Jolimark Holdings Limited
映美控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 2028

2025
Annual Report

Contents

Corporate Information

Directors

Executive Directors

Mr. Au Pak Yin *(Chairman)*
Mr. Au Kwok Lun *(Chief Executive Officer)*

Non-Executive Director

Mr. Ou Guo Liang

Independent Non-Executive Directors

Ms. Kan Lai Kuen, Alice
Mr. Sun Po Yuen
Mr. Yeung Kwok Keung

Registered Office

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Regatta Office Park
PO Box 1350
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Cayman Islands

Principal Place of Business in Hong Kong

Unit 07, 21 Floor
K. Wah Centre
191 Java Road
North Point
Hong Kong

Company Secretary

Mr. Lai Sai Wo, Ricky

Authorised Representatives

Mr. Au Kwok Lun
Mr. Lai Sai Wo, Ricky

Audit Committee

Ms. Kan Lai Kuen, Alice *(Chairman)*
Mr. Sun Po Yuen
Mr. Yeung Kwok Keung

Remuneration Committee

Mr. Yeung Kwok Keung *(Chairman)*
Mr. Sun Po Yuen
Ms. Kan Lai Kuen, Alice
Mr. Au Kwok Lun

Nomination Committee

Ms. Kan Lai Kuen, Alice *(Chairman)*
Mr. Sun Po Yuen
Mr. Yeung Kwok Keung

Auditor

Gary Cheng CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
12th Floor, Elite Centre
22 Hung To Road
Kwun Tong, Kowloon
Hong Kong

Legal Adviser to the Company as to Hong Kong Law

Sidley Austin
Level 39
Two International Finance Centre
8 Finance Street
Central
Hong Kong

Hong Kong Branch Share Registrar and Transfer Office

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

Principal Bankers

Bank of China
Postal Savings Bank of China
China Construction Bank
Agricultural Bank of China
Nanyang Commercial Bank
China Guangfa Bank

Stock Code

2028

Website

www.jolimark.com

Chairman's Statement

Dear Shareholders,

The Group's revenue for 2025 amounted to approximately RMB143,420,000, representing a decrease of approximately 4% compared with 2024. Loss attributable to shareholders of the Company for the year was approximately RMB49,608,000. While the Group continued to report loss in its annual operating results, such loss has narrowed down further as gross profit margin rose to 15% from 12% for the previous year, which was attributable to the decrease in asset impairment.

Revenue generated from our printer business amounted to approximately RMB124,656,000, representing approximately 87% of the Group's revenue and a decrease of approximately 4% compared with 2024. Revenue generated from other products business amounted to approximately RMB18,764,000.

We have stayed focused on the corporate and industry invoice printing markets for Jolimark dot-matrix printers, as improvements have been made to our traditional dot-matrix printers and cloud printers in terms of value-for-money and stability in quality to secure our existing market shares and profitability. Meanwhile, the Group will continue to explore new printing scenarios with a view to expanding demands for dot-matrix printers in sub-sectors and identifying new niches for business growth. In connection with the inkjet printer, the Group will enhance promotion of the product to the medical sector in 2026. With the mass-market application of AI graphic generation functions, our businesses in latte art machines and manicure machines will embrace increasing opportunities for growth.

In connection with medical equipment products, the Group will continue to expand its product line on the basis of its portable oxygen concentrators and domestic desktop oxygen concentrators. With the launch of new medical equipment products and the increasing variety of our product line, the Group will continue to offer new products and the medical products business is expected to account for a greater weighting to gradually grow into a significant business segment of the Company.

Finally, on behalf of the Board, I would like to express gratitude to our shareholders, management team, employees and customers for their strong support for the Group over the past year. Underpinned by the diligence, drive and optimism of our employees, the Group has every confidence that it will continue to enhance long-term and satisfactory returns for our shareholders with dedicated efforts.

By order of the Board
Jolimark Holdings Limited
Au Pak Yin
Chairman

Hong Kong, 30 March 2026

Management's Discussion and Analysis

Business Review

Printer Business

For the year ended 31 December 2025, the revenue of the Group derived from the printer business was approximately RMB124,656,000, which accounted for approximately 87% of the total revenue of the Group and represented a decrease of approximately 4% as compared with that in 2024. The decrease in revenue was mainly attributable to sluggish demand in the printer market due to the full implementation of digital e-invoicing in Chinese Mainland.

Other Products

For the year ended 31 December 2025, the revenue of the Group derived from the other products business amounted to approximately RMB18,764,000, which accounted for approximately 13% of the total revenue of the Group and represented a decrease of approximately 4% from the year of 2024. The decrease was mainly attributable to a decline in sales of medical products.

