



**Quantgroup Holding Limited**

**量化派控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code:2685

*Annual Report* **2025**

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# COMPANY INFORMATION

## DIRECTORS

### Executive Directors

Dr. ZHOU Hao (周灝) (*Chairman of the Board*)  
Mr. LI Yan (李岩)  
Mr. SONG Yang (宋揚)  
Mr. ZHANG Yanshen (張岩坤)  
(Appointed as executive Director on March 2, 2026)  
Mr. TAN Feng (譚豐)  
(Appointed as executive Director on March 2, 2026)  
Mr. ZHOU Qiang (周強) (resigned on March 2, 2026)

### Non-executive Directors

Mr. ZHANG Yi (張毅)  
Ms. LIU Fang Wei (劉方未) (resigned on March 2, 2026)

### Independent Non-executive Directors

Mr. SUN Junchen (孫俊辰)  
Mr. CAO Jie (曹杰)  
Ms. GUO Yongfang (郭永芳)

## AUDIT COMMITTEE

Mr. SUN Junchen (孫俊辰) (*Chairperson*)  
Mr. CAO Jie (曹杰)  
Ms. GUO Yongfang (郭永芳)

## REMUNERATION COMMITTEE

Ms. GUO Yongfang (郭永芳) (*Chairperson*)  
Mr. LI Yan (李岩)  
Mr. SUN Junchen (孫俊辰)

## NOMINATION COMMITTEE

Dr. ZHOU Hao (周灝) (*Chairperson*)  
Mr. SUN Junchen (孫俊辰)  
Ms. GUO Yongfang (郭永芳)

## JOINT COMPANY SECRETARIES

Ms. YU Shanling (于善玲)  
Ms. CHU Cheuk Ting (朱卓婷)

## COMPLIANCE ADVISOR

Rainbow Capital (HK) Limited  
Room 5B, 12/F, Tung Ning Building  
No. 2 Hillier Street, Sheung Wan  
Hong Kong

## PRINCIPAL SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17th Floor, Hopewell Centre  
183 Queen's Road East, Wan Chai  
Hong Kong

## PRINCIPAL BANKS

China Merchants Bank (Haidian Huangzhuang Branch)  
Ping An Bank (Beijing Deshengmen Branch)  
Ping An Bank (Haidian Branch)

## HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Office B711, 7th Floor, No. 19  
Zhongguancun Street  
Haidian District  
Beijing, China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., Tower Two, Times Square,  
1 Matheson Street, Causeway Bay,  
Hong Kong SAR

## REGISTERED OFFICE IN CAYMAN ISLANDS

4th Floor Harbour Place  
103 South Church Street  
PO Box 10240  
Grand Cayman KY1-1002  
Cayman Islands

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Harneys Fiduciary (Cayman) Limited  
4th Floor, Harbour Place  
103 South Church Street  
P.O. Box 10240  
Grand Cayman KY1-1002  
Cayman Islands

## INDEPENDENT AUDITOR

KPMG  
*Certified Public Accountants*  
Public Interest Entity Auditor registered in accordance  
with the Accounting and Financial Reporting Council  
Ordinance  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

## AUTHORISED REPRESENTATIVES

Dr. ZHOU Hao (周灝)  
Ms. CHU Cheuk Ting (朱卓婷)

## STOCK CODE

2685

## LEGAL ADVISOR TO THE COMPANY

Jia Yuan Law Office

## COMPANY WEBSITE

[www.quantgroup.com](http://www.quantgroup.com)

# FINANCIAL HIGHLIGHTS

As the Shares of the Company have been listed on the Stock Exchange for less than one year as at the end of the Reporting Period, only a summary of the financial results of the Group prepared in accordance with IFRS Accounting Standards for the past four financial years is presented. The details are set out below:

## FINANCIAL HIGHLIGHTS

	For the Year Ended December 31,			
	2025	2024	2023	2022
	<i>(RMB in thousands)</i>			
Revenue	<b>1,034,823</b>	993,029	529,669	475,285
Cost of sales	<b>(47,608)</b>	(31,138)	(162,014)	(162,528)
Gross profit	<b>987,215</b>	961,891	367,655	312,757
Profit from operations	<b>416,654</b>	352,113	145,140	82,971
Profit/(loss) before taxation	<b>260,302</b>	194,822	2,752	(1,281)
Income tax (expense)/credit	<b>(65,156)</b>	(47,694)	891	998
Profit/(loss) for the year	<b>195,146</b>	147,128	3,643	(283)
Attributable to equity shareholders of the Company	<b>195,146</b>	147,128	3,643	(281)
Non-controlling interests	–	–	–	(2)

	As of December 31,			
	2025	2024	2023	2022
	<i>(RMB in thousands)</i>			
Total assets	<b>1,592,732</b>	1,001,292	614,067	402,122
Total liabilities	<b>287,706</b>	1,910,208	1,707,082	1,491,501
Total equity/(deficit) attributable to equity shareholders of the Company	<b>1,305,026</b>	(908,916)	(1,093,015)	(1,089,379)

In 2025, the Company focused on its principal businesses and made solid progress in various operational initiatives that led to the successful achievement of its full-year operational targets. The Company has effectively aligned its business development with high-quality operations, and the core financial indicators showed a steady upward trajectory.

In respect of the core business segments, the consumer E-commerce platform of Yangxiaomie, served as the primary revenue pillar of the Company, continued to deepen its presence across all-category consumption scenarios. Capitalizing on the synergies created between the proprietary and POP models, it covered diverse categories including 3C digital products, beauty and skincare, and home appliances and furnishings. The annual GMV of the platform surpassed RMB10 billion, representing a year-on-year increase of 30.59% and the performance surged by 400% as compared to 2022, demonstrating remarkable growth resilience with transaction volume exceeding 1.2 million orders. Leveraging its proprietary AI-powered technology platform “QuantPlanet”, which deeply empowered user insights and intelligent recommendation algorithms, it maintained an average of 920,000 monthly active users while continuously optimizing the quality of user operations. The repurchase rate in the following month increased by 5.82 percentage points to reach 35.88% as compared to the previous year. At the same time, profit structure was also optimized, and the resilience of business operations was further enhanced.

Our automobile retail O2O platform, Consumption Guide (消費地圖), steadily expanded its partnership network with automobile dealers throughout the year, continuously improving the breadth and depth of its channels and building an extensive offline service network. Through precise online traffic distribution and offline scenarios empowerment, it helped partnered dealers enhance customer acquisition and conversion efficiency, gradually expanding its business coverage. Meanwhile, the platform had effectively alleviated business investment pressure by leveraging AI technology to optimize customer acquisition costs and advance lightweight operations, laying the foundation for subsequent scaled expansion.

Following the transformation of the Consumption Guide in 2024, our advertisement placement business has begun to slow down. Looking ahead, the Company intends to maintain a prudent and opportunity-driven approach to our advertisement placement business.

In respect of technology research and development, the Company remained committed to its technology-driven strategy by increasing investment in research and development and focusing on optimizing and upgrading its proprietary AI-powered technology platform “QuantPlanet”, integrating operational, algorithmic, and marketing systems. This has deepened the application of AI and big data analytics technology across the full process of user insights, intelligent recommendations, and precision marketing.

As of the end of the Reporting Period, the platform had accumulated over 63.65 million registered users, with a net increase of 6.87 million throughout the year. This robust user growth has injected continuous traffic momentum into the two core business segments, providing strong support for the steady expansion of our business scale. Through business focus, technology empowerment, and compliant operations, the Company has further solidified the foundation of its core businesses and continuously refined the business ecosystem, laying a concrete cornerstone for subsequent healthy development.

## BUSINESS REVIEW

Looking ahead, we will leverage AI as our core engine and use consumer scenarios as the application vehicle to create a dual-engine growth model of “technology empowerment + in-depth scenario cultivation”. On one hand, we will promote the intelligent iteration of core systems such as “QuantPlanet”, using AI to enhance precise operation and intelligent marketing capabilities, and continuously consolidating our leading position in the industry. In respect of the consumption scenario, we, on the other hand, will continue to deepen user value through a curated E-commerce model by leveraging AI to enhance our intelligent product selection capabilities and user insights capabilities. This will allow us to accurately match high-quality and highly attractive products, helping users break free from information cocoons and enjoy a more effortless and trustworthy shopping experience. Additionally, with the advent of the new AI era, the Company will actively deepen and expand the application and development of AI in the consumer goods sector, including but not limited to AI-enabled consumer electronics. We will also explore the design, research and development, and global sales of various intelligent products that integrate AI technologies, thereby providing consumers with more intelligent living experiences and lifestyles. We are committed to building a value ecosystem based on technology and bound by trust, creating sustainable long-term value for users, partners, and Shareholders.

# MANAGEMENT DISCUSSION AND ANALYSIS

## REVENUE

The revenue of the Group amounted to RMB1,034.8 million in 2025, representing an increase of 4.2% from RMB993.0 million in 2024.

### *Revenue by Business Segment*

During the Reporting Period, our revenue was primarily generated from the operation of online marketplaces, in particular our key E-commerce platform, Yangxiaomie, and to a smaller extent, from other businesses including advertisement placement. The table below sets forth a breakdown of our revenue by business segment for the years indicated:

	For the year ended December 31,	
	2025 RMB'000	2024 RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Operation of online marketplaces		
– Revenue from Yangxiaomie	1,024,439	925,124
– Revenue from Consumption Guide	10,192	32,813
Other businesses		
– Advertisement placement	192	3,048
– Revenue from financial institutions	–	32,044
	<u>1,034,823</u>	<u>993,029</u>

Our revenue generated from the operation of online marketplaces was RMB1,034.6 million in 2025, representing an increase of 8.0% from RMB957.9 million in 2024. In 2025, Yangxiaomie generated revenue of RMB1,024.4 million, contributing 99.0% to total revenue. This reflects growth from the prior year, in which it contributed RMB925.1 million, or 93.2% of total revenue. This increase was mainly driven by the increase in gross merchandise value arising from the Company's key consumer e-commerce platform, Yangxiaomie, which resulted from our advertising and marketing initiatives across various internet platforms to drive traffic to Yangxiaomie (in particular, advertising on new media platforms), which had a delayed impact on our revenue from Yangxiaomie and the positive effect of onboarding of Pop Store A in 2024 has extended into this year.

# MANAGEMENT DISCUSSION AND ANALYSIS

Our revenue generated from Consumption Guide decreased by 68.9% from RMB32.8 million for the financial year ended December 31, 2024 to RMB10.2 million for the financial year ended December 31, 2025. The decrease was mainly attributable to (i) changes in policy regarding the distribution of discount coupons, which led to a decrease in automobile purchases and online traffic for Consumption Guide; and (ii) the Company's strategic decision to focus on its core e-commerce business and optimise its business structure.

Our revenue generated from advertisement placement services decreased by 93.7% from RMB3.0 million for the financial year ended December 31, 2024 to RMB0.2 million for the financial year ended December 31, 2025. The decrease was mainly attributable to the continuing reduction in demand for online advertisement placement services by marketplace suppliers from various sectors, following the Consumption Guide's transformation in 2024 to focus on our partnership with Auto Partner A.

Our revenue generated from matching services for financial institutions decreased by 100.0% from RMB32.0 million for the financial year ended December 31, 2024 to nil for the financial year ended December 31, 2025. The decrease was mainly attributable to the cessation of matching services for financial institutions in July 2024, as our Group strategically decided to shift its focus more toward its core e-commerce business.

## COST OF SALES

Cost of sales was RMB47.6 million in 2025, representing an increase of 52.9% from RMB31.1 million in 2024. The increase was primarily due to the increased inputs to support the scaled development of Yangxiaomie resulted from the Company expanding its operations team headcount, leading to a substantial increase in salaries and benefits.

## OTHER NET INCOME OR LOSS

Our other net income or loss decreased by RMB5.6 million, or 76.8%, from RMB7.3 million in 2024 to RMB1.7 million in 2025, primarily attributable to (i) the decrease in trade receivables extension fee, which served as compensation for the expiry of the grace period on our customers' outstanding trade receivables; and (ii) the increase in government grants of RMB2.5 million the effect of which were partially offset by (iii) the RMB0.8 million donation made by our Group to a museum in Singapore; and (iv) the RMB1.0 million donation we made in aid of the Tai Po Hong Fuk Court fire in Hong Kong.

## GROSS PROFIT AND GROSS MARGIN

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit as a percentage of our revenue.

Our gross profit was RMB987.2 million in 2025, representing an increase of 2.6% from RMB961.9 million in 2024, primarily attributable to our growth in revenue generated from Yangxiaomie. Our gross margin dropped from 96.9% in 2024 to 95.4% in 2025, primarily due to increase in cost of sales, which was primarily attributable to an increase in salaries and benefits.

## RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses were RMB51.3 million in 2025, representing an increase of 37.2% from RMB37.4 million in 2024. The increase was primarily driven by the Group's increased investment in AI technology to support the scalable development of Yangxiaomie by expanding the headcount of the research and development team and improving the compensation packages for the team members.

## GENERAL AND ADMINISTRATIVE EXPENSES

Our general and administrative expenses were RMB141.7 million in 2025 representing an increase of 23.7% from RMB114.6 million in 2024. This increase was primarily due to (i) the expansion of the administrative department to support the operational needs of our growing business, and increased salary levels for our administrative staff; and (ii) the increase in professional service fees pertaining to our initial public offering.

## SALES AND MARKETING EXPENSES

Our sales and marketing expenses were RMB313.5 million in 2025, representing a decrease of 33.4% from RMB470.3 million in 2024. This decrease was primarily due to the decrease in marketing expenses as a result of the Company's decision to concentrate on high-conversion traffic channels, eliminate inefficient traffic placements to cut unnecessary advertising costs and curtail marketing expenses for non-core businesses to allocate resources more effectively.

# MANAGEMENT DISCUSSION AND ANALYSIS

## NET IMPAIRMENT (LOSS)/REVERSAL ON FINANCIAL ASSETS

Our net impairment (loss)/reversal on financial assets primarily consist of impairment on trade receivables.

We recorded a provision of impairment loss on financial assets of RMB65.7 million in 2025, as compared to a net impairment reversal on financial assets of RMB5.3 million in 2024. This increase was primarily due to a higher trade receivables balance and an increased credit loss rate. The credit loss rate was determined based on a valuation performed by an independent professional valuer holding recognized relevant qualifications and recent experience. Consequently, the provision for bad debts increased year-on-year. Details of valuation method, values of inputs used together with basis and assumptions are set out in Note 2(i)(i) & 28(a) to the financial statements.

## NET FINANCE COSTS

Our net finance cost remained relatively stable at RMB1.6 million and RMB1.8 million in 2024 and 2025, respectively.

## CHANGES IN THE CARRYING AMOUNT OF FINANCIAL INSTRUMENTS WITH PREFERRED RIGHTS

Our changes in the carrying amount of financial instruments with preferred rights primarily related to recognition of financial liabilities arising from the Company's obligation to buy back certain shareholders' investments upon the occurrence of any specified contingent redemption events which are not within the Company or the Group's control based on the shareholders' agreement entered into among the Company, certain members of the Group and each of the Company's shareholders in May 2022.

Our changes in the carrying amount of financial instruments with preferred rights was RMB154.6 million for the year ended December 31, 2025, recording a RMB1.1 million or 0.7% decrease as compared to RMB155.7 million for the year ended December 31, 2024, mainly due to the financial instruments with preferred rights reclassified from liabilities to equity upon the Listing and we no longer recognized any further loss or gain on changes in the carrying amount of financial instruments with preferred rights.

## INCOME TAX EXPENSE

Our income tax expense increased by RMB17.5 million, or 36.6%, from RMB47.7 million in 2024 to RMB65.2 million in 2025, in line with our profit growth.

## PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

As a result of above factors, our profit for the year attributable to equity shareholders of the Company increased by RMB48.0 million from RMB147.1 million in 2024 to RMB195.1 million in 2025.

## TRADE RECEIVABLES

Our trade receivables primarily represent recognized service fee from our operation of online marketplaces that have not been settled. Our trade receivables increased from RMB638.4 million as of December 31, 2024 to RMB978.6 million as of December 31, 2025. The increase was mainly attributable to an increase in trade receivables from Yingtian Xinjiang Guangda Microfinance Co., Ltd. (鷹潭市信江廣達小額貸款股份有限公司, “**Yingtian Guangda**”). We have obtained a clear repayment plan from Yingtian Guangda and expect to collect all receivables outstanding as of December 31, 2025, by the end of 2026. Up to March 31, 2026, RMB300.0 million, representing 29.2%, of our trade receivables as of December 31, 2025 has been subsequently settled in accordance with the repayment plan. We will closely monitor the execution of the subsequent repayment plan. Based on our understanding of Yingtian Guangda’s operating status, we believe there are no concerns regarding the recoverability of trade receivables from Yingtian Guangda.

We are of the opinion that the condition of our trade receivables does not raise sufficient concern to indicate any material issues regarding their recoverability or our cash conversion cycle. We have implemented strict internal control policies to manage the collection of trade receivables.

## TRADE PAYABLES

Our trade payables primarily consist of amounts due to our suppliers. Our trade payables increased from RMB62.3 million as of December 31, 2024 to RMB83.0 million as of December 31, 2025. The increase was mainly attributable to increase in trade payables for merchandise purchases, which is in line with the growth of gross merchandise value sold on Yangxiaomie.

# MANAGEMENT DISCUSSION AND ANALYSIS

## LIQUIDITY AND CAPITAL RESOURCES

We have maintained a comprehensive treasury policy detailing specific functions and internal control measures for capital use. These functions and measures include but are not limited to procedures of capital management and liquidity management. We manage and maintain our liquidity through the use of internally generated cash flows from operations and bank borrowings. We regularly review our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations.

The Group had a gearing ratio of 22.0% as of December 31, 2025 (as of December 31, 2024: negative 210.2%). The gearing ratio is calculated on the basis of total liabilities over the Group's total equity.

### Cash and Cash Equivalents

For the financial year ended December 31, 2025, our net cash flows generated in operating activities amounted to RMB103.7 million, as compared to that of RMB206.2 million for the financial year ended December 31, 2024, mainly due to an increase in trade receivables due from Yingtan Guangda.

For the financial year ended December 31, 2025, our net cash flows used in investing activities of the Group amounted to RMB46.7 million, as compared with RMB4.2 million for the financial year ended December 31, 2024, mainly due to the purchase of a wealth management product issued by China Industrial Securities International Brokerage Limited (興證國際證券有限公司) with our own funds with a subscription amount of USD6.6 million.

For the financial year ended December 31, 2025, our net cash flows from financing activities amounted to RMB153.8 million, as compared to that of RMB7.5 million for the financial year ended December 31, 2024, mainly due to the proceeds from the Listing and over-allotment option with amount of RMB134.5 million.

As a result of the foregoing, our cash and cash equivalents increased by 67.0% from RMB313.9 million as of December 31, 2024 to RMB524.4 million as of December 31, 2025.

## BANK AND OTHER BORROWINGS

As of December 31, 2025, our bank and other borrowings amounted to RMB70.6 million (December 31, 2024: RMB25.7 million). As of December 31, 2025 and December 31, 2024, all our bank loans carried fixed interest rates and carried an interest rate ranging from 2.8% to 4.3% and matured within one year. Other borrowings are non-interest-bearing loans from four third parties, which are denominated in United States dollars and Hong Kong dollars.

## PLEDGE OF ASSETS

As of December 31, 2025, we did not have any pledged assets.

## FOREIGN EXCHANGE EXPOSURE

We generate substantially all of our revenue in RMB during the Reporting Period, while the net proceeds from the Global Offering were in HKD. Fluctuations in the exchange rate between the RMB and the HKD will affect the relative purchasing power in RMB in terms of the proceeds from our Global Offering. We manage our foreign exchange risk by performing regular reviews of our Group's net foreign exchange exposures and trying to minimize these exposures through natural hedges, wherever possible.

During the Reporting Period, the Group did not hedge its foreign currency exposure. Management will continue to monitor the Group's foreign exchange exposure closely and will consider entering into appropriate hedging arrangements as and when necessary.

## CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to us. Our credit risk is primarily attributable to trade receivables and other receivables. Our exposure to credit risk arising from cash and cash equivalents and restricted cash is limited because the counterparties are banks and financial institutions with a minimum credit rating, for which we consider to have low credit risk.

Our Directors consider that the condition of our trade receivables does not raise sufficient concern to indicate any material issues regarding their recoverability or our cash conversion cycle. We have implemented strict internal control policies to manage the collection of trade receivables.

## OFF-BALANCE SHEET COMMITMENTS AND CAPITAL EXPENDITURE

As of December 31, 2025, we had not entered into any off-balance sheet transactions. Our capital expenditure was RMB0.3 million for the year ended December 31, 2025 as compared to RMB0.5 million for the year ended December 31, 2024.

## CONTINGENT LIABILITIES

As at December 31, 2025, we did not have any material contingent liabilities.

## MATERIAL ACQUISITION AND DISPOSAL

For the year ended December 31, 2025, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

## SIGNIFICANT INVESTMENTS

As of December 31, 2025, the Group did not hold any significant investments with a value of 5% or more of the Group's total assets.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at December 31, 2025, the Group has no specific plan for material investments and acquisition of capital assets.

# DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management of the Company as at the date of this annual report are set out as follows:

## DIRECTORS

### Executive Directors

**Dr. ZHOU Hao (周灝)**, aged 45, is our founder, an executive Director, the chief executive officer of our Group and the chairman of the Board. He is primarily responsible for the day-to-day management and strategic planning of our Group. Dr. Zhou was appointed as an executive director and a manager of Liangzi Data on November 3, 2014. He was appointed as a Director on March 31, 2022, and was subsequently re-designated as an executive Director and the chairman of the Board on May 17, 2022.

Prior to establishing our Group, Dr. Zhou served as the vice president at the sales and marketing department of Shenzhen Zouxu Network Technology Co., Ltd.\* (深圳走秀網絡科技有限公司), a company primarily engaged in e-commerce business, from September 2012 to August 2013, where he was primarily responsible for the overall management of marketing and business development. From September 2011 to August 2012, he was an associate of the risk management division at Morgan Stanley, where he was mainly involved in quantitative analysis of investment products and services. From November 2009 to September 2011, Dr. Zhou worked at Barclays Bank Plc. with the last position being vice president, where he was primarily responsible for developing and documenting mathematical models for business strategies and risk control matters. From October 2007 to October 2009, he worked at Capital One Services, Inc. with the last position being senior statistician, where he was primarily involved in statistical and data analysis of business strategies.

## DIRECTORS AND SENIOR MANAGEMENT

Dr. Zhou obtained his bachelor of science degree in astronomy from the School of Physics at Peking University (北京大學) in July 2002. He received a doctoral degree in physics from Rice University in the United States in January 2008. Dr. Zhou has also received various recognition throughout the years. In 2015, Dr. Zhou was named “Chinese Innovator of the Year (創業中國年度創新人物)” by China Association for Small and Medium Commercial Enterprises (中國中小商業企業協會) and “Top Leading Talent (2015年度中關村高端領軍人才)” by Zhongguancun Science Park in 2015. In 2016, Dr. Zhou was named “Chinese Returned Scholars Innovation and Entrepreneurship 50 (中國留學人員創新創業50人)” by the Center for China & Globalization (中國與全球化智庫) (“CCG”), recognized as a High-level Overseas Talent of Beijing (北京市海外高層次人才) and appointed as a Distinguished Expert of Beijing (北京特聘專家) jointly by Organization Department of Beijing Municipal Committee of the Communist Party of China (中共北京市委組織部) and Beijing Municipal Human Resources and Social Security Bureau (北京市人力資源和社會保障局). Dr. Zhou was presented with “2018 Best Technology Leadership Award (AI) (2018年度最具技術領導力人物獎(人工智能))” jointly by Internet Weekly (互聯網周刊) and Center for Informatization of the Chinese Academy of Social Sciences (中國社會科學院信息化研究中心). In 2019, Dr. Zhou was awarded 2019 Scientist Entrepreneurs List: China 30 (2019中國科學企業家Top 30) and “100 Tech Pioneers-Overseas Returnees (海歸科技創新者100人)” by the World Innovators Meet 2019 organized by EqualOcean (億歐), named “Top 10 AI Breakthrough Leaders (人工智能商業突破人物TOP10)” by QbitAI (量子位), named “2019 AI Industry Person of the Year (2019人工智能行業年度人物)” jointly by Internet Weekly (互聯網周刊), eNet.com (矽谷動力) and Center for Informatization of the Chinese Academy of Social Sciences (中國社會科學院信息化研究中心) and elected as a senior council member of CCG. In 2021, Dr. Zhou was recognized as “TOEFL China 40 People in 40 Years (托福中國40年40人)” by Educational Testing Services (ETS). In 2023, Dr. Zhou earned a number of accolades in recognition of his achievements, including “2023 China Artificial Intelligence Business Outstanding Contributor Award (2023中國人工智能商業傑出貢獻人物獎)” jointly presented by Internet Weekly (互聯網周刊), Center for Informatization of the Chinese Academy of Social Sciences (中國社會科學院信息化研究中心). In 2025, Dr. Zhou was named a Pioneer Innovator in Industry Development (產融先鋒) by Forbes China and was presented the Technology Innovation and Management Excellence Award (科技企業創新管理典範獎) by The Top 100 Hong Kong Listed Companies Research Centre (港股100強研究中心). He was also included in the Forbes China Industry Development Leaders list (行業發展領創者榜單) and recognized as an Influential Figure in Artificial Intelligence (人工智能影響力人物), and received the Excellence in Leadership Award 2025 (年度臻善領袖) from Jiemian News (界面新聞); and in 2026, Dr. Zhou was again named to the Forbes China Industry Development Leaders list (行業發展領創者榜單) and was awarded the Outstanding Leader in Technological Innovation (傑出科技創新領軍人物) honor by Investor.cn (投資者網).

## DIRECTORS AND SENIOR MANAGEMENT

**Mr. LI Yan (李岩)**, aged 35, is an executive Director and the chief strategic officer of our Group. He is primarily responsible for overall strategic planning of our Group. Mr. Li was engaged as an external strategic consultant of Liangzi Data in March 2018 and joined our Group as the chief financial officer of Liangzi Data in May 1, 2020. He was appointed as a Director on May 9, 2022, and was subsequently re-designated as an executive Director on May 17, 2022. He has been re-designated as the chief strategic officer since January 2025.

Since March 2019, Mr. Li has been serving as a non-independent director of Xinjiang Zhundong Petroleum Technology Co., Ltd.\* (新疆准東石油技術股份有限公司) (“**Xinjiang Zhundong**”) (of which he was also the chairman of the board from December 2019 to March 2021), a company primarily engaged in the business of oil field management and operations and listed on the Shenzhen Stock Exchange (stock code: 002207). Since August 2018, he has been serving as the president of Beijing Fengsheng Capital Management Co., Ltd.\* (北京豐升資本管理有限責任公司), a financial institution that primarily engaged in venture capital investing.

From May 2017 to July 2018, Mr. Li served as the vice president at Beijing Taikang Investment Management Co., Ltd.\* (北京泰康投資管理有限公司), where he was responsible for management of financing and investing activities. Prior to that, from February 2016 to May 2017, Mr. Li also worked at SoftBank China Venture Capital.

Mr. Li obtained his bachelor’s degree in accounting from Shanghai University of Finance and Economics (上海財經大學) in October 2013. He received a master’s degree in business administration from The Chinese University of Hong Kong in November 2016. With his experience as the chairman of Xinjiang Zhundong, Mr. Li was one of the youngest chairmen of A-shares listed companies. He had also received various recognition over the years. He was recognized as China Venture Capital Golden Power Rank’s Top 100 Investment VP (中國創投金勢力榜投資VP Top 100) in 2017, Bufan Shangye\* (不凡商業)’s 30 under 30 in the emerging investor (30歲以下新銳投資人) segment in 2018, a “35 under 35” emerging investor (35歲以下新銳青年投資人) by Young Investor Club (青年投資家俱樂部) in 2023 and Hurun U35 China Entrepreneur Pioneer (胡潤U35中國創業先鋒) in 2024. Mr. Li was recognized as a Hurun U40 China Entrepreneur Pioneer (胡潤U40中國創業先鋒) in 2025.

**Mr. SONG Yang (宋揚)**, aged 41, is an executive Director and the chief financial officer of our Group. Mr. Song is primarily responsible for the Company’s overall administrative, legal and financial management. Mr. Song had been the finance director of the Company since he joined our Group June 2020, and was appointed as an executive Director on January 31, 2024. He was appointed as the chief financial officer in January 2025.

From January 2017 to September 2019, Mr. Song served as the director vice president and the chief financial officer of Deyi Financial Lease Co., Ltd.\* (德一融資租賃有限公司), where he primarily assumed overall strategic planning and management responsibilities. From December 2014 to November 2016, Mr. Song served as vice president and finance director of Kunsheng International Financial Lease Co., Ltd.\* (坤盛國際融資租賃有限公司), where he was primarily responsible for investment financing activities and finance-related matters. From June 2010 to August 2014, Mr. Song served as a deputy general manager at the finance department of Zhongxin Haohua Asset Management Co., Ltd.\* (中信浩華資產管理有限公司), an asset management corporation in the PRC, where he was primarily responsible for the management of financing and investment activities. From August 2007 to May 2010, Mr. Song served as an assistant audit manager at KPMG Huazhen LLP.

## DIRECTORS AND SENIOR MANAGEMENT

Mr. Song obtained his bachelor's degree in management science from Beijing Technology and Business University (北京工商大學) in July 2007. Mr. Song obtained his PRC certified public accountant certificate from the Chinese Institute of Certified Public Accountants in August 2010.

**Mr. ZHANG Yanshen (張岩坤)**, aged 32, is an executive Director and chief operating officer of the Company. Mr. Zhang first joined the Group in January 2024 as strategy manager, where he was responsible for the overall strategic development of the Group's e-commerce business until August 2024. Mr. Zhang rejoined the Group in December 2025 as vice president and was later appointed as the chief operating officer of Quant Digit Tech Co., Ltd. (the "**Quant Digit Tech**"), one of the Group's subsidiaries. He was appointed as an executive Director and chief operating officer of the Company on March 2, 2026.

Prior to joining the Group, from September 2017 to November 2018, he served as an investment manager at Haitou Financial Services Information (Beijing) Co., Ltd., where he was responsible for macro and industry research, due diligence and screening of investment projects in emerging market consumer sectors, investor roadshows and post-investment management. In January 2019, he co-founded Beijing Yasen Strategy Information Technology Co., Ltd., a company specializing in consumer technology services, where he served as chief operating officer and was responsible for strategic planning and business operations until August 2020. In January 2021, he founded Puzhi Technology Co., Ltd., a company specializing in cross-border e-commerce business, where he served as chief executive officer and was responsible for the formulation and implementation of cross-border e-commerce strategy, team building, e-commerce brand creation and domestic and overseas channel expansion until October 2025. Mr. Zhang has extensive experience in consumer investment, brand strategy, and cross-border e-commerce sectors.

Mr. Zhang obtained his Master of Accountancy in International Accounting & Financial Management from the University of Glasgow in 2017 and his bachelor's degree in Economics, majoring in Finance, from Shenyang Agricultural University in 2016.

**Mr. TAN Feng (譚豐)**, aged 39, is an executive Director and chief technology officer of the Company, which he was appointed on March 2, 2026. Mr. Tan has also been appointed as the chief technology officer of Quant Digit Tech, with effect from March 2, 2026.

Mr. Tan founded Woobo Inc. in January 2016, a company focused on developing AI-powered robotic educational solutions for preschool children, where he served as the chief executive officer until January 2020. Prior to joining the Group, from May 2021 to October 2025, Mr. Tan served as the chief technology officer of a startup specializing in smart hardware, where he led the design of full-stack smart mobility architectures and core algorithms and oversaw the deployment of integrated software and hardware systems. Mr. Tan has over 10 years of experience in research and development, productization, and commercialization in the fields of artificial intelligence and smart hardware, and embodied intelligence technologies.

Mr. Tan obtained his doctoral degree in Robotics from the Department of Mechanical Engineering at the Massachusetts Institute of Technology (MIT) in 2016, with a research focus on core robotic technologies such as nonlinear control, artificial intelligence, autonomous systems, and analytical SLAM algorithms and his bachelor's degree in Mechanical Engineering and Automation from the Department of Precision Instrument and Mechanology of Tsinghua University in 2010, where he focused on the development of wall-climbing robots and bipedal walking robots.

## DIRECTORS AND SENIOR MANAGEMENT

**Mr. ZHOU Qiang (周強)** (resigned on March 2, 2026), aged 45, was an executive Director and the chief technology officer of our Group. He has been the head of product research and development since he joined our Group in September 2022 and was appointed as an executive Director on January 31, 2024.

