reasonable data relief. The reasons are as follows: the Group's current climate related inputs are primarily integrated into routine operating expenses and regular capital expenditures (such as IT equipment upgrades and office energy saving retrofits), and have not yet been isolated from existing accounting items or tagged as climate related. Tracing and calculating the relevant data would entail significant cost and effort. The Group will continue to improve its internal accounting system and gradually establish a tracking mechanism for climate related capital expenditure when conditions permit.

Business Model and Value Chain

The Group is primarily engaged in providing integrated data solutions, sales of hardware and software and related services, IT maintenance and support services, commodity trading, and cryptocurrency mining. The Group's energy and resource usage is mainly concentrated in offices. The main energy sources used are purchased electricity and gasoline (for vehicles). The Group does not own any factories for manufacturing and is not involved in other energy uses.

The Group's upstream procurement mainly involves cloud services, servers, hardware and service procurement. Internal operations mainly consume energy through office work, R&D, business travel and commuting. The Group mainly provides clients with IT system construction, IT system operation and maintenance services, hardware and software sales, and commodity trading. Based on a materiality assessment, the Board determined that none of the Scope 3 categories currently pose a significant risk to the Group's business (i.e., no material impact on cash flow, financing, costs, safety, etc.). Moreover, the relevant data is difficult to obtain and the cost of calculation is high. Management is currently conducting feasibility studies on data collection and calculation methods for upstream and downstream emission sources in the value chain, with a view to focusing on material categories, selecting appropriate calculation methods and defining disclosure boundaries.

Environmental, Social and Governance Report

D.3 Risk Management

Identification and Assessment Process

The Group has integrated climate related risks into its enterprise risk management framework. The ESG Working Group is responsible for coordinating the identification and assessment of climate risks. The process is as follows:

Assess and prioritise identified risks based on two dimensions: “likelihood of occurrence” and “potential impact” (including financial, operational, compliance and reputational impact).

Material climate risks will be included in the Group’s risk register for ongoing monitoring.

Management and Integration Mechanism

For material climate risks, the ESG Working Group will collaborate with relevant responsible departments to formulate and implement corresponding management measures. This risk management process has been integrated into the Group’s overall risk management system and is regularly reviewed by the internal audit department to evaluate its effectiveness.

D.4 Metrics and Targets

Climate Related Targets

Pursuant to paragraphs 37 to 40 of Part D of the ESG Code of The Stock Exchange of Hong Kong Limited, the Group discloses its established climate related targets as follows. The Group has relied on the capability relief on the basis that it is still in the early stages of establishing its climate management system, and the quantitative setting, scope definition and benchmarking of the relevant climate targets are still in progress.

The Group has set the following climate-related targets:(i) Short-term target: The Group plans to reduce its greenhouse gas (GHG) emission intensity (Scope 1 and Scope 2) per employee by 10% over the next three years (2026 to 2028), using 2025 as the base year. The target has clearly defined the target metric, applicable period and base period, but does not specify the coverage or the basis for setting the target. The Group has relied on the capability relief. (ii) Medium-term target: Continuously optimise energy efficiency and explore application scenarios for renewable energy. This is a qualitative target without quantitative metrics, base year or specific target period. The Group has relied on the capability relief. (iii) Long-term direction: Respond to the national dual-carbon goals and assess the feasibility of setting Science Based Targets (SBTi) in due course. This direction is still under planning and has not yet been formalised as a target. The Group has relied on the capability relief.

Environmental, Social and Governance Report

The Group will continue to improve its disclosures on climate-related targets in subsequent reporting periods.

Climate Related Disclosure Index

Climate Related Disclosure	Description	Section / Statement
Governance		
Governance	The role, controls and integration of the Board and management in overseeing climate related risks and opportunities	See Section D.1 of this report
Remuneration	Mechanism linking climate related targets to executive compensation	The Group has not yet linked climate targets to executive compensation. Capability relief is taken.
Strategy		
Climate Related Risks and Opportunities	Identified physical climate risks, transition risks and climate opportunities	See Section D.2 of this report
Business Model and Value Chain	Impact of climate related risks and opportunities on the Group's business model and value chain	See Section D.2 of this report
Strategy and Decision Making	How climate related factors are integrated into the Group's strategy and decision making processes	See Sections D.1 and D.2 of this report
Financial Position, Financial Performance and Cash Flows	Impact of climate related risks and opportunities on the Group's financial position	The Group has not yet quantitatively disclosed the financial impact of climate related matters. Capability relief is taken.

Environmental, Social and Governance Report

Climate Related Disclosure	Description	Section / Statement
Climate Resilience	Assessment of the Group's climate resilience as of the reporting date and scenario analysis	The Group has not yet conducted a comprehensive climate resilience assessment or scenario analysis. Capability relief is taken.
Capital Deployment	Capital expenditure, financing or investment amounts allocated to climate related risks and opportunities	The Group has not yet separately accounted for climate related capital expenditure. Reasonable data relief is taken.
Internal Carbon Pricing	Adoption and implementation of internal carbon pricing mechanisms	The Group does not currently implement an internal carbon pricing mechanism. Capability relief is taken.
Climate Related Physical Risks, Transition Risks and Opportunities	Each identified climate related risk and opportunity and its expected time horizon of impact	See Section D.2 of this report
Risk Management		
Risk Management	Processes for identifying, assessing, prioritising and monitoring climate related risks, and how these processes are integrated into the Group's overall risk management system	See Section D.3 of this report
Metrics and Targets		
Greenhouse Gas Emissions	Scope 1, Scope 2 and Scope 3 GHG emissions data, measurement methodologies and Scope 2 contractual instrument information	See Section A1 of this report.
Climate Related Targets	Short term, medium term and long term direction of climate related targets set by the Group	See Section D.4 of this report
Industry Based Indicators	The Group has not adopted industry based indicators under the IFRS S2 Industry Implementation Guidance	The Group has not yet adopted relevant industry based indicators. Capability relief is taken.

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Note:

Greenhouse gas (GHG) emission data are calculated in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. Scope 1 emissions are calculated using the direct monitoring method, with input data being vehicle fuel consumption (in litres). Scope 2 emissions are calculated using the location based method, with input data being purchased electricity consumption (in kWh), and the emission factor applied is the average CO₂ emission factor for the Southern China regional power grid published by the Ministry of Ecology and Environment of the People's Republic of China.

The reasons for selecting the above methods are: (i) the GHG Protocol is the most widely adopted standard globally and is consistent with the requirements of the Stock Exchange and the ISSB; (ii) the official emission factor of China best reflects the actual emission impact of the Group; and (iii) the Group has not entered into any electricity purchase agreements with environmental attributes and is therefore unable to apply the market based method.

Scope 2 emissions (location based) amounted to 137.82 tonnes of CO₂ equivalent. The Group has not entered into any contractual instruments such as renewable energy certificates (RECs), green electricity certificates or power purchase agreements (PPAs), and therefore is unable to provide Scope 2 emission data using the market based method.

Scope 3 emission data have been disclosed in the "A1: Emissions" section of this report, covering Category 5 (waste generated in operations) and Category 6 (business travel). The measurement methodologies for Scope 3 emissions are as follows: (i) for Category 1, the average data method is used to calculate emissions from freshwater consumption; (ii) for Category 5, emissions are calculated by multiplying specific waste data by the emission factors provided by the UK Department for Energy Security and Net Zero; and (iii) for Category 6, data are calculated using the International Civil Aviation Organization (ICAO) Calculator based on air travel mileage. Other Scope 3 categories have been assessed by the Board as not posing significant risks to the current business and are therefore not disclosed at this stage, with the reasonable data relief being applied. Internal carbon pricing has not yet been implemented, and the capability relief is applied (the Board is assessing its feasibility).

Independent Auditor's Report



To the Shareholders of Ruihe Data Technology Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Ruihe Data Technology Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 109 to 215, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of 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.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (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 Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2.1(a) in the consolidated financial statements, which indicates that the Group incurred a net loss of approximately RMB66,655,000 during the year ended 31 December 2025 and, as of that date, the Group had net current liabilities of approximately RMB125,102,000. As stated in Note 2.1(a), these events or conditions, along with other matters as set forth in Note 2.1(a), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent Auditor's Report

KEY AUDIT MATTERS

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

Impairment assessment on trade and bill receivables and contract assets

Refer to Notes 20 and 21 to the consolidated financial statements

The Group tested the amount of trade and bill receivables and contract assets for impairment. This impairment test is significant to our audit because the balance of trade and bill receivables and contract assets of approximately RMB133,436,000 and RMB37,175,000 respectively as at 31 December 2025 and the expected credit losses on trade and bill receivables of approximately RMB5,591,000 and the reversal of expected credit losses on contract assets of approximately RMB588,000 for the year ended 31 December 2025 are material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

Our audit procedures included, among others:

- Assessing the Group's relationship and transaction history with the customers;
- Evaluating the Group's impairment assessment;
- Assessing ageing of the debts;
- Assessing creditworthiness of the customers;
- Checking subsequent settlements from the customers;
- Assessing the competence, independence and integrity of the external valuers engaged by the Group;
- Obtaining the external valuation reports and meeting with the external valuers to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgements and assumptions applied in the expected credit loss calculations;
- Checking key assumptions and input data in the expected credit loss calculations to supporting evidence; and
- Checking the computation of the amounts of expected credit loss allowances.

We consider that the Group's impairment test for trade and bill receivables and contract assets is supported by the available evidence.

Independent Auditor's Report

Impairment assessment on property and equipment, intangible assets and right-of-use assets

Refer to Notes 13, 15 and 16 to the consolidated financial statements.

The Group tested the amount of property and equipment, intangible assets and right-of-use assets for impairment. This impairment test is significant to our audit because the balance of property and equipment, intangible assets and right-of-use assets of approximately Nil, RMB28,357,000 and RMB506,000 respectively as at 31 December 2025 and the impairment loss on property and equipment, intangible assets and right-of-use assets of approximately RMB536,000, RMB21,001,000 and RMB3,017,000 respectively for the year ended 31 December 2025 are material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

- Assessing the identification of the related cash generating units;
- Comparing the actual cash flows with the cash flow projections;
- Assessing the valuation models used by the Group;
- Assessing the competence, independence and integrity of the external valuers engaged by the Group;
- Obtaining the external valuation reports and meeting with the external valuers to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgements and assumptions applied in the valuation models;
- Checking key assumptions and input data in the valuation models to supporting evidence; and
- Checking arithmetical accuracy of the valuation model.

We consider that the Group's impairment test for property and equipment, intangible assets and right-of-use assets is supported by the available evidence.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises all the information in the Company's 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.

Independent Auditor's Report

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the Directors 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.

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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at: <https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre>

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants

Li Chi Hoi
Audit Engagement Director
Practising Certificate Number P07268
Hong Kong, 31 March 2026

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Revenue	5	321,383	377,843
Cost of sales		(295,667)	(339,768)
Gross profit		25,716	38,075
Selling expenses		(5,874)	(8,387)
Administrative expenses		(46,215)	(53,553)
Research and development expenses		(10,036)	(31,073)
Expected credit losses ("ECLs") on financial assets and contract assets	20, 21, 22	(4,919)	(2,669)
Impairment loss on property and equipment	13	(536)	(1,100)
Impairment loss on intangible assets	15	(21,001)	(9,600)
Impairment loss on right-of-use assets	16	(3,017)	(1,600)
Other income	6	3,142	3,097
Other gain, net	6	772	1,746
Operating loss		(61,968)	(65,064)
Finance income	9	103	153
Finance costs	9	(8,372)	(9,042)
Finance costs, net	9	(8,269)	(8,889)
Share of profits/(losses) of associates	23	1,209	(463)
Fair value change of financial assets at fair value through profit or loss ("FVTPL")		9,845	–
Loss before income tax	7	(59,183)	(74,416)
Income tax (expense)/credit	10	(7,472)	372
Loss for the year		(66,655)	(74,044)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Other comprehensive (loss)/income			
<i>Item that may be reclassified to profit or loss:</i>			
– Exchange differences on translating foreign operations		(298)	924
<i>Item that will not be reclassified to profit or loss:</i>			
– Fair value changes of financial assets (equity investments) at fair value through other comprehensive income (“FVTOCI”)		(62)	–
Other comprehensive (loss)/income for the year, net of tax		(360)	924
Total comprehensive loss for the year, net of tax		(67,015)	(73,120)
(Loss)/profit for the year attributable to:			
Owners of the Company		(63,519)	(74,998)
Non-controlling interests	37	(3,136)	954
		(66,655)	(74,044)
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(63,879)	(74,074)
Non-controlling interests	37	(3,136)	954
		(67,015)	(73,120)
Loss per share for loss attributable to owners of the Company:			
Basic and diluted loss per share (RMB cents)	11	(8.6)	(11.4)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property and equipment	13	–	3,047
Investment property	14	7,951	8,676
Intangible assets	15	28,357	59,158
Right-of-use assets	16	506	5,976
Investment in associates	23	13,807	14,298
Deposit paid for acquisition of additional interests in a subsidiary		3,465	3,465
Financial assets at FVTOCI	18	1,888	1,950
Financial assets at FVTPL	19	30,560	–
Prepayments and deposits	22	48,556	–
Deferred tax assets	29	1,687	9,330
		136,777	105,900
Current assets			
Cryptocurrencies	17	6,754	–
Trade and bill receivables	20	133,436	90,660
Contract assets	21	37,175	66,653
Prepayments	22	6,554	5,081
Other receivables	22	8,053	5,963
Pledged bank deposits	24	902	329
Restricted bank deposits	24	3,687	7,867
Cash and cash equivalents	24	31,882	16,399
		228,443	192,952
Total assets		365,220	298,852
EQUITY			
Equity attributable to the owners of the Company			
Share capital	25	7,149	5,950
Other reserves	26	448,930	415,017
Accumulated losses		(464,027)	(400,508)
		(7,948)	20,459
Non-controlling interests	37	19,286	22,422
Total equity		11,338	42,881

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	31	–	1,660
Deferred tax liabilities	29	337	508
Bank and other borrowings	30	–	10,000
		337	12,168
Current liabilities			
Trade payables	27	116,308	91,612
Accruals and other payables	28	47,761	36,045
Contract liabilities	21	1,534	1,252
Current income tax liabilities		2,036	2,036
Amounts due to directors	33(b)	60,684	10,518
Lease liabilities	31	1,860	3,680
Bank and other borrowings	30	123,362	98,660
		353,545	243,803
Total liabilities		353,882	255,971
Total equity and liabilities		365,220	298,852
Net current liabilities		(125,102)	(50,851)
Total assets less current liabilities		11,675	55,049