Future Business Outlook

In 2025, our printer business stabilised and showed signs of a rebound in line with rebounding demand in the domestic market as the Chinese Mainland implemented and expanded its policy of offering subsidies for the replacement of old units with new ones. Meanwhile, our medical products business continued to unveil new products, bringing a variety of models to the market. In 2026, further growth in market demand is anticipated as the Chinese Mainland Government is expected to continue with the introduction of policies aimed at stimulating consumer spending and assisting the manufacturing sector. In view of the above coupled with the upcoming successive launch of our medical products, we remain confident in our future business development.

Printing Equipment and Solutions

The dot-matrix type printer of Jolimark continued to focus on the enterprise and industry bill and invoice document printing market and deepen its leading position in segments such as power, weighing instruments, public security, and shipping, consistently enhancing the competitive edge of its core products and its brand positioning underpinned by the slogan of "Choose Jolimark for Document Printing". Our existing market share has been consolidated and our profitability bolstered following efforts to optimise the product models, reduce supply-chain costs and enhance value-for-money and stability in quality for the traditional dot-matrix type printer as well as the cloud printer. In the meantime, the Company continued to explore new printing scenarios with plans to launch a new version of the archive box printer and the thermal printer for grand theater tickets, as it strives to seek new niche for business growth by expanding into sub-segment markets in sectors such as archive management and cultural-event ticketing.

In connection with the inkjet printer business, the A4 inkjet printer is expected to show further improvements in printing stability and cost effectiveness following completion of the upgrade to its brand new ink solution. The continuous paper feeding inkjet printers launched in the second half of 2025, having proved to be a reliable product under high-load scenarios after completing successful trial runs at a number of hospitals, will be marketed to the medical industry on a commercial scale in 2026. The certificate inkjet printer, a brand new product coming through our R&D effort, will be launched in the third quarter of 2026 to fill the void in the market for certificate inkjet printers and offer better services to various government service agencies across the board.

In connection with the self-serviced terminals, the core technologies of the Company, such as red and black dual-colour inkjet printing, cloud printing and remote error alert, have already been put to application in diverse scenarios, such as smart government services, medical care and the lottery sector, in a gradual build-up of an intelligent terminal service regime to assist in the digital transformation and upgrade initiatives in various sectors. Given the positive momentum for development of the robotic arm coffee vending machine sector, the rapid growth of domestic as well as foreign markets for wearable armor as well as the rapid development of AI and an increasing range of application scenarios, the latte art machine and the manicure machine are expected to embrace more opportunities for development and sales growth in 2026.

Medical Equipment Products

On top of its 3L, 5L and 7L portable oxygen concentrators, the Company continued to expand its model range as it obtained the medical product registration permit of China for its 5L desktop oxygen concentrator in June 2025 and for its 8L-equivalent portable oxygen concentrator in January 2026. The Company plans to obtain registration certification for its 4L and 6L portable oxygen concentrator as well as 7L desktop medical oxygen concentrator in 2026. The Company will pursue more sophisticated intelligentisation in its oxygen concentrator products with the launch of the oxygen concentrator and cloud-based oxygen concentrator linked to the oximeter ring as a source of greater empowerment for home oxygen therapy, outdoor oxygen therapy and rehab oxygen therapy in 2026. In connection with the vehicle-mounted oxygen concentrator, the Company has currently entered into cooperation with Great Wall Motor to integrate its 7L portable oxygen concentrator into the in-vehicle system of Great Wall Motor. As Great Wall Motor has started promotion of this application in its internal ecospheric chain, the collaboration will further enhance the sales of oxygen concentrators and enhance our brand influence. On another front, the development stage of the invasive ventilator project launched in collaboration with Guangzhou Mingyi Technology (廣州明醫科技) is scheduled for completion in 2026 and the relevant data and information will be handed over the Mingyi Technology for the application of registration permit. Upon its launch, the product is expected to replace imported ventilators.

In connection with sales, following our previous investment and intensive efforts in Tibet, we were reporting positive results in Tibet in 2025 with the delivery of over 2,000 sets. Given the sound reputation of the Jolimark portable oxygen concentrator built upon promotional efforts over the years and the variety of products available in the market, such as 5L and 7L desktop medical oxygen concentrator and 3~8L portable oxygen concentrator, we are expecting more opportunities for development for our medical equipment products in 2026.