From December 2018 to May 2020, Mr. Zhou served as the head of research and development of Asia-Pacific Property & Casualty Insurance Co., Ltd\* (亞太財產保險有限公司). In February 2017, Mr. Zhou joined Beijing Wangzhong Gongchuang Technology Co., Ltd.\* (北京網眾共創科技有限公司) as a senior Java developing engineer. From September 2014 to January 2016, Mr. Zhou served as a partner in charge of technology at Beijing Yundian Linkage Technology Development Co., Ltd.\* (北京雲點聯動科技發展有限公司), a company primarily engaged in the gaming and gaming software development business. In June 2013, Mr. Zhou joined American Business Tianrui Information System (Beijing) Co., Ltd (美商天睿信息系統(北京)有限公司) (currently known as Teradata Information Systems (Beijing) Limited\* (天睿信科技術(北京)有限公司)), a company primarily engaged in the operations of data warehouse as a test engineer. From August 2012 to April 2013, Mr. Zhou served as the manager of research and development at Hecom (Beijing) Technology Co., Ltd\* (和創(北京)科技股份有限公司), a company primarily engaged in the mobile marketing management business. From April 2007 to July 2012, Mr. Zhou served as a senior engineer at Qilinsoft (China) Co., Ltd\* (麒麟遠創軟件(中國)有限公司), a software company that focuses on providing operational intelligence solutions, where he was primarily responsible for overseeing the research and development of software products. In October 2025, Mr. Zhou was named an executive committee member (執行委員) for the Hong Kong Chamber of Commerce in China (中國香港(地區)商會).

Mr. Zhou obtained a bachelor's degree in computer science and technology from Hebei University (河北大學) in June 2004 and a master's degree in software engineering from Beijing University of Aeronautics and Astronautics (北京航空航天大學) in March 2007. Mr Zhou has been studying for a doctorate degree in electronics information at the School of Computer Science and Engineering, Beijing University of Aeronautics and Astronautics (北京航空航天大學) since September 2020.

## Non-executive Directors

**Mr. ZHANG Yi (張毅)**, aged 45, has been a Director of the Company since May 9, 2022 and was re-designated as a non-executive Director of the Company on May 17, 2022. He is primarily responsible for providing professional opinion and judgment to the Board.

Since February 2016, Mr. Zhang has joined Sunshine Insurance Group Company Limited (陽光保險集團股份有限公司), a company listed on the Stock Exchange (stock code: 6963). Since July 2022, Mr. Zhang has been serving as the assistant to general manager of the investment management department, where he primarily oversees equity investment activities. Since December 2023, he has been serving as the deputy general manager of Private Equity Division of Sunshine Asset Management Co., Ltd (陽光資產管理股份有限公司), where he primarily oversees its equity investment activities. From May 2015 to February 2016, Mr. Zhang served as a vice president at China Capital Management Co., Ltd. (中信建投資本管理有限公司), where he was primarily in charge of the development and execution of private equity investment activities. From September 2013 to April 2015, Mr. Zhang worked at the mergers and acquisition division of the investment banking department of China Minsheng Bank (中國民生銀行). From January 2007 to August 2013, he worked at PricewaterhouseCoopers Consulting (Shenzhen) Co., Ltd. Beijing Branch (普華永道諮詢(深圳)有限公司北京分公司) under the mergers and acquisitions division. From September 2003 to September 2006, he served as a senior auditor at PricewaterhouseCoopers Zhong Tian LLP, Beijing Branch (普華永道中天會計師事務所有限公司北京分所).

Mr. Zhang obtained his bachelor's degree in international economics and trade from University of International Business and Economics (對外經濟貿易大學) in July 2003. He obtained his master's degree in business administration from Guanghua School of Management at Peking University (北京大學光華管理學院) in July 2015. Mr. Zhang obtained his qualification as a Chartered Financial Analyst in October 2013.

**Ms. LIU Fang Wei (劉方未)** (resigned on March 2, 2026), aged 39, was appointed as a Director of the Company on May 9, 2022 and was later re-designated as a non-executive Director of the Company on May 17, 2022. She was primarily responsible for providing professional opinion and judgment to the Board.

Since October 2015, Ms. Liu has been serving for FOSUN RZ Capital (復星銳正資本), an equity investment firm, and is the co-president of FOSUN RZ Capital as of the Latest Practicable Date, where she is primarily responsible for management of venture investment activities of the company.

She obtained her master's degree in banking and finance from Loughborough University in December 2011 and her master's degree in statistics from London School of Economics and Political Science in December 2012.

# DIRECTORS AND SENIOR MANAGEMENT

## Independent Non-executive Directors

**Mr. SUN Junchen (孫俊辰)**, aged 38, has been appointed as an independent non-executive Director with effect from the Listing. He is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Since January 2025, Mr. Sun has been serving as the managing director of Glowill Capital Limited\* (歌未資本有限公司), Mr. Sun served as the chief executive officer of Hainan New Baoen Medical Technology Co., Ltd. Beijing Branch.\* (海南新寶恩醫療科技有限公司北京分公司) from January 2024 to January 2025, a PRC-based fertility-related solutions and insurance provider. Prior to that, Mr. Sun has served as the vice president of investment development of Newborn Town Inc., a company listed on the Stock Exchange (stock code: 9911), primarily responsible for its innovative business. In February 2017, Mr. Sun joined Beijing BlueCity Information Technology Co., Ltd.\* (北京藍城兄弟信息技術有限公司), an Internet company which designs and develops software solutions and a subsidiary of BlueCity Holdings Limited, and served as the chief financial officer from May 2022 to December 2023, where he was primarily responsible for the overall strategic planning, financing and investment activities of the company. From November 2015 to January 2017, Mr. Sun served as the financial controller of MicroMedia Holdings Limited\* (北京簡網世紀科技有限公司), a computer software company which focuses on the development of lifestyle mobile applications, where he was primarily responsible for overall financial activities management. From June 2015 to October 2015, Mr. Sun served as a senior manager at the investment banking department of Shenwan Hongyuan Securities Co., Ltd. Beijing Branch\* (申萬宏源證券有限公司北京分公司), a wholly-owned subsidiary of Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司), a company listed on the Stock Exchange (stock code: 6806), where he primarily provided support to PRC initial public offering projects. From October 2011 to May 2015, he worked at PricewaterhouseCoopers.

From August 2025 to March 2026, Mr. Sun served as independent director and chair of the audit committee of Yimutian Inc., a company listed on Nasdaq (stock code: YMT). Concurrently, Mr. Sun also holds the positions of independent director and chair of the nomination committee at China Sunshine Paper Holdings Company Limited, a company listed on the Stock Exchange (stock code: 2002). Since March 2024, Mr. Sun served as an independent non-executive director of China Vered Financial Holding Co., Ltd., a company listed on the Stock Exchange (stock code: 245).

Mr. Sun obtained his bachelor's degree in international accounting from Tianjin University of Finance and Economics (天津財經大學) in June 2011. He obtained his master's degree in business administration from Peking University (北京大學) and Tsinghua University (清華大學) in July 2018 and June 2024, respectively. Mr. Sun obtained his PRC certified public accountant certificate from the Chinese Institute of Certified Public Accountants in April 2015.

## DIRECTORS AND SENIOR MANAGEMENT

**Mr. CAO Jie (曹杰)**, aged 45, has been appointed as an independent non-executive Director with effect from the Listing. He is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Mr. Cao is currently a full-time professor of finance at the School of Accounting and Finance, Hong Kong Polytechnic University (“**HK PolyU**”). Before joining HK PolyU, he served as an associate professor (which he later attained tenure) of finance at the business school at The Chinese University of Hong Kong from August 2009 to July 2022.

Mr. Cao received his Ph.D. in Finance from the University of Texas at Austin in 2009 and his bachelor’s degree in Economics from Peking University in 2002.

**Ms. GUO Yongfang (郭永芳)**, aged 39, has been appointed as an independent non-executive Director of the Company with effect from the Listing. She is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Since December 2021, Ms. Guo has been serving as a partner at Jingxinhe (Beijing) Private Equity Asset Management Co., Ltd.\* (京新合(北京)私募基金管理有限公司), where she is primarily responsible for the overall strategic planning and management of financing activities. From May 2020 to June 2021, she served as a deputy general manager at Yijin Digital Creative Co., Ltd.\* (懿錦數字文創有限公司) (formerly known as 山水從容傳媒投資有限公司) (“**Yijin Digital**”), an investment company which focuses on media business and new economy companies. From November 2018 to April 2020, she assisted in managing Beijing Shangaoshuichang Equity Investment Management Co., Ltd.\* (北京山高水長股權投資管理有限公司). From May 2018 to October 2018, she served as a deputy general manager at Beijing Shanshui Jinxiu Venture Capital Co., Ltd.\* (北京山水錦繡創業投資有限公司), a subsidiary of Yijin Digital. From September 2017 to April 2018, she worked at Yijin Digital. From July 2014 to August 2017, Ms. Guo served as a journalist and editor at The Beijing News (新京報社), a news reporting agency, where she was primarily responsible for, reporting on finance and economics news topics.

Ms. Guo obtained her bachelor’s degree in social work from Tangshan Normal University (唐山師範學院) in June 2011 and obtained her master’s degree in sociology from Central University of Finance and Economics (中央財經大學) in June 2014, respectively.

# DIRECTORS AND SENIOR MANAGEMENT

## SENIOR MANAGEMENT

Our senior management team comprises Dr. Zhou Hao, Mr. Li Yan, Mr. Song Yang, Mr. Zhang Yanshen and Mr. Tan Feng, all of whom are executive Directors of our Company. See “Executive Directors” for biographies of Dr. Zhou Hao, Mr. Li Yan, Mr. Song Yang, Zhang Yanshen and Tan Feng.

## JOINT COMPANY SECRETARIES

**Ms. YU Shanling (于善玲)** was appointed as our joint company secretaries on May 17, 2022. She has been the senior reporting manager since she joined our Group in February 2017, where she was primarily responsible for handling our Group’s company secretarial and corporate governance matters. She was also involved in our Group’s publicity and investor relations matters, as well as directors and shareholders coordination. From February 2024 to February 2026, Ms. Yu served successively as the finance director and senior finance director of our Group. Ms. Yu is primarily responsible for the Company’s secretarial and corporate governance matters.

From July 2015 to February 2017, Ms. Yu served as an assistant director at the investment banking department of Guotai Jun’an Securities Co., Limited (Beijing Branch)\* (國泰君安證券股份有限公司北京分公司), where she primarily provided counseling services and recommended listing applicants acting as the sponsor of listings on the National Equities Exchange and Quotations (全國中小企業股份轉讓系統). From December 2014 to July 2015, Ms. Yu served as a senior auditor at Deloitte Touche Tohmatsu Limited, where she was primarily assigned with audit responsibilities. From September 2011 to December 2014, Ms. Yu served as a senior auditor at ShineWing Certified Public Accountants LLP, where she was primarily responsible for audit work.

Ms. Yu obtained her bachelor’s degree in management with an accounting major in June 2011 from Changchun University of Technology (長春工業大學). She also obtained her master degree in corporate governance and compliance from Hong Kong Metropolitan University in September 2024. She obtained her PRC certified public accountant certificate from the Chinese Institute of Certified Public Accountants in August 2015, and was admitted as an associate of The Hong Kong Chartered Governance Institute in January 2025.

**Ms. CHU Cheuk Ting (朱卓婷)** was appointed as a joint company secretary on May 17, 2022. Ms. Chu is a manager of the Listing Services Department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial and compliance services to listed company clients on the Stock Exchange. She has over 12 years of working experience in the fields of corporate secretarial and compliances services. Ms. Chu obtained a bachelor of arts degree from The Hong Kong Polytechnic University in December 2007 and a master of science degree in professional accounting and corporate governance from the City University of Hong Kong in July 2011. Ms. Chu is a member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

# DIRECTORS AND SENIOR MANAGEMENT

## DISCLOSURE OF CHANGES IN DIRECTORS' INFORMATION PURSUANT TO 13.51B(1) OF THE LISTING RULES

Name of Director	Change
Mr. ZHOU Qiang	Mr. ZHOU resigned as an executive Director and the chief technology officer of the Company with effect from March 2, 2026.
Ms. LIU Fang Wei	Ms. LIU resigned as a non-executive Director with effect from March 2, 2026.
Mr. ZHANG Yanshen	Mr. ZHANG was appointed as an executive Director and the chief operating officer of the Company with effect from March 2, 2026.
Mr. TAN Feng	Mr. TAN was appointed as an executive Director and the chief technology officer of the Company with effect from March 2, 2026.

Save as disclosed in this annual report, there were no other change to the information of the Directors is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting Period and up to the Latest Practicable Date.

## CONFIRMATION OF INDEPENDENCE

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

# DIRECTORS' REPORT

The Board is pleased to present this Directors' Report together with the audited consolidated financial statements of the Group for the year ended December 31, 2025.

## GENERAL INFORMATION ABOUT THE COMPANY

### List of Directors

During the year ended December 31, 2025 and up to the date of this annual report, the members of the Board of the Company are set out below:

#### Executive Directors

Dr. ZHOU Hao (周灝) (*Chairman of the Board*)  
Mr. LI Yan (李岩)  
Mr. SONG Yang (宋揚)  
Mr. ZHANG Yanshen (張岩珅) (*appointed on March 2, 2026*)  
Mr. TAN Feng (譚豐) (*appointed on March 2, 2026*)  
Mr. ZHOU Qiang (周強) (*resigned on March 2, 2026*)

#### Non-executive Directors

Mr. ZHANG Yi (張毅)  
Ms. LIU Fang Wei (劉方未) (*resigned on March 2, 2026*)

#### Independent Non-executive Directors

Mr. SUN Junchen (孫俊辰)  
Mr. CAO Jie (曹杰)  
Ms. GUO Yongfang (郭永芳)

For their respective biographical details, please refer to the section headed "Directors and Senior Management" of this annual report.

## PRINCIPAL ACTIVITIES

We are an operator of online marketplaces in China, operating both a consumer e-commerce platform and a retail online-to-offline (O2O) platform. Through Yangxiaomie (羊小咩), our principal consumer e-commerce platform, we connect third-party marketplace suppliers with users across a broad range of retail categories, including consumer electronics, food and beverages, home appliances, cosmetics, jewelry, clothing and personal daily care. Leveraging our platform operation, traffic acquisition and user engagement capabilities, we facilitate product display, online payment, order processing and logistics coordination, enabling suppliers to efficiently reach and transact with consumers. Complementing Yangxiaomie, we operate Consumption Guide (消費地圖), an O2O platform that primarily collaborates with automobile retailers by converting online traffic into offline showroom purchases and also supports online automobile transactions. Our business partners comprise merchandise suppliers and POP store operators on Yangxiaomie, as well as automobile retailers and certain local lifestyle merchants on Consumption Guide, and we also provide limited advertising placement services. We position Yangxiaomie as our core growth engine and allocate greater resources to its expansion given its stronger profitability and scalability within our overall platform ecosystem.

## BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance, including an discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's financial performance and an indication of likely future developments in the Group's business, is set out in the sections headed "Business Review" and "Management Discussion and Analysis" of this annual report. These discussions form part of this directors' report.

## FINANCIAL SUMMARY

A summary of the Group's condensed consolidated results and financial position for the last four financial years is set out on page 4 of this report. This summary does not form part of the audited consolidated financial statements.

## CONTRACTS WITH THE CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, no contract of significance including the provision of services was entered into between the Company, or any of its subsidiaries, and its Controlling Shareholders during the year ended December 31, 2025. See "Continuing Connected Transactions" and Note 29 to the financial statements in this annual report for details.

## FINAL DIVIDEND

No dividends were paid or declared by the Company or the companies now comprising the Group during the year ended December 31, 2025 (2024: nil).

## ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held on Friday, June 26, 2026. A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course.

### Closure of Register of Members

The register of members of the Company will be closed from Tuesday, June 23, 2026 to Friday, June 26, 2026, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM. Shareholders whose names appear on the register of members on Friday, June 26, 2026 (i.e. the record date) will be entitled to attend and vote at the AGM. Shareholders whose names appear on the register of members on Friday, June 26, 2026 (i.e. the record date) will be entitled to attend and vote at the AGM. All transfers of shares of the Company accompanied by the relevant share certificates and transfer forms (together the "Share Transfer Documents") must be lodged for registration before 4:30 p.m. on Monday, June 22, 2026. The Share Transfer Documents shall be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

# DIRECTORS' REPORT

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 11 to the financial statements.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in Note 27(a) to the financial statements.

## RESERVES

Details of movements in the reserves of the Group are set out in the consolidated statement of changes in equity of this annual report. As of December 31, 2025, the Company has no reserves available for distribution (as of December 31, 2024: nil).

## BANK AND OTHER BORROWINGS

Particulars of bank and other borrowings of the Group as at December 31, 2025 are set out in Note 22 to the financial statements.

## DEBENTURE ISSUED

The Group did not issue any debenture during the year ended 31 December 2025. And no debt securities were issued by the Company's subsidiaries.

## 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 maintained the sufficient percentage of public float required under the Listing Rules.

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares (as defined in the Listing Rules)) during the period from the Listing Date to the date of this report. As at December 31, 2025, the Company did not hold any treasury shares (as defined in the Listing Rules).

## PRE-EMPTIVE RIGHTS

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

## TAX RELIEF

The Company is not aware of any tax relief available to the Shareholders by reason of their holding of the Company's securities. If the Shareholders are unsure about the taxation implications of purchasing, holdings, disposing of, dealing in, or the exercise of any rights (including entitlements to any relief of taxation) in relation to, the Shares, they are advised to consult an expert.

## RELATIONSHIPS WITH KEY STAKEHOLDERS

The Directors are of view that maintaining a good working relationship with its employees, customers, suppliers and other stakeholders are the keys to the sustainable development of the Group. During the year, there was no significant dispute between the Group and its employees, customers, suppliers and other stakeholders.

### Major Customers and Suppliers

For the Reporting Period, revenue generated from the five largest customers of the Group accounted for approximately 11.2% of the Group's total revenue, and the revenue generated from the largest customer accounted for approximately 10.1% of the Group's total revenue.

For the Reporting Period, purchase amounts from the five largest suppliers of the Group accounted for approximately 59.2% of the Group's total purchase, and the purchase amounts from the largest supplier accounted for approximately 26.3% of the Group's total purchase.

None of the Directors, their close associates or any Shareholders who to the knowledge of the Directors own more than 5% of the Company's issued share capital had an interest in the share capital of any of the Group's five largest customers and suppliers during the Reporting Period.

## EMPLOYEES, TRAINING AND REMUNERATION POLICIES

As of December 31, 2025, the Group had 187 employees, comprising 184 employees based in China.

The following table sets forth the breakdown of the Group's employees by function as of December 31, 2025:

<b>Function</b>	<b>Number of Employees</b>	<b>% of Total</b>
Online Marketplaces Management	64	34.2
Research and Development	52	27.8
Administration and Management	39	20.9
Operation and Finance Department	32	17.1
<b>Total</b>	<b>187</b>	<b>100</b>

# DIRECTORS' REPORT

Our success depends on our ability to attract, retain and motivate qualified employees. We offer our employees a competitive remuneration package which includes salary, benefits, bonuses and incentives. Our compensation programs are designed to remunerate our employees based on their performance, measured against specified objective criteria. As required by the PRC laws, we have made contributions to the various mandatory social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity leave insurance, and to mandatory housing provident funds, for or on behalf of our employees.

The remuneration of our employees is determined with reference to market conditions and individual employees' performance, qualification and experience. In line with the performance of us and individual employees, a competitive remuneration package is offered to retain employees, including salaries, discretionary bonuses share awards in accordance with RSU schemes and other benefit plans.

The total staff costs amounted to RMB161.6 million for the year ended December 31, 2025 (for the year ended December 31, 2024: RMB115.4 million).

We believe that maintaining a stable, diverse and motivated workforce is critical to the success of our business. We are committed to applying equal opportunities to all aspects of employment, including recruitment, training, promotion and remuneration, without discrimination on the basis of gender, race, nationality, marital status, disability, religious belief, sexual orientation or any other characteristic protected under applicable laws.

We invest in staff training on a regular basis and encourage employees to continuously improve their skills, abilities and competencies through both internal and external training programs. Through regular performance appraisals, we identify training needs and areas for improvement to enhance existing skills and support career development. We recruit personnel from the open market and formulate our recruitment policies based on market conditions, business needs and expansion plans. We adopt comprehensive and merit-based assessment criteria when selecting candidates, taking into account experience, skills, qualifications, competencies and suitability for the position. Candidates are assessed through interviews and aptitude tests as appropriate. We also offer promotion and job opportunities to existing employees and suitable candidates, selecting individuals based on work performance, merit, qualifications, abilities and overall suitability.

We offer remuneration packages based on position and responsibilities, generally comprising salary, benefits and performance-based bonuses. Our compensation programs reward employees according to performance measured against specified objective criteria. We maintain statutory benefit plans in China, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity leave insurance, and to mandatory housing accumulation funds, for or on behalf of our employees.

To recognize the contributions of key employees and motivate them to further promote the development of the Company, the Company adopted the RSU Schemes. For details, please refer to "Appendix IV – Statutory and General Information – D. RSU SCHEMES" in the Prospectus.

## RETIREMENT BENEFITS PLANS

The employees of the Company's subsidiaries in the PRC are members of the state-managed retirement benefit scheme operated by the relevant local government authority in the PRC. The subsidiaries are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. During the Reporting Period, there were no forfeited contributions under the defined contributions plans of the Group, and there were no forfeited contributions had been used by the Group to reduce the existing level of contributions.

## MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

For details regarding the Company's environmental, social and governance, please refer to the Environmental, Social and Governance Report on pages 78 to 104 of this annual report.

## LEGAL PROCEEDINGS AND COMPLIANCE

During the Reporting Period, the Company had not been and was not a party to any material legal, arbitral or administrative proceedings against it that could, individually or in the aggregate, have a material adverse effect on its business, financial condition and results of operations.

During the Reporting Period, the Company had complied with the applicable laws and regulations in relation to its business in all material respects and was not involved in any non-compliance incidents which the Directors believe would, individually, or in aggregate, have a material adverse effect on its business as a whole.

## DONATIONS

See "Environmental, Social and Governance Report – Community Investment" for details.

## CORPORATE GOVERNANCE

For details regarding the Company's corporate governance, please refer to the section headed "Corporate Governance Report" on pages 56 to 77 of this annual report.

## EQUITY-LINKED AGREEMENTS

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 as at the date of this annual report.

## EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

In compliance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “CG Code”), the Company has established the Remuneration Committee to formulate remuneration policies.

The compensation and remuneration of the Directors and members of the senior management of the Company are determined by the Shareholders’ meetings and the Board as appropriate in the form of salaries and bonuses. The Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to the Company or discharging their duties in relation to the operations of the Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of the Company, the Shareholders’ meetings and the Board take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration.

Our Company offers executive Directors and senior management members, who are also employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. The independent non-executive Directors receive compensation based on their responsibilities.

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

No remuneration was paid by the Company to the Directors or the five highest paid individuals as inducement to join or upon joining the Company or as a compensation for loss of office during the Reporting Period. Furthermore, none of the Directors had waived or agreed to waive any remuneration during the Reporting Period.

## DIRECTORS’ SERVICE CONTRACTS AND APPOINTMENT LETTERS

### Executive Directors

Each of Dr. Zhou Hao, Mr. Li Yan and Mr. Song Yang, all being our executive directors, entered into service contracts with the Company on November 11, 2025. Mr. Tan Feng and Mr. Zhang Yanshen, also our executive directors, entered into service contracts with the Company on March 2, 2026.

The service contract is for an initial term of three years commencing from the Listing Date (for Dr. Zhou Hao, Mr. Li Yan and Mr. Song Yang) or March 2, 2026 (for Mr. Tan Feng and Mr. Zhang Yanshen). The service contract may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

### Non-executive Director

Mr. Zhang Yi, being non-executive Director, entered into a letter of appointment with the Company on November 11, 2025.

The letter of appointment is for an initial term of three years commencing from the Listing Date. The letter of appointment may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

### **Independent Non-executive Directors**

Each of, Mr. Sun Junchen, Mr. Cao Jie and Ms. Guo Yongfang, being our independent non-executive Directors, has entered into a letter of appointment with our Company on November 11, 2025.

Each letter of appointment is for an initial term of three years commencing from the Listing Date. The letters of appointment may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

### **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE**

Save as disclosed in this annual report, none of the Directors or entities connected with them was materially interested, whether directly or indirectly, in any transaction, contract or arrangement subsisting during or at the end of the Reporting Period which was significant in relation to the business of the Group taken as a whole.

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

Save as disclosed in the section headed "RSU Schemes" of the Directors' Report, neither the Company nor its subsidiaries were a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right at any time during the Reporting Period.

### **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

During the Reporting Period, none of the Directors had any interest in any business which competes, or is likely to compete, directly or indirectly, with the Company's business, and requires disclosure under Rule 8.10(2) of the Listing Rules.

### **CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES**

Save as disclosed in this annual report, the Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

### **PERMITTED INDEMNITY PROVISION**

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

# DIRECTORS' REPORT

Such permitted indemnity provision is currently in force and has been in force since the Listing Date for the year ended December 31, 2025. The Company has taken out liability insurance to provide appropriate coverage for the Directors and other senior staff.

## CONNECTED TRANSACTIONS

During the Reporting Period, we have entered into the contractual arrangements below that constitute continuing connected transactions:

### Contractual Arrangements

#### *Background*

We provide matching services for business partners to match their goods with their end customers that meet their target customer criteria on our online marketplaces (the “**Relevant Businesses**”) through our Consolidated Affiliated Entities in the PRC. Relevant PRC laws and regulations restrict foreign ownership of value-added telecommunications services providers as further elaborated in “ — PRC Laws and Regulations Relating to Foreign Ownership Restrictions” below. As a result of such restrictions, we are unable to hold any direct equity interest in our Consolidated Affiliated Entities. Instead, we derive the economic benefits from our Consolidated Affiliated Entities (namely, Liangzi Data and its wholly-owned subsidiary, Beijing Quant) through the Contractual Arrangements, which are narrowly tailored to achieve our business purposes and minimize the potential conflicts with relevant PRC laws. See “ — Our Contractual Arrangements” below.

Our operation of online marketplaces business through the operation of two apps, namely Yangxiaomie and Consumption Guide, and the relevant website constitute value-added telecommunications services and therefore require ICP license and EDI license. According to the Administrative Measures on Internet-based Information Services (《互聯網信息服務管理辦法》) and the Classification of Telecommunications Services (《電信業務分類目錄》), enterprises that engage in operational internet information services are required to apply for an ICP license. Operational internet information services refer to the provision of information, web page production and other services to internet users through the internet for a fee. Yangxiaomie facilitates product transactions and sells products to end customers, provide specific information and customer service if the customer paid the special membership fee through the app. In addition to our service for marketplace suppliers on Yangxiaomie to distribute information and sale products thereon, we also provide services through our Consumption Guide for marketplace suppliers to enable them to publish information relating to discount coupons and automobiles thereon. The aforementioned business falls under the scope of internet information services, a subcategory of value-added telecommunication service in the PRC, which are the restricted businesses under the Negative List.

#### *PRC laws and regulations relating to foreign ownership restrictions*

Foreign investment activities in the PRC are mainly governed by the Negative List and the Catalog of Industries for Encouraging Foreign Investment (2022 Edition) (鼓勵外商投資產業目錄(2022年版)) (the “**Encouraging Catalog**”), which were promulgated and are amended from time to time jointly by the MOFCOM and the NDRC. The Negative List and the Encouraging Catalog divide industries into three categories in terms of foreign investment, namely, “encouraged”, “restricted” and “prohibited.” Industries not listed in the Negative List and the Encouraging Catalog are generally deemed as falling into the fourth category “permitted.”

Pursuant to the Negative List, provision of value-added telecommunications services (except for operation of e-commerce business, domestic multi-party communication business, store-and-forward and call center services) falls within the “restricted” category. As such, the shareholding percentage of a foreign investor in companies engaged in value-added telecommunications services shall not exceed 50%. Moreover, pursuant to the Administrative Measures on Internet Information Services (互聯網信息服務管理辦法), a provider of “operational internet information services” (namely services involving the provision of information or website-design services through the internet to internet-users for a fee) is required to obtain an ICP License. In addition, certain qualification requirements under the FITE Regulations would apply to such foreign investors which made direct ownership in the relevant PRC entities holding an ICP License infeasible.

Each of our Consolidated Affiliated Entities, namely, Liangzi Data and Beijing Quant, holds an ICP License for the operation of value-added telecommunication services. Due to ownership restrictions and qualification requirements in the PRC applicable to foreign investors, we are not able to hold the equity interests of the Consolidated Affiliated Entities directly. Therefore, the Relevant Businesses are conducted by our Consolidated Affiliated entities, namely Liangzi Data and Beijing Quant, in which the ICP licenses are held.

Our Relevant Businesses are conducted through (i) Liangzi Data, which operates a website that markets our QuantPlanet platform and offers options for potential business partners to explore and eventually acquire matching services supported by our QuantPlanet modules, and (ii) Beijing Quant, which operates Yangxiaomie, through which we facilitate the sale of retail goods to users of Yangxiaomie. The services operated by QuantPlanet and Yangxiaomie constitute commercial value-added telecommunications business under the applicable PRC laws and thus ICP Licenses are required for Liangzi Data and Beijing Quant.

#### *Qualification requirements under the FITE Regulations*

On December 11, 2001, the State Council promulgated the FITE Regulations, which were amended on September 10, 2008 and February 6, 2016. Pursuant to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services. In addition, the main foreign investor who invests in a value-added telecommunications business, in the PRC must possess prior experience overseas in operating value-added telecommunications businesses and a proven track record (the “**Qualification Requirements**”). Our PRC Legal Advisor and the Company, among others, conducted a verbal consultation with the Beijing Municipal Communications Administration (北京市通信管理局) on March 31, 2022 (the “**March Interview**”), during which the Beijing Municipal Communications Administration confirmed that (a) there are no detailed rules and standards for the Qualification Requirements, (b) whether an applicant meets the Qualification Requirements will be determined by the approving authority on a case-by-case basis, and (c) the relevant entities would be prohibited from obtaining or maintaining the license for operating value-added telecommunications services if such entities are held directly or indirectly by foreign shareholders that do not meet such Qualification Requirements. During the March Interview, the Beijing Municipal Communications Administration also confirmed that, in the case of our Company, MIIT would not issue an ICP License to our Consolidated Affiliated Entities if they become foreign investment entities and their respective foreign investors could not meet the Qualification Requirements. The Beijing Municipal Communications Administration further confirmed that, if Liangzi Data or Beijing Quant becomes a foreign invested enterprise, it would be required to re-apply for an ICP License from MIIT, in such case, the current ICP License obtained by Liangzi Data or Beijing Quant would be rescinded.

# DIRECTORS' REPORT

On March 29, 2022, the State Council promulgated Decision of the State Council to Amend and Repeal Certain Administrative Regulations (2022) (the “**2022 Amendment Decision**”) which took effect on May 1, 2022. Among others, the 2022 Amendment Decision repealed the Qualification Requirements in the FITE Regulations. On April 28, 2022, our PRC Legal Advisor and the Company, among others, conducted a further consultation (the “**April Consultation**”) with the Beijing Municipal Communications Administration, where the Beijing Municipal Communications Administration confirmed that (a) despite the 2022 Amendment Decision, in practice the Qualification Requirements would still be applied to foreign investors holding equity interest in companies engaged in value-added telecommunications services in the PRC, (b) whether an applicant meets the Qualification Requirements will still be decided by the approving authority on a case-by-case basis, and (c) the relevant entities would be prohibited from obtaining or maintaining the license for operating value-added telecommunications services if such entities are held directly or indirectly by foreign shareholders that do not meet the Qualification Requirements. Based on the April Consultation, our PRC Legal Advisor as at the date of the Prospectus confirmed that, in the case of our Company, (a) MIIT would not issue an ICP License to our Consolidated Affiliated Entities if they become foreign investment entities and their respective foreign investors could not meet the Qualification Requirements, while the satisfactory of Qualification Requirements would be decided by MIIT at its discretion on a case-by-case basis, and (b) if Liangzi Data/Beijing Quant becomes a foreign invested enterprise, it would be required to re-apply for an ICP License from the MIIT.

## *Efforts and actions undertaken to comply with the Qualification Requirements*

Notwithstanding the above, we have adopted a specific plan and will continue to expend genuine efforts and financial resources towards meeting the Qualification Requirements. We will remain abreast of any regulatory developments and continuously assess whether we meet the Qualification Requirements, with a view to unwinding the Contractual Arrangements wholly or partially as and when practicable and permissible under the prevailing PRC laws.

We are implementing a business plan with a view to gradually building up a track record of overseas telecommunication business operations for the purposes of being qualified, as early as possible, to acquire the maximum equity interests in the Consolidated Affiliated Entities that hold the licenses for operating value-added telecommunications services as allowed by PRC laws. We believe that such business plan represents our commitment and a meaningful endeavor to demonstrate compliance with the Qualification Requirements. In particular, we have taken the following steps to meet the Qualification Requirements:

- (i) we have established an overseas website that helps potential overseas users and investors to better understand the Company’s products, services and businesses; and
- (ii) our Company has registered, submitted and in the process of preparing for registration a number of trademarks in various jurisdictions, including Hong Kong SAR.