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 109 to 215 were approved and authorised for issue by the Board of Directors on 31 March 2026 and are signed on its behalf by:

Xue Shouguang
Director

Sun Dexin
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company				Subtotal	Non-controlling interests	Total equity
	Share capital	Share premium	Reserves	Accumulated losses			
	RMB'000 (Note 25)	RMB'000 (Note 26)	RMB'000 (Note 26)	RMB'000	RMB'000	RMB'000 (Note 37)	RMB'000
Balance at 1 January 2024	5,950	306,834	108,141	(325,086)	95,839	21,468	117,307
Comprehensive (loss)/income							
(Loss)/profit for the year	-	-	-	(74,998)	(74,998)	954	(74,044)
Other comprehensive income	-	-	924	-	924	-	924
Total comprehensive income/(loss) for the year	-	-	924	(74,998)	(74,074)	954	(73,120)
Transactions with owners in their capacity as owners							
Share-based payments (Note 26(ii))	-	-	(1,306)	-	(1,306)	-	(1,306)
Transfer to statutory reserve (Note 26(iv))	-	-	424	(424)	-	-	-
	-	-	(882)	(424)	(1,306)	-	(1,306)
Balance at 31 December 2024	5,950	306,834	108,183	(400,508)	20,459	22,422	42,881

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Reserves	Accumulated losses	Subtotal		
	RMB'000 (Note 25)	RMB'000 (Note 26)	RMB'000 (Note 26)	RMB'000	RMB'000	RMB'000 (Note 37)	RMB'000
Balance at 1 January 2025	5,950	306,834	108,183	(400,508)	20,459	22,422	42,881
Comprehensive (loss)/income							
Loss for the year	-	-	-	(63,519)	(63,519)	(3,136)	(66,655)
Other comprehensive loss	-	-	(360)	-	(360)	-	(360)
Total comprehensive loss for the year	-	-	(360)	(63,519)	(63,879)	(3,136)	(67,015)
Transactions with owners in their capacity as owners							
Issuance of new shares (Note 25(i))	1,199	34,442	-	-	35,641	-	35,641
Share-based payments (Note 26(ii))	-	-	(169)	-	(169)	-	(169)
	1,199	34,442	(169)	-	35,472	-	35,472
Balance at 31 December 2025	7,149	341,276	107,654	(464,027)	(7,948)	19,286	11,338

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash used in operations	32	(6,993)	(16,329)
Income tax paid		–	(287)
Net cash used in operating activities		(6,993)	(16,616)
Cash flows from investing activities			
Purchase of intangible assets		(2,077)	(4,610)
Payment for property and equipment		(671)	(1,300)
Proceeds from disposal of property and equipment	32	47	294
Acquisition of financial assets at FVTOCI		–	(1,950)
Acquisition of financial assets at FVTPL		(20,982)	–
Payment for acquisition for financial assets	22	(48,556)	–
Interests received	9	103	153
Net cash used in investing activities		(72,136)	(7,413)

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Cash flows from financing activities			
Proceeds from issues of shares	25(i)	36,086	–
Shares issues expenses paid	25(i)	(445)	–
Interests paid		(6,547)	(6,999)
(Increase)/decrease in pledged bank deposits and other deposits		(573)	1,676
Decrease/(increase) in restricted bank deposits		4,180	(7,867)
Repayment of lease liabilities	32	(3,671)	(3,540)
Advances from directors	32	69,662	42,518
Repayment of advances from directors	32	(18,420)	(32,000)
Proceeds from other borrowings	32	29,102	90,160
Repayment of other borrowings	32	(42,750)	(112,464)
Proceeds from bank borrowings	32	51,460	26,222
Repayment of bank borrowings	32	(23,450)	(71,450)
Net cash generated from/(used in) financing activities		94,634	(73,744)
Net increase/(decrease) in cash and cash equivalents			
		15,505	(97,773)
Cash and cash equivalents at beginning of the year		16,399	113,257
Effect of currency translation differences		(22)	915
Cash and cash equivalents at end of the year		31,882	16,399

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Ruihe Data Technology Holdings Limited (the “Company”) is a limited company incorporated in the Cayman Islands on 6 December 2018 as an exempted company. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. With effect from 10 January 2025, the address of the principal place of business of the Company has been changed to Room 1928, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are engaged in provision of data solutions, sales of hardware and software and related services as an integrated service, information technology (“IT”) maintenance and support services, trading of commodities and cryptocurrencies mining.

The Company listed its shares on Main Board of the Stock Exchange on 13 December 2019.

The consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000).

2 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and related interpretations. The consolidated financial statements have been prepared under the historical cost convention, except for the financial assets at FVTOCI and financial assets at FVTPL, which are carried at fair values.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(a) *Going Concern Basis*

The Group incurred a loss of approximately RMB66,655,000 for the year ended 31 December 2025 and as at 31 December 2025 the Group had net current liabilities of approximately RMB125,102,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

These consolidated financial statements have been prepared on a going concern basis. The directors of the Company have performed an assessment of the Group's future liquidity and cash flows, taking into account the following relevant matters:

- (i) A director of the Company, Mr. Xue Shouguang ("Mr. Xue") will provide the loan financing funding support amounted to RMB80,000,000 within 18 months from the date of the letter, i.e. 1 March 2026.
- (ii) As set out in note 33(b) to the consolidated financial statements, according to the letter from a director of the Company, Mr. Xue, to the Board of the Company dated 1 March 2026, in order to provide continuous financial support to the Company, Mr. Xue will not demand repayment of the amount due to a director of approximately RMB55,628,000 if the Group's cash flow is insufficient to continue its operations during the period from 1 March 2026 to 31 August 2027.
- (iii) The Group is negotiating with the counterparties to renew the existing loans from them as set out in Note 30 to the consolidated financial statements.

Accordingly, the directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(b) Adoption of new and revised IFRS Accounting Standards

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. IFRS Accounting Standards comprise International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”) and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The application of these new and revised IFRS Accounting Standards will not have material impact on the consolidated financial statements of the Group except for the adoption of IFRS 18 as mentioned below.

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 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 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 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Groups’ consolidated financial statements.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Principles of consolidation and equity accounting

(a) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statements of changes in equity and statements of financial position, respectively.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

(b) *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Principles of consolidation and equity accounting (Continued)

(c) Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.10.

2.3 Business combination

The Group applies the acquisition method to account for business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprised the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Business combination (Continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

The non-controlling interest is recognised in equity to the extent that the risks and rewards of ownership substantially remain with the non-controlling interest during the contract period. Where all of the risks and rewards of ownership have transferred to the Group, the non-controlling interest is not recognised.

The non-controlling interests in the subsidiary are initially measured at their acquisition-date fair value.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial information exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the directors of the Company who make strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is HKD while the consolidated financial statements are presented in RMB, which the management of the Group considers that it is more beneficial for the users of the consolidated financial statements.

(b) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income within "other gain/(losses), net".

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency translation (Continued)

(c) *Group companies*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- capital balances for each consolidated statement of financial position presented are translated at the historical rate at the transaction date;
- all other assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the period-end date;
- income and expenses for each consolidated statement of comprehensive income are translated at average rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income and included within the exchange reserve.

On the disposal of the Group's entities, or a disposal involving loss of control over a subsidiary, all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the Company's equity holders are reclassified to the profit or loss.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged in profit or loss during the years in which they are incurred.

Depreciation of property and equipment are calculated using the straight-line method to allocate their costs over their estimated useful lives, as follows:

Building	20 years or over the unexpired lease period of leasehold land, whichever is shorter
Furniture, fittings and equipment	3 to 5 years
Motor vehicles	4 to 5 years

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing the net proceeds with the carrying amounts of the relevant assets and are recognised within "other losses, net" in the consolidated statement of comprehensive income.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at cost less accumulated depreciation and impairment losses. The depreciation is calculated using the straight line method to allocate the cost to the residual value over its estimated remaining useful life.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

2.9 Intangible assets

(a) Computer software

Computer software is stated at cost less accumulated amortisation and impairment. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software, and are amortised over their estimated useful lives of one to five years using the straight-line method.

(b) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Intangible assets (Continued)

(c) Research and development expenditures

Costs associated with research and development are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised include the software development employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised when the asset is ready for use.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(d) Customer relationship

Customer relationship acquired in a business combination are recognised at fair value at the acquisition date. Customer relationship is carried at cost less accumulated amortisation and amortisation is calculated using the straight-line method to allocate the cost of customer relationship over 7 years.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Financial assets

2.11.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income;
- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is managed. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. See Note 19 for details of financial assets.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (Continued)

2.11.2 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recorded in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest method.
- **Fair value through other comprehensive income ("FVTOCI"):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other gain/(losses), net". Interest income from these financial assets is included in finance income using the effective interest method. Foreign exchange gains and losses and impairment expenses are presented in "other gain/(losses), net".
- **Fair value through profit or loss ("FVTPL"):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated statement of comprehensive income within "other gain/(losses), net" in the period in which it arises.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (Continued)

2.11.2 Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. When the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be included in profit or loss and recognised in "other gain/(losses), net" when the Group's right to receive payments is established.

Changes in fair value of the financial assets at FVTPL is recognised in profit or loss and presented net in the consolidated statement of comprehensive income.

2.11.3 Impairment

The Group has five types of assets subject to IFRS 9's expected credit loss model:

- Trade and bill receivables;
- Contract assets;
- Other receivables;
- Pledged and restricted bank deposits; and
- Cash and cash equivalents

For trade and bill receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

For cash and cash equivalents and pledged and restricted bank deposits, it is also subject to the impairment requirements under IFRS 9, yet the identified impairment loss is immaterial because the Group only transacts with state-owned or reputable financial institutions in Mainland China and reputable international financial institutions outside of the Mainland China (Note 3.1(b)).

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (Continued)

2.11.4 Derecognition

Financial assets

The Group derecognises a financial asset, if the part being considered for derecognition meets one of the following conditions: (i) the contractual rights to receive the cash flows from the financial asset expire; or (ii) the contractual rights to receive the cash flows of the financial asset have been transferred, the Group transfers substantially all the risks and rewards of ownership of the financial asset; or (iii) the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to the eventual recipient in an agreement that meets all the conditions of de-recognition of transfer of cash flows ("pass through" requirements) and transfers substantially all the risks and rewards of ownership of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- the carrying amount of the financial asset transferred; and
- the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognised directly in equity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability.

Other financial liabilities

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

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (Continued)

2.11.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. There are also arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Cryptocurrencies

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

2.14 Contract assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customers. The combination of those rights and performance obligations give rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligation. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

Contract assets are assessed for expected credit losses in accordance with the policy set out in Note 2.11.3 and are reclassified to receivables when the right to the consideration has become unconditional.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Trade and bill receivables and other receivables

Trade and bill receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade and bills receivables and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and bill and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. See Note 2.11.3 for a description of the Group's impairment policy for trade and bills receivables and other receivables.

2.16 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with banks.

2.17 Pledged bank deposits

Pledged deposits represented fixed deposits pledged to the bank for bank borrowings.

2.18 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.21 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Current and deferred income tax

The tax expense for the year comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company, its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of goodwill. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and deferred income tax liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority and when there is an intention to settle the balances on a net basis.

2.23 Provisions

Provisions are only recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.24 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Employee social security and benefits obligations

The Group companies in the Mainland China participate in defined contribution retirement plans and other employee social security plans, including pension, medical, other welfare benefits, organised and administered by the relevant governmental authorities for employees in the Mainland China. The Group contributes to these plans based on certain percentages of the total salary of employees, subject to a certain ceiling, as stipulated by the relevant regulations.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.25 Revenue recognition

Revenue is recognised when or as the control of the goods or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may transfer over time or at a point in time.

Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- 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.

If service transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains the service.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- Direct measurements of the value transferred by the Group to the customer; or
- The Group's efforts or inputs to the satisfaction of the performance obligation.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a practical expedient, the Group does not adjust any of the transaction prices for the time value of money.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.25 Revenue recognition (Continued)

In determining whether revenue of the Group should be reported gross or net is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods or services to the customer, the Group needs to first identify who controls the specified goods or services before they are transferred to the customer. The Group is a principal who obtains control any of the following: (i) a good or another asset from the other party that the Group then transfers to the customer; (ii) a right to a service to be performed by the other party, which gives the Group the ability to direct that party to provide the service to the customer on the Group's behalf; (iii) a good or service from the other party that the Group then consolidates with other goods or services in providing the specified good or service to the customer. If control is unclear, when the Group is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from products sold or services provided.

The following is a description of the accounting policy for the principal revenue streams of the Group.

(a) Data solutions

Data solutions refer to data-driven operation services, including software development, data analysis, system integration and customisation, integration, storage, cleaning and processing of data and consulting services etc. Services are provided to the customers under separate contracts.

Revenue from data solutions is recognised when the Group has provided the promised service. The customer simultaneously receives and consumes the benefits provided by the Group over the period. The performance obligation is satisfied over time which is usually within one year with reference to the Group's inputs to the satisfaction of the performance obligation of the projects.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.25 Revenue recognition (Continued)

(b) Sales of hardware and software and related services as an integrated service

The Group provides multiple deliverables to customers, including on-site investigation, assessment of system specification and requirement, sales of hardware and software (including self-developed products), installation of equipment and software. It is accounted for as a single performance obligation since the Group provides an integrated service.

Revenue rendering from the sales of hardware and software and related services are recognised at a point when the sales and the related services are completed without further unfulfilled obligation.

(c) IT maintenance and support services

The provision of the IT maintenance and support services mainly includes the IT integration services to the customer. Revenue from IT maintenance and support services is recognised in the accounting period when the Group provides the service and all of the benefits are received and consumed simultaneously by the customer throughout the contract period. Thus, the Group satisfies a performance obligation and recognises revenue over time with reference to the actual service period passed relative to the total contract period and the Group has present right to payment.

(d) Trading of commodities

Revenue rendering from the sales of commodities is recognised at a point when the commodities are delivered to customers without further unfulfilled obligation.

(e) Cryptocurrencies mining

Income from cryptocurrencies business is recognised when the Group's rights to receive cryptocurrencies is established, it is probable that the economic benefits associated with the cryptocurrencies will flow to the Group and the amount of the cryptocurrencies can be measured reliably.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.26 Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.27 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

2.28 Leases

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.28 Leases (Continued)

- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liabilities for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.28 Leases (Continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, as follows:

Properties	3 to 5 years
Equipment	5 years

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of equipment lease.