Financial Review

Results Summary

For the year ended 31 December 2025, the Group's turnover amounted to approximately RMB143,420,000, representing a decrease of approximately 4% as compared with last year. The loss attributable to shareholders of the Company amounted to approximately RMB49,608,000, representing a decrease in loss by RMB10,226,000 as compared to 2024. The basic loss per share as at 31 December 2025 was approximately RMB0.081, representing a decrease in basic loss per share by RMB0.017 as compared to the basic loss per share of approximately RMB0.098 as at 31 December 2024. Loss in 2025 was mainly attributable to sluggish demand in the printer market due to the full implementation of digital e-invoicing in Chinese Mainland, as well as the fact that medical products have not yet reached a significant scale and the recognition of asset impairments.

Analysis of sales and gross profit

Compared with 2024, the Group's total revenue for 2025 decreased by approximately 4%. Such decrease was attributable to sluggish demand in the printer market in Chinese Mainland and the fact that medical products have not yet reached a significant scale. However, the gross profit margin increased from 12% in the previous year to 15% due to a decrease in asset impairments.

Capital Expenditure

For the year ended 31 December 2025, capital expenditure of the Group amounted to approximately RMB2,244,000, which was mainly used for the purchase of production equipment and customized manufacturing of product moulds.

Financial and Liquidity Position

As at 31 December 2025, the total assets of the Group amounted to approximately RMB134,526,000 (31 December 2024: RMB206,138,000), controlling shareholder's interests amounted to approximately RMB(42,119,000) (31 December 2024: RMB11,204,000); non-controlling interests amounted to approximately RMB(1,888,000) (31 December 2024: RMB(1,873,000)); current liabilities amounted to approximately RMB154,046,000 (31 December 2024: RMB172,359,000), and the current ratio (the ratio of current assets to current liabilities) of the Group was approximately 0.51 (31 December 2024: 0.73). The decrease in current ratio was mainly attributable to a decrease in current assets of approximately RMB 48,127,000 during the year.

As at 31 December 2025, the cash and cash equivalents, pledged bank deposits and restricted cash of the Group amounted to approximately RMB12,049,000 (31 December 2024: RMB24,714,000) in aggregate. There were no outstanding bank acceptance bills from customers (31 December 2024: approximately RMB15,617,000). The borrowings amounted to approximately RMB114,472,000 (31 December 2024: approximately RMB140,797,000). The gearing ratio of the Group was 85.1% as at 31 December 2025 (31 December 2024: 68.3%), being a ratio of sum of borrowings of RMB114,472,000 (31 December 2024: RMB140,797,000) to total assets.

Financial assets at fair value through other comprehensive income

The amount represents the Group's medium to long term equity investments in private enterprises.

As at 31 December 2025, the fair value of the Company's investment was RMB4,863,000 (31 December 2024: RMB9,321,000). Of which, the Group's holding of 0.33% interest in 大象慧雲信息技術有限公司 (Ele-Cloud Information Technology Co., Ltd.) ("Ele-Cloud"), a company that is engaged in invoices and tax information management services solutions in the PRC, accounted for RMB2,006,000 (31 December 2024: RMB6,312,000) representing approximately 41.25% (31 December 2024: 67.72%) of the Group's financial assets at fair value through other comprehensive income. The original investment cost of the Company in Ele-Cloud in December 2020 was RMB5,009,000. Save for the investments in Ele-Cloud, the Company also hold minority interests in four other companies, ranging from 1.76% to 10%.

The investment strategy of the Company is to invest in companies that are engaged in upstream or downstream industries and have synergy effects to the business of the Group.

Pledge of Assets

As at 31 December 2025, property, plant and equipment of approximately RMB36,702,000 (31 December 2024: RMB43,978,000) and right-of-use assets of approximately RMB5,988,000 (31 December 2024: RMB6,277,000) were pledged as collateral for the Group's bank borrowings of RMB85,000,000 (31 December 2024: RMB106,000,000). As at 31 December 2025, no transferred or discounted receivables were recognised in bills receivable (31 December 2024: RMB15,436,000). The amounts repayable under these agreements are presented as secured borrowing of RMB15,397,000 as at 31 December 2024.

Foreign Currency Risks

The Group mainly operates in Chinese Mainland with most of the transactions denominated and settled in RMB. However, the Group is exposed to foreign exchange risks for assets and liabilities denominated in Hong Kong dollars, United States dollars, and Japanese Yen arising from the import of certain raw materials and machinery, sales of goods to overseas customers and borrowings that are denominated in foreign currencies. As at 31 December 2025, the Group had more monetary financial liabilities than financial assets outside Chinese Mainland.

The Group manages and monitors its foreign exchange risks by performing regular review of the Group's net foreign exchange exposures and mitigates the impact of exchange rate fluctuations by reducing the financial liabilities if needed.

Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year under review.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2025 (31 December 2024: nil).

Staff

As at 31 December 2025, the Group employed a total of 500 staff members (2024: 572 staff members). Apart from 6 employees employed in Hong Kong and overseas, all employees of the Group were based in Chinese Mainland. The Group applies its remuneration and bonus policies for employees with reference to business results and individual staff performance. In addition, fringe benefits, such as social security insurance, medical allowance and housing provident fund, were provided to ensure the Group remains as a competitive employer. In addition, the Group has maintained a share option scheme to reward and incentivize its employees.

Important Events After Reporting Period

There were no significant events affecting the Group after 31 December 2025 and up to the date of this report.

Final Dividend

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

Closure of Register of Members

The annual general meeting of the Company will be held on Thursday, 28 May 2026. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Thursday, 21 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 20 May 2026.

Audit Committee

The audit committee of the Company (the "Audit Committee") comprises Ms. Kan Lai Kuen, Alice, as the chairlady, Mr. Sun Po Yuen and Mr. Yeung Kwok Keung. All of them are independent non-executive Directors. The Audit Committee assists the Board in providing an independent review of the completeness, accuracy and fairness of the financial statements of the Group, as well as the efficiency and effectiveness of the Group's operations and internal controls. The Audit Committee has reviewed the results of the Group for the year ended 31 December 2025.

The Board is pleased to present its report together with the audited financial statements of the Group for the year ended 31 December 2025.

Principal Activities and Analysis of Operations

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in Note 10 to the financial statements.

An analysis on sales and gross profit of the Group using financial key performance indicators for the year ended 31 December 2025 is set out in the section headed Management's Discussion and Analysis of this annual report.

Results and Appropriations

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss on page 68.

No interim dividend for the six months ended 30 June 2025 was paid by the Company. At the Board meeting held on 30 March 2026, the Board did not recommend the payment of a final dividend for the year ended 31 December 2025 (Year ended 31 December 2024: nil).

Reserves

Movements in the reserves of the Group during the year under review are set out in Note 18 to the financial statements.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in Note 6 to the financial statements.

Share Capital

Details of the movements in share capital of the Company are set out in Note 17 to the financial statements.

Distributable Reserves

As at 31 December 2025, the Company's reserve available for cash distribution as computed in accordance with the Companies Law of the Cayman Islands (2014 Revision) is Nil (2024: RMB223,772,000).

Charitable Donations

Charitable donations were not made by the Group during the year.

Pre-Emptive Rights and Tax Relief

There is no provision regarding pre-emption rights under the Company's Article of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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

Continuing Disclosure Obligations Pursuant to the Listing Rules

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

Purchase, Sale or Redemption of the Company's Listed Securities

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities. As at 31 December 2025, the Company did not have any treasury shares.

Major Risks and Uncertain Factors

The operations and results of the Group are subject to the effects of various factors, some are specific to the dot-matrix printer sector and some are external. The following are the major risks and uncertain factors identified by the Group:

(a) Policy Risk

The sale of dot-matrix invoice printers is the major business of the Group. The PRC State's taxation policies may affect the above-mentioned business of the Group, in particular, the comprehensive promotion of the digitalized electronic invoice. To address such risk, the Group has actively explored other markets that require dot-matrix printers, such as certificate printing and multi-page printing, among others. In the meantime, the Group is also focusing on the development of inkjet printing applications and is vigorously engaged in the development of cloud printing technologies based on the core technology of printing as the point of market access, underpinned by the launch of a range of products more suitable for electronic invoice printing and development of the Jolimark Invoicing Platform which supports multipoint invoicing for electronic invoices and cloud invoicing interfaces in fulfilment of market demands.

(b) Macroeconomic Risk

Affected by factors such as a slowdown in global economic growth, continued international trade friction, and insufficient domestic demand, the domestic economy continued to decline and market demand for printers decreased. To address the impact, the Group has positioned itself as a cloud-based application service provider combining hardware and software in its future development plan. To this end, the Company will expand the application of printing devices, provide cloud printing application services and various tax control solutions, launch other new services, provide new retail solutions concerning software and hardware consolidation as well as online and offline integration, optimize product structures and marketing strategies and expand both domestic and overseas sales channels, and optimised the investment and application of resources to address the cycle of economic downturn.

(c) Market Risk

The Group has continued to launch new products or new businesses, such as medical instruments, inkjet printing, cloud printing and cloud applications and self-serviced terminals, which have helped the Group to transform and upgrade and establish itself in new markets. However, its development and prospects are subject to uncertainties owing to factors such as technical difficulties and market competition, among others.