In the March Interview, the Beijing Municipal Communications Administration confirmed that steps such as those taken by us described above would be helpful to fulfill the Qualification Requirements. However, as confirmed by the Beijing Municipal Communications Administration in the March Interview and the April Consultation and advised by our PRC Legal Advisor, as at the date of the Prospectus (a) the current ICP Licenses held by our Consolidated Affiliated Entities for conducting the Relevant Businesses do not allow foreign investors to hold any equity interests in the Consolidated Affiliated Entities, (b) in practice, the Qualification Requirements would still be applied to foreign investors holding equity interests in companies engaged in value-added telecommunication services in the PRC, and (c) the application of an ICP License by any company engaged in value-added telecommunication services in the PRC with foreign investors is subject to thorough substantive examination and is decided by MIIT at its discretion on a case-by-case basis. Accordingly, in the March Interview and the April Consultation, the Beijing Municipal Communications Administration confirmed that, in practice, even if we are able to meet the Qualification Requirements, we will not be able to obtain an ICP License if any foreign investor is to hold any equity interests in any of the Consolidated Affiliated Entities. This position held by Beijing Municipal Communications Administration has been reaffirmed in the supplemental interviews conducted with them in March 2023, June 2024 and May 2025, respectively.

As confirmed by our PRC Legal Advisor, as at the date of the Prospectus as the information and communication development department of the Beijing Municipal Communications Administration is responsible for approving the telecommunication business operation of domestic enterprises in Beijing, such department is the competent authority and the officer interviewed is of the appropriate level to provide the confirmation stated above.

On the basis of the above, we are of the view that the Contractual Arrangements are narrowly tailored and we are therefore required to carry out our value-added telecommunication services through the Contractual Arrangements.

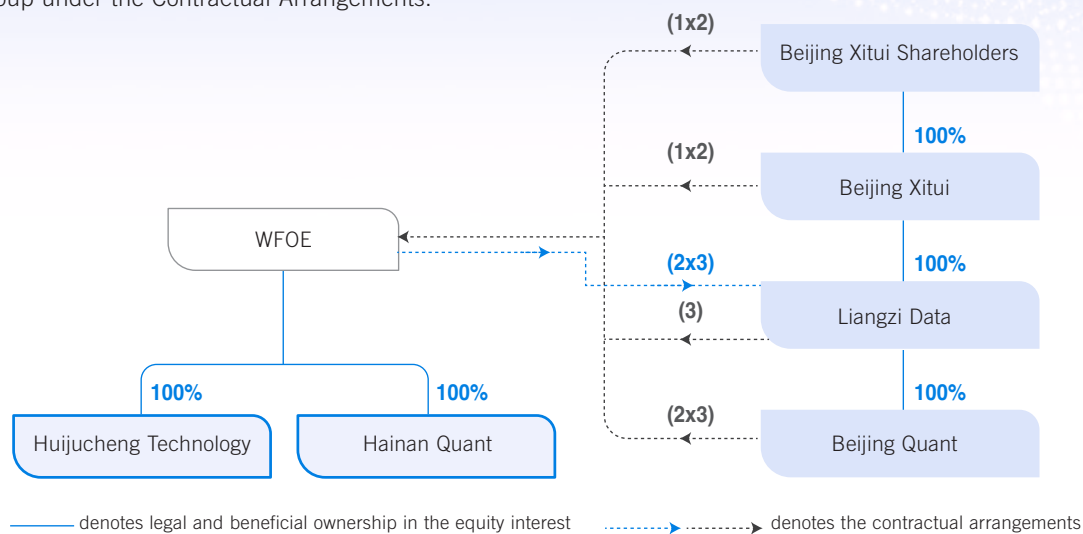
### ***Consolidated Affiliated Entities***

Our Consolidated Affiliated Entities are all established under the PRC laws. As described above, investment in certain areas of the industries in which we currently operate and may operate are subject to restrictions under current PRC laws and regulations and therefore it was not viable for our Company to hold our Consolidated Affiliated Entities directly through equity ownership when our Company is not able to fulfill the Qualification Requirements. Instead, we decided that, in line with common practice in the PRC for industries subject to foreign investment restrictions, we would gain effective control over, and receive all the economic benefits generated by the businesses currently operated by our Consolidated Affiliated Entities through the Contractual Arrangements between the WFOE, on the one hand, and our Consolidated Affiliated Entities and Beijing Xitui, on the other hand.

In order to comply with the relevant PRC laws and regulations described above, while availing ourselves of international capital markets and maintaining effective control over all of our operations, our Company gained control over Liangzi Data and its subsidiary, Beijing Quant, by entering into a series of Contractual Arrangements through the WFOE, Liangzi Data and Beijing Xitui. The Contractual Arrangements were entered into on May 20, 2022, whereby the WFOE acquired effective control over the financial and operational policies of our Consolidated Affiliated Entities and have become entitled to all the economic benefits derived from their operations. As a result, we do not directly own any controlling stake in our Consolidated Affiliated Entities.

# DIRECTORS' REPORT

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



Notes:

- (1) Beijing Xitui, the Beijing Xitui Shareholders, Liangzi Data, Beijing Quant and the WFOE executed an amended and restated exclusive pledge agreement, pursuant to which Beijing Xitui granted security interests in favor of WFOE over the entire equity interests in Liangzi Data held by Beijing Xitui.  
Beijing Xitui executed a power of attorney in favor of the WFOE, for the exercise of all shareholders' rights in Liangzi Data.
- (2) Beijing Xitui, the Beijing Xitui Shareholders, Liangzi Data, Beijing Quant and the WFOE executed an amended and restated exclusive option agreement, for the exclusive and irrevocable right to purchase all or part of the equity interests and/or assets in Liangzi Data and its subsidiaries.
- (3) WFOE provides technical consultation and other services to Liangzi Data and its subsidiaries in exchange for service fees.

### Particulars of the Consolidated Affiliated Entities

Particulars of the Consolidated Affiliated Entities as at December 31, 2025 are presented as follows:

Name of Consolidated Affiliated Entities	Type of legal entity/place of establishment and operation	Registered owners as at December 31, 2025	Business's activities
Liangzi Data	Limited liability company/PRC	100% Beijing Xitui	Operation of Online Marketplaces
Beijing Quant	Limited liability company/PRC	100% Liangzi Data	Operation of Online Marketplaces

The Board considers that the above PRC Operating Entities are significant to the Group in the view that (i) they have obtained the ICP License and EDI License (ii) most of our intellectual property rights, including software copyrights, trademarks, patents and domain names, are held by Liangzi Data.

### *Summary of the material terms of the Contractual Arrangements*

The Contractual Arrangements comprise the following agreements: Exclusive Business Cooperation Agreement, Exclusive Option Agreement, Equity Pledge Agreement and Power of Attorney.

#### *Exclusive Business Cooperation Agreement*

Under the exclusive business cooperation agreement dated May 20, 2022, which was further amended and restated on August 18, 2022 and March 10, 2023, respectively, between Liangzi Data, Beijing Quant and the WFOE (the “**Exclusive Business Cooperation Agreement**”), in exchange for a service fee, payable quarterly, Liangzi Data and its subsidiaries, agreed to engage the WFOE as its exclusive provider of certain consulting and technical services, including but not limited to technology development, technology consulting, and technical support services required by our Consolidated Affiliated Entities’ business. Under the Exclusive Business Cooperation Agreement, the service fee shall be determined based on factors including the complexity of the service provided, duration of service time, commercial value of the service provided and comparative market price of the service provided. Notwithstanding the foregoing, the WFOE may adjust the amount of the services fee according to the services provided by our Consolidated Affiliated Entities, our Consolidated Affiliated Entities’ operational conditions and development needs. The WFOE shall calculate the service fee on a quarterly basis and issue a corresponding invoice to Liangzi Data (and its subsidiaries). Liangzi Data (and its subsidiaries) must make the payment to the WFOE within ten business days of receiving such invoice.

In addition, during the term of the Exclusive Business Cooperation Agreement, absent the prior written consent of the WFOE, with respect to the services provided pursuant to the Exclusive Business Cooperation Agreement, our Consolidated Affiliated Entities shall not accept the same or any similar services provided by, enter into any similar agreement or form any business cooperation with any third party for provision of the same or similar services as those covered by the Exclusive Business Cooperation Agreement.

The Exclusive Business Cooperation Agreement also provide that the WFOE has the exclusive and proprietary rights to and interests in any and all intellectual property rights developed or created by our Consolidated Affiliated Entities during the performance of the Exclusive Business Cooperation Agreement. The Exclusive Business Cooperation Agreement shall be binding on the legal successors and assignees of Liangzi Data and the WFOE.

The Exclusive Business Cooperation Agreement shall remain effective until (i) the Exclusive Business Cooperation Agreement was terminated by the WFOE having served 30 days prior written notice, or (ii) the dissolution of Liangzi Data under any applicable PRC laws. Without the prior written consent of the WFOE, Liangzi Data cannot terminate the Exclusive Business Cooperation Agreement.

## *Exclusive Option Agreement*

Under the exclusive option agreement dated May 20, 2022 which was further amended and restated on August 18, 2022 and March 10, 2023, respectively, entered into among the WFOE, Beijing Xitui, the Beijing Xitui Shareholders, Liangzi Data and Beijing Quant (the “**Exclusive Option Agreement**”), the WFOE was granted irrevocable and exclusive rights to require Beijing Xitui to transfer any or all its equity interests in Liangzi Data to the WFOE and/or a third party designated by it, in whole or in part at any time and from time to time, at the lowest price permitted under applicable PRC laws at the time, unless at the time of exercising the exclusive option rights, applicable PRC laws require such price to be assessed, audited or restricted. The Beijing Xitui Shareholders have undertaken to take all actions to procure Liangzi Data and Beijing Xitui to perform their obligations and take necessary actions in the event that the WFOE exercises any of its rights under the Exclusive Option Agreement.

The Exclusive Option Agreement will remain effective for 10 years and will be automatically renewed unless otherwise the WFOE disagrees for renewal with written notice. The Exclusive Option Agreement shall be binding on the legal successors and assignees of Liangzi Data, Beijing Xitui, the Beijing Xitui Shareholders and the WFOE.

## *Equity Pledge Agreement*

Under the equity pledge agreement dated May 20, 2022 (as amended and restated on August 18, 2022) entered into among the WFOE, Beijing Xitui, the Beijing Xitui Shareholders and Liangzi Data (the “**Equity Pledge Agreement**”), Beijing Xitui irrevocably and unconditionally agreed to pledge its respective equity interests in Liangzi Data that it owns, including any interest or dividend paid for the shares, to the WFOE as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts.

## *Power of Attorney*

Beijing Xitui has executed the power of attorney dated May 20, 2022 (as amended and restated on August 18, 2022) (the “**Power of Attorney**”). Under the Power of Attorney, Beijing Xitui irrevocably appointed the WFOE and its designated persons (including but not limited to Directors and their successors and liquidators replacing the Directors) as their attorneys-in-fact to exercise on their behalf, and agreed and undertook not to exercise without such attorneys-in-fact’s prior written consent, any and all right that they have in respect of their equity interests in Liangzi Data.

The Power of Attorney will remain in force for 10 years and will be automatically renewed unless otherwise the WFOE or the WFOE’s designated third party disagrees for renewal, upon expiration, with written notice.

During the year ended 31 December 2024, (i) there were no new contractual arrangements entered into, renewed or reproduced between the Group and the PRC Operating Entities, (ii) there were no material changes in the Contractual Arrangements or the circumstances under which they were adopted, and (iii) none of the structured contracts under the Contractual Arrangements mentioned above has been unwound as none of the restrictions that led to the adoption of structured contracts under the Contractual Arrangements have been removed

### ***Accounting aspects of the contractual arrangements***

Under the Exclusive Business Cooperation Agreement, it was agreed that, in consideration of the services provided by WFOE, each of our Consolidated Affiliated Entities will pay services fees to the WFOE. The services fees, subject to the WFOE's adjustment, are equal to the entire total consolidated net income of our Consolidated Affiliated Entities. The WFOE may adjust the service fee amount at its sole discretion according to the services provided by our Consolidated Affiliated Entities. Accordingly, the WFOE has the ability, at its sole discretion, to extract all of the economic benefit of our Consolidated Affiliated Entities through the Exclusive Business Cooperation Agreement.

In addition, under the Exclusive Business Cooperation Agreement and the Exclusive Option Agreement, the WFOE has absolute contractual control over the distribution of dividends or any other amounts to Beijing Xitui as the WFOE's prior written consent is required before any distribution can be made.

As a result of these Contractual Arrangements, our Company exercises control over the operations of our Consolidated Affiliated Entities and receives substantially all of their economic benefits and residual returns. Accordingly, our Consolidated Affiliated Entities' results of operations, assets and liabilities, and cash flows are consolidated into our Company's financial statements. The basis of consolidating the results of our Consolidated Affiliated Entities is disclosed in Note 2(b) to the financial statements.

### ***Revenue and assets subject to the structured contracts under the Contractual Arrangements***

For the year ended December 31, 2025, the services provided by WFOE to the Consolidated Affiliated Entities, amounted to nil. The revenue and the total asset value of the Consolidated Affiliated Entities subject to the Contractual Arrangements amounted to approximately RMB1,034.8 million for the year ended December 31, 2025 and approximately RMB1,486.8 million as at December 31, 2025, respectively.

### ***Risks Relating to the Contractual Arrangements***

These are certain risks that are associated with Contractual Arrangements including:

- (i) If the PRC government deems that our Contractual Arrangements do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.
- (ii) Our ability to enforce the equity pledge agreement between us and Beijing Xitui, the direct shareholder of Liangzi Data, Consolidated Affiliated Entity, may be subject to limitations based on PRC laws and regulations.

# DIRECTORS' REPORT

- (iii) If we exercise the option to acquire equity ownership and assets of Consolidated Affiliated Entities, the ownership transfer may subject us to certain limitations and substantial costs.
- (iv) The ultimate shareholders of our Consolidated Affiliated Entities may have actual or potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.
- (v) Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities and they may determine that we or our Consolidated Affiliated Entities owe additional taxes, which could negatively affect our financial condition and the value of your investment.
- (vi) We may lose the ability to use and benefit from assets held by our Consolidated Affiliated Entities that are material to the operation of our business if the entities go bankrupt or become subject to a dissolution or liquidation proceeding.
- (vii) We do not have any insurance which covers the risks relating to the Contractual Arrangements and the transactions contemplated thereunder.
- (viii) There may be a potential impact to our Company if our Contractual Arrangements are not treated as domestic investment.

Our Group has adopted but not limited to the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

- (i) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;
- (ii) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (iii) our Company will disclose the overall performance of and compliance with the Contractual Arrangements in our annual reports; and
- (iv) our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of the WFOE and our Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

## *Listing Rules Implications*

For the purpose of Chapter 14A of the Listing Rules, and in particular the definition of “connected person”, our Consolidated Affiliated Entities will be treated as our Company’s subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and its associates will be treated as connected persons of our Company as applicable under the Listing Rules (excluding for this purpose, the Consolidated Affiliated Entities themselves). Therefore, the transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of our Company under the Listing Rules upon Listing.

The highest applicable percentage ratios under the Listing Rules in respect of the transactions associated with the Contractual Arrangements are expected to be more than 5%. As such, the transactions will be subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## *Reasons for the Transaction*

Our Directors (including the independent non-executive Directors) are of the view that (i) the Contractual Arrangements and the transactions contemplated therein are fundamental to our legal structure and business operations, and (ii) that our structure, whereby the financial results of our Consolidated Affiliated Entities are consolidated into our financial statements as if they were our Company’s wholly-owned subsidiaries, and all the economic benefits of their business flows to our Group, places our Group in a special position in relation to the connected transactions rules under Chapter 14A of the Listing Rules.

Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing transactions, contracts and agreements to be entered into, among others, by our Consolidated Affiliated Entities and any member of our Group from time to time (including Consolidated Affiliated Entities) (the “**New Intergroup Agreements**”) technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company, for all such transactions to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and independent shareholders’ approval requirements.

## *Waiver Application*

In respect of the Contractual Arrangements and New Intergroup Agreements, we have applied for, and the Stock Exchange has granted, waivers from strict compliance with (i) the announcement, circular and independent shareholders’ approval requirements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement to set a term of three years or less under Rule 14A.52 of the Listing Rules, and (iii) the requirement to set annual caps under Rule 14A.53 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange subject to the following conditions.

# DIRECTORS' REPORT

## *No change without independent non-executive Directors' approval*

No change to the Contractual Arrangements (including with respect to any fees payable to the WFOE thereunder) will be made without the approval of our independent non-executive Directors.

## *No change without independent Shareholders' approval*

Save as described below, no change to the agreements governing the Contractual Arrangements will be made without the approval of our independent Shareholders. Once independent Shareholders' approval of any change has been obtained, no further announcement or approval of the independent Shareholders will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company will however continue to be applicable.

## *Economic benefits and flexibility*

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities through (i) our Group's options (if and when so allowed under the applicable PRC laws) to acquire, all or part of the equity interests in the Consolidated Affiliated Entities for nil consideration or the minimum amount of consideration permitted by applicable PRC Laws, (ii) the business structure under which the profit generated by the Consolidated Affiliated Entities is substantially retained by our Group, such that no annual cap shall be set on the amount of service fees payable to the WFOE by our Consolidated Affiliated Entities under the Contractual Arrangements, and (iii) our Group's right to control the management and operation of, as well as, in substance, a substantial portion of the voting rights of the Consolidated Affiliated Entities.

## *Renewal and reproduction*

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between, on the one hand, our Company and the subsidiaries in which our Company has direct shareholding and, on the other hand, the Consolidated Affiliated Entities, this framework may be renewed and/or reproduced without an announcement, circular, or obtaining the approval of our Shareholders (i) upon the expiry of the existing arrangements, (ii) in connection with any changes to the shareholders or directors of, or of their shareholdings in, the Consolidated Affiliated Entities, or (iii) in relation to any existing, new or acquired wholly foreign-owned enterprise or operating company (including branch company) engaging in a business similar or relating to those of our Group.

The directors, chief executive or substantial shareholders of any existing, new or acquired wholly foreign-owned enterprise or operating company (including branch company) engaging in a business similar or relating to those of our Group will, upon renewal and/or reproduction of the Contractual Arrangements, be treated as connected persons of our Group and transactions between these connected persons and our Group other than those under similar Contractual Arrangements shall comply with Chapter 14A of the Listing Rules.

This condition is subject to relevant PRC laws, regulations and approvals. Any such renewed or reproduced agreements will be on substantially the same terms and conditions as the existing Contractual Arrangements.

### *Ongoing reporting and approvals*

We will disclose details relating to the Contractual Arrangements on an ongoing basis:

- the Contractual Arrangements in place during each financial period will be disclosed in our Company's annual report and accounts in accordance with the relevant provisions of the Listing Rules;
- our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our Company's annual report that for the relevant year (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (ii) no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group, and (iii) any new contracts entered into, renewed or reproduced between our Group and the Consolidated Affiliated Entities are fair and reasonable, or advantageous to our Shareholders, so far as our Group is concerned and in the interests of our Shareholders as a whole;
- our Company's auditors will carry out review procedures annually on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to our Directors with a copy to the Stock Exchange, confirming that the transactions have been approved by our Board, have been entered into in accordance with the relevant Contractual Arrangements and that no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;
- for the purpose of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", our Consolidated Affiliated Entities will be treated as our Company's subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and its associates will be treated as connected persons of our Company as applicable under the Listing Rules (excluding for this purpose, the Consolidated Affiliated Entities themselves), and therefore transactions between these connected persons and our Group (including for this purpose, the Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules; and
- our Consolidated Affiliated Entities will, for so long as Shares are listed on the Stock Exchange, provide our Group's management and our Company's auditors with full access to its relevant records for the purpose of reporting on the connected transactions.

### **Annual Review by the Independent Non-executive Directors**

The independent non-executive Directors have confirmed that the above continuing connected transactions were entered into by the Group: (i) in the ordinary and usual course of its business; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements (including the pricing principles and guidelines set out therein) governing them and on terms that were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

# DIRECTORS' REPORT

Certain related party transactions as disclosed in Note 29 to the financial statements constituted connected transactions or continuing connected transactions as defined under Chapter 14A of the Listing Rules and were in compliance with the applicable disclosure requirements of Chapter 14A of the Listing Rules.

Save as disclosed in this annual report, during the Reporting Period, the Company had no other related party transactions which were required to be disclosed pursuant to Chapter 14A of the Listing Rules in relation to connected transactions and continuing connected transactions.

## Confirmations from the Auditor

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged its external auditor to conduct certain procedures in respect of the transactions carried out pursuant to the Contractual Arrangements of the Group for the year ended December 31, 2025, in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has confirmed in a letter to the Board that, with respect to the transactions carried out pursuant to the Contractual Arrangements during the year ended December 31, 2025:

- a) nothing has come to their attention that causes the auditor to believe that the Contractual Arrangements have not been approved by the Board;
- b) nothing has come to their attention that causes the auditor to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements under the Contractual Arrangements governing such transactions; and
- c) with respect of the disclosed continuing connected transactions with Beijing Xitui, the WOFE, Liangzi Data and Beijing Quant under the contractual arrangements, nothing has come to their attention that causes the auditor to believe that dividends or other distributions have been made by each of the Consolidated Affiliated Entity to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group.

## RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group during the Reporting Period are set out in note 29 to the financial statements in this annual report.

Yingtian Guangda was a related party of the Group prior to January 1, 2025. Yingtian Guangda was an indirect subsidiary of Beijing Liangkebang Information Technology Co., Ltd. (北京量科邦信息技術有限公司, Liangkebang), in which Dr. Zhou (the Group’s executive director and controlling shareholder) held over 30% equity interest by a set of contractual arrangements, under which, Quant Group Limited, a company incorporated in the Cayman Islands, being the ultimate offshore holding company of Liangkebang. On January 1, 2025, Dr. Zhou relinquished voting control over his entire direct and indirect shareholding in Liangkebang by entrusting the associated voting rights to an independent third party. Consequently, Yingtian Guangda ceased to be a related party of the Group. Subsequently, in April 2025, Dr. Zhou divested his entire direct shareholding interests in Quant Group Limited and indirect shareholding interests in Liangkebang. This disposal was made pursuant to his personal investment strategy and to enable him to dedicate his full attention to the Group’s development.

## DISCLOSURE OF INTERESTS

### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at December 31, 2025, the interest or short position of our Directors or chief executives of our Company in the Shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are listed, are as follows:

Interest in the Shares of our Company:

<b>Name of Director or Chief Executive</b>	<b>Nature of Interest</b>	<b>Number of Shares/underlying shares held<sup>(1)</sup></b>	<b>Approximate % of Shareholding</b>
Dr. Zhou Hao	Settlor of a discretionary trust <sup>(2)</sup>	157,713,354 (L)	30.62%
	Interest of spouse <sup>(3)</sup>	11,863,500 (L)	2.30%
	Beneficial owner <sup>(4)</sup>	26,408,715 (L)	5.13%
Mr. Li Yan	Settlor of a discretionary trust <sup>(5)</sup>	20,560,500 (L)	3.99%
	Beneficial owner <sup>(6)</sup>	5,454,545 (L)	1.06%
Mr. Song Yang	Beneficial owner <sup>(7)</sup>	3,030,300 (L)	0.59%
Mr. Zhou Qiang ( <i>resigned as director on March 2, 2026</i> )	Beneficial owner <sup>(8)</sup>	3,030,300	0.59%

# DIRECTORS' REPORT

## Notes:

- (1) The letter "L" denotes the person's long position (as defined under Part XV of the SFO) in the Shares.
- (2) Mars Legend is a company incorporated in the BVI and is held as to 99% by SJY Family Holdings and 1% by Mars Digitech Limited, a company wholly owned by Dr. Zhou. SJY Family Holdings is held by the Dr. Zhou Trust, which was established by Dr. Zhou as the settlor. Futu Trustee Limited is the trustee of the Dr. Zhou Trust, and Mars Digitech Limited is the beneficiary of the Dr. Zhou Trust. The Dr. Zhou Trust was structured in preparation for Dr. Zhou's future estate planning. Dr. Zhou is also a director of Mars Legend. As such, Dr. Zhou, Dr. Zhou Trust and SJY Family Holdings are deemed to be interested in our Shares held by Mars Legend.
- (3) Dr. Zhou is the spouse of Ms. Jinghuai. By virtue of the SFO, Dr. Zhou is deemed to be interested in the Shares in which Ms. Sun is interested in, and vice versa.
- (4) As of December 31, 2025, Dr. Zhou was granted 26,408,715 RSUs by our Company pursuant to the RSU Share Schemes, upon the vesting of which the same number of Shares will be issued to him.
- (5) Saturn Storm is a company incorporated in the BVI and is held as to 99% by LY Family Holdings Limited and 1% by Saturn Tornado Limited, a company wholly owned by Mr. Li Yan. LY Family Holdings is held by the Li Yan Trust, which was established by Mr. Li as the settlor. Futu Trustee Limited is the trustee of the Li Yan Trust, and Saturn Tornado Limited is the beneficiary of the Li Yan Trust. The Li Yan Trust is structured in preparation for Mr. Li's future estate planning. Mr. Li is also a director of Saturn Storm. As such, Mr. Li, Li Yan Trust and LY Family Holdings are deemed to be interested in our Shares held by Saturn Storm.
- (6) As of December 31, 2025, Mr. Li Yan was granted 5,454,545 RSUs by our Company pursuant to the RSU Share Schemes, upon the vesting of which the same number of Shares will be issued to him.
- (7) As of December 31, 2025, Mr. Song Yang was granted 3,030,300 RSUs by our Company pursuant to the RSU Share Schemes, upon the vesting of which the same number of Shares will be issued to him.
- (8) As of December 31, 2025, Mr. Zhou Qiang was granted 3,030,300 RSUs by our Company pursuant to the RSU Share Schemes, upon the vesting of which the same number of Shares will be issued to him.
- (9) The percentage of shareholding is calculated based on the total number of 515,097,500 Shares in issue as of December 31, 2025.

Save as disclosed herein, none of our Directors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

## Substantial shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at December 31, 2025, the following persons (other than the Directors and chief executives of the Company) had, or be deemed, or taken to have an interest and/or short position in the Shares or underlying Shares which were recorded in the register required to be kept under the section 336 of the SFO:

Name of Substantial Shareholder	Nature of interest	Number of Shares Held <sup>(1)</sup>	Approximate % of Shareholding
Futu Trustee Limited	Trustee	246,591,500 (L)	47.87%
Sun Jinghuai <sup>(2)</sup>	Interest of spouse	195,985,569 (L)	38.05%
Mars Legend Limited <sup>(3)</sup>	Beneficial owner	157,713,354 (L)	30.62%
SJY Family Holdings Limited <sup>(3)</sup>	Interest in controlled corporation	157,713,354 (L)	30.62%
Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司)	Beneficial owner	77,116,000 (L)	14.97%
East Asia Star Investment (BVI) Limited <sup>(4)</sup>	Beneficial owner	49,672,500 (L)	9.64%
Fosun Holdings Limited <sup>(4)</sup>	Interest in controlled corporation	49,672,500 (L)	9.64%
Fosun International Holdings Ltd. <sup>(4)</sup>	Interest in controlled corporation	49,672,500 (L)	9.64%
Guo Guangchang <sup>(4)</sup>	Interest in controlled corporation	49,672,500 (L)	9.64%
Jupiter Rock Limited <sup>(5)</sup>	Beneficial owner	35,867,646 (L)	6.96%
Gaorong Capital (Shenzhen) Investment Management Center (Limited Partnership) (高榕資本(深圳)投資諮詢中心(有限合夥)) <sup>(6)</sup>	Interest in controlled corporation	28,794,500 (L)	5.59%
Gaorong QTG Holding Limited <sup>(6)</sup>	Beneficial owner	28,794,500 (L)	5.59%

# DIRECTORS' REPORT

## Notes:

- (1) The letter “L” denotes the person’s long position (as defined under Part XV of the SFO) in the Shares.
- (2) Ms. Sun Jinghuai is the spouse of Dr. Zhou Hao. By virtue of the SFO, Ms. Sun is deemed to be interested in the Shares in which Dr. Zhou is interested in.
- (3) Mars Legend is a company incorporated in the BVI and is held as to 99% by SJY Family Holdings and 1% by Mars Digitech Limited, a company wholly owned by Dr. Zhou. SJY Family Holdings is held by the Dr. Zhou Trust, which was established by Dr. Zhou as the settlor. Futu Trustee Limited is the trustee of the Dr. Zhou Trust, and Mars Digitech Limited is the beneficiary of the Dr. Zhou Trust. The Dr. Zhou Trust was structured in preparation for Dr. Zhou’s future estate planning. Dr. Zhou is also a director of Mars Legend. As such, Dr. Zhou, Dr. Zhou Trust and SJY Family Holdings are deemed to be interested in our Shares held by Mars Legend.
- (4) East Asia Star Investment (BVI) Limited is wholly-owned by Fosun Holdings Limited, which is in turn wholly-owned by Fosun International Holdings Ltd. Mr. Guo Guangchang held 82.27% issued shares of Fosun International Holdings Ltd. As such, Fosun Holdings Limited, Fosun International Holdings Ltd. and Mr. Guo Guangchang are deemed to be interested in the Shares held by East Asia Star Investment (BVI) Limited.
- (5) Jupiter Rock Limited, a company incorporated in the BVI, is an indirect wholly-owned subsidiary of Futu Trustee Limited (an independent and professional trustee appointed by the Company to act as the trustee of the RSU Schemes) and is one of our offshore employee shareholding platforms.
- (6) Gaorong QTG Holding Limited is wholly owned by Gaorong Capital (Shenzhen) Investment Center (Limited Partnership) (高榕資本(深圳)投資中心(有限合夥)). Gaorong Capital (Shenzhen) Investment Management Center (Limited Partnership) (高榕資本(深圳)投資諮詢中心(有限合夥)) is the general partner of Gaorong Capital (Shenzhen) Investment Center (Limited Partnership)\* (高榕資本(深圳)投資中心(有限合夥)), which also owns approximately 0.16% of partnership interests.
- (7) The percentage of shareholding is calculated based on the total number of 515,097,500 Shares in issue as of December 31, 2025.

Save as disclosed herein, so far as the Directors are aware, have an interest or short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

## RSU Schemes

The RSU Schemes (the “**RSU Schemes**”) were adopted by our Company on April 26, 2022 (the “**Adoption Date**”) to reflect the RSUs previously granted to certain grantees (including Directors, senior management and other employees) under the historical onshore RSU schemes adopted by Liangzi Data. The RSU Schemes do not involve the grant of options or RSUs by our Company to subscribe for new Shares. Upon Listing, the RSU Schemes will be subject to Rule 17.12 of the Listing Rules. After Listing, no further RSUs will be granted pursuant to the RSU Schemes.

The Company has appointed a trustee (the “**Trustee**”) to administer the RSU Schemes. Awards granted under the RSU Schemes (the “**Awards**”) may vest in the form of Shares or a conditional right to receive an equivalent value in cash with reference to the value of the Shares underlying such Award, to be determined by the Trustee on an on-market sale date as determined by the RSU administrator (the “**RSU Administrator**”), less any applicable taxes, fees and charges.

In order to facilitate the administration of the RSU Schemes, on March 31, 2022, the Company entered into a trust deed (the “**Trust Deed**”) with the Trustee, pursuant to which trusts were established for the RSU Schemes and the Trustee agreed to act as trustee to administer the RSU Schemes and hold the Shares underlying the Awards. On May 9, 2022, pursuant to the 2022 RSU Scheme I and the 2022 RSU Scheme II, the Company issued 75,000,000 Shares and 20,586,500 Shares, respectively, to the Trustee, which holds such Shares through Jupiter Rock and Venus Energy, both wholly-owned subsidiaries of the Trustee.

On March 6, 2023, Jupiter Rock transferred 39,132,354 Shares, back to Mars Legend, corresponding to the equity interest in the Company originally contributed by Dr. Zhou for share incentive purposes. As at the December 31, 2025, all RSUs associated with the Shares held by Jupiter Rock and Venus Energy, representing approximately 11.29% of the issued Shares, had been granted under the 2022 RSU Scheme I and the 2022 RSU Scheme II.

The below is a summary of the principal terms of the RSU Schemes:

# DIRECTORS' REPORT

## Purpose

The purpose of the RSU Schemes is to incentivize existing and incoming Directors, senior management and employees of the Group for their contribution to the Group, and to attract, motivate and retain skilled and experienced personnel by providing them with the opportunity to acquire equity interests in the Company, thereby aligning their interests with those of the Shareholders.

## Administration

The RSU Schemes are administered by the Board. Pursuant to the terms of the RSU Schemes, the Board has the power and authority:

- (a) to select eligible persons, being any existing or incoming employee, Director (whether executive or non-executive) or officer of the Company or any member of the Group (the “**Eligible Person**”), to participate in the RSU Schemes (the details of the related party transactions of the Group during the Reporting Period are set out in note 29(a) to the financial statements in this annual report.);
- (b) to determine whether and to what extent RSUs are granted to Selected Persons (the “**Participants**”);
- (c) to determine the number of RSUs and the number of underlying Shares covered by each Award;
- (d) to determine the terms and conditions, not inconsistent with the RSU Schemes, of each Award granted;
- (e) to interpret the terms and provisions of the RSU Schemes and any Award granted thereunder; and
- (f) to supervise the administration of the RSU Schemes.