2.29 Dividend distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.30 Share-based payments

The Group issues equity-settled share-based payments to certain directors and employees.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including market risk (including foreign exchange risk and cash flow interest rate risk), credit risk, and liquidity risk. The Group's overall risk management approach focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from its bank and other borrowings, lease liabilities, cash and cash equivalents, restricted bank deposits and pledged bank deposits. Except for some bank and other borrowings and lease liabilities which are entitled to fixed interest rates and expose the Group to the fair value interest rate risk, other bank borrowings, cash and cash equivalents, restricted bank deposits and pledged bank deposits are carried at variable rates.

As at 31 December 2025, if the market interest rates had been 50 basis points higher or lower with all other variables held constant, post-tax loss for the year would have been approximately RMB89,000 higher/lower (2024: post-tax loss for the year would have been approximately RMB105,000 lower/higher).

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk

The credit risk of the Group mainly arises from cash and cash equivalents, pledged bank deposits, trade and bill receivables, contract assets and other receivables. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

Cash and cash equivalents and pledged and restricted bank deposits

To manage risk arising from cash and cash equivalents and pledged and restricted bank deposits, the Group only transacts with state-owned or reputable financial institutions in Mainland China and reputable international financial institutions outside of Mainland China. There has been no recent history of default in relation to these financial institutions.

Other receivables

For other receivables, the Group has measured its lifetime expected credit losses and has taken into account the historical default experience and the future prospects of the industries and/or considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of the other receivables, as well as the loss upon default in each case. The Group also takes into account forward-looking information in the impairment of the other receivables. Details of the loss allowance of other receivables are included in Note 22.

Trade and bill receivables and contract assets

For trade and bill receivables and contract assets, the Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade and bill receivables and contract assets without financing components.

To measure the expected credit losses, trade and bill receivables have been assessed based on credit risk characteristics of the customers with reference to a wide range of factors such as default rates of customers, aging profile of overdue balances, the repayment and default histories of different customers, on-going business relationship with the relevant customers and forward-looking information that affecting the customers' ability to repay the outstanding balances. Details of the loss allowance of trade and bill receivables are included in Note 20.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Trade and bill receivables and contract assets (Continued)

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit losses below also incorporate forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables. Details of the loss allowance of contract assets are included in Note 21.

As at 31 December 2025, the Group had significant concentration of credit risk in a few customers. The outstanding balances from the five largest customers, which had been included in trade and bill receivables and contract assets, amounted to RMB70,688,000 (2024: RMB20,784,000) in aggregate, which represented approximately 26% (2024: 8%) of the total trade and bill receivables and contract assets.

Other than the above, the Group has no other significant concentration of credit risk, with exposure spread over a number of counterparties.

(c) Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding. Due to the nature of the underlying businesses, the Group's management responsible for treasury function aims to maintain flexibility in funding by keeping sufficient cash and committed banking facilities available.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

	On demand or within 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over and 5 years RMB'000	Total RMB'000
As at 31 December 2024					
Trade payables	91,612	-	-	-	91,612
Accruals and other payables (excluding non-financial liabilities and accruals for employee benefit expenses)	14,480	-	-	-	14,480
Lease liabilities and interest payments	3,888	1,692	-	-	5,580
Bank and other borrowings and interest payments	102,934	10,167	-	-	113,101
Amount due to directors	10,518	-	-	-	10,518
	<u>223,432</u>	<u>11,859</u>	<u>-</u>	<u>-</u>	<u>235,291</u>
As at 31 December 2025					
Trade payables	116,308	-	-	-	116,308
Accruals and other payables (excluding non-financial liabilities and accruals for employee benefit expenses and services fees to cryptocurrencies service provider)	19,096	-	-	-	19,096
Lease liabilities and interest payments	1,892	-	-	-	1,892
Bank and other borrowings and interest payments	128,938	-	-	-	128,938
Amount due to directors	60,684	-	-	-	60,684
	<u>326,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,918</u>

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(d) Fair value measurements

Except for the financial assets at FVTOCI disclosed in note 18 and financial assets at FVTPL as disclosed in note 19 to the consolidated financial statements, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

Fair value is price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(i) Disclosures of level in fair value hierarchy at 31 December:

Description	Fair value measurements as at 31 December 2025 using:			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Recurring fair value measurements:				
Financial assets at FVTOCI	–	–	1,888	1,888
Financial assets at FVTPL	15,804	14,756	–	30,560

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(d) Fair value measurements (Continued)

(i) Disclosures of level in fair value hierarchy at 31 December: (Continued)

Description	Fair value measurements as at 31 December 2024 using:			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Recurring fair value measurements:				
Financial assets at FVTOCI	–	–	1,950	1,950

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

(ii) Reconciliation of assets measured at fair value based on level 3:

	Financial assets at FVTOCI	
	2025 RMB'000	2024 RMB'000
At 1 January	1,950	–
Addition	–	1,950
Net loss recognised in other comprehensive income	(62)	–
At 31 December	1,888	1,950

The total losses recognised in other comprehensive income are presented in fair value change of financial assets at FVTOCI in the consolidated statement of comprehensive income.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(d) Fair value measurements (Continued)

(iii) *Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2025:*

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Level 2 fair value measurements

The unlisted equity securities held the Group classified as financial assets at FVTPL represent 25% interests in an investee of which the investee solely held equity securities listed in Hong Kong. The fair value of the financial assets at FVTPL was determined based on the Group's shareholding of the equity value of the investee which was determined using quoted market price by listed equity securities held by the investee.

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Effect on fair value for increase of inputs	Fair value as at 31 December 2025 RMB'000	Fair value as at 31 December 2024 RMB'000
Financial assets at FVTOCI	Asset approach	Net assets	Increase	1,888	1,950

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total bank and other borrowings, amounts due to directors and lease liabilities less cash and cash equivalents, restricted bank deposits, pledged bank deposits and other deposits. Total capital is calculated as "equity", as shown in the consolidated statement of financial position.

The debt-to-equity ratios were as follows:

	2025 RMB'000	2024 RMB'000
Bank and other borrowings (Note 30)	123,362	108,660
Amounts due to directors (Note 33(b))	60,684	10,518
Lease liabilities (Note 31)	1,860	5,340
Less: Cash and cash equivalents (Note 24)	(31,882)	(16,399)
Restricted bank deposits (Note 24)	(3,687)	(7,867)
Pledged bank deposits (Note 24)	(902)	(329)
Net debt	149,435	99,923
Total equity	11,338	42,881
Debt-to-equity ratio	13.18	2.33

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Provision for impairment of trade and bill receivables, contract assets and other receivables

The Group follows the guidance of IFRS 9 to determine when trade and bill receivables, contract assets and other receivables are impaired. This determination requires significant judgement and estimation. In making this judgement and estimation, the Group evaluates, among other factors, the duration of receivables and the financial health collection history of individual debtors and expected future change of credit risks, including the consideration of factors such as general economy measure, changes in macroeconomic indicators, etc. The Group also take into account forward-looking information in the impairment assessment of trade and bill receivables, contract assets and other receivables.

(b) Estimated impairment of non-financial assets

The Group follows the guidance of IAS 36 "Impairment of Assets" to determine when assets, for example goodwill, property and equipment, intangible assets and right-of-use assets, are impaired, which requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the recoverable amount of assets is less than their carrying balance, including factors such as the industry performance and changes in operational and financing cash flows.

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.10. The recoverable amounts of cash generating units ("CGUs") have been determined based on higher of fair value less costs of disposal or value-in-use calculations. These calculations require the use of estimates.

(c) Cryptocurrencies

During the year ended 31 December 2025, the Group received and held cryptocurrencies generated from the hashrate capacity for cryptocurrencies business. In the process of developing and applying an accounting policy for cryptocurrencies, management of the Group noted that there are no IFRS Accounting Standards that specifically apply to the accounting treatment for cryptocurrencies held by the Group.

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Cryptocurrencies (Continued)

Management has considered the guidance in IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (“IAS 8”) concerning how the Group should develop its accounting policy under such circumstances. In accordance with IAS 8, reference was made to the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practice to the extent that these do not conflict with the requirements of the IFRS Accounting Standards.

Based on literature issued by staff of the International Accounting Standards Board and with reference to IAS 2 “Inventories”, which defines an inventory as an asset held-for-sale in the ordinary course of business, management considers that cryptocurrencies held by the Group satisfy the elements of the definition of an inventory and therefore has determined that cryptocurrencies should be accounted for in the same manner as inventories are accounted for under IAS 2.

5 REVENUE AND SEGMENT INFORMATION

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers		
Integrated data technology services		
– Data solutions	58,257	147,996
– Sales of hardware and software and related services as an integrated service	146,999	99,057
– IT maintenance and support services	913	5,949
	206,169	253,002
Trading of commodities	107,165	124,841
	313,334	377,843
Revenue from other sources		
Cryptocurrencies mining	8,049	–
	321,383	377,843
Timing of revenue recognition for revenue from contracts with customers		
– At a point in time	254,164	223,898
– Over time	59,170	153,945
	313,334	377,843

Notes to the Consolidated Financial Statements

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

The chief operating decision-maker (“CODM”) has been identified as the directors of the Company. The CODM regards the Group’s business units based on their products and services and has following reportable segments as follows:

- (a) Integrated data technology services – data solutions, sales of hardware and software and related services as an integrated service, and IT maintenance and support services; and
- (b) Trading of commodities

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The Group’s other operating segments include the cryptocurrencies mining business, which earns revenue from cryptocurrencies mining and the cryptocurrencies investments business, which earns its returns from investing in cryptocurrencies related enterprises. The information of these other operating segments is included in the ‘others’ column.

The accounting policies of the operating segments are the same as those described in Note 2 to the consolidated financial statements. Segment profits or losses do not include share of profits/(losses) of associates, finance income, finance costs, fair value change of financial assets at FVTPL and corporate administrative expenses incurred by the Company. Segment assets do not include investment in associates, financial assets at FVTPL, other receivables, prepayments and cash and cash equivalents held by the Company. Segment liabilities do not include accruals and other payables, other borrowings and amounts due to directors of the Company.

Notes to the Consolidated Financial Statements

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) The information about reportable segment profit or loss, assets and liabilities provided to the CODM for each of the years ended and as at 31 December 2024 and 2025 is as follows:

	2025				2024		
	Integrated data technology services RMB'000	Trading of commodities RMB'000	Others RMB'000	Total RMB'000	Integrated data technology services RMB'000	Trading of commodities RMB'000	Total RMB'000
Year ended 31 December							
Segment revenue							
- Data solutions	58,257	-	-	58,257	147,996	-	147,996
- Sales of hardware and software and related services as an integrated service	146,999	-	-	146,999	99,057	-	99,057
- IT maintenance and support services	913	-	-	913	5,949	-	5,949
- Trading of commodities	-	107,165	-	107,165	-	124,841	124,841
- Cryptocurrencies	-	-	8,049	8,049	-	-	-
	<u>206,169</u>	<u>107,165</u>	<u>8,049</u>	<u>321,383</u>	<u>253,002</u>	<u>124,841</u>	<u>377,843</u>
Segment loss	(70,280)	(977)	(991)	(72,248)	(65,513)	(405)	(65,918)
Unallocated profit/(loss)				4,384			(7,663)
Share of profits/(losses) of associates				1,209			(463)
Loss for the year				<u>(66,655)</u>			<u>(74,044)</u>
Other segment information							
Depreciation of property, plant and equipment	3,078	62	-	3,140	6,568	52	6,620
Depreciation of investment property	725	-	-	725	60	-	60
Amortisation of intangible assets	13,990	-	-	13,990	16,894	-	16,894
Depreciation of right of use assets	2,459	-	-	2,459	5,457	-	5,457
ECLs on financial and contract assets	4,797	122	-	4,919	2,667	2	2,669
Impairment loss on property and equipment	322	214	-	536	1,100	-	1,100
Impairment loss on intangible assets	21,001	-	-	21,001	9,600	-	9,600
Impairment loss on right-of-use assets	3,017	-	-	3,017	1,600	-	1,600
Finance income	(11)	(3)	(1)	(15)	(143)	(10)	(153)
Finance income – unallocated				(88)			-
Finance costs	6,564	331	572	7,467	9,005	37	9,042
Finance costs – unallocated				-			905
Income tax expense/(credit)	7,474	(2)	-	7,472	(454)	2	(452)
Income tax expense – unallocated				-			80
Additions to non-current assets	4,900	-	-	4,900	6,269	328	6,597

Notes to the Consolidated Financial Statements

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) (Continued)

	2025				2024		
	Integrated data technology services RMB'000	Trading of commodities RMB'000	Others RMB'000	Total RMB'000	Integrated data technology services RMB'000	Trading of commodities RMB'000	Total RMB'000
As at 31 December							
Segment assets	248,674	13,430	71,267	333,371	274,918	8,512	283,430
Unallocated assets				31,849			15,422
Total assets				365,220			298,852
Segment liabilities	271,152	1,247	64,367	336,766	240,972	10,186	251,158
Unallocated liabilities				17,116			4,813
Total liabilities				353,882			255,971

(b) Revenue from external parties contributing 10% or more of the total revenue of the Group is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Integrated data technology services segment		
Customer A	59,569	N/A [#]
Customer B	53,203	N/A [#]
Trading of commodities segment		
Customer C	32,978	67,946

[#] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Notes to the Consolidated Financial Statements

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

- (c) The Group's revenue by geographical locations (as determined by the area or country in which the Group operates) is analysed as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Mainland China	253,765	377,843
Hong Kong	67,618	–
	321,383	377,843

All of the Group's non-current assets are principally located in the Mainland China.

For the Group's provision of data solutions and the sales of hardware and software and related services as an integrated service, contracts are for periods of one year or less. For the Group's IT maintenance and support services, the Group bills the amount provided, therefore, the Group uses "right to invoice" practical expedient to recognise revenue in the amount to which the Group has a right to invoice. As permitted under practical expedient of IFRS 15, the transaction price allocated to these unsatisfied contracts are not disclosed.

Notes to the Consolidated Financial Statements

6 OTHER INCOME AND OTHER GAIN, NET

An analysis of other income and other gain/(losses), net is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Other income:		
Government grants (Note i)	2,959	3,082
Rental income on investment property	183	15
	3,142	3,097
Other gains/(losses), net:		
Gain on leases termination	23	1,571
Gain on disposals of property and equipment (Note 32)	20	156
Loss on written off of property and equipment	(12)	(18)
Loss on disposal of intangible assets	-	(27)
Others	741	64
	772	1,746

Note:

- (i) Government grants are mainly related to unconditional government subsidies received by the Group from relevant government bodies for the purpose of giving incentive to enterprises, including but not limited to engage in research and development activities and refund of the value-added-tax ("VAT") under the "immediate refund of VAT levied" policy.

Notes to the Consolidated Financial Statements

7 LOSS BEFORE INCOME TAX

The Group's loss before income tax has been arrived at after charging/(crediting):

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Amortisation of intangible assets (Note 15)	13,990	16,894
Depreciation of property and equipment (Note 13)	3,140	6,620
Depreciation of investment property (Note 14)	725	60
Depreciation of right-of-use assets (Note 16)	2,459	5,457
Total amortisation and depreciation	20,314	29,031
Less: Capitalised in software development costs within intangible assets	(2,119)	(233)
	18,195	28,798
Employee benefit expenses (including directors' emoluments) (Note 8)	58,706	93,403
Expenses related to short-term leases	982	938
Auditor's remuneration	1,780	1,662
Written down of cryptocurrencies	1,106	–
ECLs on trade and bill receivables (Note 20)	5,591	1,347
Reversal of ECLs on contract assets (Note 21)	(588)	(477)
(Reversal of ECLs)/ECLs on other receivables (Note 22)	(84)	1,799

Notes to the Consolidated Financial Statements

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries, bonuses, fees and allowances	53,365	89,195
Retirement benefit contributions (Note i)	7,135	9,156
Equity-settled share-based payments	(169)	(1,306)
	60,331	97,045
Less: portion capitalised as intangible assets	(1,625)	(3,642)
	58,706	93,403

Note:

- (i) As stipulated by the rules and regulations in Mainland China, the subsidiaries operating in the Mainland China contribute to state-sponsored retirement plans for its employees during the years ended 31 December 2024 and 2025. The employees contribute approximately 8% of their basic salaries, while the subsidiaries contribute approximately 13-16% of the basic salaries of its employees and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2024: two) directors whose emoluments are reflected in the analysis presented in Note 35. The emoluments payable to the remaining four (2024: three) individuals during the year are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries, fees and allowances	2,000	1,752
Retirement benefit contributions	250	141
Equity-settled share-based payments	-	73
	2,250	1,966

Notes to the Consolidated Financial Statements

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(a) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

	2025	2024
Emolument bands		
Nil to HKD1,000,000	4	3

9 FINANCE COSTS, NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Finance income		
– Interest income on bank deposits	103	153
Finance costs		
– Interest expense on bank and other borrowings	(6,983)	(8,082)
– Interest expense on amount due to directors	(1,181)	(544)
– Finance charges on lease liabilities	(208)	(416)
	(8,372)	(9,042)
Finance costs, net	(8,269)	(8,889)

Notes to the Consolidated Financial Statements

10 INCOME TAX EXPENSE/(CREDIT)

The amount of income tax expense/(credit) recorded in the consolidated statement of comprehensive income represents:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax		
– Hong Kong profits tax	–	–
– The People Republic of China (“PRC”) enterprise income tax	–	2
– PRC interest withholding tax	–	80
Under provision in prior years		
– Hong Kong profits tax	–	–
– PRC enterprise income tax	–	195
Deferred income tax (Note 29)		
– Current year	7,472	(649)
Income tax expense/(credit)	7,472	(372)

(i) Hong Kong profits tax

Subsidiaries established in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% during the year ended 31 December 2025 (2024: 16.5%).

(ii) PRC enterprise income tax

Suoxinda Shenzhen, Ruihe Data (Beijing) Technology Co., Ltd.* (“Ruihe Beijing”) and Shenzhen Yinxing Intelligent Data Co., Ltd.* (“Shenzhen Yinxing”) were recognised by relevant Mainland China authorities as National High and New Technological Enterprise (“NHNTE”) and were entitled to a preferential enterprise income tax rate of 15% from 2023 to 2026, from 2024 to 2027 and from 2022 to 2025, respectively. Other subsidiaries established in the PRC are subject to enterprise income tax at a rate of 25% during the year ended 31 December 2025 (2024: 25%).

* English company names are translated for identification purposes only.

Notes to the Consolidated Financial Statements

10 INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

(iii) PRC interest withholding tax

Subsidiaries established outside the PRC are subject to PRC withholding tax at a rate of 10% on the interest income received from the subsidiaries established in the PRC during the year ended 31 December 2025 (2024: 10%).

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rates applicable to losses of the entities under the Group as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss before income tax	(59,183)	(74,416)
Less: share of (profits)/losses of associates, net of tax	(1,209)	463
Loss before income tax before share of (profits)/losses of associates	(60,392)	(73,953)
Tax calculated at domestic tax rates applicable to losses of the respective companies	(12,376)	(12,139)
Expenses not deductible for tax purposes	3,907	2,005
Deductible temporary differences not recognised	8,784	–
Under provision in prior years	–	195
Super deduction for research and development expenses (Note i)	(2,935)	(5,125)
Tax losses for which no deferred tax was recognised	10,092	14,692
Income tax expense/(credit)	7,472	(372)

Note:

- (i) Super deduction for research and development expenses

According to the relevant laws and regulations promulgated by the State Tax Bureau of the People's Republic of China that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim up to 200% (2024: 200%) of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Super Deduction"). The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the years ended 31 December 2024 and 2025.

Notes to the Consolidated Financial Statements

11 LOSS PER SHARE

	Year ended 31 December	
	2025	2024
Loss attributable to owners of the Company for the purpose of calculating basic and diluted loss per share (RMB'000)	(63,519)	(74,998)
Weighted average number of ordinary shares outstanding for the purpose of calculating basic and diluted loss per share (Number of shares in thousand)	738,263	657,959
Basic and diluted loss per share (RMB cents)	(8.6)	(11.4)

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the respective periods.

Diluted loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding to assume the issue of all dilutive potential ordinary shares. Potential ordinary shares are dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share. Weighted average number of ordinary shares for the purpose of calculating diluted loss per share does not adjust for the effects of share awards and share options because (i) the exercise prices of those share options are higher than the average market prices of the Company's shares; and (ii) the impacts of the shares to be issued under share awards scheme has antidilutive effects on the basic loss per share amounts presented.

12 DIVIDENDS

No dividends had been paid or declared by the Company during the year ended 31 December 2025 (2024: Nil).

Notes to the Consolidated Financial Statements

13 PROPERTY AND EQUIPMENT

	Building RMB'000	Furniture, fittings and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
At 1 January 2024				
Cost	15,257	44,360	2,047	61,664
Accumulated depreciation	(5,853)	(27,214)	(1,486)	(34,553)
Accumulated impairment loss	-	(7,658)	(198)	(7,856)
Net book amount	9,404	9,488	363	19,255
Year ended 31 December 2024				
Opening net book amount	9,404	9,488	363	19,255
Additions	-	400	-	400
Disposals	-	(121)	(17)	(138)
Written off	-	(18)	-	(18)
Transfers to investment property (Note 14)	(8,736)	-	-	(8,736)
Depreciation	(668)	(5,722)	(230)	(6,620)
Impairment loss (Note i)	-	(1,100)	-	(1,100)
Currency translation differences	-	-	4	4
Closing net book amount	-	2,927	120	3,047
At 31 December 2024				
Cost	-	42,394	1,702	44,096
Accumulated depreciation	-	(30,709)	(1,384)	(32,093)
Accumulated impairment loss	-	(8,758)	(198)	(8,956)
Net book amount	-	2,927	120	3,047
Year ended 31 December 2025				
Opening net book amount	-	2,927	120	3,047
Additions	-	671	-	671
Disposals	-	(27)	-	(27)
Written off	-	(12)	-	(12)
Depreciation	-	(3,110)	(30)	(3,140)
Impairment loss (Note i)	-	(449)	(87)	(536)
Currency translation differences	-	-	(3)	(3)
Closing net book amount	-	-	-	-
At 31 December 2025				
Cost	-	42,388	1,657	44,045
Accumulated depreciation	-	(33,181)	(1,372)	(34,553)
Accumulated impairment loss	-	(9,207)	(285)	(9,492)
Net book amount	-	-	-	-

Notes to the Consolidated Financial Statements

13 PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation is included in the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Administrative expenses	926	2,559
Research and development expenses	2,214	4,061
	3,140	6,620

Note:

- (i) The Group carried out reviews of the recoverable amount of its cash generating unit ("CGU") without Shenzhen Yinxing in 2024 and 2025 as a result of the deterioration of the operating results of the CGU. These assets are used in the Group's integrated data technology services segment. The reviews led to the recognition of impairment losses of RMB536,000, RMB21,001,000 and RMB3,017,000 (2024: RMB1,100,000, RMB9,600,000, RMB1,600,000) on property and equipment, intangible assets and right-of-use assets respectively, that has been recognised in profit or loss. The recoverable amount of the relevant assets has been determined on the basis of their value in use using discounted cash flow method as the fair value less costs of disposal cannot be determined due to lack of reliable comparable transactions information available in the market. The value in use calculation uses the cash flow projections based on financial budgets approved by the management covering the 5 years while the cash flows beyond 5 years period are extrapolated using the terminal growth rate. There is no change in the valuation method used and the Group has engaged a valuer to prepare a value in use valuation for the Group's CGU without Shenzhen Yinxing as at 31 December 2024 and 2025. The key assumptions including average annual growth rate, gross profit margin, pre-tax discount rate used and terminal growth rate used in the value in use calculations are 3%, 10%, 13% and 3% (2024: 5%, 23%, 13%, and 3%) respectively. The gross profit margin is determined based on the CGU's historical performance and management expectation for CGU's business development while the terminal growth rate is referenced to worldwide average GDP growth rate. In view of declining revenue and gross profit margin trend in recent years, the average annual growth rate was adjusted from 5% to 3% and gross profit margin was adjusted from 23% to 10%. In deriving the pre-tax discount rate, the valuer referenced to the weight of debt and equity value to enterprise value of the comparable companies with similar industries in the computation of the weighted average cost of capital, which is adopted as the pre-tax discount rate of that CGU.

Notes to the Consolidated Financial Statements

14 INVESTMENT PROPERTY

	RMB'000
At 1 January 2024	
Cost	–
Accumulated depreciation	–
Net book amount	–
Year ended 31 December 2024	
Opening net book amount	–
Transfer from property and equipment (Note 13)	8,736
Depreciation	(60)
Closing net book amount	8,676
At 31 December 2024	
Cost	15,257
Accumulated depreciation	(6,581)
Net book amount	8,676
Year ended 31 December 2025	
Opening net book amount	8,676
Depreciation	(725)
Closing net book amount	7,951
At 31 December 2025	
Cost	15,257
Accumulated depreciation	(7,306)
Net book amount	7,951

Notes to the Consolidated Financial Statements

14 INVESTMENT PROPERTY (CONTINUED)

The fair value of the Group's investment property at 31 December 2025 was approximately RMB11,221,000 (2024: RMB11,000,000), which has been arrived at based on a valuation carried out by the directors of the Company. The fair value was determined based on direct comparison approach taking into account the recent transaction prices for similar properties. The fair value measurement is categorised into Level 2 hierarchy. In estimating the fair value of the property, the highest and best use of the property is its current use.

As at 31 December 2025, the Group's investment property of approximately RMB7,951,000 have been pledged to certain other borrowings of the Group (2024: Nil) (Note 30(b)).

The Group leases out its investment property under operating leases. The lease term is 2 years. All leases are on a fixed rental basis and do not include variable lease payments.

The Group's future undiscounted lease payments under operating leases are receivable as follows:

	2025 RMB'000	2024 RMB'000
Within one year	168	183
One to two years	-	168
	168	351

Notes to the Consolidated Financial Statements

15 INTANGIBLE ASSETS

	Goodwill (Note ii) RMB'000	Customer relationship (Note i) RMB'000	Computer software RMB'000	Total RMB'000
At 1 January 2024				
Cost	18,598	8,017	132,779	159,394
Accumulated amortisation	–	(3,480)	(47,592)	(51,072)
Accumulated impairment loss	–	–	(27,491)	(27,491)
Net book amount	<u>18,598</u>	<u>4,537</u>	<u>57,696</u>	<u>80,831</u>
Year ended 31 December 2024				
Opening net book amount	18,598	4,537	57,696	80,831
Additions	–	–	4,843	4,843
Disposals	–	–	(27)	(27)
Amortisation charge	–	(1,145)	(15,749)	(16,894)
Impairment loss (Note 13(i))	–	–	(9,600)	(9,600)
Currency translation differences	–	–	5	5
Closing net book amount	<u>18,598</u>	<u>3,392</u>	<u>37,168</u>	<u>59,158</u>
At 31 December 2024				
Cost	18,598	8,017	137,589	164,204
Accumulated amortisation	–	(4,625)	(63,330)	(67,955)
Accumulated impairment loss	–	–	(37,091)	(37,091)
Net book amount	<u>18,598</u>	<u>3,392</u>	<u>37,168</u>	<u>59,158</u>

Notes to the Consolidated Financial Statements

15 INTANGIBLE ASSETS (CONTINUED)

	Goodwill (Note ii) RMB'000	Customer relationship (Note i) RMB'000	Computer software RMB'000	Total RMB'000
Year ended 31 December 2025				
Opening net book amount	18,598	3,392	37,168	59,158
Additions	-	-	4,196	4,196
Amortisation charge	-	(1,145)	(12,845)	(13,990)
Impairment loss (Note 13(ii))	-	-	(21,001)	(21,001)
Currency translation differences	-	-	(6)	(6)
Closing net book amount	18,598	2,247	7,512	28,357
At 31 December 2025				
Cost	18,598	8,017	141,779	168,394
Accumulated amortisation	-	(5,770)	(76,175)	(81,945)
Accumulated impairment loss	-	-	(58,092)	(58,092)
Net book amount	18,598	2,247	7,512	28,357

During the year ended 31 December 2025, the Group has capitalised development costs of RMB4,196,000 where the software developed is ready for use (2024: RMB4,066,000).