Subject to the provisions of the Articles, the Board has the authority, in its sole discretion, to adopt, alter and repeal such administrative rules, guidelines and practices governing the RSU Schemes as it considers appropriate.

All decisions made by the Board pursuant to the RSU Schemes are final, conclusive and binding on all persons, including the Company and the Participants.

## Shares Subject to the RSU Schemes

The maximum number of Shares underlying the RSUs that may be granted under the 2022 RSU Scheme I and the 2022 RSU Scheme II (excluding RSUs that have lapsed or been cancelled in accordance with the rules of the RSU Schemes) is 75,000,000 Shares and 20,586,500 Shares, representing approximately 14.56% and 4.00% of the issued share capital of the Company as at December 31, 2025, respectively.

The Shares underlying the RSU Schemes are existing Shares issued to and held by the Trustee. To the extent that any RSU lapses or is cancelled in accordance with the rules of the RSU Schemes, the underlying Shares continue to be held by the Trustee and may be used for future grants prior to Listing.

## Scheme Participants

Persons eligible to receive the Award under the RSU Schemes are any existing or incoming employees, directors (whether executive or non-executive) or officers of the Company or any member of the Group (the “**Eligible Person**”). Subject to the rules of the RSU Schemes, the Board may select any Eligible Person for participation in the RSU Schemes at its discretion as a selected person (the “**Selected Person**”).

Since the participants of both the 2022 RSU Scheme I and the 2022 RSU Scheme II include Directors and senior management of the Company who are core connected persons of the Company, each of Jupiter Rock and Venus Energy is a core connected person of the Company. As such, the underlying Shares associated with the RSUs held by Jupiter Rock pursuant to the 2022 RSU Scheme I and the underlying Shares associated the RSUs held by Venus Energy pursuant to the 2022 RSU Scheme II will not be counted as part of the public float, for the purposes of the Rules 8.08 and 8.24 of the Listing Rules.

The basis of eligibility of any Selected Person for the grant of RSUs shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group or such other factors as the Board may deem appropriate.

As the RSU Schemes were amended and restated on March 20, 2024, no RSUs shall be granted to a Selected Person (the “**Relevant Selected Person**”) if, at the relevant time of grant, the total number of underlying Shares associated with the RSUs issued and to be issued in respect of all RSUs granted to the Relevant Selected Person (excluding any RSUs that have lapsed in accordance with Rule 10) during the 12-month period up to and including the date of such grant would exceed 1% of the total number of Shares in issue at that time.

## Term of the RSU Schemes

The RSU Schemes will be valid and effective for the period of 10 years, commencing on the Adoption Date (the “**Scheme Period**”). As of December 31, 2025, the remaining life of the RSU Schemes was approximately 6 years and 4 months.

## Grant of RSUs

RSUs are granted pursuant to a grant letter (the “**Grant Letter**”) specifying, among other things, the name of the Selected Person, the number of RSUs granted, the number of underlying Shares, the vesting criteria and conditions, the vesting schedule, and such other terms and conditions as determined by the Board.

The Grant Letter requires the Selected Person to accept the grant and be bound by the provisions of the RSU Schemes. The RSUs granted (whether vested or not) are subject to a trading restriction for at least 14 months after the Listing Date.

No consideration is payable by the Selected Person upon the acceptance of a RSU Award. For RSUs that were granted under the RSU Schemes the exercise prices were determined with reference to the fair value of the underlying Shares on the date of grant and reflected an 80% discount to such fair value.

# DIRECTORS' REPORT

## Vesting

RSUs become vested at such time or times and subject to such terms and conditions as determined by the Board and set out in the Grant Letter. Upon satisfaction or waiver of the vesting criteria and conditions, the Board issues a vesting notice to the relevant Participant confirming the number of RSUs vested and the corresponding number of Shares (or cash equivalent, where applicable).

## Rights Attached to RSUs and Shares

A Participant does not have any voting rights or rights to dividends in respect of the Shares underlying the RSUs unless and until such RSUs have vested and the Shares have been transferred to the Participant. Any Shares transferred to a Participant rank *pari passu* with the fully paid Shares then in issue.

As certain Participants under the RSU Schemes are Directors and senior management who are core connected persons of the Company, each of Jupiter Rock and Venus Energy is a core connected person of the Company. Accordingly, the underlying Shares held by them pursuant to the RSU Schemes are not counted as part of the public float for the purposes of Rules 8.08 and 8.24 of the Listing Rules.

## Acceleration of Vesting

Notwithstanding anything to the contrary contained in the RSU Schemes, RSUs vest immediately upon the occurrence of a general offer becoming unconditional, a compromise or arrangement approved in connection with a reconstruction or amalgamation of the Company, or a voluntary winding-up of the Company (other than for reconstruction or amalgamation), in accordance with the terms of the RSU Schemes.

## Cancellation

The Board may cancel any RSU that has not vested or has lapsed, provided that appropriate compensation arrangements are made with the Participant in accordance with the rules of the RSU Schemes.

## Amendment and Termination

Subject to the provisions of the Articles and the RSU Schemes, the Board may amend, alter or terminate the RSU Schemes. No amendment materially adversely affecting the subsisting rights of any Participant is made without such Participant's consent, except as otherwise provided under the RSU Schemes.

## Outstanding Awards Granted under the RSU Schemes

The number of underlying Shares pursuant to the outstanding share granted under the RSU Scheme amounted to 54,181,421 Shares, representing approximately 10.52% of the total share capital of our Company as of the date of this annual report.

The following table sets forth details of the RSUs granted and outstanding during the Reporting Period:

Name	Position	Date of Grant	Vesting period	Exercise price (RMB)	Outstanding	Granted	Vested	Exercised	Forfeited	Canceled	Outstanding
					RSUs as of January 1, 2025 <sup>(1)</sup>	During the Reporting Period	during the Reporting Period	During the Reporting Period	During the Reporting Period	during the Reporting Period	RSUs as of December 31, 2025
Dr. Zhou Hao	Executive Director, chief executive officer and chairman of the Board	20/3/2024	4 years	0.69	26,408,715	-	-	-	-	-	26,408,715
Mr. Li Yan	Executive Director and chief strategic officer	31/12/2018	4 years	0.236	5,454,545	-	-	-	-	-	5,454,545
Mr. Song Yang	Executive Director and chief financial officer	31/12/2020	4 years	0.342	2,272,725	-	-	-	-	-	2,272,725
Mr. ZHANG Yanshen	Executive Director and chief operating officer	30/4/2025	4 years	1.6	N/A	757,575	-	-	-	-	757,575
		20/3/2024	4 years	0.69	606,060	-	-	-	-	-	606,060
Mr. Zhou Qiang	Executive Director and chief operating officer (resigned on March 2, 2026)	20/3/2024	4 years	0.69	3,030,300	-	-	-	-	-	3,030,300 <sup>(3)</sup>
Other Employees	-	31/12/2018 – 4/30/2025	4 years	0.236-1.6	15,954,531	2,272,725	-	-	303,030	-	17,924,226

Notes:

- (1) Other employees include existing employees and employees employed during the reporting period.
- (2) The RSUs will be vested over a period of four years in four equal installments, and the vesting is subject to certain criteria and conditions stated in the Grant Letter.
- (3) Mr. Zhou Qiang resigned as an executive director and chief operating officer of the Company on 2 March 2026, as a result of which 2,272,725 shares of the RSUs granted to him were forfeited.
- (4) The outstanding RSUs granted have no exercise period.

## USE OF PROCEEDS

The Shares were listed on the Main Board of the Stock Exchange on November 27, 2025. The Company received net proceeds of approximately RMB12.2 million from the Global Offering. On December 31, 2025, the Company also received net proceeds of approximately RMB15.3 million from the partial exercise of the over-allotment option (as described in the Prospectus). The total net proceeds amounted to approximately RMB27.5 million. The aforementioned net proceeds amounts were arrived at after deducting the underwriting commissions and other estimated expenses payable by the Company in connection with the Global Offering and the partial exercise of the over-allotment option.

# DIRECTORS' REPORT

As of the date of this annual report, there was no change in the intended use of net proceeds as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The following table sets forth a summary of the utilization of the net proceeds from the Global Offering and the partial exercise of the over-allotment option as of December 31, 2025:

Use of Net Proceeds	Percentage of Net Proceeds	Net Proceeds allocated as disclosed in the Prospectus (approximate RMB million)	Net Proceeds utilised since the Listing and up to December 31, 2025 (approximate RMB million)	Unutilized amount as of December 31, 2025 (approximate RMB million)	Expected timeline of full utilisation of Net Proceeds
<b>To enhance our research and development capabilities and improve our technology infrastructure for our matching services</b>					
– for enhancing our matching capabilities and service offerings	55.0%	15.13	nil	15.13	March 31, 2027
– for recruiting more talent in our research and development team	35.0%	9.63	nil	9.63	March 31, 2027
	20.0%	5.5	nil	5.5	March 31, 2027
<b>To promote our business model</b>	<b>45.0%</b>	<b>12.39</b>	<b>nil</b>	<b>12.39</b>	<b>March 31, 2027</b>
– for expanding our customer base through various traffic acquisition channels	15.0%	4.13	nil	4.13	March 31, 2027
– for cooperating with upstream and downstream business partners under our matching services	30.0%	8.26	nil	8.26	March 31, 2027

To the extent that net proceeds are not immediately used for the intended use and to the extent permitted by the relevant law and regulations, the Company will place the net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits.

## EVENTS AFTER THE REPORTING PERIOD

We are not aware of any significant event that might affect the Group since December 31, 2025 and up to the date of this annual report.

## REVIEW OF ANNUAL RESULTS AND APPROVAL OF ANNUAL REPORT

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules. The Audit Committee of our Company comprises Mr. Sun Junchen, Mr. Cao Jie and Ms. Guo Yongfang, all of whom are independent non-executive Directors. The chairperson of the Audit Committee is Mr. Sun Junchen (being the independent non-executive Director with the appropriate professional qualifications).

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Reporting Period and discussed with the management of the Group and the Group's auditor, KPMG, Certified Public Accountants, the accounting principles and practices adopted by the Group, risk management and internal controls and financial reporting.

The Audit Committee considered that the audited financial statements of the Group for the Reporting Period are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

## APPRECIATION

Our Company would like to express its appreciation to all the staff for their outstanding contribution towards the Group's development. The Board wishes to sincerely thank the management for their dedication and diligence, which are the key factors for the Company to continue its success in the future. Also, our Company wishes to extend its gratitude for the continued support from its shareholders, customers, and business partners. Our Company will continue to deliver sustainable business development, so as to create more values for all its shareholders.

By order of the Board

**Quantgroup Holding Limited**

**Dr. Zhou Hao**

*Chairman and Executive Director*

March 31, 2026

# CORPORATE GOVERNANCE REPORT

The Board of Directors (the “Board”) is pleased to present the corporate governance report of the Company as set out in the annual report for the year ended December 31, 2025.

## CORPORATE GOVERNANCE PRACTICE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions of the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

Unless otherwise stated below, the Company has complied with all the applicable code provisions as set out in Part 2 of the CG Code during the Reporting period. As the Shares were not listed on the Stock Exchange until the Listing Date, the CG Code has only been applicable to the Company since the Listing Date. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

## PURPOSE, VALUE AND STRATEGY

The Board of Directors strictly adheres to the requirements of the Listing Rules and the CG Code, and believes that establishing clear objectives, values and strategies is the cornerstone for guiding the Company’s long-term development. The Board has established the following core framework and is committed to ensuring its deep integration and high consistency with the Company’s corporate culture:

### 1. Mission

Guided by our mission of “Make Life Brilliant”, the Group is committed to driving the deep integration of smart technologies with everyday life to create exceptional value for our customers. Through sound management and innovative development, we deliver sustainable returns to our shareholders. Upholding the principle of “technology for good”, we actively fulfill our social responsibilities and promote the sustainable development of a new paradigm for smart living through technological innovation.

### 2. Value

We uphold the core values of “passion, proactivity in identifying and solving problems, and openness”. These are reflected in our sincere passion for our business and employees, our proactive approach to identifying and resolution of challenges, and our commitment to maintaining a transparent and inclusive collaborative environment both internally and externally.

### 3. Overall Strategy

The Group is committed to consolidating its leading position in AI-powered consumer scenarios, while simultaneously strengthening its AI capabilities and driving the intelligent transformation of existing businesses. Looking ahead, we will uphold the philosophy that “Make Life Brilliant”, exploring applications of cutting-edge technologies, including “intelligent species”, in the physical world. While strictly adhering to compliance and technological ethics, we will open up new avenues for long-term sustainable growth and achieve a deep integration of intelligent technology with commercial value.

## 4. How does the Board confirm the above items are consistent with the corporate culture

The Board ensures that its mission, value, and strategies are not merely on paper, but are truly embedded in the corporate culture, and instills the philosophy of “acting legally, ethically, and responsibly” in all employees through the following mechanisms:

**Strategic review and cultural alignment:** During regular strategic meetings and major decision-making processes, the Board will evaluate and align proposed strategies with the Company’s core values to ensure that the strategic direction resonates with the cultural philosophy. Any strategic proposal that deviates from our values will not be approved.

**System implementation and behavioral advocacy:** The Board promotes the establishment and supervision of a series of internal systems (such as open communication channels, innovation incentive mechanisms, and reporting mechanisms for violations), transforming abstract values into concrete management practices and behavioral expectations. The Board requires our management to lead by example and act with integrity, and permeate the corporate culture through daily behavior, so as becoming practitioners and promoters of the corporate culture.

**Regular review and feedback:** The Board continuously evaluates the effectiveness of culture implementation by listening to reports from management, conducting employee culture surveys, and reviewing relevant performance indicators (including compliance and ethics indicators). For any deviations discovered, the Board will promptly supervise and correct them to ensure that “acting legally, ethically, and responsibly” becomes a consensus and conscious action of all employees.

All members of the Board pledged to always uphold integrity, lead by example, and dedicate themselves to promoting this corporate culture, guiding QuantGroup Holdings Limited to achieve responsible and resilient long-term development.

## THE BOARD

### Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group’s strategic decisions and monitors business and performance. The Board has delegated powers and responsibilities to the Group’s senior management for the Group’s day-to-day management and operations. To oversee specific areas of the Company’s affairs, the Board has established three committees under the Board: Audit Committee, the Remuneration Committee and the Nomination Committee (collectively, the “**Board Committees**”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

The Company has arranged appropriate insurance coverage in respect of liability arising from legal action against its Directors, and will conduct annual review on such insurance coverage.

# CORPORATE GOVERNANCE REPORT

## COMPOSITION OF THE BOARD OF DIRECTORS

As at the date of this annual report, the Board comprised 5 executive Directors, 1 non-executive Director and 3 independent non-executive Directors as set out below:

### Executive Directors:

Dr. ZHOU Hao (*Chairman and Chief Executive Officer*)

Mr. LI Yan

Mr. SONG Yang

Mr. ZHOU Qiang (resigned on March 2, 2026)

Mr. ZHANG Yanshen (appointed on March 2, 2026)

Mr. TAN Feng (appointed on March 2, 2026)

### Non-executive Directors:

Mr. ZHANG Yi

Ms. LIU Fang Wei (resigned on March 2, 2026)

### Independent Non-executive Directors:

Mr. SUN Junchen

Mr. CAO Jie

Ms. GUO Yongfang

The biographies of the Board of Directors are set out in section headed “Directors and Senior Management” in this annual report.

## BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including but not limited to overall business management, banking and finance, human resources, accounting and marketing. They obtained degrees in diversified majors including finance, accounting, economics and law, sociology and computer science and technology. The Board is of the view that our Board satisfies the Board Diversity Policy. In addition, our Board has a wide range of age, ranging from 32 years old to 45 years old. We will continue to apply the appointment criteria based on competence and with reference to the overall diversity policy. Our Board will also ensure that appropriate balance of gender diversity is achieved with reference to investors' expectation, and international and local recommended best practices.

In terms of gender diversity, as of the date of this annual report, out of our nine Directors, one of them is female. To ensure gender diversity of our Board in the long run, the Board has established the following clear, measurable objectives and specific measures:

## **(i) Measurable objectives and timeline**

The Board has committed to increase the proportion of female directors by taking proactive measures and has set the following specific goals:

Short-term goal: To appoint at least one additional female director to the Board by December 31, 2030, thereby increasing the number of female directors to at least two (i.e., no less than approximately 20%).

Implementation strategy: In case of any vacancy of directorship during this period, the Board will give priority to identifying and nominating qualified female candidates; if no natural vacancy occurs, the Board will also consider expanding the Board size or other means to achieve the above goals.

## **(ii) Measures to establish a talent pool of potential successors**

To support the achievement of the above goals and to establish a talent pool of potential Board successors that can achieve gender diversity, the Nomination Committee has taken the following specific measures:

Proactive sourcing and short-listing: continuously and periodically identify female candidates with broad skills, experience and knowledge in different fields, and develop and update a "List of Qualified Female Director Candidates";

Regular review mechanism: The Nomination Committee reviews the list of candidates regularly (at least once a year) to assess the candidates' qualifications and their alignment with the Company's strategic needs in order to develop a pipeline of potential successors to the Board;

Internal development and talent pool: In addition to external recruitment, the Group is committed to enhancing gender diversity at the senior management level and all other levels by providing career development opportunities for female employees, providing specialized knowledge and skills training for succession planning, and building an internal female talent pipeline to ensure that the Board has a sufficient number of female candidates available for selection in the future.

# CORPORATE GOVERNANCE REPORT

During the year, the Nomination Committee conducted a comprehensive review of the implementation of the Board Diversity Policy with the following results:

**Review process:** The Committee convened a meeting in March 2026 to review the current composition of the Board (including gender, age, skills and experience) taking into account the diversification trends of listed companies within the same industry and the latest guidance from regulatory authorities. The Committee also assessed the quality of the existing list of female candidates, the development progress of internal female executives, and the feasibility of achieving the goal of “adding one female director by 2030”.

**Progress assessment:** The review showed that although the current percentage of female directors is 11%, the Company has successfully established a preliminary list of female candidates and implemented a number of measures to support female career development in its internal management. The Committee believes that, given the current talent pool and future business development plans, the 2030 goals mentioned above are realistic and achievable.

**Conclusion:** Based on the above analysis, the Nomination Committee believes that such policy was implemented effectively during the year. **Conclusion from the Committee:** By adhering to its specific 2030 goals, prioritizing the identification of female candidates, and continuously expanding its talent pool, the Company is steadily moving toward its long-term vision of gender diversity. The Committee will monitor the progress annually and appoint female directors as appropriate to ensure that the established goals are achieved on time.

As of December 31, 2025, the proportion of female and male employees (including senior management) of the Group was approximately 49.73% and 50.27%, respectively. Thus, the Company considers that its team is generally gender diverse. The Group continues to encourage gender diversity in the office and endeavours to increase the proportion of female employees at different levels, including in recruitment. In order to achieve labour diversity, the Group has implemented appropriate recruitment and selection procedures to consider diverse job applicants. The Group has also established talent management and training programmes to provide career development guidance and promotion opportunities with the aim of building a team with diverse skills and extensive experience.

During the Reporting Period, the Board, through the Nomination Committee, has reviewed the implementation and effectiveness of the Board Diversity Policy and confirmed that the Board has the right mix of skills and experience to implement the Company’s strategy.

## MECHANISM TO ENSURE INDEPENDENT VIEWS AND OPINIONS

In order to put in place a mechanism to ensure that the Board has access to independent views and opinions, the Board has appointed three independent non-executive Directors in accordance with Rules 3.10 and 3.10A of the Listing Rules, which stipulate that there must be at least three independent non-executive directors on the Board and that independent non-executive directors must be appointed at a ratio of at least one-third of the Board. In addition, the Board Committees have endeavoured to appoint independent non-executive Directors to ensure that the Board is provided with independent opinions.

The Company has received from each of the independent non-executive Directors a written annual confirmation of his or her independence pursuant to the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive Directors are independent.

Directors are free to express their views at the Board meetings, material decisions will only be made after thoughtful discussion. Directors can obtain external and independent professional opinions from the legal advisor and auditor of the Company. When necessary, each of the Board Committees could seek independent professional opinions at the Company's expense in order to perform their respective responsibilities. If a Director has a stake in the matter proposed to the Board, such Director has to refrain from participating in the discussion and voting on such matters, and such Director shall not be counted towards quorum of those particular matters. In addition, independent non-executive Directors should express objective and fair independent opinions on the matters proposed to the Company. Apart from being the Directors of the Company, our independent non-executive Directors do not hold any other position in the Company, and do not have any relationship with the Company or the substantial shareholders of the Company that can affect them from making independent and objective judgements, and they do not have any business or financial interest in the Company or its subsidiaries. Thus, the participation of the independent non-executive Directors can effectively ensure there is a strong and abundant independence in the Board. The Board will review the implementation and effectiveness of the aforementioned mechanisms on an annual basis.

The Board has conducted an annual review of the implementation of the above mechanisms and considered the implementation satisfactory. The Company has reviewed the implementation and effectiveness of these mechanisms for the year ended December 31, 2025 and considered them effective and adequate.

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material/relevant relationship) with any other Director and chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the code provision under the CG Code requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

## INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All newly appointed Directors will be provided with necessary induction training and information to ensure that they have a proper understanding of the Company's operations and businesses as well as their responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide all Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

The Company encourages all Directors to seek continuous professional development and thus develop and update their knowledge and skills. The joint company secretaries of the Company, from time to time, update and provide written training materials relating to the roles, functions and duties of directors.

All Directors (except Mr. ZHANG Yanshen and Mr. TAN Feng) confirmed with respect to himself or herself that (i) he or she obtained the legal advice referred to under Rule 3.09D of the Listing Rules on May 17, 2022 and on February 27, 2024, respectively, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Mr. ZHANG Yanshen and Mr. TAN Feng (both appointed on March 2, 2026) confirmed with respect to himself that (i) he obtained the legal advice referred to under Rule 3.09D of the Listing Rules on March 2, 2026 and on February 26, 2026, respectively, and (ii) understands his obligations as a director of a listed issuer under the Listing Rules.

# CORPORATE GOVERNANCE REPORT

According to the information provided by the Directors, they have received trainings as follows during the year ended December 31, 2025 and up to the date of this annual report:

Name of Directors	Nature of the Continuous Professional Development Plan
<b>Executive Directors</b>	
Dr. ZHOU Hao	A, B
Mr. LI Yan	A, B
Mr. SONG Yang	A, B
Mr. ZHOU Qiang ( <i>resigned on March 2, 2026</i> )	A, B
Mr. ZHANG Yanshen ( <i>appointed on March 2, 2026</i> )	A, B
Mr. TAN Feng ( <i>appointed on March 2, 2026</i> )	
<b>Non-executive Directors</b>	
Mr. ZHANG Yi	A, B
Ms. LIU Fang Wei ( <i>resigned on March 2, 2026</i> )	A, B
<b>Independent Non-executive Directors</b>	
Mr. SUN Junchen	A, B
Mr. CAO Jie	A, B
Ms. GUO Yongfang	A, B

*Notes:*

- A: attending seminars and/or meetings and/or forums and/or briefings
- B: reading materials on different topics, including corporate governance, duties and responsibilities of directors, Listing Rules and other relevant laws

## CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Pursuant to the requirements of code provision C.2.1 of Part 2 in Appendix C1 to the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Dr. ZHOU Hao (“**Dr. ZHOU**”) is currently serving as the chairman of the Board as well as the chief executive officer of the Company. He has been primarily responsible for the day-to-day management and strategic planning of the Group. Our Directors consider that vesting the roles of both the chairman of the Board and the chief executive officer of the Company in Dr. ZHOU is beneficial to the business prospects of the Group by ensuring consistent leadership to the Group as well as prompt and effective decision making and implementation. In addition, our Directors believe that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by our Board requires approval by at least a majority of our Directors; (ii) Dr. ZHOU and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Company accordingly; (iii) the balance of power and authority is ensured by the operations of the Board, which consists of five executive Directors (including Dr. ZHOU), one non-executive Director and three independent non-executive Directors, and has a fairly strong independence element; and (iv) the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both Board, and senior management levels.

We will continue to review our corporate governance policies and compliance with the Listing Rules and will adhere to the relevant principles as set out in the CG Code after the Listing.

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

### (a) Executive Directors

Each of Dr. ZHOU, Mr. Li Yan and Mr. Song Yang, being our executive Directors, has entered into a service contract with our Company. Each service contract is for an initial term of three years commencing from the Listing Date. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

Each of Mr. ZHANG Yanshen and Mr. TAN Feng, being our executive Directors, has entered into a service contract with our Company. Each service contract is for an initial term of three years commencing from March 2, 2026. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

### (b) Non-executive Director and Independent non-executive Directors

Each of Mr. ZHANG Yi, our non-executive Director, and Mr. Sun Junchen, Mr. Cao Jie, and Ms. Guo Yongfang, being our independent non-executive Directors, has entered into a letter of appointment with our Company. Each letter of appointment is for an initial term of three years commencing from the Listing Date. The letters of appointment may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

None of the Directors has a service contract with the Group which is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

According to Article 15.5 of the Articles of Association, the Board may appoint any person as a director at any time to fill a casual vacancy or increase the number of Board members, subject to any maximum limit of members as set forth by the Shareholders at the general meeting or in the Articles of Association. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Any Director appointed pursuant to Article 15.1 of the Articles shall not be taken into account in determining the number and identity of Directors to retire by rotation.

Pursuant to Article 15.1 of the Articles of Association, one-third of the Directors for the time being of each annual general meeting (or, if such number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. Any Director required to stand for re-election pursuant to Article 15.5 of the Articles shall not be taken into account in determining the number and identity of Directors to retire by rotation. A retiring Director shall retain office until the close of the annual general meeting at which he/she retires and shall be eligible for re-election at such meeting. Pursuant to Article 15.2 of the Articles of Association, the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. The Directors to retire at each annual general meeting shall be those who have been longest in office since their last re-election or appointment and, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The procedures and processes for the appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the composition of the Board and making recommendations to the Board on the appointment, re-election and succession planning of Directors.

# CORPORATE GOVERNANCE REPORT

## BOARD MEETINGS

The Company shall adopt the practice of holding regular Board meetings at least four times a year at approximately quarterly intervals. All Directors shall be given not less than 14 days' notice of a regular Board meeting so that all Directors shall have an opportunity to attend the regular meeting and discuss the business on the agenda.

For other Board and Board committee meetings, reasonable notice will be given. The agenda and relevant Board papers will be included in the notice of meeting and distributed at least three days before the date of the Board or Board committee meeting to ensure that the Directors have sufficient time to review the papers and are fully prepared to attend the meeting. If a Director or committee member is unable to attend the meeting, he/she will be informed of the matters to be discussed and will be given an opportunity to inform the chairman of his/her views prior to the meeting. The joint company secretaries shall keep minutes of meetings and provide copies of such minutes to all Directors for their information and records.

Minutes of Board meetings and committee meetings will record in detail the matters considered and decisions reached by the Board and Board committees, including any question raised by Directors. Draft minutes of each Board meeting and Board committee meeting are/will be sent to each Director for their consideration within a reasonable time after the meeting is held. Minutes of Board meetings are open for inspection by all Directors.

## ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

Code provision C.5.1 of the CG Code specifies that regular Board meetings should be held at least four times a year at approximately quarterly intervals, and with active participation by a majority of Directors either in person or via electronic communication. As the Company was listed on the Stock Exchange only on November 27, 2025, during the period from the Listing Date to December 31, 2025, the Company did not hold any Board meetings, Board committee meetings or general meetings.

For the year ended December 31, 2025 and up to the date of this annual report, the attendance records of Directors at Board meetings, Board committee meetings, and general meetings are summarized as follows:

Name of Director	Number of Meeting Attended/Qualified to Attend				
	The Board	The Audit Committee	The Nomination Committee	The Remuneration Committee	General Meeting
<b>Executive Directors</b>					
Dr. ZHOU Hao	1/2	–	–	1/2	–
Mr. LI Yan	2/2	–	2/2	–	–
Mr. SONG Yang	2/2	–	–	–	–
Mr. ZHOU Qiang <sup>(1)</sup>	1/1	–	–	–	–
Mr. ZHANG Yanshen <sup>(2)</sup>	1/1	–	–	–	–
Mr. TAN Feng <sup>(2)</sup>	1/1	–	–	–	–
<b>Non-executive Directors</b>					
Mr. ZHANG Yi	2/2	–	–	–	–
Ms. LIU Fang Wei <sup>(3)</sup>	1/1	–	–	–	–
<b>Independent Non-executive Directors</b>					
Mr. SUN Junchen	2/2	1/1	2/2	2/2	–
Mr. CAO Jie	2/2	1/1	–	–	–
Ms. GUO Yongfang	2/2	1/1	2/2	2/2	–

*Notes:*

- <sup>(1)</sup> Mr. ZHOU Qiang resigned as an executive Director on March 2, 2026.
- <sup>(2)</sup> Mr. ZHANG Yanshen and Mr. TAN Feng were both appointed as executive Directors effective from March 2, 2026.
- <sup>(3)</sup> Ms. LIU Fang Wei resigned as a non-executive Director on March 2, 2026.

Since the Listing Date and up to the date of this annual report, the Chairman of the Board has held meetings with the independent non-executive Directors in the absence of other Directors.

In accordance with Code Provision C.5.1 of the CG Code, the Company expects to hold at least four regular Board meetings approximately quarterly in each financial year.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions. As the Shares were not yet listed on the Stock Exchange until November 27, 2025, the Model Code was not applicable to the Company until November 27, 2025.

Having made specific enquiry of all Directors, all Directors have confirmed that they have fully complied with all relevant requirements set out in the Model Code from the Listing Date and up to the date of this annual report.

Regarding the Company's securities transactions by relevant employees who may have access to undisclosed inside information about the Company in accordance with the requirements, the Company has also adopted its own code of conduct with terms that are no less stringent than the provisions of the Model Code for the year ended December 31, 2025.

## BOARD AUTHORIZATION

The Board retains decision-making powers in respect of all major matters of the Company, including: approval and supervision of all policy matters, overall strategy and budget, internal control and risk management systems, major transactions (particularly those which may involve conflicts of interest), financial data, appointment of Directors and other major financial and operational matters. Directors may seek independent professional advice in the performance of their duties at the Company's expense. They are also encouraged to seek independent advice from the senior management of the Company.

The daily management, administration and operation of the Group are delegated to the senior management. The Board regularly reviews the delegated functions and responsibilities. The management is required to obtain the approval of the Board before entering into any material transactions.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE FUNCTION

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

During the Reporting Period and up to the date of this annual report, the Board had reviewed the Company's corporate governance policies and practices, the training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code and the disclosure requirements in this Corporate Governance Report.

## BOARD COMMITTEES

### The Audit Committee

The Audit Committee consists of three members, namely Mr. SUN Junchen (Chairperson), Mr. CAO Jie and Ms. GUO Yongfang, all of whom are independent non-executive Directors.

The principal duties of the Audit Committee are set out below:

1. to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditors, to approve the remuneration and terms of engagement of the external auditors, and to deal with any questions of their resignation or dismissal;
2. to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee should discuss with the auditors the nature and scope of the audit and reporting obligations before the audit commences;
3. to develop and implement policy on engaging external auditors to supply non-audit services. The Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
4. to review the financial statements and reports, and consider any material or unusual matters raised by the Company's accounting and financial reporting staff, compliance officer or auditors before such statements and reports are submitted to the Board; and
5. to review the Company's financial controls, and risk management and internal control systems and the effectiveness of the Company's internal audit function, including the adequacy of resources, staff qualifications and experience, staff training programmes to be received by employees and budget of the Company's accounting and financial reporting function.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

As the Shares have only been listed on the Stock Exchange since the Listing Date, the Audit Committee did not hold any meetings during the period from the Listing Date to December 31, 2025. On March 31, 2026, the Audit Committee held a meeting to discuss and consider the following matters:

- Reviewed the annual results of the Group for the year ended December 31, 2025, as well as the audit report prepared by the external auditor, relating to accounting issues and major issues found in the course of audit;
- Reviewed the financial reporting system, compliance procedures, internal controls including the adequacy of resources, qualifications, training programmes and budget of employees of the Company's accounting and financial reporting department, risk management systems and procedures and the re-appointment of the external auditor. The Board has not deviated from any of the recommendations made by the Audit Committee on the selection, appointment, retirement or removal of the external auditor.

## The Nomination Committee

The Nomination Committee currently consists of three members, namely, one executive Director, Dr. ZHOU Hao (Chairperson), and two independent non-executive Directors, namely, Mr. SUN Junchen and Ms. GUO Yongfang.