Amortisation is included in the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Administrative expenses	11,766	12,044
Research and development expenses	2,224	4,850
	13,990	16,894

Notes to the Consolidated Financial Statements

15 INTANGIBLE ASSETS (CONTINUED)

Notes:

(i) Customer relationship

Customer relationships were acquired in the acquisition of Shenzhen YinXing. The customer relationships are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based over their expected lives of the customer relationships (i.e. 7 years). It is determined with reference to the Group's best estimate of the expected contract period with the customers based on the historical renewal pattern and the industry practice.

(ii) Goodwill

In 2025, goodwill mainly arose from the acquisition of Shenzhen YinXing. As at 31 December 2025, goodwill has been allocated to Shenzhen YinXing for impairment assessment. Impairment assessment was carried out by the management annually or when impairment indicators exist at the end of each reporting period by comparing the recoverable amounts of Shenzhen YinXing to their carrying amounts. For the purpose of the goodwill impairment review, the recoverable amount is the higher of its fair value less costs of disposal and its value in use.

As at 31 December 2025, the recoverable amount of Shenzhen YinXing has been determined based on value-in-use calculation. It is calculated using pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. The key assumptions including average annual growth rate, pre-tax discount rate and terminal growth rate used in the value-in-use calculations in 2025 are as follows:

	Shenzhen YinXing	
	2025	2024
Average annual growth rate	4%	7%
Pre-tax discount rate	13%	13%
Terminal growth rate	3%	3%

The average annual growth rate used is based on past performance and the management's expectations of the market development. The discount rates used are pre-tax and reflect specific risks. The terminal growth rates used are largely in line with the long-term average growth rate for the industry.

Notes to the Consolidated Financial Statements

16 RIGHT-OF-USE ASSETS

	Properties RMB'000	Equipment RMB'000	Total RMB'000
At 1 January 2024			
Cost	16,738	20,334	37,072
Accumulated depreciation	(6,563)	(9,702)	(16,265)
Accumulated impairment loss	(2,590)	(3,863)	(6,453)
Net book amount	7,585	6,769	14,354
Year ended 31 December 2024			
Opening net book amount	7,585	6,769	14,354
Additions	1,354	–	1,354
Termination of leases	(2,675)	–	(2,675)
Depreciation	(2,846)	(2,611)	(5,457)
Impairment loss (Note 13(i))	(564)	(1,036)	(1,600)
Closing net book amount	2,854	3,122	5,976
At 31 December 2024			
Cost	12,053	20,334	32,387
Accumulated depreciation	(6,045)	(12,313)	(18,358)
Accumulated impairment loss	(3,154)	(4,899)	(8,053)
Net book amount	2,854	3,122	5,976
Year ended 31 December 2025			
Opening net book amount	2,854	3,122	5,976
Additions	33	–	33
Termination of leases	(27)	–	(27)
Depreciation	(1,933)	(526)	(2,459)
Impairment loss (Note 13(i))	(421)	(2,596)	(3,017)
Closing net book amount	506	–	506
At 31 December 2025			
Cost	8,690	20,334	29,024
Accumulated depreciation	(4,609)	(12,839)	(17,448)
Accumulated impairment loss	(3,575)	(7,495)	(11,070)
Net book amount	506	–	506

Notes to the Consolidated Financial Statements

16 RIGHT-OF-USE ASSETS (CONTINUED)

Depreciation is included in the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Selling expenses	–	22
Administrative expenses	2,459	1,964
Research and development expenses	–	3,471
	2,459	5,457

17 CRYPTOCURRENCIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Bitcoin	6,754	–

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Unlisted equity securities, at fair value – analysed as non-current assets	1,888	1,950

The above investments are intended to be held for the medium to long-term. Designation of these investments as equity investments at fair value through other comprehensive income can avoid the volatility of the fair value changes of these investments to the profit or loss.

The unlisted equity securities represent 19.5% (2024: 19.5%) interests in an investee engaged in the investments of IT, digital economy and data solution-related businesses.

Notes to the Consolidated Financial Statements

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Equity securities, at fair value		
– Listed in Hong Kong	15,804	–
– Unlisted	14,756	–
	30,560	–
Analysed as		
– Current assets	–	–
– Non-current assets	30,560	–
	30,560	–

20 TRADE AND BILL RECEIVABLES

Trade and bill receivables analysis is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables	201,018	154,318
Less: allowance for expected credit losses	(69,206)	(63,658)
Trade receivables, net	131,812	90,660
Bill receivables	1,667	–
Less: allowance for expected credit losses	(43)	–
Bill receivables, net	1,624	–
Total trade and bill receivables, net	133,436	90,660

Notes to the Consolidated Financial Statements

20 TRADE AND BILL RECEIVABLES (CONTINUED)

The carrying amounts of trade and bill receivables approximate their fair values at each reporting date and are denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB	76,264	90,322
USD	57,172	338
	133,436	90,660

The Group allows a credit period of up to 60 days to its customers.

Bill receivables represent the unconditional orders in writing issued by certain customers of the Group for completed sales which entitle the Group to collect a sum of money from those customers. The bills are non-interest bearing and have maturities of three to six months.

As at 31 December 2025, trade receivables outstanding from certain specific customers of the Group of approximately RMB18,030,000 have been pledged to certain bank borrowings of the Group (2024: RMB22,501,000) (Note 30(a)).

Movements on the Group's allowance for expected credit losses on trade and bill receivables are as follows:

	2025	2024
	RMB'000	RMB'000
At the beginning of the year	(63,658)	(62,311)
Increase in expected credit losses	(5,591)	(1,347)
At the end of the year	(69,249)	(63,658)

(a) The aging analysis of gross trade and bill receivables based on invoice date is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Up to 3 months	119,372	64,347
3 to 6 months	10,032	5,171
6 months to 1 year	4,429	17,899
Over 1 year	68,852	66,901
	202,685	154,318

Notes to the Consolidated Financial Statements

20 TRADE AND BILL RECEIVABLES (CONTINUED)

- (b) The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and bill receivables. To measure the expected credit losses, trade and bill receivables have been assessed based on credit risk characteristics of the customers with reference to a wide range of factors such as default rates of customers, aging profile of overdue balances, the repayment and default histories of different customers, on-going business relationship with the relevant customers and forward-looking information that affecting the customers' ability to repay the outstanding balances. Financial assets are written off when there is no reasonable expectation of recovery.

The allowance for expected credit losses on trade and bill receivables as of 31 December 2024 and 2025 are determined as follows:

	Current	Up to 3 months past due	3 to 6 months past due	6 to 12 months past due	Over 12 months past due	Total
31 December 2024:						
Weighted average expected loss rate	3%	2%	10%	15%	90%	
Gross carrying amount (RMB in thousand)	50,800	14,989	5,826	17,303	65,400	154,318
Allowance for expected credit losses (RMB in thousand)	1,342	363	611	2,651	58,691	63,658
31 December 2025:						
Weighted average expected loss rate	1%	4%	17%	41%	96%	
Gross carrying amount (RMB in thousand)	96,454	26,730	8,690	4,447	66,364	202,685
Allowance for expected credit losses (RMB in thousand)	1,380	1,190	1,492	1,802	63,385	69,249

Weighted average expected credit losses rates were determined based on the cash collection performance for customers with respect to the credit terms granted to each customer and also taking into account the forward-looking information. The cash collection patterns are affected by a number of factors including but not limited to the change in customer portfolios of the Group, the effort of cash collection from the customers, the timing of settlement processes by customers of the Group etc.

Notes to the Consolidated Financial Statements

21 CONTRACT ASSETS/(LIABILITIES)

Contract assets/(liabilities) analysis is as follows:

	As at 31 December		As at
	2025	2024	1 January
	RMB'000	RMB'000	2024
			RMB'000
Contract assets	68,248	99,253	104,779
Less: allowance for expected credit losses	(31,073)	(32,600)	(33,077)
	37,175	66,653	71,702
Contract liabilities	(1,534)	(1,252)	(997)

Movements on the Group's allowance for expected credit losses on contract assets are as follows:

	2025	2024
	RMB'000	RMB'000
At the beginning of the year	(32,600)	(33,077)
Written off	939	–
Decrease in expected credit losses	588	477
At the end of the year	(31,073)	(32,600)

The contract assets are primarily related to the Group's rights to consideration for work completed and not billed because the rights are conditional on the Group's future performance in achieving specified milestones at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically reclassifies contract assets to trade receivables on the date of acceptance reports issued by the customers when such right of collections becomes unconditional other than the passage of time.

The contract assets relate to unbilled work in progress. Except for several customers with contract assets amounted to approximately RMB30,665,000 (2024: RMB32,095,000) has been fully provided in view of increase in credit risk, the remaining balances substantially have the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Notes to the Consolidated Financial Statements

21 CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

The allowance for expected credit losses on contract assets as of 31 December 2024 and 2025 are determined as follows:

	Current	Increase in credit risk	Total
31 December 2024:			
Weighted average expected loss rate	1%	100%	
Gross carrying amount (RMB in thousand)	67,158	32,095	99,253
Allowance for expected credit losses (RMB in thousand)	505	32,095	32,600
31 December 2025:			
Weighted average expected loss rate	1%	100%	
Gross carrying amount (RMB in thousand)	37,583	30,665	68,248
Allowance for expected credit losses (RMB in thousand)	408	30,665	31,073

The following table shows the revenue recognised during the years ended 31 December 2024 and 2025 related to carried-forward contract liabilities:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in the contract liabilities balance as at beginning of the year	1,252	997

Notes to the Consolidated Financial Statements

22 PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Prepayments and deposits		
Prepaid expenses	6,554	5,081
Prepayment for acquisitions of financial assets (Note i)	31,098	–
Deposits paid for a potential investment project (Note ii)	17,458	–
	55,110	5,081
Less: portion classified as non-current asset (Note i & ii)	(48,556)	–
	6,554	5,081
Other receivables		
Utilities and other deposits	2,104	3,158
Other receivables	5,964	4,604
Dividends receivables from associates (Note 23)	1,700	–
Other receivables due from other investors of an associate	–	2,079
	9,768	9,841
Less: allowance for expected credit losses	(1,715)	(3,878)
	8,053	5,963

Notes:

- (i) Amount represents the prepayments for subscriptions of approximately 2.36% fund shares of a private equity fund and 9,061 Series B preference shares in Tykhe Capital Group Limited engaged in asset management with a focus on digital assets, digital asset trading platform operation and technical support to digital asset development. After completion of the subscriptions of shares, management expects to classify such investment as financial assets at FVTPL and intends to hold the investment for the medium to long-term.
- (ii) Amount represents the deposits paid to an investment management company for a potential investment project in coal mining industry in Indonesia. However, management determines not to continue such investment and the deposits have been fully refunded to the Group in January to February 2026.

Notes to the Consolidated Financial Statements

22 PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

The carrying amounts of other receivables approximated their fair values at each reporting date. The other receivables are denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB	7,214	5,822
HKD	18,297	141
	25,511	5,963

Movements on the Group's allowance for expected credit losses on other receivables are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	(3,878)	(2,079)
Written off	2,079	–
Decrease/(increase) in expected credit losses	84	(1,799)
At the end of the year	(1,715)	(3,878)

23 INVESTMENT IN ASSOCIATES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
As at 1 January	14,298	14,761
Share of profits/(losses) of associates	1,209	(463)
Dividends received from associates (Note 22)	(1,700)	–
As at 31 December	13,807	14,298

Notes to the Consolidated Financial Statements

23 INVESTMENT IN ASSOCIATES (CONTINUED)

The details of the associates of the Group are as follows:

Name	Country and date of establishment	Registered capital	Percentage of equity interest attributable to the Group		Principal activities
			2025	2024	
Saixin (Nanjing Jiangbei New District) Financial Technology Research Co., Ltd. (賽信(南京江北新區)金融科技研究院有限公司)	Mainland China, 4 January 2019	RMB2,000,000	20.00%	20.00%	Provision of data solutions
Shenzhen JiChuang Investment Enterprise (Limited Partnership) ("Shenzhen JiChuang") (深圳極創投資企業(有限合夥))	Mainland China, 28 May 2018	RMB35,000,000	28.57%	28.57%	Investment management

There are no material contingent liabilities relating to the Group's investment in associates, and no material contingent liabilities of the associates themselves.

Shenzhen JiChuang is a material associate of the Group. Set out below is the summarised financial information of the company.

Summarised statement of financial position

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
ASSETS		
Non-current assets	52,548	47,787
Current assets	1,722	2,251
LIABILITIES		
Current liabilities	(5,949)	–
Net assets	48,321	50,038

Notes to the Consolidated Financial Statements

23 INVESTMENT IN ASSOCIATES (CONTINUED)

Summarised statement of comprehensive income

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit/(loss) and total comprehensive income/(loss)	4,232	(1,622)

Reconciliation of summarised financial information

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Opening net assets	50,038	51,660
Profit/(loss) and total comprehensive income/(loss) for the year	4,232	(1,622)
Dividend declared	(5,949)	–
Closing net assets	48,321	50,038
Group's share in %	28.57%	28.57%
Group's share in RMB	13,805	14,296
Carrying amount of the investment	13,805	14,296

The following table shows, in aggregate, the Group's share of the amount of the individually immaterial associate that is accounted for using the equity method.

	2025	2024
	RMB'000	RMB'000
As at 31 December:		
Carrying amounts of interests	2	2
Year ended 31 December:		
Loss and total comprehensive loss	–	–

Notes to the Consolidated Financial Statements

24 CASH AND CASH EQUIVALENTS, RESTRICTED BANK DEPOSITS AND PLEDGED BANK DEPOSITS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cash at bank	31,882	16,398
Cash on hand	-	1
Cash and cash equivalents	31,882	16,399
Pledged bank deposits (Note i)	902	329
Restricted bank deposits (Note 40)	3,687	7,867
Maximum exposure to credit risk	36,471	24,595

Cash and cash equivalents, restricted bank deposits and pledged bank deposits are denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB	30,038	23,129
USD	146	80
HKD	6,287	1,386
	36,471	24,595

Note:

- (i) As at 31 December 2025, bank deposits of approximately RMB902,000 (2024: approximately RMB329,000) were pledged at banks to secure the Group's bank borrowings (Note 30(a)). Pledged bank deposits are denominated in RMB and deposited with creditworthy banks with no recent history of default.

As at 31 December 2025, the Group had cash and cash equivalents, restricted bank deposits and pledged bank deposits amounting to approximately RMB30,037,000 (2024: approximately RMB23,118,000), which are held in Mainland China. These balances are subject to rules and regulations of foreign exchange control promulgated by the PRC government.