The principal duties of the Nomination Committee are set out below:

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. to assess the independence of independent non-executive Directors;
4. to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairperson and the chief executive officer; and
5. to have in place a policy concerning the diversity of Board members and review the policy, as appropriate; make recommendations to the Board on any proposed changes to the Board Diversity Policy as considered appropriate; review the measurable objectives that the Board has set for implementing the policy and the progress on achieving the objectives, where applicable; and to disclose the policy or a summary of the policy in the corporate governance report of the Company.

The Nomination Committee evaluates candidates or incumbents based on the criteria of integrity, experience, skills, and time and effort devoted to the performance of their duties. The recommendations of the Nomination Committee will then be submitted to the Board for decision. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

# CORPORATE GOVERNANCE REPORT

As the Shares have only been listed on the Stock Exchange since the Listing Date, the Nomination Committee did not hold any meetings during the period from the Listing Date to December 31, 2025. The Nomination Committee held meetings on March 2, 2026 and March 31, 2026, respectively to discuss and consider the following matters:

1. Nomination of new Directors;
2. Re-election of the Directors;
3. Evaluation of the independence of the independent non-executive Directors;
4. The structure, size and composition of the Board;
5. The Board Diversity Policy and its implementation; and
6. The Director Nomination Policy (as defined below) and its implementation.

## Director Nomination Policy

The Company recognizes the importance of having a qualified and competent Board to achieve the Group corporate strategy as well as promote shareholder value and has adopted a director nomination policy (the “**Policy**”).

## Nomination Procedures

The nomination procedures adopted by the Nomination Committee for Director candidates are as follows:

- (i) If the Nomination Committee determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, management, advisors of the Company and external executive search firms;
- (ii) Upon compilation and interview of the list of potential candidates, the Nomination Committee will shortlist candidates and make recommendation based on the selection criteria as set out in the Policy and such other factors that it considers appropriate for consideration by the Board;
- (iii) If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company (including but not limited to ensuring the Board has a balance of skills, experience and diversity of perspectives) and conduct a reference check of each candidate (where applicable);
- (iv) On making recommendation, the Nomination Committee may submit the candidate’s personal profile to the Board for consideration; and
- (v) The Board has the final authority on determining suitable director candidate for appointment.

## Selection Criteria

In the determination of the suitability of a candidate, the Nomination Committee shall consider the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, knowledge, expertise, cultural and education background, ethnicity, independence, age and gender diversity. The Nomination Committee shall consider the following selection criteria and such other factors that it may consider appropriate for a position on the Board:

- (i) **Attributes Complementary to the Board:** The candidate should possess attributes that complement and expand the skill set, experience and expertise of the Board as a whole, having regard to the current structure, size, diversity profile and skills matrix of the Board and the needs of the Board.
- (ii) **Business Experience & Board Expertise and Skills:** The candidate should have the ability to exercise sound business judgment and also possess proven achievement and experience in directorship including effective oversight of and guidance to management.
- (iii) **Availability:** The candidate should have sufficient time for the proper discharge of the duties of a Director, including devoting adequate time for the preparation and participation in meetings, training and other Board or Company associated activities. In particular, if the proposed candidate will be nominated as an independent non-executive Director and will be holding his/her seventh (or more) listed company directorship, the Nomination Committee should consider the reason given by the candidate for being able to devote sufficient time to the Board.
- (iv) **Motivation:** The candidate should be self-motivated and have a strong interest in the Company's businesses.
- (v) **Integrity:** The candidate should be a person of integrity, honesty, good repute and high professional standing.
- (vi) **Independence:** Independent non-executive Director candidates must satisfy the independence requirements under the Listing Rules. The independent non-executive Director candidate shall be independent in character and judgement and be able to represent and act in the best interests of all shareholders of the Company.

## Policy Review

The Nomination Committee will from time to time review the Policy (at least annually), monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice and makes recommendation on any proposed revisions as may be required to the Board for approval. During the year ended December 31, 2025, the Nomination Committee reviewed the Policy and concluded that it remained effective and complied with the CG Code.

# CORPORATE GOVERNANCE REPORT

## REMUNERATION COMMITTEE

The Remuneration Committee consists of three members, namely two independent non-executive Directors, Ms. GUO Yongfang (Chairperson), Mr. SUN Junchen and one executive Director, Mr. LI Yan.

The principal duties of the Remuneration Committee are set out below:

1. to make recommendations to the Board on the policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
2. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment);
4. to make recommendations to the Board on the remuneration of the non-executive Directors;
5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
6. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
7. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
8. to ensure that no Director or any of his associates (as defined under the Listing Rules) is involved in deciding his own remuneration; and
9. The written terms of reference of the Remuneration Committee are available for reference on the Stock Exchange and the Company's website.

As the Shares have only been listed on the Stock Exchange since the Listing Date, the Remuneration Committee did not hold any meetings during the period from the Listing Date to December 31, 2025. The Remuneration Committee held meetings on March 2, 2026 and March 31, 2026, respectively to discuss and consider the following matters:

1. Reviewed and recommended to the Board the remuneration packages of the new Director candidates;
2. Reviewed the remuneration policy and structure for the Directors and senior management of the Company;
3. Reviewed and recommended to the Board the remuneration packages of the executive Directors and senior management of the Company; and
4. Reviewed matters related to any share plans as described in Chapter 17 of the Listing Rules.

## **DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION**

Details of the emoluments of the Directors as at December 31, 2025 in the Group are set out in note 8 to the financial statements. All members of our senior management also serve as directors of our Company.

Details of the remuneration of individuals with highest emoluments are set out in note 9 to the financial statements.

## **DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS**

The Directors understand that it is their responsibility to prepare the financial statements of the Company for the year ended December 31, 2025 so as to give a true and fair view of the state of affairs of the Company and the Group and of the results and cash flows of the Group.

The management has provided the Board with such explanations and information as may be necessary to enable the Board to make an informed assessment of the Company's financial statements presented to the Board for approval. The Company has provided monthly updates on the Company's performance status and prospects to all members of the Board.

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

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

# CORPORATE GOVERNANCE REPORT

## DIVIDEND POLICY

The Group currently does not have a formal dividend policy or predetermined dividend payout ratio.

Any amount of dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, our development pipeline, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. See “Appendix III – Summary of the Articles of our Company and Cayman Companies Act” of the Prospectus for further details. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Dividends declared in the past may not be indicative of our future dividend policy. Our Directors has the absolute discretion to recommend any dividend. There is no assurance that our Company will be able to declare dividends of such any amount each year or in any year.

As of the date of this report, the Board of Directors is not aware of any shareholders who have waived or agreed to waive any dividends.

## Risk Management and Internal Controls

### *Statement of Responsibility Regarding Risk Management and Internal Control Systems by the Board*

The Board confirms that it is fully responsible for maintaining a sound and effective risk management and internal control system for the Group, and for overseeing the implementation of the system to protect the interests of Shareholders and the Company’s assets. The Board has conducted an annual review on the effectiveness of the risk management and internal control systems of the Group and its subsidiaries for the year ended December 31, 2025 through the Audit Committee.

Based on the review, the Board believes that the Group’s current risk management and internal control systems are adequate and effective and can reasonably ensure the achievement of the objectives set forth in Principle D.2 of the CG Code, including: ensuring the effectiveness and efficiency of operations, maintaining reliable financial reporting, complying with applicable laws and regulations, and establishing procedures to prevent the emergence of false markets and to ensure timely, accurate and complete disclosure of inside information.

### *Main Characteristics of Risk Management and Internal Control Systems*

The Group has established a comprehensive risk management framework, the main characteristics of which include:

**Risk identification and assessment process:** The management systematically identifies internal and external risks that may affect the Group’s achievement of its business objectives on a regular basis (at least annually), covering strategic, financial, operational, compliance, and environmental, social, and governance (ESG) levels. Identified risks are assessed, prioritized, and recorded based on their likelihood of occurrence and potential impact.

**Risk management and control measures:** For the significant risks identified, the management develops corresponding mitigation strategies and control procedures, identifies responsible parties, and ensures their implementation. The system includes a clear authorization and approval framework, a separation of duties mechanism, and measures to protect tangible assets.

Information disclosure procedures: The Group has established a strict “Insider Information Disclosure Policy”, which sets out a standardized process from information collection and assessment to submission to the Board for approval. This ensures that all required disclosures (including inside information and any information necessary to prevent fraudulent trading in the securities market) are disclosed in a timely, accurate, and complete manner.

## **Risk Assessment and System Changes During the Reporting Period**

Risk assessment: During the Reporting Period, the Group completed its annual comprehensive risk assessment, covering all major business units and functional departments, with particular consideration given to ESG risks such as climate change, data security, and labor rights. The assessment results have been submitted to the Board for review and will serve as the basis for formulating future strategies and resources allocation.

System changes: During the Reporting Period, there were no significant changes to the Group’s risk management and internal control systems. Existing systems and procedures continue to operate stably and are sufficient to meet existing business needs and risk environment.

### ***Internal Audit Function***

The Group has established an independent internal control department specifically responsible for internal audit and internal control functions. This department reports directly to the Audit Committee and administratively to the Chief Financial Officer to ensure the independence and objectivity of its work. The internal control department has sufficient resources and appropriately qualified staff to fulfill its responsibilities.

### ***Responsibilities, Processes, and Frequency of Review***

Division of responsibilities:

Management: Responsible for designing, implementing, and monitoring the risk management system on a daily basis, and regularly reporting on major risks and management effectiveness to the Board.

Internal control department: Responsible for reviewing the design and the implementation effectiveness of risk management and internal control systems independently, identifying control deficiencies, and giving improvement recommendations.

The Audit Committee: Responsible for supervising the work of management and internal control departments, reviewing annual review reports and internal audit plans, and making recommendations to the Board.

The Board: Responsible for final approval of the review results and confirmation of the system’s effectiveness.

Processes and Frequency: The internal control department shall conduct a comprehensive review at least once a year, covering all major business cycles and key control points of the Group and its subsidiaries. The review results, along with remedial action recommendations, shall be submitted to the Audit Committee for consideration by the end of March each year.

# CORPORATE GOVERNANCE REPORT

## *Supporting Information for the Board's Conclusions*

The Board's conclusion that the system is "appropriate and effective" is based on the following supporting evidence:

The management regularly reviews and confirms the implementation of risk control measures in each business segment;

Minutes or written resolutions of the Audit Committee's review of the internal control review results;

The "2025 Annual Risk Management and Internal Control System Review Memorandum" prepared by the internal control department clearly confirmed that no major control failures were found;

The communication letter issued by the external auditor regarding internal control during the annual financial statement audit process indicated that there were no material internal control deficiencies; and

No material financial restatements, fraud incidents, or regulatory penalties due to internal control failures occurred during the Reporting Period.

## *Scope, Results, and Remedial Measures of Review*

Scope of review: The scope of this year's review covers all material aspects of the Group and all its subsidiaries, including financial reporting, operating processes, compliance monitoring and risk management procedures, with a particular focus on key areas such as cash management.

Review results:

Major monitoring failures: No major monitoring failures or weaknesses were found during the Reporting Period.

Legacy issues: As this year is the Group's first listing and the first annual effectiveness review conducted by the Board, there are no monitoring weaknesses or legacy issues reported in previous years that have not yet been resolved.

Remedial measures: The management has promptly adopted and implemented corresponding optimization measures for several general (non-material) improvement recommendations identified by the internal control department during the routine reviews. The internal control department will continuously monitor the implementation of these measures to ensure closed-loop management and continuous improvement of the governance level of the Group.

As of the date of this annual report, the Board has reviewed the Group's risk management and internal control systems for the year ended December 31, 2025 and considers the risk management and internal control systems to be effective and adequate.

## ANTI-CORRUPTION POLICY

The Group is committed to achieving the highest standards of business conduct and adopts a zero-tolerance approach towards corruption and related malpractice. The Company values integrity and transparency and ensures that the Board and senior management team exemplify these values through their actions. The Company has adopted an anti-corruption policy to promote an ethical culture, ensure compliance with ethical standards associated with the Group's business, and applicable anti-corruption laws, and to prevent any payments or other acts that may lead to corruption risk. The Company encourages its business partners with whom it conducts business to develop and implement anti-corruption policies of the same standard.

## WHISTLEBLOWING POLICY

The Company has established a whistleblowing policy (“**Whistleblowing Policy**”), which provides reporting channels and guidance for employees and other independent third parties who deal with the Group (such as customers, service providers, distributors, and suppliers) to report anonymously improper activities, misconduct, or any violation of rules, regulations or laws related to fraud against Shareholders. The policy allows for anonymous reporting of such matters within the Group, and assures whistleblowers that the Group will provide them with protection to prevent unfair dismissal or harm due to any genuine reports made under the Whistleblowing Policy.

## AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the auditor to the Company for the year ended December 31, 2025 was approximately as follows:

Type of services	Amount (RMB)
Audit services	3,600,000
IPO-related services	4,650,000
Non-audit services (on Taxation Advisory)	<u>100,000</u>
<b>Total</b>	<u><u>8,350,000</u></u>

# CORPORATE GOVERNANCE REPORT

## JOINT COMPANY SECRETARIES

Ms. YU Shanling (“**Ms. YU**”) serves as the joint company secretary of the Company. She is responsible for providing advice to the Board on corporate governance matters and ensuring compliance with the Board’s policies and procedures, as well as applicable laws, rules and regulations.

To maintain good corporate governance and ensure compliance with the Listing Rules and applicable laws in Hong Kong, the Company has also appointed Ms. CHU Cheuk Ting (“**Ms. CHU**”), of TMF Hong Kong Limited (a company secretaries service provider), as another joint company secretary of the Company. She assists Ms. YU in fulfilling her duties as the Company’s company secretary, her main contact person at the Company being Ms. YU.

For the year ended December 31, 2025, both Ms. YU and Ms. CHU have completed not less than 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules.

## COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company recognizes the importance of effective communication with its shareholders in order to strengthen investor relations and to enable investors to understand the Group’s business, performance and strategy. The Company also believes in the importance of timely and non-selective disclosure of information about the Company to enable shareholders and investors to make informed investment decisions.

The annual general meeting of the Company provides an opportunity for direct communication between shareholders and Directors. The Chairman of the Company and the chairmen of the Board Committees of the Company will attend the annual general meeting to answer shareholders’ questions. The auditors will also attend the annual general meeting and answer questions on the conduct of the audit, the preparation and contents of the auditor’s report, the accounting policies and auditor independence.

To facilitate effective communication, the Company has adopted a shareholder’s communication policy aimed at establishing mutual relationship and communication between the Company and its Shareholders, and has a website ([www.quantgroup.com](http://www.quantgroup.com)) where the Company publishes up-to-date information on its business operations and development, financial data, corporate governance practices and other information available for public access.

The Company annually reviews the implementation and effectiveness of the above shareholders’ communication policy (with communication channels). For the Reporting Period, the Company has reviewed the implementation and effectiveness of its shareholder’s communication policy and has concluded that the above policy is effective and adequate as it provides sufficient opportunity and avenues for ongoing communication between the Company (including the Board and management) and the Shareholders.

## SHAREHOLDERS' RIGHTS

In order to protect the interests and rights of the Shareholders, separate resolutions will be proposed by the Company at general meetings on various matters, including the election of individual Directors.

All resolutions proposed at the general meetings will be voted on by way of a poll in accordance with the Listing Rules and the poll results will be published on the websites of the Company and the Stock Exchange in a timely manner after each of the general meetings.

## CONVENING AND PROPOSALS FOR AN EXTRAORDINARY GENERAL MEETING

Pursuant to Article 9.3 of the Articles of Association, Shareholders may put forward proposals for consideration at general meetings of the Company. A requisition may also be made for the calling of an extraordinary general meeting and/or the insertion of a resolution on the agenda of the meeting by one or more shareholders holding in aggregate not less than one-tenth of the voting rights (on a one share, one vote basis) in the share capital of the Company as at the date of the requisition. Such requisition shall be made in writing to the Board or the company secretaries, for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If the Board fails to proceed to convene such meeting within 21 days of the deposit of the requisition, the requisitioner(s) himself (themselves) may do so in the same manner, and the Company shall reimburse the requisitioner(s) for all reasonable expenses incurred by him (them) as a result of the failure of the Board to proceed to convene such meeting.

The procedures for proposing a person for election as a Director are available on the Company's website.

## ENQUIRY TO THE BOARD

Shareholders who wish to make enquiries to the Board in relation to the Company may do so by email to the Company's IR department of its head office at [Ir@quantgroup.com](mailto:Ir@quantgroup.com).

## CHANGES TO CONSTITUTIONAL DOCUMENTS

The Company has adopted its amended and restated Memorandum and Articles of Association on November 14, 2025 with effect from the Listing Date. There has been no change in the said Memorandum and Articles of Association since the Listing Date and up to the date of this annual report.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SCOPE AND REPORTING PERIOD

This is the ESG report of the Quantgroup Holding Limited. (the “Company” and collectively with its subsidiaries referred as the “Group”) highlights its Environmental, Social, and Governance (“ESG”) performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix C2 of the Listing Rules and Guidance set out by The Stock Exchange of Hong Kong Limited.

The principal activities of the Group are the provision of precision matching solutions and enterprise-level AI solutions, enabling digital and intelligent transformation for clients. This ESG report covers the Group’s overall performance in two subject areas, namely, the environmental and social aspects of its operations from 1 January 2025 to 31 December 2025 (the “Reporting Period”), unless otherwise stated. The major business operations identified in the Reporting Period include its headquarters and all its subsidiaries, all of which are office-based. There were no significant changes in the scope of this report or the Group’s operations during the Reporting Period.

## REPORTING PRINCIPLES

This ESG Report is prepared in accordance with the ESG Guide. The contents covered herein are in compliance with the provision of “Comply or Explain” as well as four reporting principles of materiality, quantitiveness, balance and consistency required in the ESG Guide.

*Materiality* – Materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders, the significant stakeholders, procedures, and results of the engagement of which are presented in the section “Stakeholder Engagement and Materiality” in the Report.

*Quantitiveness* – Key performance indicators (“KPI”s) have been established and are measurable and applicable to make valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed when applicable.

*Balance* – This ESG Report presents the Group’s performance during the Reporting Period in an impartial manner, avoiding choices, omissions or presentation formats that may unduly influence readers’ decisions or judgements.

*Consistency* – Consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## BOARD STATEMENT

Throughout 2025, the global landscape was marked by rapid technological advancement and a growing recognition of the importance of sustainability. As a leading provider of AI-driven precision matching solutions, Quantgroup Holding Limited is dedicated to harnessing the power of technology to create long-term value for our stakeholders, while operating responsibly.

We understand that our business is not only about enabling digital transformation for our clients but also about doing so in a manner that is environmentally and socially sustainable. Our operations, being office-based, have a minimal direct environmental footprint. Our primary environmental impact stems from the electricity consumed by our offices and the digital infrastructure we rely on. We are committed to managing this impact through a culture of energy efficiency and waste reduction, as detailed in our Green Office Initiatives.

The Board's commitment to ESG is unwavering. We formalized our ESG governance structure, establishing an ESG Working Group to oversee our sustainability agenda. We have begun to systematically assess our climate-related risks and opportunities, and we are developing a framework to integrate these considerations into our business strategy.

Looking ahead, we will continue to refine our ESG approach. We are setting targets to reduce our environmental intensity, and we are committed to enhancing our disclosures in line with evolving market expectations. We believe that our focus on ethical conduct, employee well-being, and client trust is essential for our long-term success. We express our sincere gratitude to our employees, clients, and partners for their continued support.

## SUSTAINABILITY GOVERNANCE

The Board of Directors (the "Board") has overall responsibility for the Group's sustainability strategy and reporting. The Board is committed to ensuring that the Group's business operations incorporate consideration of environmental and social impacts and uphold good corporate governance. By setting a clear strategic direction, the Board underpins our ESG measures and reflects our core values of innovation, integrity, and sustainability.

To ensure a robust implementation structure, the Board has established an ESG Working Group at the management level. This working group comprises representatives from the Administrative Department, Human Resources Department, and Legal Department. The ESG Working Group is responsible for discussing ESG issues, setting annual goals, and tracking progress through data reports. It meets twice a year to review performance and reflect on areas for improvement. The ESG Working Group also brings attention to emerging issues and introduces solutions.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ACCREDITATION AND AWARDS

During the Reporting Period, the Group was recognized with several prestigious awards and honors, reflecting our commitment to innovation, corporate responsibility, and sustainable value creation.

Award/Recognition	Issuing Organization	Key Achievement
2025 National Enterprise “Artificial Intelligence+” Action Innovation Case Top 100	Deben Consulting, Internet Weekly, eNet Research Institute	Our “Consumption Map” was selected alongside leading AI applications from ByteDance and DingTalk, showcasing excellence in AI application scenarios.
2025 Beijing Credit Leader Enterprise	Beijing Enterprise Innovation Credit Action Organizing Committee	Recognized for technological innovation, credit compliance, and digital empowerment in the consumer sector.
2025 Outstanding Social Contribution Employer	Southern Metropolis Daily	Honored for outstanding practices in social contribution and employer value building, reflecting our long-term commitment to sustainable development.
2025 Most Socially Responsible Listed Company	TMTPost EDGE AWARDS	Selected for the Annual Listed Company Value List, recognizing our integration of commercial and social value.
2025 Outstanding AI Innovation Enterprise – Golden Wisdom Award	Financial New	Awarded for innovation in AI technology R&D and consumer scenario applications.
2025 Excellent Enterprise – Lingxi Award	DoNews	Recognized for technology-driven practices and industry value contribution.
Annual Most Investment Value Award – HK Top 100	Top 100 Hong Kong Listed Companies Research Centre	Acknowledged for strong comprehensive strength and outstanding growth potential, affirming the Company’s long-term investment value.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<b>Award/Recognition</b>	<b>Issuing Organization</b>	<b>Key Achievement</b>
Outstanding Shareholder Return Enterprise – Golden Bridge Award	Co-hosted by Thinking Finance & Investor Network	Recognized for stable operations, clear long-term strategy, and sustained attention to shareholder returns.
2025 Hurun China Top 50 AI Enterprises	Hurun Research Institute	Selected for our technological innovation and commercial application in AI-driven consumer operations and decision-making.

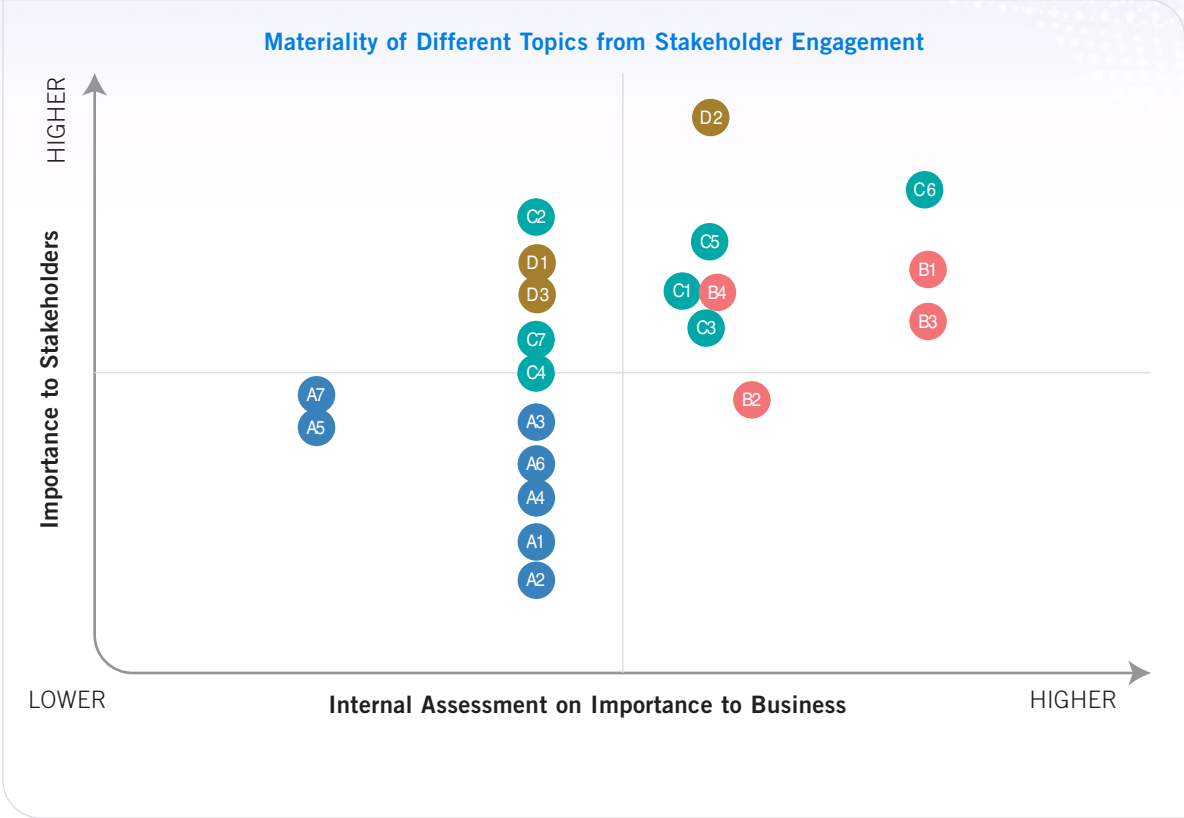
## STAKEHOLDER ENGAGEMENT AND MATERIALITY

To identify the most significant aspects, the Group collects views and discusses ESG issues with its internal and external stakeholders through multiple channels. During the Reporting Period, the group specifically engaged with board members, shareholders, senior management, frontline staffs, clients and suppliers, to gain further insights into ESG material aspects and challenges.

In addition to the above, the Group has also incorporated the concept of double materiality into its materiality assessment process during the Reporting Period. Double materiality comprises of impact materiality, which considers actual and potential positive or negative impacts on people and the environment connected to the Group's operations, products, services, and value chain; as well as financial materiality, which considers sustainability-related risks and opportunities that could reasonably be expected to influence the Group's financial position, performance, cash flows, access to finance, or cost of capital over the short, medium, and long term. In line with the European Sustainability Reporting Standards ("ESRS"), this assessment shall cover the Group's own operations, as well as its upstream and downstream value chain.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Materiality Matrix below shows the result of the materiality assessment process:



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Environmental

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- A1 Energy
- A2 Water
- A3 Air Emission
- A4 Waste and Effluent
- A5 Other Raw Materials Consumption
- A6 Environmental Protection Measures
- A7 Climate Change

## Operational

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- C1 Supply Chain Management
- C2 Intellectual Property
- C3 Data Protection
- C4 Customer Service
- C5 Product/Service Quality
- C6 Anti-corruption
- C7 Community Investment

## Labour

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- B1 Employment
- B2 Occupational Health and Safety
- B3 Development and Training
- B4 Labour Standards

## Other

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- D1 Risk Management
- D2 Protection of Client's rights
- D3 Prevention of Malpractice

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Assessment of Impacts

Apart from engaging the Group's stakeholders and double materiality, the Board and the management of the Group have assessed the actual and potential impacts that the Group's operation could have. This assessment is based on the external professional's advice, the Materiality Finder of SASB Standards, and the list of sustainability matters in ESRS 1 AR 16. The assessment also considered the financial implications of identified impacts, dependencies, and regulatory developments, evaluating their potential effects on financial performance, cash flows, and cost of capital over short-, medium-, and long-term horizons.

Among the environmental and social aspects, the following topics are identified as the most important material issues based on stakeholder engagement and Board assessment:

- Protection of Client's rights
- Anti-corruption
- Product/Service Quality
- Supplier Management
- Data Protection
- Labour Standards
- Employment
- Development and Training

According to stakeholders, the majority of the material ESG (Environmental, Social, and Governance) issues are related to social aspects. This year, we have also based on the Materiality Finder of SASB Standards to identify additional areas of significance to the Group. The Group has strictly managed these aspects through its policies and guidelines. The management of these aspects is discussed in detail in separate sections below.

The Group is dedicated to the ongoing pursuit of improvement in these and all relevant aspects. We will sustain close collaboration with our stakeholders to share perspectives and integrate feedback, thereby driving the continuous evolution of our ESG management framework.

## STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on our ESG approach and performance. Please give your suggestions or share your views with us via email at [lr@quantgroup.com](mailto:lr@quantgroup.com).

## A. ENVIRONMENTAL PROTECTION

The Group's operations are office-based, and therefore their direct environmental impact is minimal. The Group is committed to following all applicable environmental laws and regulations, including but not limited to:

- The Environmental Protection Law of the PRC;
- The Law on the Prevention and Control of Atmospheric Pollution;
- Solid Waste Pollution Prevention and Control Law;
- Law on the Prevention and Control of Noise Pollution; and
- Water Pollution Prevention and Control Law of the PRC.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste had been identified during the Reporting Period.

### Emission Management

#### *Air Emissions*

During the Reporting Period, the Group did not own any company vehicles, resulting in no emissions of sulphur oxides ("SO<sub>x</sub>"), nitrogen oxides ("NO<sub>x</sub>"), or particulate matters ("PM").

#### *Greenhouse Gas Emissions*

During the Reporting Period, the Group's GHG emissions were contributed by:

- Scope 2 – "Energy indirect" emissions resulting from the generation of purchased electricity; and
- Scope 3 – All other indirect emissions that occur outside the Group, including both upstream and downstream emissions.

Furthermore, while the scale of operations continues to expand, the Group is establishing better channels to collect, trace, and monitor the total amount of GHG emission emitted. As to gain a more comprehensively understanding of Scope 3 emissions connected to the Group's value chain, the Group shall also disclose 15 reporting categories of Scope 3 emissions where applicable to the Group's operations from this Reporting Period onward.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has selected its measurement approach, inputs, and assumptions for calculating GHG emissions based on a principle of alignment with established regulatory frameworks and authoritative sources to ensure consistency, comparability, and reliability. The approach has been chosen to:

1. **Comply with Regulatory Expectations:** The Group primarily references the methodologies and emission factors set out by the HKEX, including Appendix C2 of the Main Board Listing Rules and their referred documentation, to ensure adherence to local disclosure requirements and to enable valid comparisons under appropriate conditions.
2. **Utilize Internationally Recognized Standards:** For Scope 3 emissions, the Group aligns its reporting with the “Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)”, which is a globally accepted framework for value chain emissions accounting. The Group has also referenced the “Technical Guidance for Calculating Scope 3 Emissions (version 1.0)” published by the Greenhouse Gas Protocol to calculate its Scope 3 GHG emissions.
3. **Apply Credible and Geographically Relevant Data Sources:** Where HKEX-published factors are unavailable, the Group uses authoritative sources specific to its primary region of operation (Mainland China). These sources include the Ministry of Ecology and Environment of the People’s Republic of China (which provides the emission factor for purchased electricity from the National Grid of the PRC), the IPCC for global warming potential values, and the International Civil Aviation Organization (“ICAO”) Carbon Emission Calculator for business air travel emissions. These sources are selected for their scientific credibility, public availability, and relevance to the Group’s operational context, thereby increasing the accuracy of its emissions inventory.

During the Reporting Period, the Group’s business operation contributed to the GHG emission of 276.73 tonnes of carbon dioxide equivalent. The overall intensity of the GHG emissions for the Group was 0.11 tCO<sub>2</sub>eq./m<sup>2</sup> in terms of total floor area or 1.48 tCO<sub>2</sub>eq./staff.

Since the Group does not own any company vehicles, there were no Scope 1 GHG emissions during the Reporting Period. The table below summarises the GHG emissions of the Group from different emission sources.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Scope of GHG <sup>1</sup>	Emission Sources	2025 Emission (in tCO <sub>2</sub> e)
<b>Scope 1</b> Direct Emissions	NA	NA
<b>Scope 2</b> Energy Indirect Emission	Purchased electricity <sup>2</sup>	145.54
<b>Scope 3</b> Other Indirect Emissions <sup>3,4</sup>	Category 1: Purchased goods and services	78.12
	Category 3: Electricity used for processing fresh and sewage water by government departments	0.73
	Category 5: Paper waste disposed at landfills	0.38
	Category 6: Business air travel by employees <sup>5</sup> and business travel	50.43
	Category 7: Employee commuting	1.52
<b>Total</b>		<b>276.73</b>

*Note 1:* Emission factors were referred to Appendix C2 to the Listing Rules and their referred documentation as set out by the Stock Exchange unless stated otherwise. Scope 3 emissions were only calculated based on the available emission factors from the referred documentation.

*Note 2:* According to The Ministry of Ecology and Environment of People's Republic of China: Emission factor of 0.5777 tCO<sub>2</sub>e/MWh was used for purchased electricity from the National Grid of the PRC in 2025.

*Note 3:* Scope 3 GHG emissions were calculated based on available emission factors referred by Appendix 2 of "How to Prepare an ESG Report" set out by Hong Kong Exchanges and Clearing Limited, as well as based on the "Technical Guidance for Calculating Scope 3 Emissions (version 1.0)" published by Greenhouse Gas Protocol, unless stated otherwise.

*Note 4:* Data for other categories of scope 3 emissions have not yet been collected, and the Group currently does not have the capability to conduct data collection for these categories; however, the Group shall endeavour to dedicate resources to complete scope 3 emissions disclosure in due time.

*Note 5:* CO<sub>2</sub> emissions from the Group's business air travels were reported in accordance with the International Civil Aviation Organisation (ICAO) Carbon Emission Calculator.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Hazardous Waste*

The Group did not generate any significant amount of hazardous waste during the Reporting Period.

## *Non-hazardous Waste*

The Group generated a total of 9,213.58 kg of non-hazardous waste during the Reporting Period. The intensity was 3.76 kg/m<sup>2</sup> or 49.27 kg/staff. Non-hazardous waste primarily consists of office paper, packaging materials from deliveries, and general office waste.

<b>Non-Hazardous waste</b>	<b>Annual waste amount (kg)</b>
Office paper	80.00
Packaging materials	600.00
General office waste	8,553.58

## *Measures to Mitigate Emissions and Emission Reduction Targets*

The Group's primary source of GHG emissions is indirect, stemming from purchased electricity and cloud services. The Group is aware of the emissions generated from its operation and has implemented a range of measures to control and reduce them. These measures include technical upgrades and operational optimizations:

- **“Green office” policy:** Promote energy-efficient practices to reduce costs and environmental impact: set summer air conditioning to 25°C, install thermostats for smarter control, replace high-energy lighting with LEDs, preconfigure computers to enter energy-saving mode after 30 minutes idle, require shutdown of nonessential equipment after work, post energy-saving reminders around the office, and adopt paperless workflows and duplex printing wherever possible.
- **Sustainable procurement:** Prioritizing cloud service providers that demonstrate a commitment to using renewable energy and carbon neutrality.
- **Business travel reduction:** Encouraging the use of video conferencing to reduce air travel. Where travel is necessary, we prefer high-speed rail over short-haul flights and economy class for air travel.

The Group has set a new five-year target to reduce the overall emission intensity by 10% by 2030, using the intensity levels of 2025 as a baseline. This target is informed by the latest international agreement on climate change, including the Paris Agreement, an international accord to limit global warming, as well as the national target of carbon neutrality by 2060. This target has not been validated by a third party. It is a gross target for the reduction of emissions without taking into account potential offsets further reducing the net impact. Although the Group does not need to rely on carbon credits to hit its targets, a future implementation of those would further reduce the impact.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Wastes Handling and Reduction Initiatives*

The Group has set a new five-year target to reduce its overall waste generation intensity by 10% by 2030, using 2025 as the baseline year.

The Group follows the principles of Reduce, Reuse, and Recycle. Key initiatives include:

- **Paperless office:** We encourage digital workflows and discourage unnecessary printing. Double-sided printing is set as the default.
- **Recycling:** Recycling boxes for paper, plastics, and metals are placed in the office.
- **Responsible disposal:** Used computers and furniture are donated to charity when possible.
- **E-waste management:** Obsolete electronic equipment is recycled through certified vendors.

## Responsible Use of Resources

### *Energy Management*

A total of 251,933.00 kWh of energy with an intensity of 102.93 kWh/m<sup>2</sup> of total office area was consumed by the Group for its operations during the Reporting Period. The Group's primary energy consumption comes from purchased electricity. Electricity was the main source of energy consumption for the Group, which was used to power its offices' lighting, office equipment, and IT equipment. The Group does not consume other fuels.

### *Energy Use Efficiency Initiatives*

The Group has set a new five-year target to reduce overall energy use intensity by 10% by 2030, using 2025 as the baseline year.

The Group promotes energy efficiency through:

- **Switch-off policies:** Employees are reminded to turn off lights, computers, and air conditioners when leaving.
- **Energy-efficient equipment:** We purchase energy-efficient devices and have pre-set computers to energy-saving mode after 30 minutes of idle time.
- **LED lighting:** We have replaced traditional lighting with LED bulbs, which consume less energy and have a longer lifespan.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Water Consumption*

During the Reporting Period, the total water consumption for the Group was 1,638.00 m<sup>3</sup>, with an intensity 8.76 m<sup>3</sup>/staff. The Group sources water from the municipal supply and has encountered no issues in sourcing water fit for purpose.

## *Water Use Efficiency Initiatives*

The Group has set a new five-year target to reduce total water consumption intensity by 10% by 2030, using 2025 as the baseline year. The Group is committed to enhancing water use efficiency through:

- **Increase Awareness:** “Save Water” labels are placed next to taps.
- **Regular inspections:** We check for leaks and rectify them promptly.
- **Efficient fixtures:** Water-saving fixtures are installed where possible.

## The Environment and Natural Resources

### *Significant Impacts of Activities on the Environment*

The Group is committed to conducting its business responsibly. Our office-based operations have no significant adverse impact on the environment. We are dedicated to minimizing our footprint through a culture of energy and resource conservation. Our primary environmental impact is the consumption of electricity, which contributes to GHG emissions. We are committed to minimizing this impact through energy efficiency and responsible procurement of cloud services.

### **Climate Change Mitigation**

Due to the office-based nature of our business, climate change has not posed a significant direct impact on our operations. However, we recognize the importance of understanding and managing climate-related risks.

### *Governance*

The Group recognizes that climate change presents both risks and opportunities that could impact our business operations, supply chain, and long-term strategic development. The Board, through its ESG Working Group, has ultimate oversight of climate-related issues. It reviews climate-related risk assessments and ensures that climate considerations are integrated into our business strategy.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To ensure the Board maintains appropriate knowledge and competencies to oversee strategies addressing climate-related risks and opportunities, the Group provides ongoing training and relevant resources to strengthen the Board's understanding of key climate issues, regulatory developments and their potential impact on the Group's business. This enables the Board to exercise informed and effective oversight of climate-related strategies and sustainability-related challenges. The Board regularly reviews the adequacy of internal mechanisms to monitor and manage ESG issues, and assesses progress of climate-related initiatives.

In overseeing the Group's strategy, the Board explicitly takes climate-related risks and opportunities into account when reviewing major transactions, risk management processes and related policies. During its evaluation of material business decisions, the Board considers the potential climate-related implications and associated risks, ensuring that such factors are duly identified, assessed and reflected in the Group's long-term strategic decisions and overall risk management framework.

The Board is also responsible for setting climate-related targets and annually overseeing progress against these targets. Performance against such targets is reviewed and adjusted as necessary, with results disclosed publicly to stakeholders. Where appropriate, relevant performance indicators are incorporated into the management accountability framework, thereby reinforcing the importance of ESG and climate management throughout the organisation. The Group is committed to exploring the integration of relevant ESG and climate performance indicators into its management accountability framework and compensation practices in the future, as its sustainability governance framework matures.

The Group persists in integrating ESG management concepts into internal operations and external business outputs and strengthens the vertical integration with various departments and branches to ensure the formation of an efficient and powerful ESG work network, achieving the close integration of the Company's ESG responsibilities and business operations.

## *Strategy and Risk Management*

The ESG Committee has identified the following climate-related risks and opportunities, their time horizons, risk levels, current and potential financial impacts.

<b>Time horizon</b>	<b>Year</b>	<b>Definition</b>
Short-term	1-3	Linked to annual budgeting, operational planning, and short-term business continuity.
Medium-term	3-10	Linked to business development strategy, capital allocation, and product lifecycle planning.
Long-term	Longer than 10	Aligned with long-term corporate vision and national goals, such as China's "3060" dual-carbon targets.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate Risks		Time horizon	Trend	Potential Impact on Business	Potential Impact on Value Chain
<b>Physical Risks</b>	Acute	Short term	Increase	Extreme weather events, such as typhoons or floods, could disrupt office operations and digital infrastructure, leading to downtime, data loss, and increased recovery costs. While our offices are in cities with good infrastructure, a severe event could still cause short-term disruption.	Disruption to cloud service providers' data centres or internet connectivity may affect the availability of our AI platform and client-facing services. Third-party vendors (e.g., IT support, facility management) may also experience operational delays.
	Chronic	Long term	Increase	Long-term increases in average temperatures may increase the cooling load on our cooling systems, resulting in higher energy consumption and utility costs. This could compress profit margins if not offset by efficiency gains.	Our cloud service providers may face higher energy costs for cooling their data centres, potentially leading to increased service fees passed on to the Group. Similarly, suppliers of IT hardware may experience production constraints due to heat-related disruptions.
<b>Transition Risks</b>	Technology	Medium-term	Increase	The Group may need to invest in more energy-efficient IT infrastructure, cooling systems, and office equipment to remain competitive and compliant with evolving standards, resulting in capital expenditure requirements.	Our cloud service providers may need to upgrade their data centre technologies, potentially increasing their costs and, in turn, our subscription fees. Conversely, suppliers of energy-efficient equipment may see increased demand.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate Risks	Time horizon	Trend	Potential Impact on Business	Potential Impact on Value Chain
Policy and Legal	Long-term	Increase	Implementation of tightened environmental regulations, potential carbon pricing mechanisms, or enhanced energy efficiency standards could increase operational costs, including compliance monitoring, energy audits, and carbon reporting obligations.	Suppliers (e.g., cloud providers, IT equipment vendors) may face similar regulatory costs, which could be passed on to the Group. Additionally, the Group may need to request carbon footprint data from suppliers, adding administrative overhead.
Market	Medium-term	Increase	Our key enterprise clients are increasingly incorporating ESG criteria into their procurement decisions. A failure to demonstrate strong environmental stewardship could result in a competitive disadvantage, potentially impacting revenue.	Clients may prefer to work with AI solution providers that have verifiable green credentials. If the Group's supply chain (e.g., cloud providers) lacks strong ESG performance, it could indirectly affect the Group's ability to win or retain contracts.
Reputation	Medium-term	Increase	Stakeholder concerns regarding climate-related performance may influence investor sentiment, brand perception, and customer trust, potentially impacting access to capital and long-term brand value.	Negative publicity about the Group's environmental practices could affect relationships with business partners, including cloud providers and joint venture collaborators, who may seek to distance themselves from perceived laggards.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Opportunity	Time Horizon	Current and Anticipated Impacts	Current and Anticipated strategies/ responses to address the opportunity
AI-powered Operational Optimization for Clients	Medium-term	Our AI solutions are designed to help clients improve operational efficiency, reduce energy consumption, and lower their carbon footprint. This positions our services to meet growing market demand for digital transformation that supports sustainability.	We continue to innovate and enhance our AI-driven solutions to enable clients to optimize their supply chains, reduce waste, and achieve their own sustainability goals.

As climate related risks and opportunities continue to grow, the Group expects to steadily increase capital investment in climate adaptation and mitigation measures over the coming years to reduce potential impacts on the Group. During the Reporting Period, the Group has yet to allocate a dedicated budget to climate related works. The Group has adopted capabilities relief for the disclosure of anticipated financial effects from climate related risks and opportunities for the Reporting Period, and will provide quantifiable financial information in the future.

## Climate Scenario Analysis

To assess the Group's strategy to climate-related changes, developments, and uncertainties, the Group has conducted climate related scenario analyses to assess its climate resilience. The Group has taken into account two possible scenarios as suggested by the HKEX<sup>1</sup>:

Climate Scenario	Global Average Temperature Increase	Major Impacts
Turquoise	Projected to rise approximately 1.7°C by 2060 and approximately 1.8°C by 2100	<ul style="list-style-type: none"> <li>– Increased demand for energy-efficient digital solutions and AI-powered optimisation tools from enterprise clients.</li> <li>– Growth in the market for sustainable cloud computing and green IT services.</li> <li>– Enhanced focus on circular economy practices, including extended product lifecycles for IT equipment.</li> </ul>

<sup>1</sup> HKEX. (2021). Guidance on climate disclosures. Hong Kong Exchanges and Clearing Limited. [https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/guidance\\_climate\\_disclosures\\_c.pdf](https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/guidance_climate_disclosures_c.pdf)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate Scenario	Global Average Temperature Increase	Major Impacts
Brown	Projected to rise approximately 2.4°C by 2060 and approximately 4.4°C by 2100	<ul style="list-style-type: none"> <li>– Heightened risk of regulatory non-compliance leading to financial penalties, particularly as carbon reporting requirements for technology companies become more stringent.</li> <li>– Disruption of digital infrastructure and cloud services due to extreme weather events, potentially affecting service availability.</li> <li>– Increased operational costs associated with carbon pricing on electricity consumption and mandatory energy efficiency upgrades for office facilities.</li> </ul>

The Group has adopted capabilities relief for the in-depth assessment and analysis of its strategy and business model to climate-related changes, developments, and uncertainties for the Reporting Period, and will perform a detailed climate-related scenario analysis in the future.

## Metrics and Targets

To measure the level and impact of the Group's climate-related risks, the Group monitors metrics and indicators to ensure an effective and quantitative assessment. The Group monitors and reviews its GHG emissions (in tCO<sub>2</sub>e.) and GHG emission intensity regularly. The group had set a long-term target of becoming carbon neutral by 2060 and are committed to aligning with China's "3060" dual-carbon goal.

The Group has adopted reasonable information relief for the disclosure of the amount and percentage of assets or business activities vulnerable to climate-related transition risks and climate-related physical risks. The Group will provide quantifiable financial information on the above-mentioned disclosures, including amount and percentage of assets or business activities vulnerable to risks in the future.

The Group has adopted reasonable information relief for the disclosure of the amount and percentage of assets or business activities aligned with climate-related opportunities. The Group will provide quantifiable financial information, including amount and percentage of assets or business activities aligned with opportunities in the future.

During the Reporting Period, the Group has yet to deploy capital expenditure, financing, or investment towards climate-related risks and opportunities. The Group has not yet developed a formal climate-related transition plan. The Board intends to develop a transition plan in due time and will disclose further details in future reporting periods.

As of the end of the Reporting Period, the Group does not apply a carbon price in its decision-making process, nor does the Group factor climate-related considerations into its remuneration policy.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B. SOCIAL

### Employment and Labour Practices

The Group stringently complies with the national and local laws and regulations concerning employment and labour practices, including but not limited to:

- Labour Law of the PRC;
- Labour Contract Law of the PRC;
- Production Safety Law of the PRC;
- Law of the PRC on the Prevention and Control of Occupational Diseases;
- Law of the PRC on the Protection of Rights and Interests of Women;
- Provisions on the Prohibition of Using Child Labour.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period.

### *Employment*

#### *Employment Policies*

During the Reporting Period, there were no major changes in employment policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity and anti-discrimination and other benefits and welfare for the Group. The Group has implemented a comprehensive human resource management system that defines our recruitment principles, prioritizing equality and diversity in the workplace.

The Group prescribes the policies and procedures relevant to employee benefits, welfare and compensation. Working hours are arranged in accordance with the law and the individual employee's job position.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Compensation and Benefits Package*

The Group offers competitive remuneration packages to employees in accordance with their performance, relevant skills, experience and contribution. The Group also offers other benefits including statutory holidays, social insurance, organise employee activities and holiday gifts.

## *Equal Opportunity*

As an equal opportunity employer, the Group is committed to creating a fair, respectful and diverse working environment. We prioritize equality and diversity in the workplace, ensuring equal opportunities for all employees. The Group prohibits any form of discrimination based on nationality, race, ethnicity, religion, gender, age, disability, family status, or any other factor protected by law. We recognize that a diverse workforce is critical to our success, fostering innovation and adaptability.

## *Communication*

To foster a sense of belonging, the Group organizes gatherings and activities for employees. We also maintain effective two-way communication through various channels, including meetings, internal communications, and a feedback system.

## *Employee Profile and Turnover*

### Workforce

The Group had a total number of 187 employees as of December 31, 2025. See below for the detail breakdown of 2025 total workforce by gender, employment type, employee category, age group, and geographical region.

	<b>Number of Employees</b>	<b>Percentage %</b>
<b><i>Employment type</i></b>		
Full-time	169	90.37%
Part-time	18	9.63%
<b><i>Employee category</i></b>		
Senior management	4	2.14%
Middle management	19	10.16%
Frontline and other staff	164	87.70%
<b><i>Age group</i></b>		
18-25	34	18.18%
26-35	96	51.34%
36-45	54	28.88%
46-55	2	1.07%
56 or above	1	0.53%

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	Number of Employees	Percentage %
<b>Gender</b>		
Male	92	49.20%
Female	95	50.80%
<b>Region</b>		
Mainland China	184	98.40%
Singapore	3	1.60%

## Turnover

During this Reporting Period, a total of 247 employees left the Group, with an annual staff turnover rate of 132.09%. The elevated turnover reflects the Group's operational optimization during the year, driven by the adoption of AI and large model technologies, which enhanced R&D efficiency and led to the replacement of lower-performing talent.

See below for the detail breakdown of turnovers by gender, age group, and geographical region during the Reporting Period.

	Number of Employees	Percentage %
<b>Employment type</b>		
Full-time	168	99.41%
Part-time	79	438.89%
<b>Employee category</b>		
Senior management	0	0.00%
Middle management	8	42.11%
Frontline and other staff	239	145.73%
<b>Age group</b>		
18-25	83	244.12%
26-35	114	118.75%
36-45	47	87.04%
46-55	3	150.00%
56 or above	0	0.00%
<b>Gender</b>		
Male	122	132.61%
Female	125	131.58%
<b>Region</b>		
Mainland China	247	134.24%

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Employee Health and Safety

The Group is committed to providing a healthy and safe working environment for all employees. We undertake to safeguard the health and safety of our employees and require all employees to strictly observe health and safety measures. The Group strictly complies with the PRC Production Safety Law, the PRC Law on the Prevention and Control of Occupational Diseases and other relevant regulations. The Group did not note any cases of work fatalities and had no material non-compliance with occupational health and safety laws and regulations in the last three Reporting Periods.

During the Reporting Period, there were no work-related fatalities. There was one injury case that resulted in 10 lost days.

	2025
Work related fatality	0
Work injury cases >3 lost days	1
Work injury cases ≤3 lost days	0
Lost days due to work injury	10

## Development and Training

The Group offers various training and development opportunities to strengthen employees' skills and knowledge. Training covers professional skills, IT skills, and anti-corruption.

During the Reporting Period, 297 employees, which includes employees that have left the Group during 2025, have received training, with an average of 4.69 training hours. Please refer to the following table for the details of staff training in 2025:

	% of employees trained	Average training hours per employee
<b>By employee category</b>		
Senior management	100%	1.00
Middle Management	211%	6.53
Frontline & other staff	154%	4.56
<b>By gender</b>		
Male	171%	5.30
Female	146%	4.09

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Labour Standards*

The Group strictly prohibits child and forced labour in all its operations. It adheres to all relevant laws and regulations concerning employment and labour standards, including the Labour Law of the PRC, the Labour Contract Law of the PRC, and the Provisions on the Prohibition of Using Child Labour. The Human Resources Department stringently verifies information provided against identity documents and academic certificates during recruitment to guard against child labour. During the Reporting Period, no instances of non-compliance with laws and regulations related to the prevention of child and forced labour were identified. There were no significant risks associated with incidents of child or forced labour in the Group's operational sites, and no child or forced labour was employed by the Group.

## OPERATING PRACTICE

### Supply Chain Management

Our supply chain consists primarily of cloud service providers, IT equipment vendors and professional service providers such as legal counsel and agents. During the Reporting Period, the Group engaged 490 suppliers from Mainland China, Hong Kong and the Cayman Islands. We integrate sustainability and ethical considerations into our procurement processes. Key practices include:

- **Supplier selection:** We prioritize suppliers with strong ESG credentials. For cloud providers, we consider their carbon footprint and carbon neutrality commitments.
- **Local sourcing:** Where possible, we prioritize local suppliers for equipment to reduce transportation-related emissions.
- **Environmental criteria:** We prefer energy-efficient and sustainable products.
- **Supplier assessment:** We require suppliers to comply with all relevant environmental and social laws. We also monitor their ESG performance through public disclosures.

In managing our third-party relationships, we have implemented internal controls to safeguard customer information and ensure service quality. These include the Account and Information Security Management Method and the Customer Complaint Handling Process, which govern the handling of complaints received via third-party platforms, aiming for resolution within 48 hours. Our agreements with financial institutions and debt collection agencies explicitly prohibit inappropriate practices, with provisions for compensation in the event of non-compliance.

## Product Responsibility

### *Product Quality*

Our Group is committed to ensuring the quality of its offered products and services, and it has complied with all applicable laws and regulations regarding product responsibility. These include, but not limited to the following:

- Law of the PRC on the Protection of Consumer Rights and Interests
- Cybersecurity Law of the PRC
- E-commerce Law of the PRC
- Personal Information Protection Law of the PRC

We have established comprehensive management measures covering the entire software development lifecycle, from initiation to maintenance, to ensure system stability and security. We also have formal procedures for handling customer feedback and complaints, with a target to resolve issues promptly.

During the Reporting Period and up to the Latest Practicable Date, the Group has not been subject to any material penalties, investigations, litigation, or disputes concerning data security, personal information protection, or product quality that would have a material adverse effect on our operations or financial performance.

### *Customer Service and Complaint Management*

The Group maintain a robust customer service framework to ensure that all user inquiries and complaints are addressed promptly and effectively. Our customer service operates 12 hours a day, 7 days a week, accessible via telephone hotline and in-app online customer service channels. Key performance indicators, including service connection rates, first-time resolution rates, and customer satisfaction scores, are regularly monitored to drive continuous improvement. A dedicated team compiles and analyses all complaints daily to identify trends and drive improvements.

Our after-sales policy ensures prompt and fair resolution of refund requests in accordance with applicable laws. All complaints are reviewed through a structured process, and customers can access the policy details on our platform. In addition, we are connected to a public consumer service platform in the PRC to monitor external feedback. Upon receiving a complaint, a customer care team is assigned to provide an initial response within two hours; complex cases are escalated to a senior resolution team for further handling.

During the Reporting Period, the Group received a total of 1,305 product and service-related complaints. All complaints were fully resolved, achieving a 100% closure rate.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Data Protection

The Group understands the utmost importance on protecting the privacy of our clients and users. Our data protection principles include:

- **Legality, legitimacy, necessity:** Personal data is collected only to the extent relevant and necessary for business operations.
- **Confidentiality:** Data is kept securely and processed only for the purposes for which it was collected.
- **Access control:** Employees can only access data with appropriate authorization, and operations are logged and monitored.
- **Security:** We use data encryption, backup systems, and regular security audits to prevent unauthorized access, alteration, or loss.

Our R&D department is responsible for maintaining the security and stability of our network infrastructure and information technology systems. We have implemented comprehensive internal policies, including the *Data Access Management Method*, which establishes a robust authentication and authorization system to ensure that confidential and important data are accessible only to authorized personnel. Sensitive personal information is encrypted, and employees access only desensitized data during routine operations. All data access and operations are logged and monitored; abnormal activities trigger alerts and are investigated promptly.

To prevent information leakage and data loss, we maintain backup servers for all database operations and employ monitoring systems to oversee server status. Daily maintenance, disaster recovery measures, and access control systems help safeguard the physical condition of our network infrastructure. Our IT department conducts biannual backup recovery tests to verify system integrity.

Our algorithm recommendation capabilities are managed in accordance with the Provisions on Algorithm Recommendation. We have established an algorithm management policy covering ethical review, user registration, and data security. Users are provided with options to disable personalized recommendations, and we conduct regular reviews to ensure that recommendations are based on general historical preferences rather than specific personal profiles. The purpose and operating mechanism of our algorithms are disclosed in our privacy policy, which users can review before registration.

During the Reporting Period, there was no non-compliance case noted in relation to data privacy that had a significant impact on the Group.

## Intellectual Property Management

The Group protects its intellectual property rights in accordance with relevant laws and regulations. Protecting and respecting it including written materials and final movie products. During the Reporting Period, there was not any material intellectual property infringement claims by third parties or suffered any material intellectual property infringement by third parties.

## Anti-corruption

The Group maintains high ethical standards and strictly complies with the Law Against Unfair Competition of the PRC, the Criminal Law of the PRC, and the Prevention of Bribery Ordinance of Hong Kong. Our anti-corruption framework includes:

- **Code of Conduct:** Prohibits all forms of bribery, extortion, fraud, and money laundering.
- **Whistle-blowing mechanism:** A confidential channel is available for reporting any improprieties, with protection against retaliation.
- **Training:** All employees receive anti-corruption training, covering business ethics, anti-bribery, and conflict-of-interest. Directors also receive specialized training.

To further mitigate financial crime risks, we have established a comprehensive anti-money laundering policy. This includes the formation of an anti-money laundering working group led by our Chief Executive Officer, with representatives from compliance, finance, internal control, and R&D departments. The policy is supported by the issuance of anti-money laundering management measures to all employees and regular training. We have also implemented customer identification mechanisms, including real-name registration and verification of valid licenses for marketplace suppliers, to reduce money laundering risks associated with rebates and other transactions.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to corruption, bribery, extortion, fraud and money laundering had been identified during the Reporting Period.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## COMMUNITY INVESTMENT

The Group understands that engaging the community in which it operates is an essential corporate responsibility. We are committed to contributing positively to society through meaningful initiatives that align with our values and stakeholder expectations.

During the Reporting Period, the Group demonstrated its commitment to social responsibility in a significant way. In November 2025, a devastating five-alarm fire occurred in Hong Kong, resulting in tragic loss of life and leaving many families affected. In response, the Group was scheduled to list on the Hong Kong Stock Exchange on 27 November 2025. Out of deep respect for the victims and their families, the Group voluntarily cancelled the traditional bell-ringing ceremony that was to mark its listing. This act of solidarity was accompanied by a donation of RMB1,000,000 to support the affected families and assist in their recovery.



This response was widely recognized as a gesture of corporate compassion and social responsibility. The decision reflects the Group's core values of putting people first and standing with communities in times of need. Beyond this immediate relief effort, the Group continues to explore opportunities to engage in charitable activities and support local communities. The Group donated SGD150,000 to a museum in Singapore, contributing to cultural preservation and community enrichment. As a technology company, we believe our core contribution also lies in enabling digital transformation, which drives economic growth and societal benefits. We will continue to evaluate ways to allocate resources to further enhance our community engagement in the coming years.



## To the shareholders of Quantgroup Holding Limited

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

### OPINION

We have audited the consolidated financial statements of Quantgroup Holding Limited (“the Company”) and its subsidiaries (“the Group”) set out on pages 110 to 182, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

### BASIS FOR OPINION

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

### KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTER (CONTINUED)

### Revenue recognition

Refer to Note 4 to the financial statements and the accounting policies in Note 2(r).

#### The Key Audit Matter

#### How the matter was addressed in our audit

The Group's revenue is primarily generated from facilitating the sale of goods on its E-commerce platform, Yangxiaomie ("revenue from Yangxiaomie"), during the year ended 31 December 2025.

Revenue from Yangxiaomie is recognised when the status of relevant purchase orders is presented as completed or when there is no unfulfilled obligation that affects the customer's acceptance of the products. Because of the online nature of the business, the Group uses a suite of automated information technology ("IT") systems to process and record its revenue transactions. These IT systems are complex and process large volumes of data during the year.

We identified revenue recognition as a key audit matter because revenue from Yangxiaomie is one of the key performance indicators of the Group which gives rise to an inherent risk that revenue could be subject to manipulation to meet targets or expectations.

Our audit procedures to assess the recognition of revenue from Yangxiaomie included the following:

- with the assistance of our internal IT audit specific team members, obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition, including the general IT controls that support the continued functioning of relevant automated controls;
- inspecting contracts, on a sample basis, to understand the terms of the transactions and assess whether the revenue recognition policies were in accordance with the requirements of the prevailing accounting standards;
- on a sample basis, testing revenue from Yangxiaomie, by agreeing the recorded revenues to underlying documents including but not limited to executed customer orders, product delivery evidence with acceptance by customers and cash collections to evaluate whether the revenue from Yangxiaomie was properly recorded and assess whether revenue was recognised properly in accordance with the Group's revenue recognition policy; and
- performing data analysis, with the assistance of our internal IT audit specific team members, to identify revenue items that fulfil specific risk-based criteria, inquiring the nature and inspecting the underlying documents including but not limited to executed customer orders, product delivery evidence with acceptance by customers and cash collections relating to the selected items to evaluate whether they have reasonable commercial substance.

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. We obtained all of the other information prior to the date of this auditor's report apart from full set of finalised annual report not yet received. This remaining information is expected to be made available to us after that date.

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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

# INDEPENDENT AUDITOR'S REPORT

## 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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chu Man Wai (practising certificate number: P04995).

### **KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

31 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

(Expressed in thousands of Renminbi unless otherwise stated)

	Note	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	4	<b>1,034,823</b>	993,029
Cost of sales		<b>(47,608)</b>	(31,138)
<b>Gross profit</b>		<b>987,215</b>	961,891
Other net income or loss	5	<b>1,689</b>	7,285
Research and development expenses		<b>(51,330)</b>	(37,423)
General and administrative expenses		<b>(141,728)</b>	(114,572)
Sales and marketing expenses		<b>(313,472)</b>	(470,348)
Net impairment (loss)/reversal on financial assets	6(c)	<b>(65,720)</b>	5,280
<b>Profit from operations</b>		<b>416,654</b>	352,113
Net finance costs	6(a)	<b>(1,795)</b>	(1,573)
Changes in the carrying amount of financial instruments with preferred rights	24(b)	<b>(154,635)</b>	(155,718)
Changes in fair value of financial assets measured at fair value through profit or loss		<b>78</b>	–
<b>Profit before taxation</b>		<b>260,302</b>	194,822
Income tax expense	7	<b>(65,156)</b>	(47,694)
<b>Profit for the year attributable to equity shareholders of the Company</b>		<b>195,146</b>	147,128

The notes on pages 116 to 182 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 27(b).

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025  
(Expressed in thousands of Renminbi unless otherwise stated)

	Note	2025 RMB'000	2024 RMB'000
<b>Profit for the year attributable to equity shareholders of the Company</b>		<b>195,146</b>	147,128
<b>Other comprehensive income for the year (after tax)</b>			
Item that will not be reclassified to profit or loss:			
Exchange difference on translation into presentation currency		(564)	(7)
Item that may be reclassified to profit or loss:			
Exchange difference on translation into presentation currency		(104)	30
<b>Other comprehensive income for the year</b>		<b>(668)</b>	23
<b>Total comprehensive income for the year attributable to equity shareholders of the Company</b>		<b>194,478</b>	147,151
<b>Earnings per share</b>			
Basic and diluted (RMB cents)	10	<b>38.93</b>	29.43

The notes on pages 116 to 182 form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

(Expressed in thousands of Renminbi unless otherwise stated)

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	11	616	785
Intangible assets	12	2,252	2,317
Right-of-use assets	13	12,695	16,773
Deferred tax assets	26	18,941	2,505
		34,504	22,380
<b>Current assets</b>			
Financial assets at fair value through profit or loss ("FVPL")	15	46,468	–
Prepaid expenses and other receivables	17	7,398	26,560
Trade receivables	16	978,565	638,416
Restricted cash	18(a)	1,406	–
Cash and cash equivalents	18(a)	524,391	313,936
		1,558,228	978,912
<b>Current liabilities</b>			
Trade payables	19	82,957	62,285
Contract liabilities	21	52,527	5,012
Bank and other borrowings	22	65,816	18,000
Lease liabilities	23	4,770	4,457
Financial instruments with preferred rights	24	–	1,712,893
Income tax payables	26	35,859	33,663
Accrued expenses and other current liabilities	20	32,886	53,741
		274,815	1,890,051
<b>Net current assets/(liabilities)</b>		1,283,413	(911,139)
<b>Total assets less current liabilities</b>		1,317,917	(888,759)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

(Expressed in thousands of Renminbi unless otherwise stated)

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
<b>Non-current liabilities</b>			
Bank and other borrowings	22	4,767	7,665
Lease liabilities	23	8,124	12,492
		<u>1,305,026</u>	<u>(908,916)</u>
<b>NET ASSETS/(LIABILITIES)</b>			
<b>Capital and reserves</b>			
Share capital	27(c)	361	350
Reserves	27(d)	1,304,665	(909,266)
		<u>1,305,026</u>	<u>(908,916)</u>
<b>TOTAL EQUITY/(DEFICIT)</b>			

Approved and authorised for issue by the board of directors on 31 March 2026.