Notes to the Consolidated Financial Statements

25 SHARE CAPITAL

	Note	Number of ordinary shares of HKD0.01 each	Nominal value of ordinary shares RMB'000
Authorised:			
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025		2,000,000,000	17,890
Issued:			
As at 1 January 2024, 31 December 2024 and 1 January 2025		660,868,036	5,950
Issuance of new shares	(i)	130,000,000	1,199
As at 31 December 2025		790,868,036	7,149

Notes:

- (i) On 2 May 2025, the Company entered into agreements with general mandate subscribers for subscription of Company's shares at the subscription price of HKD0.301 per share. On 21 May 2025, the Company completed the issuance of 130,000,000 new shares to those subscribers to raise gross proceeds of approximately RMB36,086,000, and net of shares issues expenses of approximately RMB445,000. For details, please refer to the Company's announcements on 2 May 2025, 9 May 2025 and 21 May 2025 respectively.

Notes to the Consolidated Financial Statements

26 OTHER RESERVES

	Share premium RMB'000	Capital reserve RMB'000 (Note i)	Share-based payment reserve RMB'000 (Note ii)	Other Reserve RMB'000	Exchange reserve RMB'000	Investment revaluation reserves RMB'000 (Note iii)	Statutory reserve RMB'000 (Note iv)	Total RMB'000
Balance at 1 January 2024	<u>306,834</u>	<u>67,373</u>	<u>23,606</u>	<u>(56)</u>	<u>(4,271)</u>	<u>-</u>	<u>21,489</u>	<u>414,975</u>
Other comprehensive loss								
Exchange differences on translating foreign operations	-	-	-	-	924	-	-	924
Transactions with owners in their capacity as owners								
Share-based payments (Note ii)	-	-	(1,306)	-	-	-	-	(1,306)
Transfer to statutory reserve (Note iv)	-	-	-	-	-	-	424	424
	-	-	(1,306)	-	-	-	424	(882)
Balance at 31 December 2024	<u>306,834</u>	<u>67,373</u>	<u>22,300</u>	<u>(56)</u>	<u>(3,347)</u>	<u>-</u>	<u>21,913</u>	<u>415,017</u>
Balance at 1 January 2025	<u>306,834</u>	<u>67,373</u>	<u>22,300</u>	<u>(56)</u>	<u>(3,347)</u>	<u>-</u>	<u>21,913</u>	<u>415,017</u>
Other comprehensive loss								
Fair value changes of financial assets (equity investments) at FVTOCI	-	-	-	-	-	(62)	-	(62)
Exchange differences on translating foreign operations	-	-	-	-	(298)	-	-	(298)
	-	-	-	-	(298)	(62)	-	(360)
Transactions with owners in their capacity as owners								
Issuance of new shares (Note 25(i))	34,442	-	-	-	-	-	-	34,442
Share-based payments (Note ii)	-	-	(169)	-	-	-	-	(169)
	34,442	-	(169)	-	-	-	-	34,273
Balance at 31 December 2025	<u>341,276</u>	<u>67,373</u>	<u>22,131</u>	<u>(56)</u>	<u>(3,645)</u>	<u>(62)</u>	<u>21,913</u>	<u>448,930</u>

Notes to the Consolidated Financial Statements

26 OTHER RESERVES (CONTINUED)

Notes:

- (i) Capital reserve represents the combined paid-in capital of the group companies and capital contribution to subsidiaries by equity holders of subsidiaries upon completion of the reorganisation and the differences between the capital contribution by non-controlling interests and the carrying amount of the non-controlling interests attributable to the reduction of Group's equity interests in subsidiaries.
- (ii) The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options and awarded shares granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 2.30 to the consolidated financial statements.
- (iii) The investment revaluation reserves comprise the cumulative net changes in the fair value of financial assets at FVTOCI held at the end of the reporting period.
- (iv) The balance is reserved by the subsidiaries in the Mainland China in accordance with the relevant Mainland China regulations. The Mainland China laws and regulations require companies registered in Mainland China to provide for certain statutory reserve, which is to be appropriated from the net profit (after offsetting accumulated loss from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holder. Mainland China Company is required to appropriate 10% of statutory net profits to statutory reserve, upon distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory reserve is more than 50% of its registered capital. The statutory reserve shall only be used to make up losses of the company, to expand the company's production operations, or to increase the capital of the company. In addition, a company may make further contributions to the discretionary surplus reserve using its post-tax profits in accordance with resolutions of the board of directors.

27 TRADE PAYABLES

Trade payables analysis is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables	116,308	91,612

The aging analysis of the trade payables based on invoice dates is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0 to 30 days	81,532	30,140
31 to 60 days	15,795	29,938
61 to 90 days	604	1,640
Over 90 days	18,377	29,894
	116,308	91,612

Notes to the Consolidated Financial Statements

27 TRADE PAYABLES (CONTINUED)

The carrying amounts of the trade payables approximate their fair values as at 31 December 2024 and 2025. The trade payables are denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB	60,185	91,591
USD	56,123	21
	116,308	91,612

28 ACCRUALS AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Accrued salaries and wages	8,309	9,997
Other tax payables	12,895	11,568
Interest payables on other borrowings (Note 30(b))	4,253	2,636
Accrued services fees to cryptocurrencies mining services provider	7,461	–
Other payables	14,843	11,844
	47,761	36,045

Notes to the Consolidated Financial Statements

28 ACCRUALS AND OTHER PAYABLES (CONTINUED)

The carrying amounts of the accruals and other payables (excluding non-financial liabilities) approximate their fair values as at 31 December 2024 and 2025. The carrying amounts of the accruals and other payables (excluding non-financial liabilities) are denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB	13,121	9,821
HKD	5,975	4,659
	19,096	14,480

29 DEFERRED TAXATION

Deferred income tax assets and liabilities are offset when taxes are related to the same taxation authority and where offsetting is legally enforceable. The following amounts, determined after appropriate offsetting, are shown separately on the consolidated statement of financial position:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets	1,687	9,330
Deferred tax liabilities	(337)	(508)
	1,350	8,822

Notes to the Consolidated Financial Statements

29 DEFERRED TAXATION (CONTINUED)

The net movement on the deferred income tax assets/(liabilities) of the Group is as follows:

	Decelerated tax depreciation RMB'000	Net impairment losses on financial and contract assets RMB'000	Fair value adjustment on assets and liabilities upon acquisition of a subsidiary RMB'000	Total RMB'000
At 1 January 2024	3,242	5,611	(680)	8,173
Credited to the consolidated statement of comprehensive income (Note 10)	285	192	172	649
At 31 December 2024	3,527	5,803	(508)	8,822
At 1 January 2025	3,527	5,803	(508)	8,822
(Charged)/credited to the consolidated statement of comprehensive income (Note 10)	(2,993)	(4,650)	171	(7,472)
At 31 December 2025	534	1,153	(337)	1,350

There are no income tax consequences attaching to the payment of dividends by the companies now comprising the Group to their then respective shareholders.

Deferred income tax assets are recognised for tax losses and deductible temporary differences carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets at 31 December 2025 in respect of the tax losses in Mainland China and Hong Kong in the amount of approximately RMB403,844,000 (2024: RMB RMB339,040,000) and approximately RMB2,435,000 (2024: RMB Nil) respectively and deductible temporary differences of approximately RMB58,562,000 (2024: Nil) due to the unpredictability of future profit streams. The tax losses in the Mainland China will expire by 31 December 2035 (2024: 31 December 2034) while the tax losses in Hong Kong may be carried forward indefinitely.

According to the new EIT Law, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding company established out of Mainland China when their Mainland China subsidiaries declare dividends out of their profits earned after 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between Mainland China and the jurisdiction of the foreign immediate holding company.

Notes to the Consolidated Financial Statements

29 DEFERRED TAXATION (CONTINUED)

As at 31 December 2025, deferred income tax liabilities of RMB1,468,000 (2024: RMB1,441,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings of subsidiaries in Mainland China based on the profits for the year ended 31 December 2025. The unremitted earnings are to be used for long-term future development. Deferred income tax liability is not recognised where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

30 BANK AND OTHER BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current		
Bank borrowings (Note (a))	–	10,000
Current		
Bank borrowings (Note (a))	57,510	19,500
Other borrowings (Note (b))	65,852	79,160
	123,362	98,660
Total	123,362	108,660

Notes to the Consolidated Financial Statements

30 BANK AND OTHER BORROWINGS (CONTINUED)

(a) Bank borrowings

The bank loans due for repayment, based on the scheduled repayment dates set out in the loan agreements, are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within one year	57,510	19,500
One to two years	–	10,000
	57,510	29,500
Less: portion classified as current liabilities	(57,510)	(19,500)
Portion classified as non-current liabilities	–	10,000

The carrying amounts of the bank borrowings approximate their fair values and are denominated in RMB.

The weighted average interest rate is approximately 3.4% per annum for the year ended 31 December 2025 (2024: approximately 4.2%).

As at 31 December 2025, the Group had aggregate banking facilities of RMB63,460,000 (2024: RMB29,500,000), of which RMB58,460,000 had been utilised as bank borrowings while RMB950,000 has been repaid during the year ended 31 December 2025 and cannot be reused within banking facility period. Unused facilities as at the same date amounted to RMB5,000,000 (2024: RMB Nil). The Group's banking facilities are secured and/or guaranteed by:

- (i) corporate guarantee from independent third parties of RMB9,500,000 as at 31 December 2024;
- (ii) pledged bank deposits of approximately RMB902,000 held at bank as at 31 December 2025 (2024: approximately RMB329,000) (Note 24);
- (iii) trade receivables outstanding from certain specific customers of the Group of approximately RMB18,030,000 as at 31 December 2025 (2024: approximately RMB22,501,000) (Note 20); and
- (iv) personal guarantees from legal representatives of two subsidiaries (2024: legal representatives of two subsidiaries).

Notes to the Consolidated Financial Statements

30 BANK AND OTHER BORROWINGS (CONTINUED)

(b) Other borrowings

The loan due for repayment, based on the scheduled repayment dates set out in the loan agreements, is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
On demand	20,000	20,000
Within one year	45,852	59,160
	65,852	79,160
Less: portion classified as current liabilities	(65,852)	(79,160)
Portion classified as non-current liabilities	-	-

In February, March, September and November 2024, the Group entered into certain loans agreements with an independent third party to obtain loans at principal amounts of RMB15,000,000, RMB5,000,000, RMB40,000,000 and RMB10,000,000 respectively. The loans are secured by the investment property of approximately RMB7,951,000 as at 31 December 2025 (2024: unsecured), bears interest at 6% per annum and repayable during April to October 2025. The principal amounts of RMB5,000,000 and RMB10,000,000 were fully repaid in 2025 while the partial amounts of the principal amounts of RMB15,000,000 and RMB40,000,000 amounted to RMB11,000,000 and RMB8,050,000 were also repaid in 2024 and 2025 respectively. The remaining loans at principal amounts of RMB1,680,000 and RMB34,270,000 were extended to be repayable by January 2026 and also bears interest at 6% per annum.

In April 2025, the Group entered into a loan agreement with an independent third party to obtain loan at principal amount of HKD5,000,000. The loan is unsecured, bears interest at 6% per annum and repayable by April 2026.

In May and June 2025, the Group entered into certain loans agreements with an independent third party to obtain loans at principal amounts of RMB2,700,000 and RMB15,000,000 respectively. The loans are unsecured, bears interest at 6% per annum and repayable during November to December 2025. The loan at principal amount of RMB15,000,000 was fully repaid in 2025 while the loan at principal amount of RMB2,700,000 was extended to be repayable by May 2026 and the interest was adjusted to 7.5% per annum effectively from the date of extension, i.e. 21 November 2025.

Notes to the Consolidated Financial Statements

30 BANK AND OTHER BORROWINGS (CONTINUED)

(b) Other borrowings (Continued)

In November and December 2025, the Group entered into certain loans agreements with an independent third party to obtain loans at principal amounts of RMB2,700,000 and RMB2,000,000 respectively. The loans are unsecured, bears interest at 7.5% per annum and repayable during May to June 2026. Those loans had been fully repaid during 2025.

In December 2025, the Group entered into a loan agreement with an independent third parties to obtain loans at principal amounts of USD300,000. The loan is unsecured, bears interest at 7.06% per annum and repayable by June 2026.

At 31 December 2023, the convertible loans of Ruihe Beijing, an indirect wholly owned subsidiary of the Company, were on demand for repayment as the investor decided not to exercise the conversion option and redeemed the outstanding loans at their principal amounts of RMB20,000,000. Therefore, the outstanding loans of RMB20,000,000 were reclassified from financial liabilities at FVTPL to other borrowings. On 11 October 2024, the Group received a loan assignment notice from the Investor, specifying that the Investor has assigned all of its rights under the agreements related to convertible loans to the new investor. For further details, please refer to the Company's announcement dated 14 October 2024. Up to the date of approval for issuance of the consolidated financial statements, the Group is still in the progress of negotiations with the new investor for a possible resolution on repayment plan. The loans are secured by certain shares of the Company held by a substantial shareholder and two precedent directors of the Company and personal guarantee from a precedent director of the Company.

The carrying amounts of bank and other borrowings approximate their fair values as at 31 December 2024 and 2025.

Notes to the Consolidated Financial Statements

31 LEASE LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within one year	1,892	3,888
One to two years	-	1,692
Total lease payments	1,892	5,580
Less: future finance charges	(32)	(240)
Total lease liabilities	1,860	5,340
Less: portion classified as current liabilities	(1,860)	(3,680)
	-	1,660

The Group leases various office premises and equipment under lease agreements. The lease liabilities are denominated in RMB. No arrangement has been entered into for variable lease payments.

During the year, the Group's expenses related to short-term leases of RMB982,000 for the year ended 31 December 2025 (2024: RMB938,000) have been recognised as expenses and included in cost of sales, administrative expenses and research and development expenses in the consolidated statement of comprehensive income.

The total cash outflows for leases including payments of lease liabilities and payments of interest expenses for the year ended 31 December 2025 is RMB4,653,000 (2024: RMB4,478,000).

The total lease commitment related to short-term leases as at 31 December 2025 is RMB Nil (2024: RMB Nil).