**Zhou Hao**  
Director

**Song Yang**  
Director

The notes on pages 116 to 182 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025  
(Expressed in thousands of Renminbi unless otherwise stated)

	Note	Attributable to equity shareholders of the Company					Total RMB'000
		Share capital RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	
		(Note 27(c))	(Note 27(d))	(Note 27(d))	(Note 27(d))		
<b>Balance at 1 January 2024</b>		350	175,000	(1,299,814)	(1)	31,450	(1,093,015)
<b>Changes in equity for 2024:</b>							
Profit and other comprehensive income for the year		-	-	-	23	147,128	147,151
Share-based compensation	25	-	-	36,948	-	-	36,948
<b>Balance at 31 December 2024 and 1 January 2025</b>		350	175,000	(1,262,866)	22	178,578	(908,916)
<b>Changes in equity for 2025:</b>							
Profit and other comprehensive income for the year		-	-	-	(668)	195,146	194,478
Share-based compensation	25	-	-	38,521	-	-	38,521
Issuance of ordinary shares by initial public offering and over-allotment option	27(c)	11	113,404	-	-	-	113,415
Expiration of the preferred rights upon the listing of the Company's shares	24(a)	-	-	1,867,528	-	-	1,867,528
<b>Balance at 31 December 2025</b>		<b>361</b>	<b>288,404</b>	<b>643,183</b>	<b>(646)</b>	<b>373,724</b>	<b>1,305,026</b>

The notes on pages 116 to 182 form part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025  
(Expressed in thousands of Renminbi unless otherwise stated)

	Note	2025 RMB'000	2024 RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	18(b)	183,062	220,822
Tax paid		(79,396)	(14,641)
Net cash generated from operating activities		103,666	206,181
<b>Cash flows from investing activities</b>			
Payments for additions to property, plant and equipment	11	(14)	(46)
Proceeds from sale of property, plant and equipment	11	–	2
Payments for additions to intangible assets	12	(327)	(487)
Proceeds from disposal of a subsidiary in previous year		–	4,761
Purchase of financial assets at FVPL		(46,390)	–
Net cash (used in)/generated from investing activities		(46,731)	4,230
<b>Cash flows from financing activities</b>			
Proceeds from bank and other borrowings	18(c)	62,918	25,830
Payment of bank and other borrowings	18(c)	(18,000)	(26,000)
Interest paid	18(c)	(1,771)	(687)
Capital elements of lease rentals paid	18(c)	(4,512)	(5,293)
Interest elements of lease rentals paid	18(c)	(704)	(900)
Proceeds from issuance of ordinary shares by initial public offering and over-allotment option		134,521	–
Listing expense paid		(18,681)	(401)
Net cash generated from/(used in) financing activities		153,771	(7,451)
Net increase in cash and cash equivalents		210,706	202,960
Cash and cash equivalents at the beginning of the year		313,936	110,989
Effect of foreign exchange rate changes		(251)	(13)
Cash and cash equivalents at the end of the year	18(a)	524,391	313,936

The notes on pages 116 to 182 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in thousands of Renminbi unless otherwise stated)*

## 1 GENERAL INFORMATION

Quantgroup Holding Limited (the “Company”) was incorporated on 31 March 2022 in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company and its subsidiaries, including the subsidiaries controlled through contractual arrangements (together, the “Group”), are principally engaged in operation of online marketplaces and other business including advertisement placement (the “Business”). The Group’s principal operations and geographic markets are in the People’s Republic of China (“PRC”).

The Company’s shares have been listed on the Main Board on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 27 November 2025 by way of its initial public offering (the “Listing”).

## 2 MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards, which include all applicable International Financial Reporting Standards, International Accounting Standards (“IASs”) and interpretations issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”).

The IASB has issued certain new and amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting year of the Group. Note 2(c) provides information on any changes in accounting policies resulting from the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting years reflected in these financial statements.

### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries, including the subsidiaries controlled through contractual arrangements.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (b) Basis of preparation of the financial statements (Continued)

As certain business conducted by Quant Digit Tech Co., Ltd. (量子數科科技有限公司, “Liangzi Data”) and its subsidiary is subject to foreign investment restrictions under the relevant PRC laws and regulations, Hangzhou Quant Group Technology Co., Ltd. (杭州量化派科技有限公司, the “WFOE”), an indirectly wholly-owned subsidiary of the Company, entered into a series of contractual arrangements (the “Contractual Arrangements”) with Liangzi Data and its registered shareholders to operate the Business. Pursuant to the Contractual Agreements, the WFOE has the power to direct activities that most significantly impact the Liangzi Data and its subsidiaries, including appointing key management, setting up operating policies, exerting financial controls and transferring profit or assets out of Liangzi Data and its subsidiaries at the WFOE’s discretion. The WFOE considers that they also have the right to substantially all of the economic benefits of Liangzi Data and its subsidiaries and have an exclusive option to purchase all or part of the equity interests in Liangzi Data when and to the extent permitted by the PRC laws and regulations at the minimum price possible. The directors of the Company have determined that the Contractual Arrangements are in compliance with the PRC laws and regulations and are legally enforceable. Accordingly, Liangzi Data and its subsidiaries were consolidated into the consolidated financial statements of the Group.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except for financial assets at FVPL as explained in Note 2(e).

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

The consolidated financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand, which is the Group’s presentation currency and the functional currency of the Company and its major subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Changes in accounting policies

The Group has applied the following new and amendments to IFRS Accounting Standards issued by the IASB to these financial statement for the current accounting period:

*Amendments to IAS21*

*Lack of Exchangeability*

The amendments do not have a material impact on this report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### (d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statements of financial position within equity, separately from equity attributable to the equity holders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statements of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity holders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statements of financial position in accordance with Note 2(o) depending on the nature of the liability.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (d) Subsidiaries and non-controlling interests (Continued)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(e)) or, when appropriate, the cost on initial recognition of an investment in an associate.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(i)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

### (e) Other investments

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries and associates, are set out below:

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investments. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 28(e). These investments are subsequently accounted for as follows, depending on their classification:

#### (i) *Non-equity investments*

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(r)(ii)(a)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (e) Other investments (Continued)

#### (i) Non-equity investments (Continued)

- fair value through other comprehensive income (FVOCI) - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

#### (ii) Equity investments

An investment in equity securities is classified as FVPL, unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see Note 2(r)(ii)).

### (f) Property, plant and equipment

The following items of property and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(i)(ii)):

- items of property and equipment, including right-of-use assets arising from leases of underlying property and equipment (see Note 2(h)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (f) Property, plant and equipment (Continued)

Depreciation is calculated to write-off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives are as follows:

– Right-of-use assets	Over the lease term
– Office equipment	3-5 years
– Electronic equipment	3-5 years
– Leasehold improvements	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

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

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(i)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible asset with finite useful life is amortised from the date it is available for use and its estimated useful life is as follows:

– Software	5 to 10 years
– Patent and trademark	10 to 20 years
– Domain name	10 years

The estimates and associated assumptions of useful life determined by the Group are based on technical and commercial obsolescence, legal or contractual limits on the use of the asset and other relevant factors.

The software useful lives are determined to be the shorter of the period of contractual rights or estimated period during which such software can bring economic benefits to the Group considering the different purposes, usage of the software and technological obsolescence.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

The trademark and domain name useful lives are determined based on the period of validity of patent protected by the relevant laws after considering the period of the economic benefits to the Group and estimates of useful lives of similar assets.

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

### (h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(f) and 2(i)(ii)).

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (h) Leased assets (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and presents lease liabilities separately in the consolidated statement of financial position.

### (i) Credit losses and impairment of assets

#### (i) *Credit losses from financial assets*

The Group recognises a loss allowance for expected credit loss ("ECL"s) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables).

Other financial assets measured at fair value, including debt and securities measured at FVPL and equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial assets (Continued)

##### *Measurement of ECLs (Continued)*

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using probability of default (“PD”), exposure at default (“EAD”) and loss given default (“LGD”), which are measured based on the historical data and forward-looking information, to measure the credit risk and the expected credit losses are based on current conditions as well as reasonable forecasts of future economic conditions from time to time, or using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

##### *Significant increases in credit risk*

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial assets (Continued)

##### *Significant increases in credit risk (Continued)*

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

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

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial assets (Continued)

##### *Credit-impaired assets*

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

##### *Write-off policy*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) Credit losses and impairment of assets (Continued)

#### (ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- intangible assets;
- goodwill; and
- investments in a subsidiary in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

#### *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

#### *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) Credit losses and impairment of assets (Continued)

#### (ii) Impairment of other non-current assets (Continued)

##### *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

### (j) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(r)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in Note 2(i)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see Note 2(k)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(r)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 2(k)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(r)).

### (k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see Note 2(j)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see Note 2(i)(i)).

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in Note 2(i)(i).

### (m) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

### (n) Financial instruments with preferred rights

The Company, certain members of the Group and each of the Company's shareholders have entered into a shareholders' agreement on 9 May 2022 (the "Shareholders' Agreement"). Certain shareholders (the "Preference Investors") had the right to require the Group to redeem all of the investments held by the Preference Investors or to liquidate preferentially at a predetermined amount upon certain redemption or liquidation events, which are not all within the control of the Group.

The Group's contractual obligation to deliver cash or other financial assets to the Preference Investors upon events that are beyond the control of the Group gives rise to a financial liability.

The financial liabilities are measured at the present value of the redemption amount. Any changes in the carrying amount of the financial liabilities are recorded in profit or loss as "changes in the carrying amounts of financial instruments with preferred rights".

### (o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(u).

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (p) Employee benefits

#### *(i) Short-term employee benefits and contributions to defined contribution retirement plans*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

#### *(ii) Share-based compensation*

A share-based compensation is classified as either an equity-settled share-based compensation or a cash-settled share-based compensation. The term “equity-settled share-based compensation” refers to a transaction in which the Group grants restricted share units (“RSUs”) as a consideration in return for services rendered or a transaction in which the Group has no obligation to settle the share-based compensation, or the awards granted are self-owned equity instruments of its’ shareholder.

The fair value of the equity-settled share-based payments granted to employees is recognised as an employee cost with a corresponding increase in a other reserve within equity. The fair value is measured at grant date using the binomial option-pricing model, taking into account the terms and conditions upon which the equity instruments were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the equity instruments, the total estimated fair value of the equity instruments is spread over the vesting period, taking into account the probability that the equity instruments will vest.

During the vesting period, the number of equity instruments that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the other reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of equity instruments that vest (with a corresponding adjustment to the other reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company’s shares. The equity amount is recognised in the other reserve until either the RSUs is exercised (when it is included in the amount recognised in share capital and share premium for the shares issued) or the RSUs expires (when it is released directly to retained profits).

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (p) Employee benefits (Continued)

#### *(iii) Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

### (q) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (q) Income tax (Continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

### (r) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax ("VAT") or other sales taxes and is after deduction of any trade discounts.

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (r) Revenue and other income (Continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

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

##### (a) Revenue from operation of online marketplaces

The Group's revenue generated from operation of online marketplaces is derived from facilitating transactions of goods on its E-commerce platform, Yangxiaomie and matching automobile retailers with end customers that meet their target customer criteria to promote conversion of online traffic to offline store visits on its online marketplace, Consumption Guide. Accordingly, the details for the services are as below:

##### – Revenue from Yangxiaomie

During the reporting period, the Group's revenue generated from Yangxiaomie is derived from selling products through its E-commerce platforms. The Group recognises revenue from the sale of goods at a point in time when the status of relevant purchase orders is presented as completed or when there is no unfulfilled obligation that affect the customer's acceptance of the products. The transaction price received by the Group is recognised as a contract liability until all revenue recognition criteria are met.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (r) Revenue and other income (Continued)

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

##### (a) Revenue from operation of online marketplaces (Continued)

###### – Revenue from Yangxiaomie (Continued)

Under IFRS 15 *Revenue from Contracts with Customers*, for revenue from the sale of goods and the related costs, the Group needs to evaluate whether it is appropriate to recognise these amounts in the gross amount or as a commission or fee equal to the net amount of consideration retained by the Group. If the Group is a principal that controls the goods or service before it is transferred to a customer, it should recognise revenue equal to the gross amount of consideration to which it expects to be entitled in exchange for the specified goods or service transferred. If the Group is an agent that is primarily responsible for assisting another party with providing the specified goods or service, the Group should recognise revenue in an amount equal to the fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration, or the previously established amount or proportion of the amount. The following conditions indicate that an entity controls the goods before it is transferred to a customer: the entity is primarily responsible for fulfilling the promise to provide the goods to the customer; the entity has inventory risk; and the entity has discretion in establishing the price for the specified goods.

The Group provides a wide range of products through its E-commerce platform and its process of E-commerce transactions and services are described as below: i)the Group enters into supplying framework agreements with those who are product and service providers; ii)the Group has discretion in establishing the price for the products based on the pricing range agreed in relevant supplying framework agreements; iii)these product and service providers directly deliver the goods to the end customers based on the purchase order information generated from the E-commerce platform and the Group does not take any inventory risk legally; and iv)as for post-sale services, these product and service providers are fully responsible for dealing with the customers who submit the post-sale service request through the E-commerce platform.

The Group reports the amount received from the end customers and the amounts paid to these product and service providers related to these transactions on a net basis as the Group is not primarily obligated in a transaction, does not bear the inventory risk and does not control the goods before it is transferred to the end customers, acting as an agent.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (r) Revenue and other income (Continued)

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

##### (a) Revenue from operation of online marketplaces (Continued)

###### – Revenue from Yangxiaomie (Continued)

In the second quarter of 2024, the Group started to charge fees from platform open partnership (the “POP”) store operators for goods transactions completed on Yangxiaomie. Online platform service fees charged to the POP store operators, primarily determined as a percentage based on the value of merchandise sold by the POP store operators, are recognised as commission revenue upon the completion of the underlying goods provided by the POP store operators to the end customers.

###### – Revenue from Consumption Guide

The Group operated Consumption Guide, which is a WeChat mini program to facilitate transactions for services for automobile retailers, including distributing consumption or discount coupons that can be used through offline channels.

Commission fees charged to automobile retailers, primarily determined as a percentage of respectively relevant transaction value of the services, are recognised as commission revenue upon the completion of the underlying services provided to the end customers.

##### (b) Revenue from other businesses

###### – Advertisement placement

The Group provided advertisement placement service primarily to automobile retailers in the Group’s online marketplaces. Revenue from advertisement placement services is recognised on a straight-line basis over the contractual service period. Revenue is recorded on a gross basis as the Group is the principal to the automobile retailers in the respective arrangements. In general, the automobile retailers are required to make advance payments for all the advertisement placement services which is primarily recorded in “Contract liabilities”.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (r) Revenue and other income (Continued)

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

##### (b) Revenue from other businesses (Continued)

###### – Revenue from financial institutions

The Group entered service contracts with financial institutions to provide matching services during the year ended 31 December 2024. The Group identified and referred potential end borrowers with needs for purchasing credits and/or consumer loans to match them with financial institutions based on relevant service contracts.

Revenue arising from provision of matching services for financial institutions is satisfied over time in accordance with paragraph 35(a) of IFRS 15 because the customers simultaneously received and consumed the benefits of the Group's performance in identifying and referring each potential end borrower as and when each potential end borrower is referred. Also, the fact that another entity would not need to re-perform the relevant services completed by the Group for the service that the Group has provided to date also demonstrates that the customers simultaneously received and consumed the benefits of the Group's performance as the Group performed. To measure the Group's performance over time, the output method is utilised to measure the value to the customers based on the transfer to date of the services promised, with no rights of return once consumed. This measurement method is applied on a monthly basis resulting in revenue being recognised when the service is provided and billed. In these cases, revenue on transactional contracts with a defined price but an undefined quantity is recognised utilising the right to invoice expedient resulting in revenue being recognised when the service is provided and billed. Additionally, contracts with a defined price but an undefined quantity that utilise tier pricing would be defined as a series of distinct performance obligations satisfied over time utilising the same method of measurement, the output method, with no rights of return once consumed.

#### (ii) Other income

##### (a) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (r) Revenue and other income (Continued)

#### (ii) Other income(Continued)

##### (b) Dividends

Dividends income from unlisted equity investments is recognised when the investor's right to receive payment is established.

##### (c) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

### (s) Research and development expenses

Research and development expenses comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

### (t) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

### (v) Related parties

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

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

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (w) Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

## 3 ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

### (a) Impairment of trade receivables

Management estimates expected credit losses allowance on trade receivables based on assumptions about risk of default and expected loss rates. The Group assesses these assumptions and selects the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at each end of the reporting periods. For the Group's detailed assessment of credit risk, please refer to Note 28 (a).

### (b) Fair value of share-based compensation payments

As mentioned in Note 25, the Group has granted RSUs to its employees. The Group has used binomial option-pricing model to determine the total fair value of the RSUs granted to employees, which is to be expensed over the vesting period. Significant estimate on assumptions, such as the underlying equity value, risk-free interest rate, expected volatility and dividend yield, is required to be made by the Group in applying the binomial option-pricing model.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 4 REVENUE

The principal activities of the Group are providing operation of online marketplaces and other businesses including advertisement placement in the PRC.

### Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2025 RMB'000	2024 RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Operation of online marketplaces		
– Revenue from Yangxiaomie	1,024,439	925,124
– Revenue from Consumption Guide	10,192	32,813
Other businesses		
– Advertisement placement	192	3,048
– Revenue from financial institutions	–	32,044
	<u>1,034,823</u>	<u>993,029</u>

Disaggregation of the Group's revenue from contracts with customers by the timing of revenue recognition is set out below:

	2025 RMB'000	2024 RMB'000
Over-time	192	35,092
Point-in-time	<u>1,034,631</u>	<u>957,937</u>
	<u>1,034,823</u>	<u>993,029</u>

The Group's customers base is diversified. There was only one customer, a POP store operator, of which the revenue from it accounted for 10% or more of the Group's revenue for the year ended 31 December 2025, and the revenue from this customer amounted to approximately RMB104,871,000 (2024: RMB21,332,000).

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 4 REVENUE (CONTINUED)

### Remaining performance obligation

The Group takes advantage of the practical expedient in paragraph 121 of IFRS 15 and does not disclose the remaining performance obligation as all of the Group's sale contracts have an original expected duration of less than one year.

### Segment information

IFRS 8, *Operating Segments*, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, as for the purpose of making decisions about resources allocation and performance assessment, the Group's management reviews on the operating results of the Group as a whole, the Group has determined that it only has one operating segment for the years ended 31 December 2024 and 2025.

### Geographic information

All of the Group's operating assets are located in the PRC and all of the Group's revenue and operating profits are derived from the PRC during the reporting period. Accordingly, no segment analysis based on geographical locations is provided.

## 5 OTHER NET INCOME OR LOSS

	2025 RMB'000	2024 RMB'000
Trade receivables extension fee (i)	–	7,102
Exchange loss	(292)	(51)
Donation	(1,819)	–
Gain on legal settlement (ii)	1,251	–
Government grants	2,500	–
Others	49	234
	<u>1,689</u>	<u>7,285</u>

Notes:

- (i) During the year ended 31 December 2024, the Group levy a trade receivables extension fee as compensations for any client's expiry of grace period for their outstanding trade receivables. The Group ceased collection of extension fee since 1 January 2025.
- (ii) During the year ended 31 December 2025, the Group recognised a gain from legal settlement of RMB1,251,000 pursuant to the court's judgment in a lawsuit against one customer of the Group. The entire amount was fully received in 2025.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

### (a) Net finance costs

	2025 RMB'000	2024 RMB'000
Interest income from bank deposits	(680)	(14)
Interest expense on bank and other borrowings	1,771	687
Interest expense on lease liabilities	704	900
	<u>1,795</u>	<u>1,573</u>

### (b) Staff costs

	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	93,672	60,842
Contributions to defined contribution retirement plan	23,610	10,831
Termination benefits	5,795	6,734
Equity-settled share-based payment expenses (Note 25(c))	38,521	36,948
	<u>161,598</u>	<u>115,355</u>

Employees of the Group's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 6 PROFIT BEFORE TAXATION (CONTINUED)

### (c) Other items

	2025 RMB'000	2024 RMB'000
Depreciation of property, plant and equipment ( <i>Note 11</i> )	183	522
Depreciation of right-of-use assets ( <i>Note 13</i> )	4,534	4,566
Amortisation of intangible assets ( <i>Note 12</i> )	392	305
Net impairment loss/(reversal) on financial assets:		
– Trade receivables ( <i>Note 28(a)</i> )	65,720	(5,280)
Auditors' remuneration		
– audit services	3,600	–
– other services (i)	4,750	3,250
Listing expenses	22,036	23,467

Note:

- (i) Other services include RMB4,650,000 (2024: RMB3,250,000) which is also included in the listing expenses disclosed separately above.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2025 RMB'000	2024 RMB'000
<b>Current tax</b>		
<b>Enterprise Income Tax</b>		
Provision for the year	81,592	48,296
<b>Deferred tax</b>		
Origination and reversal of temporary differences (Note 26(b))	(16,436)	(602)
	<u>65,156</u>	<u>47,694</u>

Notes:

- (i) Pursuant to tax relief policies issued by Ministry of Finance and State Taxation Administration of the PRC companies, which meet: 1) annual taxable profits less than RMB3 million; 2) employees less than 300; and 3) total assets less than RMB50 million, are subject to preferential effective tax rates of 5%/5% and 5%/5% for their taxable profits (under RMB1 million/between RMB1 million and RMB3 million) for the years ended 31 December 2024 and 2025, respectively. The tax relief policies will remain effective before 31 December 2027. The Group's certain subsidiaries enjoyed above mentioned tax relief policies during the reporting period.

According to the PRC Corporate Income Tax Law, entities that qualify as "high-and-new technology enterprises" ("HNTE") are entitled to a preferential income tax rate of 15%. During the reporting period, one subsidiary, Liangzi Data is qualified as HNTE, the qualification of Liangzi Data was valid for three years from November 2022 to November 2025 and from November 2025 to November 2028.

- (ii) Under the current laws of the Cayman Islands, the Company is not subject to tax on either income or capital gain, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

The Company's subsidiaries established in the PRC are subject to an income tax rate of 25%, according to the Income Tax Law of the PRC in the years ended 31 December 2024 and 2025.

The Company's Hong Kong SAR subsidiary is subject to a profits tax rate of 8.25% for the first HKD2,000,000 of assessable profit and 16.5% for profit exceeding HKD2,000,000. No provision for Hong Kong SAR profits tax was made as the Group had no estimated assessable profit that was subject to Hong Kong SAR profits tax.

Taxation for subsidiaries incorporated in other jurisdictions is calculated at the applicable income tax rates in the relevant countries.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (CONTINUED)

### (b) Reconciliation between income tax expense and accounting profit at applicable tax rates:

	Years ended 31 December	
	2025 RMB'000	2024 RMB'000
Profit before taxation	<u>260,302</u>	<u>194,822</u>
Notional tax on profit before taxation, calculated at the rates applicable in the jurisdictions concerned	110,737	92,502
Tax effect of non-deductible expenses	10,177	7,242
Effect of differential tax rates of certain subsidiaries of the Group	(44,723)	(31,741)
Super-deduction of research and development expense	(10,896)	(8,475)
Tax effect of unused tax losses not recognised	124	71
Tax effect of utilising unrecognised unused tax losses carried forward	<u>(263)</u>	<u>(11,905)</u>
<b>Actual tax expense</b>	<u><b>65,156</b></u>	<u><b>47,694</b></u>

### (c) Pillar Two income taxes

In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules (“Pillar Two model rules”) for a new global minimum tax reform applicable to large multinational enterprises. The Group’s operations are mainly located in the PRC where Pillar Two income tax legislation is not implemented. From 1 January 2025, the Group is also liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong SAR and certain other jurisdictions where a domestic minimum top-up tax has not been implemented, including the Chinese Mainland. The Directors are of the opinion that the enacted to be implemented will not have a material impact on the Group’s consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2025						Total RMB'000
	Directors' fee RMB'000	Salaries, allowances and other benefits RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Sub-total RMB'000	Equity-settled share-based payment expenses <sup>(i)</sup> RMB'000	
<b>Executive directors</b>							
Mr. Zhou Hao	–	8,652	679	68	9,399	24,720	34,119
Mr. Li Yan	–	1,284	80	68	1,432	417	1,849
Mr. Zhou Qiang (resigned on 2 March 2026)	–	851	63	68	982	341	1,323
Mr. Song Yang	–	1,729	50	68	1,847	1,935	3,782
<b>Non-executive directors</b>							
Mr. Zhang Yi	–	–	–	–	–	–	–
Ms. Liu Fang Wei (resigned on 2 March 2026)	–	–	–	–	–	–	–
<b>Independent non-executive directors</b>							
Mr. Sun Junchen (appointed on 11 November 2025)	24	–	–	–	24	–	24
Mr. Cao Jie (appointed on 11 November 2025)	24	–	–	–	24	–	24
Ms. Guo Yongfang (appointed on 11 November 2025)	24	–	–	–	24	–	24
	<u>72</u>	<u>12,516</u>	<u>872</u>	<u>272</u>	<u>13,732</u>	<u>27,413</u>	<u>41,145</u>

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 8 DIRECTORS' EMOLUMENTS (CONTINUED)

	2024						Total RMB'000
	Directors' fee RMB'000	Salaries, allowances and other benefits RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Sub-total RMB'000	Equity-settled share-based payment expenses <sup>(i)</sup> RMB'000	
<b>Executive directors</b>							
Mr. Zhou Hao	–	5,221	1,438	66	6,725	30,794	37,519
Ms. Hui Ling (resigned on 31 January 2024)	–	12	–	2	14	–	14
Mr. Li Yan	–	2,580	160	66	2,806	2,297	5,103
Mr. Wang Feng (resigned on 31 January 2024)	–	12	–	2	14	–	14
Mr. Zhou Qiang (appointed on 31 January 2024)	–	1,283	63	66	1,412	2,505	3,917
Mr. Song Yang (appointed on 31 January 2024)	–	1,316	200	66	1,582	103	1,685
<b>Non-executive directors</b>							
Mr. Zhang Yi	–	–	–	–	–	–	–
Ms. Liu Fang Wei	–	–	–	–	–	–	–
	–	10,424	1,861	268	12,553	35,699	48,252

Note:

- (i) These represent the estimated value of RSUs granted to the directors under the Group's restricted share unit scheme. The value of RSUs is measured according to the Group's accounting policies for share-based compensation as set out in Note 2(p)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of these benefits in kind, including the number of RSUs granted, are disclosed in Note 25.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2024: four) are directors whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the other two (2024: one) individuals are as follows:

	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
Salaries, allowances and benefits in kind	<b>2,116</b>	1,135
Discretionary bonuses	<b>155</b>	240
Equity-settled share-based payment expenses	<b>4,011</b>	705
Total	<b>6,282</b>	2,080

The emoluments of the two (2024: one) individuals with the highest emoluments are within the following bands:

	<b>2025</b> <b>Number of</b> <b>individuals</b>	2024 Number of individuals
HK\$2,000,001 – HK\$2,500,000	–	1
HK\$3,000,001 – HK\$3,500,000	<b>1</b>	–
HK\$3,500,001 – HK\$4,000,000	<b>1</b>	–

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 10 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares, calculated as follows:

Profit attributable to ordinary equity shareholders of the Company:

	2025 RMB'000	2024 RMB'000
Profit attributable to all equity shareholders of the Company	195,146	147,128
Allocation of profit attributable to financial instruments with preferred rights	<u>(92,534)</u>	<u>(77,362)</u>
Profit attributable to ordinary equity shareholders of the Company	<u><u>102,612</u></u>	<u><u>69,766</u></u>

Weighted average number of ordinary shares:

	2025	2024
Issued ordinary shares at 1 January	237,091,500	237,091,500
Effect of issuance of ordinary shares by initial public offering and over-allotment option (Note 27(c))	1,284,692	–
Effect of the financial instruments with preferred rights (Note 27(c))	<u>25,210,404</u>	<u>–</u>
Weighted average number of ordinary shares at 31 December	<u><u>263,586,596</u></u>	<u><u>237,091,500</u></u>

### (b) Diluted earnings per share

For the years ended 31 December 2025 and 2024, financial instruments with preferred rights (Note 24) were not included in the calculation of diluted earnings per share as their inclusion would have been anti-dilutive. Accordingly, the amounts of diluted earnings per share were the same as basic earnings per share.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 11 PROPERTY, PLANT AND EQUIPMENT

	Office equipment RMB'000	Electronic equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
<b>Cost:</b>				
At 1 January 2024	383	9,036	184	9,603
Additions	18	28	–	46
Disposals	–	(9)	–	(9)
At 31 December 2024 and 1 January 2025	401	9,055	184	9,640
Additions	14	–	–	14
At 31 December 2025	415	9,055	184	9,654
<b>Accumulated depreciation:</b>				
At 1 January 2024	(263)	(8,065)	(9)	(8,337)
Charge for the year	(80)	(405)	(37)	(522)
Written back on disposals	–	4	–	4
At 31 December 2024 and 1 January 2025	(343)	(8,466)	(46)	(8,855)
Charge for the year	(31)	(115)	(37)	(183)
At 31 December 2025	(374)	(8,581)	(83)	(9,038)
<b>Net book value:</b>				
At 31 December 2025	41	474	101	616
At 31 December 2024	58	589	138	785

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 12 INTANGIBLE ASSETS

	Software RMB'000	Patent and trademark RMB'000	Domain name RMB'000	Total RMB'000
<b>Cost:</b>				
At 1 January 2024	1,486	879	284	2,649
Additions	<u>119</u>	<u>368</u>	<u>-</u>	<u>487</u>
At 31 December 2024 and 1 January 2025	1,605	1,247	284	3,136
Additions	<u>327</u>	<u>-</u>	<u>-</u>	<u>327</u>
At 31 December 2025	<u>1,932</u>	<u>1,247</u>	<u>284</u>	<u>3,463</u>
<b>Accumulated amortisation:</b>				
At 1 January 2024	(385)	(82)	(47)	(514)
Charge for the year	<u>(166)</u>	<u>(110)</u>	<u>(29)</u>	<u>(305)</u>
At 31 December 2024 and 1 January 2025	(551)	(192)	(76)	(819)
Charge for the year	<u>(246)</u>	<u>(118)</u>	<u>(28)</u>	<u>(392)</u>
At 31 December 2025	<u>(797)</u>	<u>(310)</u>	<u>(104)</u>	<u>(1,211)</u>
<b>Net book value:</b>				
At 31 December 2025	<u>1,135</u>	<u>937</u>	<u>180</u>	<u>2,252</u>
At 31 December 2024	<u>1,054</u>	<u>1,055</u>	<u>208</u>	<u>2,317</u>

The amortisation charge for the year is included in “research and development expenses” and “general and administrative expenses” in the consolidated statements of profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 13 RIGHT-OF-USE ASSETS

	2025 RMB'000	2024 RMB'000
<b>Cost:</b>		
At 1 January,	23,217	23,584
Additions	456	–
Disposals	(461)	(367)
	<u>23,212</u>	<u>23,217</u>
At 31 December	23,212	23,217
<b>Accumulated depreciation:</b>		
At 1 January,	(6,444)	(1,906)
Charge for the year	(4,534)	(4,566)
Disposals	461	28
	<u>(10,517)</u>	<u>(6,444)</u>
At 31 December	(10,517)	(6,444)
<b>Net book value:</b>		
At 31 December	<u>12,695</u>	<u>16,773</u>

The right-of-use assets represented the leased office premises. During the year ended December 2025, the addition of right-of-use assets primarily represent the capitalised lease payments payable under new tenancy agreements.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets	4,534	4,566
Short-term leases	1,173	674
Interest on lease liabilities	704	900
	<u>6,411</u>	<u>6,140</u>

Details of total cash outflow for leases and maturity analysis of lease liabilities are set out in Notes 18(d) and 23, respectively.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 14 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation and business	Particulars of issued and paid up capital and registered capital	Proportion of ownership interest		Principal activities		
			Group's effective interest				
			2025	2024		2025	2024
<b>Held through Contractual Arrangement</b>							
Quant Digit Tech Co., Ltd. (量子數科科技有限公司) <sup>(i) (ii)</sup>	Chinese Mainland	RMB200,000,000 <sup>(iii)</sup>	<b>100%</b>	100%	<b>100%</b>	100%	Online marketplaces and other business
Beijing Unidance Intelligent Information Technology Co., Ltd. (北京宇動智能信息技術有限公司) <sup>(i) (ii)</sup>	Chinese Mainland	RMB200,000,000	<b>100%</b>	100%	<b>100%</b>	100%	Online marketplaces and other business

Notes:

- (i) The English translation of the names is for reference only and the official names of these entities are in Chinese.
- (ii) These companies are limited liability companies established in the Chinese Mainland.
- (iii) Out of RMB200,000,000 registered capital, RMB175,000,000 is paid up.

## 15 FINANCIAL ASSETS AT FVPL

	2025 RMB'000	2024 RMB'000
Wealth management products	<b>46,468</b>	–

On 3 December 2025, the Company subscribed for the wealth management product issued by China Industrial Securities International Brokerage Limited (興證國際證券有限公司, "CISI") with its own funds with a subscription amount of US\$6,600,000. The wealth management product is linked to fund due 2026 by China Industrial Securities International Financial Group Limited (興證國際金融集團有限公司) under the US\$1,000,000,000 structured note programme arranged by CISI.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi unless otherwise stated)

## 16 TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	1,054,645	648,776
Less: loss allowance	<u>(76,080)</u>	<u>(10,360)</u>
<b>Trade receivables, net</b>	<b><u>978,565</u></b>	<b><u>638,416</u></b>

All of the trade receivables are expected to be recovered or recognised as expense within one year.