Notes to the Consolidated Financial Statements

32 CASH USED IN OPERATIONS

	2025 RMB'000	2024 RMB'000
Cash flows from operating activities		
Loss before income tax	(59,183)	(74,416)
Adjustments for:		
Equity-settled share-based payments	(169)	(1,306)
Share of (profits)/losses of associates	(1,209)	463
Gain on leases termination	(23)	(1,571)
Depreciation of property and equipment	3,140	6,620
Depreciation of investment property	725	60
Amortisation of intangible assets	11,871	16,661
Depreciation of right of use assets	2,459	5,457
Impairment loss on property and equipment	536	1,100
Impairment loss on intangible assets	21,001	9,600
Impairment loss on right-of-use assets	3,017	1,600
ECLs on trade and bill receivables	5,591	1,347
Reversal of ECLs on contract assets	(588)	(477)
(Reversal of ECLs)/ECLs on other receivables	(84)	1,799
Gain on disposals of property and equipment	(20)	(156)
Written down of cryptocurrencies	1,106	–
Loss on written off of property and equipment	12	18
Loss on written off of intangible assets	–	27
Finance costs, net	8,269	8,889
Fair value change of financial assets at FVTPL	(9,845)	–
Operating cash flows before changes in working capital	<u>(13,394)</u>	<u>(24,285)</u>
Changes in working capital:		
(Increase)/decrease in trade and bill receivables	(48,367)	12,278
Increase in cryptocurrencies	(7,860)	–
Increase in prepayments and other receivables	(1,779)	(1,463)
Decrease in contract assets/liabilities, net	30,348	5,781
Increase in trade payables	24,696	18
Increase/(decrease) in accruals and other payables	9,363	(8,658)
Cash used in operations	<u>(6,993)</u>	<u>(16,329)</u>

Notes to the Consolidated Financial Statements

32 CASH USED IN OPERATIONS (CONTINUED)

In the consolidated statement of cash flows, proceeds from disposals of property and equipment comprise:

	2025 RMB'000	2024 RMB'000
Property and equipment		
Net book value	27	138
Gain on disposals of property and equipment	20	156
Proceeds from disposals of property and equipment	47	294

(a) Non-cash transactions

During the year ended 31 December 2025, additions to the right-of-use assets amounted to RMB33,000 (2024: RMB1,354,000).

(b) Changes in liabilities arising from financing activities

	Bank and other borrowings RMB'000	Lease liabilities RMB'000	Amount due to directors RMB'000
Net debt as at 1 January 2024	(176,192)	(11,356)	–
Cash flows	67,532	3,540	(10,518)
Termination – leases	–	4,246	–
Acquisition – leases	–	(1,354)	–
Lease interests	–	(416)	–
Net debt as at 31 December 2024	(108,660)	(5,340)	(10,518)
Cash flows	(14,362)	3,671	(51,242)
Reclassification	(340)	–	1,076
Termination – leases	–	50	–
Acquisition – leases	–	(33)	–
Lease interests	–	(208)	–
Net debt as at 31 December 2025	(123,362)	(1,860)	(60,684)

Notes to the Consolidated Financial Statements

33 RELATED PARTY BALANCES AND TRANSACTIONS

For the purposes of the consolidated financial statements, parties are considered to be related to the Group if the parties have the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

(a) Key management compensation

The compensation paid or payable to key management for employee services during the years ended 31 December 2024 and 2025 are shown below:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries, bonuses, fees and allowances	6,590	5,286
Retirement benefit contributions	312	282
Equity-settled share-based payments	–	94
	<u>6,902</u>	<u>5,662</u>

Notes to the Consolidated Financial Statements

33 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

(b) Related parties balances

Details of the amounts due to directors as at 31 December 2024 and 2025 are shown below:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
<i>Amount due to directors</i>		
Mr. Xue Shouguang (Note i)	55,628	9,099
Mr. Xue Xindi (Note ii)	3,688	–
Mr. Chen Zhenping (Note iii)	–	1,160
Ms. Zhao Yiqing (Note iv)	–	76
Mr. Fei Xiang (Note iv)	183	183
Mr. Sun Dexin (Note v)	1,185	–
	60,684	10,518

Notes:

- (i) The amount due to Mr. Xue Shouguang as at 31 December 2025 was unsecured and repayment on demand, of which approximately RMB1,795,000 (2024: RMB8,500,000) borne interests at 6% per annum, approximately RMB5,948,000 (2024: Nil) bore interests at 7.% per annum and approximately RMB47,094,000 (2024: Nil) bore interests at 7.06% per annum, while the remaining balances of approximately RMB791,000 (2024: RMB599,000) were interest-free.
- (ii) The amount due to Mr. Xue Xindi as at 31 December 2025 was unsecured and repayment on demand, of which approximately RMB3,589,000 bore interests at 7.5% per annum, while the remaining balances of approximately RMB99,000 were interest-free.
- (iii) The amount due to Mr. Chen Zhenping as at 31 December 2024 was unsecured and repayment on demand, of which approximately RMB500,000 bore interests at 6% per annum, while the remaining balances of approximately RMB660,000 were interest-free.
- (iv) The amounts due to directors as at 31 December 2024 and 2025 were unsecured, interest-free and repayment on demand.
- (v) The amount due to Mr. Sun Dexin as at 31 December 2025 was unsecured and repayment on demand, of which approximately RMB718,000 bore interests at 6% per annum, while the remaining balances of approximately RMB467,000 were interest-free.

Notes to the Consolidated Financial Statements

34 FINANCIAL INSTRUMENTS BY CATEGORIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Assets as per consolidated statement of financial position		
Financial assets at amortised cost:		
– Trade and bill receivables (Note 20)	133,436	90,660
– Other receivables (Note 22)	25,511	5,963
– Pledged bank deposits (Note 24)	902	329
– Restricted bank deposits (Note 24)	3,687	7,867
– Cash and cash equivalents (Note 24)	31,882	16,399
	195,418	121,218
Financial assets at FVTPL (Note 19)	30,560	–
Financial assets at FVTOCI (Note 18)	1,888	1,950
	227,866	123,168
Liabilities as per consolidated statement of financial position		
Financial liabilities at amortised cost:		
– Trade payables (Note 27)	116,308	91,612
– Bank and other borrowings (Note 30)	123,362	108,660
– Accruals and other payables (excluding non-financial liabilities and accruals for employee benefit expenses and services fees to cryptocurrencies service provider) (Note 28)	19,096	14,480
– Amount due to directors (Note 33(b))	60,684	10,518
	319,450	225,270

Notes to the Consolidated Financial Statements

35 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive officer's emoluments

The remuneration of each director and the chief executive officer paid/payable by the Group for each of the years ended 31 December 2024 and 2025 are as follows:

Year ended 31 December 2024

	Emoluments paid or receivable in respect of a person's services as management, whether of the Company or its subsidiaries undertaking								Total RMB'000
	Fees RMB'000	Salary RMB'000	Discretionary bonuses RMB'000	Allowances and benefits in kind RMB'000	Employer's contribution of a retirement benefit scheme RMB'000	Remunerations paid or receivable in respect of accepting office as director RMB'000	Equity- settled share- based payment RMB'000	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries undertaking RMB'000	
Executive directors									
Mr. Xue Shouguang	111	111	-	-	12	-	-	-	234
Ms. Zhao Yiqing (Note iv)	111	512	-	-	21	-	-	-	644
Mr. Fei Xiang (Note v)	111	463	-	-	20	-	-	-	594
Mr. Shi Banchao (Note ii)	3	-	-	-	-	-	-	-	3
Non-executive directors									
Dr. Wu Fu-Shea (Note i)	111	-	-	-	-	-	-	-	111
Mr. Chen Zhenping (Note viii)	92	-	-	-	-	-	-	-	92
Mr. Wu Xiaohua	111	120	-	-	32	-	-	-	263
Independent Non-Executive Directors									
Mr. Yang Haifeng (Note ix)	111	-	-	-	-	-	-	-	111
Dr. Jin Yong (Note vi)	44	-	-	-	-	-	-	-	44
Dr. Tian Yu (Note vii)	88	-	-	-	-	-	-	-	88
Ms. Dan Xi (Note iii)	28	-	-	-	-	-	-	-	28
	<u>921</u>	<u>1,206</u>	<u>-</u>	<u>-</u>	<u>85</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,212</u>

Notes to the Consolidated Financial Statements

35 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and chief executive officer's emoluments (Continued)

Year ended 31 December 2025

	Emoluments paid or receivable in respect of a person's services as management, whether of the Company or its subsidiaries undertaking								Total RMB'000	
	Fees RMB'000	Salary RMB'000	Discretionary bonuses RMB'000	Allowances and benefits in kind RMB'000	Employer's contribution of a retirement benefit scheme RMB'000	Remunerations paid or receivable in respect of accepting office as director RMB'000	Equity- settled share- based payment RMB'000	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries undertaking RMB'000		
Executive directors										
Mr. Xue Shouguang	111	111	-	-	11	-	-	-	-	233
Mr. Sun Dexin (Note x)	92	1,566	-	-	19	-	-	-	-	1,677
Mr. Xue Xindi (Note xi)	83	174	-	-	4	-	-	-	-	261
Ms. Zhao Yiqing (Note iv)	28	179	-	-	23	-	-	-	-	230
Non-executive directors										
Dr. Wu Fu-Shea (Note i)	111	-	-	-	-	-	-	-	-	111
Mr. Wu Xiaohua	111	76	-	-	17	-	-	-	-	204
Mr. Fei Xiang (Note v)	111	149	-	-	19	-	-	-	-	279
Mr. Chen Zhenping (Note viii)	-	-	-	-	-	-	-	-	-	-
Independent Non-Executive Directors										
Dr. Jin Yong (Note vi)	10	-	-	-	-	-	-	-	-	10
Dr. Tian Yu (Note vii)	111	-	-	-	-	-	-	-	-	111
Mr. Wei Junheng (Note xii)	92	-	-	-	-	-	-	-	-	92
Ms. Chu Jijun (Note xiii)	88	-	-	-	-	-	-	-	-	88
Mr. Yang Huan (Note xiv)	48	-	-	-	-	-	-	-	-	48
Mr. Yang Haifeng (Note ix)	19	-	-	-	-	-	-	-	-	19
	1,015	2,255	-	-	93	-	-	-	-	3,363

Notes to the Consolidated Financial Statements

35 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and chief executive officer's emoluments (Continued)

Notes:

- (i) Dr. Wu Fu-Shea was resigned as a non-executive director with effect from 6 March 2026.
- (ii) Mr. Shi Banchao was resigned as an executive director with effect from 8 January 2024.
- (iii) Ms. Dan Xi was resigned as an independent non-executive director with effect 14 March 2024.
- (iv) Ms. Zhao Yiqing was resigned as an executive-director with effect from 1 April 2025.
- (v) Mr. Fei Xiang was re-designated from a non-executive director to an executive director with effect from 8 January 2024 and subsequently re-designated from an executive director to a non-executive director on 4 March 2025.
- (vi) Dr. Jin Yong was appointed as an independent non-executive director with effect from 14 March 2024 and was resigned on 4 March 2025.
- (vii) Dr. Tian Yu was appointed as an independent non-executive director with effect from 14 March 2024.
- (viii) Mr. Chen Zhenping was resigned as a non-executive director with effect from 4 March 2025.
- (ix) Mr. Yang Haifeng was resigned as an independent non-executive director with effect from 4 March 2025.
- (x) Mr. Sun Dexin was appointed as an executive director on 4 March 2025.
- (xi) Mr. Xue Xindi was appointed as an executive director on 1 April 2025.
- (xii) Mr. Wei Junheng was appointed as an independent non-executive director on 4 March 2025.
- (xiii) Ms. Chu jijun was appointed as an independent non-executive director on 14 March 2025.
- (xiv) Mr. Yang Huan was appointed as an independent non-executive director on 28 July 2025.

There was no arrangement under which a director waived or agreed to waive any emolument during the year ended 31 December 2025 (2024: Nil).

Notes to the Consolidated Financial Statements

35 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year (2024: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year (2024: Nil).

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2025, the Company did not pay consideration to any third parties for making available directors' services (2024: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealing in favour of directors, controlling bodies corporate by and connected entities with such directors during the year ended 31 December 2025 (2024: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2025 (2024: Nil).

Notes to the Consolidated Financial Statements

36 PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

The Company has direct and indirect equity interests in the following principal subsidiaries:

Company name	Place of incorporation	Issued and registered capital	Effective equity interest held		Principal activities
			2025	2024	
Directly held subsidiaries					
Prophet Technology Ltd. (先知科技有限公司)	British Virgin Islands	50,000 ordinary shares of USD1 each USD50,000	100%	100%	Investment holding
Indirectly held subsidiaries					
Blue Whale AI Technology Co., Ltd. (藍鯨智能科技有限公司)	Hong Kong	16,500 ordinary shares HKD16,500	100%	100%	Investment holding
Hongkong Hongsheng Investment Co., Ltd. (香港泓盛投資有限公司)	Hong Kong	10,000 ordinary shares HKD10,000	100%	100%	Investment holding
Suoxinda Shenzhen (深圳索信達數據技術有限公司) ¹	Mainland China	Registered capital RMB118,000,000	100%	100%	Provision of data solutions, sales of hardware and software and related services as an integrated service, and IT maintenance and support services
Ruihe Beijing (瑞和數智(北京)科技有限公司) (formerly named as Suoxinda (Beijing) Data Technology Co., Ltd. (索信達(北京)數據技術有限公司))	Mainland China	Registered capital RMB50,000,000	100%	100%	Provision of data solutions, sales of hardware and software and related services as an integrated service, and IT maintenance and support services
Ruihe Data Technology (HK) Co. Ltd. (瑞和數智科技(香港)有限公司) (formerly named as Sourcing Industrial Development (HK) Co., Ltd. (索信實業發展(香港)有限公司))	Hong Kong	10,000 ordinary shares HKD10,000	100%	100%	Provision of data solutions, sales of hardware and software and related services as an integrated service, and IT maintenance and support services
Datamargin (Hong Kong) Co., Ltd. (捷客數據(香港)有限公司)	Hong Kong	100,000 ordinary shares HKD100,000	100%	100%	Investment holding and provision of data solutions, sales of hardware and software and related services as an integrated service, and IT maintenance and support services
Ruihe Data (HK) Co., Ltd. (瑞和數智(香港)有限公司)	Hong Kong	10,000 ordinary shares HKD10,000	100%	100%	Investment holding

Notes to the Consolidated Financial Statements

36 PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Company name	Place of incorporation	Issued and registered capital	Effective equity interest held		Principal activities
			2025	2024	
Zhejiang Suoxinda Data Technology Co., Ltd. (浙江索信達數據技術有限公司) ¹	Mainland China	Registered capital USD15,000,000	100%	100%	Provision of data solutions, sales of hardware and software and related services as an integrated service, and IT maintenance and support services
Suoxinda Suzhou (索信達(蘇州)數據技術有限公司) ¹	Mainland China	Registered capital USD10,000,000	100%	100%	Provision of data solutions, sales of hardware and software and related services as an integrated service, and IT maintenance and support services
Ruihe Shuzhi (Shenzhen) New Material Technology Co., Ltd. (瑞和數智(深圳)新材料科技有限公司)	Mainland China	Registered capital RMB30,000,000	100%	100%	Trading of commodities
Shenzhen YinXing (深圳銀興智能數據有限公司)	Mainland China	Registered capital RMB10,000,000	50.6%	50.6%	Provision of data solutions, sales of hardware and software and related services as an integrated service
Suoxinda Jiangsu 江蘇索信達數據技術有限公司	Mainland China	Registered capital RMB10,000,000	51%	51%	Provision of data solutions, sales of hardware and software and related services as an integrated service and trading of commodities
Ruihe Shuzhi (Fujian) Technology Industry Co. Ltd. 瑞和數智(福建)科技產業有限公司	Mainland China	Registered capital RMB10,000,000	100%	100%	Provision of technology promotion and application services, sales of hardware and software and related service as an integrated service

¹ These are registered as wholly foreign-owned and limited liability companies under PRC law.

All of the above subsidiaries are limited liability company. None of the subsidiaries had issued any debt securities during the year or at the end of the year.

Notes to the Consolidated Financial Statements

37 NON-CONTROLLING INTERESTS

The table below details of non-wholly owned subsidiaries of the Group, which have material non-controlling interests:

Name of subsidiary	(Loss)/profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Shenzhen YinXing	(2,993)	1,038	19,056	22,049
Individually immaterial subsidiaries with non-controlling interests	(143)	(84)	230	373
	(3,136)	954	19,286	22,422

Summarised financial information in respect of the Group's subsidiary, i.e. Shenzhen YinXing, that has material non-controlling interests is set out below.

Shenzhen YinXing is a subsidiary with 49.4% (2024: 49.4%) non-controlling interests that are material to the Group.

Summarised statement of financial position

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current assets	94,368	82,460
Current liabilities	(80,376)	(63,838)
Net current assets	13,992	18,622
Non-current assets	8,421	10,504
Non-current liabilities	(337)	(991)
Net non-current assets	8,084	9,513
Net assets	22,076	28,135

Notes to the Consolidated Financial Statements

37 NON-CONTROLLING INTERESTS (CONTINUED)

Summarised statement of comprehensive income

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue	92,958	100,113
(Loss)/profit for the year	(6,059)	2,103
(Loss)/profit attributable to non-controlling interests	(2,993)	1,038

Summarised statement of cash flows

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net cash (used in)/generated from operating activities	(9,248)	6,179
Net cash used in investing activities	(1,247)	(2,577)
Net cash generated from/(used in) from financing activities	21,999	(5,544)
Net increase/(decrease) in cash and cash equivalents	11,504	(1,942)

Notes to the Consolidated Financial Statements

38 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	Note	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Investment in a subsidiary		30,651	66,622
Financial assets at FVTPL		13,460	–
		44,111	66,622
Current assets			
Amount due from subsidiaries		–	2,307
Other receivables		63	109
Cash and cash equivalents		4,519	1,015
		4,582	3,431
Total assets		48,693	70,053
EQUITY			
Equity attributable to the owners of the Company			
Share capital	25	7,149	5,950
Other reserves	(a)	428,849	401,373
Accumulated losses	(a)	(443,946)	(384,864)
Total equity		(7,948)	22,459
LIABILITIES			
Current liabilities			
Accruals and other payables		5,598	4,813
Amounts due to subsidiaries		39,524	42,781
Amounts due to directors		7,032	–
Bank and other borrowings		4,487	–
Total liabilities		56,641	47,594
Total equity and liabilities		48,693	70,053

Notes to the Consolidated Financial Statements

38 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Note (a): Movement in the Company's other reserves and accumulated losses

	Share premium RMB'000	Capital reserve RMB'000 (Note i)	Share-based payment reserve RMB'000 (Note 26(ii))	Other reserve RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	306,834	69,451	23,606	(56)	(3,918)	(306,028)	89,889
Comprehensive loss							
Loss for the year	-	-	-	-	-	(78,836)	(78,836)
Other comprehensive loss							
Exchange differences on translating foreign operations	-	-	-	-	6,762	-	6,762
Total comprehensive loss for the year	-	-	-	-	6,762	(78,836)	(72,074)
Transactions with owners in their capacity as owners							
Share-based payments (Note 26(ii))	-	-	(1,306)	-	-	-	(1,306)
At 31 December 2024	306,834	69,451	22,300	(56)	2,844	(384,864)	16,509

Notes to the Consolidated Financial Statements

38 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Note (a): Movement in the Company's other reserves and accumulated losses (Continued)

	Share premium RMB'000	Capital reserve RMB'000 (Note i)	Share-based payment reserve RMB'000 (Note 26(ii))	Other reserve RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2025	<u>306,834</u>	<u>69,451</u>	<u>22,300</u>	<u>(56)</u>	<u>2,844</u>	<u>(384,864)</u>	<u>16,509</u>
Comprehensive loss							
Loss for the year	-	-	-	-	-	(59,082)	(59,082)
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	-	-	(6,797)	-	(6,797)
Total comprehensive loss for the year	-	-	-	-	(6,797)	(59,082)	(65,879)
Transactions with owners in their capacity as owners							
Issuance of new shares (Note 25(i))	34,442	-	-	-	-	-	34,442
Share-based payments (Note 26(ii))	-	-	(169)	-	-	-	(169)
At 31 December 2025	<u>341,276</u>	<u>69,451</u>	<u>22,131</u>	<u>(56)</u>	<u>(3,953)</u>	<u>(443,946)</u>	<u>(15,097)</u>

Note:

- (i) Capital reserve represents the notional capital contribution from the Company's shareholders arising from the aggregate of the nominal value of the share capital of the subsidiary acquired by the Company pursuant to reorganisation.

Notes to the Consolidated Financial Statements

39 SHARE-BASED PAYMENTS

(a) Equity-settled share option scheme

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants include the full-time and part-time employees, directors, consultants, customers and suppliers of the Company and the Company’s subsidiaries. The Scheme became effective on 8 June 2020 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of the grant) in excess of HKD5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HKD0.01 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company’s shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company’s shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company’s shares on the date of the offer.

Share options do not confer rights on the holder to dividends or to vote at shareholders’ meetings.

Notes to the Consolidated Financial Statements

39 SHARE-BASED PAYMENTS (CONTINUED)

(a) Equity-settled share option scheme (Continued)

On 28 December 2021, 274,100 share options were granted to the Company's selected employees. None of the options grantees was a director, chief executive or substantial shareholder of the Company or any of their respective associates.

On 8 April 2022, 1,582,733 share options were granted to the Company's selected employees. None of the options grantees was a director, chief executive or substantial shareholder of the Company or any of their respective associates.

Details of the specific categories of share options are as follows:

	Date of grant	Vesting period	Exercise period	Exercise price HKD
2021A	28 December 2021	29 December 2021 – 31 March 2022	1 April 2022 – 7 June 2030	6.33
2021B	28 December 2021	29 December 2021 – 31 March 2023	1 April 2023 – 7 June 2030	6.33
2021C	28 December 2021	29 December 2021 – 31 March 2024	1 April 2024 – 7 June 2030	6.33
2021D	28 December 2021	29 December 2021 – 31 March 2025	1 April 2025 – 7 June 2030	6.33
2021E	28 December 2021	29 December 2021 – 31 March 2026	1 April 2026 – 7 June 2030	6.33
2022A	8 April 2022	9 April 2022 – 31 March 2023	1 April 2023 – 7 June 2030	5.38
2022B	8 April 2022	9 April 2022 – 31 March 2024	1 April 2024 – 7 June 2030	5.38
2022C	8 April 2022	9 April 2022 – 31 March 2025	1 April 2025 – 7 June 2030	5.38
2022D	8 April 2022	9 April 2022 – 31 March 2026	1 April 2026 – 7 June 2030	5.38

Notes to the Consolidated Financial Statements

39 SHARE-BASED PAYMENTS (CONTINUED)

(a) Equity-settled share option scheme (Continued)

The following table discloses movements of the Scheme during the year:

For the year ended 31 December 2024

	Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
2021A	17,500	-	-	-	-	17,500	17,500
2021B	38,500	-	-	-	-	38,500	38,500
2021C	24,500	-	7,000	-	-	17,500	17,500
2021D	24,500	-	7,000	-	-	17,500	-
2021E	7,000	-	7,000	-	-	-	-
2022A	250,190	-	-	-	-	250,190	250,190
2022B	181,079	-	49,361	-	-	131,718	131,718
2022C	181,079	-	102,831	-	-	78,248	-
2022D	181,065	-	102,842	-	-	78,223	-
	<u>905,413</u>	<u>-</u>	<u>276,034</u>	<u>-</u>	<u>-</u>	<u>629,379</u>	<u>455,408</u>

For the year ended 31 December 2025

	Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
2021A	17,500	-	-	-	-	17,500	17,500
2021B	38,500	-	-	-	-	38,500	38,500
2021C	17,500	-	-	-	-	17,500	17,500
2021D	17,500	-	-	-	-	17,500	17,500
2021E	-	-	-	-	-	-	-
2022A	250,190	-	-	-	-	250,190	250,190
2022B	131,718	-	-	-	-	131,718	131,718
2022C	78,248	-	2,640	-	-	75,608	75,608
2022D	78,223	-	33,801	-	-	44,422	-
	<u>629,379</u>	<u>-</u>	<u>36,441</u>	<u>-</u>	<u>-</u>	<u>592,938</u>	<u>548,516</u>

Notes to the Consolidated Financial Statements

39 SHARE-BASED PAYMENTS (CONTINUED)

(a) Equity-settled share option scheme (Continued)

If the options remain unexercised after the vesting dates until 7 June 2030, the options expire. Options are forfeited if the employee leaves the Group.

No options were exercised during both of the years ended 31 December 2024 and 2025.

The options outstanding at the end of the year have a weighted average remaining contractual life of 4.43 years (2024: 5.43 years) and the exercise prices range from HKD5.38 to HKD6.33 (2024: HKD5.38 to HKD6.33). During the year ended 31 December 2025, no options were granted. The estimated fair values of the options granted on 8 April 2022 and 28 December 2021 are RMB3,842,000 and RMB898,000 respectively.

These fair values were calculated using the Binomial model. The inputs into the model are as follows:

	Granted on 8 April 2022	Granted on 28 December 2021
Weighted average share price	HKD5.38	HKD6.33
Weighted average exercise price	HKD5.38	HKD6.33
Expected volatility	56.15%	40.7% – 52.2%
Expected life	7.43 years	8.43 years
Risk free rate	2.56%	0.125%-1.022%
Expected dividend yield	0%	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price since the date of listing. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Notes to the Consolidated Financial Statements

39 SHARE-BASED PAYMENTS (CONTINUED)

(b) Share award scheme

Pursuant to a share award scheme adopted by the Company on 8 June 2020, the Company may grant such shares to certain employees of the Group and shall be satisfied by the allotment and issue of new shares of the Company. During the year ended 31 December 2025, no shares were granted by the Company (2024: Nil shares) at nil consideration to the Group's employees, of which no shares (2024: Nil shares) were granted to the Company's director. The fair value of the employee services received in exchange for the grant of shares is recognised as employees benefits expenses in profit or loss with a corresponding increase in share-based payment reserve, which is measured based on the grant date share price of the Company.

40 CONTINGENT LIABILITIES

The Company and a subsidiary of the Group, Suoxinda Shenzhen, are defendants in law suits brought during the year ended 31 December 2025 claiming approximately HKD1,500,000 and RMB44,000,000 together with legal expenses and interests relating to unsettled loans borrowed from a shareholder of the Company to the Group. In 2025, the plaintiff also applied property preservations to the PRC courts on assets held by Suoxinda Shenzhen and the shares of a subsidiary of the Group.

Suoxinda Shenzhen is also a defendant in several law suits brought during the year ended 31 December 2025 relating to staffs claims related to termination payments. In 2025, those plaintiffs also applied property preservations to the PRC courts on assets held by Suoxinda Shenzhen.

Therefore, certain bank balances of Suoxinda Shenzhen and Suoxinda Suzhou amounted to approximately RMB3,687,000 (31 December 2024: RMB7,867,000) had been frozen by the PRC courts as at 31 December 2025.

The Group engaged the lawyers to contest the claim, and while the final outcome of the proceedings is uncertain. The directors of the Company believe, based on legal opinion, that the claim can be successfully defended and therefore no losses will be incurred.

41 EVENT AFTER THE END OF THE REPORTING PERIOD

On 23 January 2026, the Company entered into agreements with general mandate subscribers for subscription of Company's shares at the subscription price of HKD0.783 per share. On 6 February 2026, the Company completed the issuance of 108,334,000 new shares to those subscribers to raise gross proceeds of approximately HKD84,826,000. For details, please refer to the Company's announcements on 25 January 2026 and 6 February 2026 respectively.

Five Years Financial Summary

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years.

RESULTS

	For the year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	321,383	377,843	367,945	377,126	397,372
Gross profit	25,716	38,075	47,127	89,339	129,196
Loss before income tax	(59,183)	(74,416)	(111,179)	(129,509)	(79,488)
Income tax (expenses)/credit	(7,472)	372	2,170	5,487	3,501
Loss for the year	(66,655)	(74,044)	(109,009)	(124,022)	(75,987)
(Loss)/profit for the year attributable to:					
Owners of the Company	(63,519)	(74,998)	(109,233)	(128,192)	(76,238)
Non-controlling interest	(3,136)	954	224	4,170	251

ASSETS AND LIABILITIES

	As at 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	136,777	105,900	141,519	174,463	196,925
Current assets	228,443	192,952	302,629	236,420	276,767
Non-current liabilities	337	12,168	16,829	7,706	20,334
Current liabilities	353,545	243,803	310,012	299,664	299,188
Net current liabilities	(125,102)	(50,851)	(7,383)	(63,244)	(22,421)
Total assets less current liabilities	11,675	55,049	134,136	111,219	174,504