### Aging analysis

As of the end of the reporting period, the aging analysis of trade receivables, based on the date of revenue recognition and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	46,765	233,194
3 months to 6 months	432,092	404,307
6 months to 1 year	499,708	–
Over 1 year	<u>–</u>	<u>915</u>
	<b><u>978,565</u></b>	<b><u>638,416</u></b>

The credit terms agreed with customers are normally 1 to 180 days from the date of invoicing. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 28(a).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 17 PREPAID EXPENSES AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Prepaid expenses	1,640	8,972
Advance to suppliers (i)	1,942	6,316
Prepayments for costs incurred in connection with the issuance of the Company's shares (ii)	–	1,541
Amounts due from third parties	143	323
Deposits	3,669	5,713
Amounts due from a related party	–	3,634
Deductible input VAT	207	264
Less: loss allowance	(203)	(203)
	<u>7,398</u>	<u>26,560</u>

*Notes:*

- (i) As at 31 December 2024 and 2025, the balance of advance to suppliers mainly represents the payments made by the Group to merchandise suppliers for goods that have not been delivered to the end customers at the end of the reporting period and these goods are normally delivered to the end customers within around one week after the end of each reporting period.
- (ii) The balances had been deducted from equity upon the Listing.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2025 RMB'000	2024 RMB'000
Cash on hand	7	8
Cash at bank	519,694	304,999
Cash equivalents (i)	6,096	8,929
Less: frozen bank deposits (ii)	<u>(1,406)</u>	<u>–</u>
Cash and cash equivalents	<u><u>524,391</u></u>	<u><u>313,936</u></u>

Notes:

- (i) Cash equivalents represent cash balances kept in third party payment platform, which can be withdrawn by the Group at any time.
- (ii) As at 31 December 2025, frozen bank deposits primarily comprised USD capital injections received by a subsidiary of the Group from its overseas parent company. These funds were held in restricted bank accounts pending completion of Foreign Direct Investment (“FDI”) registration.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

### (b) Reconciliation of profit before taxation to cash generated from operations:

	Note	2025 RMB'000	2024 RMB'000
Profit before taxation		260,302	194,822
Adjustments for:			
Depreciation of property, plant and equipment	11	183	522
Amortisation of intangible assets	12	392	305
Depreciation of right-of-use assets	13	4,534	4,566
Net impairment loss/(reversal) on financial assets	6(c)	65,720	(5,280)
Finance costs	6(a)	2,475	1,587
Changes in fair value of financial assets measured at FVPL		(78)	–
Changes in financial instruments with preferred rights	24	154,635	155,718
Equity-settled share-based payment expenses	25	38,521	36,948
Gain on derecognition of long-term payables		(24)	(29)
Loss on disposals of property, plant and equipment		–	3
Exchange loss	5	292	51
<b>Changes in working capital:</b>			
Increase in restricted cash	18(a)	(1,406)	–
Increase in trade receivables		(405,869)	(189,880)
Decrease in prepaid expenses and other current assets		16,703	2,758
Increase in trade payables		20,695	29,602
Increase/(decrease) in contract liabilities		47,515	(34,630)
(Decrease)/increase in accrued expenses and other liabilities		(21,528)	23,759
<b>Cash generated from operating activities</b>		<b>183,062</b>	220,822
Income tax paid	26(a)	(79,396)	(14,641)
<b>Net cash generated from operating activities</b>		<b>103,666</b>	206,181

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

### (c) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
<b>At 1 January 2024</b>	25,835	22,609	48,444
<b>Changes from financing cash flows:</b>			
Capital element of finance lease rentals paid	–	(5,293)	(5,293)
Interest element of finance lease rentals paid	–	(900)	(900)
Proceeds from bank and other borrowings	25,830	–	25,830
Payment of bank and other borrowings	(26,000)	–	(26,000)
Interest paid	(687)	–	(687)
<b>Other changes:</b>			
Early termination of lease contracts	–	(367)	(367)
Interest expenses	687	900	1,587
<b>At 31 December 2024 and 1 January 2025</b>	25,665	16,949	42,614
<b>Changes from financing cash flows:</b>			
Capital element of finance lease rentals paid	–	(4,512)	(4,512)
Interest element of finance lease rentals paid	–	(704)	(704)
Proceeds from bank and other borrowings	62,918	–	62,918
Payment of bank and other borrowings	(18,000)	–	(18,000)
Interest paid	(1,771)	–	(1,771)
<b>Other changes:</b>			
Increase in lease liabilities from entering into new leases during the year	–	457	457
Interest expenses	1,771	704	2,475
<b>At 31 December 2025</b>	70,583	12,894	83,477

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

### (d) Total cash outflow for leases

Amounts included in the cash flow statements for leases comprise the following:

	2025 RMB'000	2024 RMB'000
Within operating cash flows	1,173	674
Within financing cash flows	<u>5,216</u>	<u>6,193</u>
	<u><u>6,389</u></u>	<u><u>6,867</u></u>

## 19 TRADE PAYABLES

	2025 RMB'000	2024 RMB'000
Amounts due to third parties	<u><u>82,957</u></u>	<u><u>62,285</u></u>

The Group's trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days. As of the end of the reporting period, the aging analysis of trade payables, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 6 months	77,821	56,843
6 months to 1 year	211	559
1 to 2 years	417	1,039
over 2 years	<u>4,508</u>	<u>3,844</u>
	<u><u>82,957</u></u>	<u><u>62,285</u></u>

All trade payables are expected to be settled within one year or are repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 20 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2025 RMB'000	2024 RMB'000
Amounts due to third parties	674	3,079
Payables for costs incurred in connection with the Listing	7,171	12,292
VAT and surcharges payable	17,565	26,649
Accrued payroll and welfare	7,476	11,721
	<u>32,886</u>	<u>53,741</u>

All of the accrued expenses and other current liabilities are expected to be settled within one year or are repayable on demand.

## 21 CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Advances for revenue from Yangxiaomie	52,527	4,924
Advances for advertisement placement	—	88
	<u>52,527</u>	<u>5,012</u>

As at 31 December 2024 and 2025, contract liabilities represent receipts in advance of non-refundable payments made by customers in relation to the Group's facilitating transactions of goods on the Group's online marketplace, Yangxiaomie, and advertisement placement, which are yet to be provided.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 21 CONTRACT LIABILITIES (CONTINUED)

### Movements in contract liabilities

	2025 RMB'000	2024 RMB'000
Balance at 1 January	5,012	39,642
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(5,012)	(39,642)
Increase in contract liabilities as a result of receiving advance payments during the year	<u>52,527</u>	<u>5,012</u>
Balance at 31 December	<u><u>52,527</u></u>	<u><u>5,012</u></u>

All of the other contract liabilities are expected to be recognised as income within one year.

All contract liabilities at the beginning of the reporting period were recognised as revenue in the respective reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 22 BANK AND OTHER BORROWINGS

### (a) The Group's bank and other borrowings comprised:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Bank loans (i):		
– unsecured and guaranteed by a subsidiary of the Group	50,000	–
– unsecured and unguaranteed	13,000	18,000
	<u>63,000</u>	<u>18,000</u>
Other borrowings (ii):		
– unsecured and unguaranteed	7,583	7,665
	<u>7,583</u>	<u>7,665</u>

Notes:

- (i) As at 31 December 2024 and 2025, the Group's bank loans were all short-term borrowings, and the annual interest rate of these bank loans were ranged from 2.8% to 4.25%.
- (ii) Other borrowings are non-interest-bearing loans from four third parties, which are denominated in United States dollars and Hong Kong dollars. As at 31 December 2025, other borrowings denominated in United States dollars amounted to USD665,184 and mature in 6 to 17 months, and other borrowings denominated in Hong Kong dollars amounted to HKD3,218,734 and mature in 20 months. As at 31 December 2024, other borrowings denominated in United States dollars amounted to USD665,184 and mature in 18 to 29 months, and other borrowings denominated in Hong Kong dollars amounted to HKD3,218,734 and mature in 32 months.

### (b) The Group's bank and other borrowings are repayable as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year or on demand	65,816	18,000
After 1 year but within 2 years	4,767	7,665
	<u>70,583</u>	<u>25,665</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 23 LEASE LIABILITIES

The lease liabilities were repayable as follows as of the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Within 1 year	4,770	4,457
After 1 year but within 2 years	5,413	4,545
After 2 years but within 5 years	2,711	7,947
	8,124	12,492
	12,894	16,949

## 24 FINANCIAL INSTRUMENTS WITH PREFERRED RIGHTS

### (a) Financial instruments with preferred rights issued by the Company

The Company, certain members of the Group and each of the Company's shareholders have entered into a shareholders' agreement on 9 May 2022. Pursuant to the Shareholders' Agreement, the Preference Investors were granted certain special rights, among which include redemption rights and liquidation preference rights. Under such preferential rights, the Preference Investors' investments can be redeemed by the Company or Beijing Xitui Technology Co., Ltd. (北京喜推科技有限公司, "Xitui Technology"), upon the occurrence of certain contingent events, including but not limited to the event that the qualified IPO not being consummated by a specified time, or the change in the controlling position of the founding shareholders over the Group, at an redemption amount equal to the higher of: (i) a return on the original investment amount at a rate of 10% per annum compounded annually, and (ii) the original investment amount multiply 120% plus all declared but unpaid dividends. The redemption rights have been terminated upon submission of the application for the Listing on 29 June 2022, save for under the circumstance where the Company had failed to consummate the qualified IPO under the Shareholders' Agreement where such right will terminate with effect upon the Listing, and liquidation preference rights will be automatically terminated with effect upon the Listing.

Upon the Listing, the contractual obligation for the Company to purchase its equity instruments for cash or another financial assets upon certain redemption or liquidation events has been terminated.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 24 FINANCIAL INSTRUMENTS WITH PREFERRED RIGHTS (CONTINUED)

### (b) Presentation and classification

The Company recognised the financial liabilities arising from its obligation to redeem the Preference Investors' investments upon the occurrence of any specified contingent redemption events, as not all redemption events are within the Company or the Group's control. The financial liabilities were measured at the present value of the redemption amounts upon such contingent events.

Any changes in the carrying amounts of the financial liabilities were recorded in "changes in the carrying amounts of financial instruments with preferred rights" in the consolidated statement of profit or loss. Upon the Listing, the financial instruments with preferred rights reclassified from liabilities to equity.

The movements of the financial instruments with preferred rights are set out below:

	2025 RMB'000	2024 RMB'000
At 1 January	1,712,893	1,557,175
Changes in the carrying amount	154,635	155,718
Expiration of the preferred rights upon the Listing	<u>(1,867,528)</u>	<u>–</u>
At 31 December	<u>–</u>	<u>1,712,893</u>

## 25 SHARE-BASED COMPENSATION

### (a) 2022 RSU Scheme

On 30 September 2018, Liangzi Data adopted the restricted share unit scheme ("2018 RSU Scheme") by ways of resolutions of the board of directors, for the purpose of providing incentives and rewards to employees and executives who contribute to the development of the Group's operations.

In April 2022, in connection with the corporate structure in preparing for the initial public offering of the Company's shares and to mirror the number and vesting terms of the RSUs originally granted by Liangzi Data, the Company adopted a new restricted share unit scheme ("2022 RSU Scheme") approved by the board of directors of the Company with the same terms and conditions of the 2018 RSU Scheme. As a result, the 2018 RSU Scheme was replaced by the 2022 RSU Scheme.

RSUs granted to employees will be exercisable upon the employee renders service to the Group in accordance with a stipulated service schedule starting from the grant date.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 25 SHARE-BASED COMPENSATION (CONTINUED)

### (a) 2022 RSU Scheme (Continued)

Movements in the number of RSUs granted is as follows:

	Number of RSUs	Weighted average exercise price RMB
Outstanding – 1 January 2025	53,726,876	0.55
Granted during the year	3,030,300	1.60
Forfeited during the year	<u>(2,575,755)</u>	<u>0.69</u>
Outstanding – 31 December 2025	<u>54,181,421</u>	<u>0.60</u>
Exercisable – 31 December 2025	<u>26,685,499</u>	<u>1.14</u>
Outstanding – 1 January 2024	33,423,857	3.17
Granted during the year	33,226,890	0.69
Forfeited during the year	(2,727,270)	0.38
Cancelled during the year (i)	<u>(10,196,601)</u>	<u>7.50</u>
Outstanding – 31 December 2024	<u>53,726,876</u>	<u>0.55</u>
Exercisable – 31 December 2024	<u>–</u>	<u>–</u>

Note:

- (i) In March 2024, the board of Directors of the Company resolved to cancel certain RSUs granted to four employees (the "Cancellation") with no compensation for the Cancellation after negotiation with these employees. The Cancellation was accounted for as accelerated vesting, therefore, the amount that would otherwise have been recognised for services received is recognised immediately.

The weighted average remaining contractual life for RSUs was 8.22 years and 9.22 years as of 31 December 2024 and 2025, respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 25 SHARE-BASED COMPENSATION (CONTINUED)

### (b) Fair value and assumptions

The Group has applied binomial option-pricing model to determine the fair value of the RSUs granted. Best estimates of key assumptions are required to be determined by management. Key assumptions used in determining the fair value of the RSUs granted are as follows:

	<b>2022 RSU Scheme</b>
Fair value of the underlying shares on the date of RSUs granted	RMB1.12 – RMB9.21
Expected volatility	51.5% – 72.9%
Risk-free interest rate	1.50% – 3.81%
Dividend Yield	–

### (c) Equity-settled share-based payment expenses recognised in the consolidated statements of profit or loss during the reporting period:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Cost of sales	<b>6,729</b>	2,587
Research and development expenses	<b>2,047</b>	4,618
General and administrative expenses	<b>29,180</b>	29,038
Sales and marketing expenses	<b>565</b>	705
	<b>38,521</b>	36,948

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### (a) Current taxation in the consolidated statements of financial position

	2025 RMB'000	2024 RMB'000
At 1 January	33,663	8
Provision for PRC income tax for the year (Note 7(a))	81,592	48,296
PRC income tax paid during the year	<u>(79,396)</u>	<u>(14,641)</u>
At 31 December	<u><u>35,859</u></u>	<u><u>33,663</u></u>

### (b) Deferred tax assets/(liabilities) recognised

The component of deferred tax assets recognised in the consolidated statements of financial position and the movements during the year are as follows:

	Right-of-use asset RMB'000	Lease liabilities RMB'000	Credit loss allowance RMB'000	Total RMB'000
<b>Deferred tax arising from:</b>				
At 1 January 2024	(5,419)	5,652	1,670	1,903
Credited/(charged) to profit or loss (Note 7(a))	<u>1,141</u>	<u>(1,321)</u>	<u>782</u>	<u>602</u>
At 31 December 2024 and 1 January 2025	(4,278)	4,331	2,452	2,505
Credited/(charged) to profit or loss (Note 7(a))	<u>1,133</u>	<u>(1,127)</u>	<u>16,430</u>	<u>16,436</u>
At 31 December 2025	<u><u>(3,145)</u></u>	<u><u>3,204</u></u>	<u><u>18,882</u></u>	<u><u>18,941</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

### (c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB474,000 and RMB967,000 as at 31 December 2024 and 2025, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction before they expire.

## 27 CAPITAL, RESERVES AND DIVIDENDS

### (a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

#### *The Company*

	Share capital RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Exchange reserve RMB'000	Total RMB'000
<b>Balance at 1 January 2024</b>	350	–	(1,331,531)	(252,567)	(1)	(1,583,749)
<b>Change in equity for 2024:</b>						
Loss and other comprehensive income for the year	–	–	–	(173,006)	(7)	(173,013)
<b>Balance at 31 December 2024 and 1 January 2025</b>	350	–	(1,331,531)	(425,573)	(8)	(1,756,762)
<b>Changes in equity for 2025:</b>						
Loss and other comprehensive income for the year	–	–	–	(179,507)	(564)	(180,071)
Issuance of ordinary shares by initial public offering and over-allotment option	11	113,404	–	–	–	113,415
Expiration of the preferred rights upon the Listing	–	–	1,867,528	–	–	1,867,528
<b>Balance at 31 December 2025</b>	<u>361</u>	<u>113,404</u>	<u>535,997</u>	<u>(605,080)</u>	<u>(572)</u>	<u>44,110</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 27 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

### (b) Dividends

No dividends have been declared or paid by the Company during the reporting period.

### (c) Share capital

#### *Authorised share capital*

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 31 March 2022. Its initial authorised share capital of USD50,000 divided into 500,000,000 shares with a par value of USD0.0001 each.

#### *Issued share capital*

	No. of shares	Share capital RMB'000
<b>Ordinary shares, issued and fully paid:</b>		
At 1 January 2024, 31 December 2024 and 1 January 2025	237,091,500	166
Effect of the financial instruments with preferred rights ( <i>Note 24(a)</i> )	262,908,500	184
Issuance of ordinary shares by initial public offering and over-allotment option (i)	<u>15,097,500</u>	<u>11</u>
At 31 December 2025	<u><u>515,097,500</u></u>	<u><u>361</u></u>

Note:

- (i) At 27 November 2025, the Company issued 13,347,500 ordinary shares by initial public offering at a price of HK\$9.8 per share through the Listing. Net proceeds from the Listing amounted to RMB98,080,000 equivalent, after deducting all capitalised listing expenses. Out of the net proceeds, RMB10,000 and RMB98,070,000 were credited to the Company's share capital and capital reserve account, respectively.

At 31 December 2025, the Company issued 1,750,000 ordinary shares by exercising the over-allotment option at a price of HK\$9.8 per share through the Listing. Net proceeds from the Listing amounted to RMB15,335,000 equivalent, after deducting all capitalised listing expenses. Out of the net proceeds, RMB1,000 and RMB15,334,000 were credited to the Company's share capital and capital reserve account, respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 27 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

### (d) Nature and purpose of reserves

#### *(i) Capital reserve*

The capital reserve comprises: (i) the differences between the net considerations received and the nominal amount of share capital issued by the Company; (ii) the aggregate amount of the paid-in capital of all the entities comprising the Group at the respective dates after elimination of investments in subsidiaries.

#### *(ii) Other reserve*

Other reserve comprises the portion of the grant date fair value of RSUs granted to the employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based compensation in Note 2(p)(ii) and amounts in relation to the initial recognition, the carrying amount of the liabilities and expiration of the financial liabilities (see Note 24).

#### *(iii) Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of entities with functional currency other than RMB.

### (e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with a minimum credit rating, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

#### *Trade receivables*

Trade receivables are non-interest bearing and are generally on terms between 1 to 180 days. In some cases, these terms are extended for certain qualified long-term customers who have met specific credit requirements. The Group does not have any off-balance-sheet credit exposure related to its customers.

As the Group's historical credit loss experience indicate significantly different loss patterns for different customer segments, the Group distinguished the loss allowance between E-commerce services customers and other customers.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group measures loss allowance at an amount equal to lifetime expected loss allowance to be recognised from initial recognition of the receivables.

As at 31 December 2024 and 2025, 95.50% and 97.35%, of the total trade receivables was due from the Group's E-commerce services customers. Significant concentrations of credit risk primarily arise when the Group has significant exposure to E-commerce services customers. To mitigate this risk, the Group timely monitors its receivable balances and all receivables should be paid within six months as agreed with the E-commerce services customers. The Group uses PD, EAD and LGD, which are measured based on the historical data and forward-looking information, to measure the credit risk. The expected credit losses are based on current conditions as well as reasonable forecasts of future economic conditions from time to time. Additional credit loss allowance would be immediately recognised in profit or loss when the management has assessed there is additional risk arose. The Group engaged an independent professional valuer, who holds a recognised and relevant professional qualification and has recent experience, to assist with the valuation of PD, LGD and EAD to measure the credit risk of trade receivables from E-commerce services customers as at 31 December 2025.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Credit risk (Continued)

#### *Trade receivables (Continued)*

For the other customers, the Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix or individually assessed.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2024 and 2025:

	2025		
	Expected loss rate	Gross carrying amount RMB'000	Loss allowance RMB'000
<b>E-commerce services customers</b>	7.35%	<u>1,026,306</u>	<u>75,420</u>
<b>Other customers</b>			
Current	0.35%	27,282	95
Overdue within 3 months	2.38%	504	12
Overdue more than 1 year	100.00%	<u>553</u>	<u>553</u>
		<u>1,054,645</u>	<u>76,080</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Credit risk (Continued)

#### Trade receivables (Continued)

	Expected loss rate	2024 Gross carrying amount RMB'000	Loss allowance RMB'000
<b>E-commerce services customers</b>	1.58%	619,155	9,783
<b>Other customers</b>			
Current	0.09%	28,153	24
Overdue more than 1 year	100.00%	553	553
		647,861	10,360
<b>Provision on individual basis for a specific customer</b>		915	–
		<u>648,776</u>	<u>10,360</u>

Movements in the loss allowance account in respect of trade receivables during the year are as follows:

	2025 RMB'000	2024 RMB'000
Balance at 1 January	10,360	15,640
Impairment losses recognised/(reversed) during the year (i)	<u>65,720</u>	<u>(5,280)</u>
Balance at 31 December	<u><u>76,080</u></u>	<u><u>10,360</u></u>

Note:

- (i) The Group measured loss allowances for trade receivables from a customer involved in litigation based on individual basis. In 2024, the above-mentioned customer repaid RMB10,130,000 to the Group following the court's judgment, and the Group reversed impairment losses of RMB7,000,000 on these trade receivables accordingly.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Credit risk (Continued)

#### *Other receivables*

For other receivables, the Group measures loss allowance at an amount equal to 12-months ECLs. ECLs on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date. The Group considers that its exposure to credit risk arising from default of the counterparties is limited.

### (b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements, and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	2025				Total	Carrying amounts in the consolidated statements of financial position
	contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables (Note 19)	82,957	-	-	-	82,957	82,957
Bank and other borrowings (Note 22)	67,200	4,767	-	-	71,967	70,583
Lease liabilities (Note 23)	5,274	5,673	2,747	-	13,694	12,894
Accrued expenses and other current liabilities (Note 20)	7,845	-	-	-	7,845	7,845
	<u>163,276</u>	<u>10,440</u>	<u>2,747</u>	<u>-</u>	<u>176,463</u>	<u>174,279</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Liquidity risk (Continued)

	2024				Total	Carrying amounts in the consolidated statements of financial position
	contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables (Note 19)	62,285	-	-	-	62,285	62,285
Bank and other borrowings (Note 22)	18,413	-	7,665	-	26,078	25,665
Lease liabilities (Note 23)	5,157	5,037	8,242	-	18,436	16,949
Accrued expenses and other current liabilities (Note 20)	15,371	-	-	-	15,371	15,371
Financial instruments with preferred rights (Note 24)	1,712,893	-	-	-	1,712,893	1,712,893
	<u>1,814,119</u>	<u>5,037</u>	<u>15,907</u>	<u>-</u>	<u>1,835,063</u>	<u>1,833,163</u>

### (c) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arising from lease liabilities, bank and other borrowings and financial instruments with preferred rights is not significant as these financial instruments primarily are at fixed rate.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (d) Currency risk

The Group is exposed to currency risk primarily through financing which give rise to cash and cash equivalents and other borrowings balances that are denominated in a currency other than the functional currency of the Group's subsidiaries to which they relate. The currencies giving rise to this risk are primarily USD and HKD.

#### (i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rates at the respective year end dates. Differences resulting from the translation of financial statements of foreign operations into the Group's presentation currency are excluded. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in the movement in value of the United States dollar against other currencies.

	2025		2024	
	Asset RMB'000	Liability RMB'000	Asset RMB'000	Liability RMB'000
USD	392	4,675	25	5,357
HKD	93	3,370	3,616	–

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (d) Currency risk (Continued)

#### (ii) Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase or decrease in exchange rate of each foreign currency against RMB, while all other variables are held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of each of the reporting period.

	2025		2024	
	HKD RMB'000	USD RMB'000	HKD RMB'000	USD RMB'000
(Decrease)/increase in profit after tax for the year:				
– if RMB weakens against foreign currencies	(301)	(393)	332	(489)
– if RMB strengthens against foreign currencies	301	393	(332)	489

### (e) Fair value measurement

#### Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of each reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS13, *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (e) Fair value measurement (Continued)

#### *Fair value hierarchy (Continued)*

The following table presents the Group's financial assets and financial liabilities that are measured at fair value at the end of each reporting date:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Level 3</b>		
Assets		
Financial assets at FVPL		
– Wealth management products	<u>46,468</u>	<u>–</u>

During the reporting period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

#### *Valuation techniques and inputs used in Level 3 fair value measurement:*

The fair value of wealth management products is determined based on their net asset value provided by the counterparty financial institutions as at the end of the reporting period, where the significant unobservable inputs are the net assets. The relationship of unobservable inputs to fair value is positive correlation.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 29 MATERIAL RELATED PARTY TRANSACTIONS

### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8, is as follows:

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	12,833	12,553
Equity-settled share-based payment expenses (Note 25(c))	27,638	35,699
	<u>40,471</u>	<u>48,252</u>

Total remuneration was included in "staff costs" (see Note 6(b)).

### (b) Significant transactions with related parties

The principal transactions which were carried out in the ordinary course of business are as follows:

	2025 RMB'000	2024 RMB'000
<b>Revenue from financial institutions</b>		
Yingtian Xinjiang Guangda Microfinance Co., Ltd. (鷹潭市信江廣達小額貸款股份有限公司, "Yingtian Guangda")*	–	12,908
<b>Trade receivables extension fee</b>		
Yingtian Guangda*	–	7,102

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 29 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Balances with related parties as at the end of each reporting period

	2025 RMB'000	2024 RMB'000
<b>Trade in nature</b>		
<b>Trade receivables</b>		
Yingtian Guangda*	–	619,554
<b>Non-trade in nature</b>		
<b>Prepaid expenses and other receivables</b>		
Yingtian Guangda*	–	3,634

\* Yingtian Guangda was a related party of the Group prior to 1 January 2025. Yingtian Guangda was an indirect subsidiary of Liangkebang, in which Mr. Zhou Hao (the Group's executive director and controlling shareholder) held over 30% equity interest by a set of contractual arrangements, under which, Quant Group Limited, a company incorporated in the Cayman Islands, being the ultimate offshore holding company of Liangkebang. On 1 January 2025, Mr. Zhou Hao relinquished voting control over his entire direct and indirect shareholding in Liangkebang by entrusting the associated voting rights to an independent third party. Consequently, Yingtian Guangda ceased to be a related party of the Group. Subsequently, in April 2025, Mr. Zhou Hao divested his entire direct shareholding interests in Quant Group Limited and indirect shareholding interests in Liangkebang. This disposal was made pursuant to his personal investment strategy and to enable him to dedicate his full attention to the Group's development.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 30 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2025	2024
		RMB'000	RMB'000
	Note		
<b>Non-Current asset</b>			
Investment in a subsidiary		72	72
		<u>72</u>	<u>72</u>
<b>Current assets</b>			
Financial assets at FVPL		46,468	–
Cash and cash equivalents		56,760	42
Prepaid expenses and other receivables		1,687	3,266
		<u>104,915</u>	<u>3,308</u>
<b>Current liabilities</b>			
Amounts due to subsidiaries		60,877	47,249
Financial instruments with preferred rights	24	–	1,712,893
		<u>60,877</u>	<u>1,760,142</u>
<b>Net current assets/(liabilities)</b>		<u>44,038</u>	<u>(1,756,834)</u>
<b>Total assets less current liabilities</b>		<u>44,110</u>	<u>(1,756,762)</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>44,110</u>	<u>(1,756,762)</u>
<b>Capital and reserves</b>			
Share capital	27(a)	361	350
Reserves	27(a)	43,749	(1,757,112)
<b>TOTAL EQUITY/(DEFICIT)</b>		<u>44,110</u>	<u>(1,756,762)</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 31 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of this report, the IASB has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2025 and which have not been adopted in the financial statements. These developments include the following.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to IFRS 9 and IFRS 7: <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be decided

The Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements except for the following:

### **IFRS 18, Presentation and disclosure in financial statements**

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

## DEFINITIONS

“Articles” or “Articles of Association”	the amended and restated articles of association of our Company, conditionally adopted on November 11, 2025 with effect from the Listing Date, and as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of directors of our Company
“Beijing Quant”	Beijing Unidance Intelligent Information Technology Co., Ltd.* (北京宇動智能信息技術有限公司), formerly known as Beijing Quant Group Technology Co., Ltd.* (北京量化派科技有限公司), a company incorporated in the PRC with limited liability on March 28, 2017 and a wholly-owned subsidiary of Liangzi Data
“Beijing Xitui”	Beijing Xitui Technology Co., Ltd. (北京喜推科技有限公司), a company established in the PRC with limited liability on January 12, 2022
“Beijing Xitui Shareholder(s)”	registered shareholder(s) of Beijing Xitui, namely Digu Investment, Dr. Zhou, Fengsheng Zhongcheng, Fengsheng Zhongchuang, Fuhai Yichuang, Gaorong Capital, Gongqingcheng Shangpeng, Jiangmen Growth, Jiaqing Investment, Jinxing Liliang, Muxing Shanshi, Shanghai Chuyuan, Shanghai Tairong, Shitai Point, Sunshine Life Insurance, Tianyi Point, Yadong Xingchen, Yadong Xinqi, Zhiben Suyuan, Zhiwei Zhizhang and Zhonghe Zhonghui
“China” or “PRC”	the People’s Republic of China and for the purposes of this annual report only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “the Company”, or “our Company”	Quantgroup Holding Limited (formerly known as Quantgroup Technology Limited), an exempted company incorporated in the Cayman Islands with limited liability on March 31, 2022
“Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time

# DEFINITIONS

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Affiliated Entities”	the entities we control through the Contractual Arrangements, namely Liangzi Data and Beijing Quant. See “Contractual Arrangements” for further details of these entities
“Contractual Arrangements”	the series of contractual arrangements entered into by, among others, WFOE, Beijing Xitui and Liangzi Data. See “Contractual Arrangements” for details
“Controlling Shareholders”	has the meaning ascribed thereto in the Listing Rules and, unless the context otherwise requires, refers to our group of Controlling Shareholders, namely Dr. Zhou, SJY Family Holdings, Mars Legend, Mars Digitech Limited, Dr. Zhou Trust, Mercury Valley, JHY Family Holdings Limited, Mercury Digitech Limited, Sun Jinghuai Trust and Ms. Sun.
“Director(s)”	the director(s) of our Company
“Dr. Zhou Trust”	a discretionary trust named SJY Trust established by Dr. Zhou (as the settlor) and Futu Trustee Limited (as the trustee), for the benefit of Mars Digitech Limited, Dr. Zhou’s wholly-owned limited liability company incorporated in the BVI, and one of the members of our group of Controlling Shareholders
“FITE Regulations”	Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) promulgated by the State Council on December 11, 2001 and last amended on March 29, 2022
“Foreign Investment Law”	the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) adopted by the National People’s Congress on March 15, 2019 with effect from January 1, 2020
“Global Offering”	the offer for subscription of an aggregate of 13,347,500 Shares at offer price of HK\$9.80 under the Hong Kong public offering and the international offering of the Company
“Hainan Quant”	Hainan Quant Technology Co., Ltd.* (海南量化派科技有限公司), a company incorporated in the PRC with limited liability on June 28, 2023 and a wholly-owned subsidiary of the WFOE

## DEFINITIONS

“Huijucheng Technology”	Guiji (Beijing) Intelligent Technology Development Co., Ltd.* 矽基(北京)智能科技發展有限公司), formerly known as Beijing Huijucheng Technology Development Co., Ltd.* (北京惠聚城科技發展有限公司), a company incorporated in the PRC with limited liability on May 30, 2022 and a wholly-owned subsidiary of the WFOE.
“HKAS”	Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“ICP License(s)”	Value-added Telecommunications Services Operating Permit (增值電信業務經營許可證) for internet information service
“Liangzi Data”	Quant Digit Tech Co., Ltd* (量子數科科技有限公司), formerly known as Beijing Zhongxin Limin Information Technology Co., Ltd.* (北京眾信利民信息技術有限公司), a company incorporated in the PRC with limited liability on November 3, 2014 and one of our Consolidated Affiliated Entities
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	November 27, 2025, on which dealings in the Shares commenced on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Li Yan Trust”	a discretionary trust named the Lee Family Foundation Trust established by Mr. Li Yan (as the settlor) and Futu Trustee Limited (as the trustee), for the benefit of Saturn Tornado Limited, Mr. Li’s wholly-owned limited liability company incorporated in the BVI
“Mars Legend”	Mars Legend Limited, a limited liability company incorporated in the BVI on March 30, 2022, and a Shareholder
“Negative List”	Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Edition) (外商投資准入特別管理措施(負面清單)(2024年版)), which became effective on November 1, 2024

# DEFINITIONS

“Nomination Committee”	the nomination committee of our Board
“PRC Legal Advisor”	Grandway Law Offices, our legal advisor on PRC law to the Listing
“Prospectus”	the prospectus issued on November 19, 2025 in connection with the Hong Kong Public Offering
“Remuneration Committee”	the remuneration committee of our Board
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Saturn Storm”	Saturn Storm Limited, a limited company incorporated in the BVI on March 30, 2022 and wholly owned by Mr. Li Yan, our executive Director
“Shareholder(s)”	holder(s) of the Shares
“SJY Family Holdings”	SJY Family Holdings Limited, a limited company incorporated in the BVI on April 28, 2022 and a Controlling Shareholder
“Share(s)”	shares in the capital of our Company with a par value of US\$0.0001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC, as amended from time to time
“US\$” “USD” or “U.S. dollar(s)”	United States dollars, the lawful currency of the United States
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“Yangxiaomie”	a consumer-oriented app (including both mobile app and WeChat mini program) operated by Beijing Quant