(d) Risk of Supply Chain

Under the impact of geopolitical developments, energy and raw material prices are subject to significant fluctuations, which might drive production costs higher and affect the gross profit of products. As the Group procures some highly sophisticated parts or chips from overseas to guarantee that the products are of high quality, production capacity of manufacturers concerned, quality and delivery schedules of parts and components, as well as international trade friction may affect the product quality, production capacity and sales and the implementation of marketing strategies of the Group to a certain extent. The Group controls or reduces the supply chain risk that may exist by measures such as entering into quality guarantee agreement and procurement framework agreement with the suppliers, strengthening purchase of materials and production of planning management, actively identifying high-quality substitute brands for materials and components, stocking buffer inventories, enhancing communications with suppliers as well as enhancing administration and control over the quality of the manufacturing system.

(e) Risk of Competition

With the growing maturity of industrial technologies and increasing dominance of Internet marketing, product homogeneity and price competition will become a normality in a mature market. The Group faces intense competition in the printer sector and medical equipment sector. Competition in product prices among competitors or other marketing measures might affect the gross profit and market share of the Group's products. In view of the above, the Group has enhanced market survey in relation to its research and development effort. The Group will develop models suitable for industry sales or customised to clients' needs, enhance core product technologies, and expand the applications of printing equipment on the back of our advantage in cloud printing technologies and vigorously developed its medical equipment business to increase its contribution to gross profit. The Group will also enhance product cost and quality management, step up with our effort in industry marketing and strengthen our existing sales management while expanding sales through multiple channels to maintain a reasonable level of profitability and secure greater market shares.

There may be other risks and uncertainties which are not known to the Group or which may not be presently material but could turn out to be material in the future.

Discussion on Environmental, Social and Governance Issues

Important Relationship

(i) Employee

In consistent adherence to its “people-oriented” philosophy, the Group places strong emphasis on knowledge, talent, innovation and motivation, as it regards human resources as one of its greatest assets and dynamically aligns its development with the personal career development of all employees. It is the intention of the Group to remain an extremely attractive employer which provides a broad development platform and promotion pathway for employees.

The Group is committed to appealing to and motivating employees by providing a clear path for career development, sound opportunities for skills training and a competitive remuneration system. The Group offers staff with ample opportunities for development, encouraging high-calibre staff to seek exposures in different positions such that their talents will be put to best application and their potentials be realised in full. The Group provides all-round orientation training, on-job training and enhancement training for our employees. The training programmes cover product specifications, regulatory requirements, practical skills, management skills, operation of management system, sales and production, customer service, quality control, exhibition planning, case analysis, work ethics, environment protection, occupational health and safety and other industry-related training.

The Group has established a trade union and a staff activity centre, as well as a wide range of staff clubs, such as basketball club, badminton club, single parents’ club and family activity club. The trade union shares holiday greetings with its members during the Chinese New Year or other festive seasons by distributing gifts or cash allowances, The staff activity centre is open to employees free of charge with a view to providing options for after-work entertainment. The Group allocates special funding on a monthly basis to finance a wide variety of leisure and cultural activities at the staff clubs. Free medical check-ups are provided annually for all employees on a regular basis, while pre-job, on-job and post-job health examinations are arranged for staff in specific positions. The Group has appointed an employee representative and set up a staff mailbox/WeChat group to understand and collect feedback from employees and made improvements to the conditions in areas which employees typically assemble, such as the dormitory, canteen and commuter shuttle bus. During the pandemic, the Group strictly implemented requirements under the anti-epidemic policies of the government and adopted a range of control measures, including the arrangement of PCR tests at the Group’s premises conducted by government medical units on several occasions such that staff did not have to go elsewhere for the tests and face the risk of infection and genuine health protection was afforded to staff. The Group cares for our employees in every detail to enhance their sense of belonging. The Group conducts an employee satisfaction survey annually, and takes into careful consideration all valuable staff feedback on how to improve the work environment, enhance efficiency and create a harmonious workplace, among other things. Employee satisfaction has consistently outperformed the Company’s target score of 87 points in recent years, achieving 89.9 points in 2025.

In addition, the Group offers competitive remuneration to our employees. At the end of each year, the Group awards year-end bonuses and salary raises to our employees based on the performance of the Group’s operations. The Group has also adopted a share option scheme and an award and assessment system for outstanding staff and management personnel, to recognize and reward those employees who have contributed to the growth and development of the Group.

(ii) Supplier

The Group has established long-term and close relationships with a number of reputable suppliers with reliable quality, and the Group does our best to ensure such suppliers comply with the Group's commitments in respect of quality, environmental protection, low carbon operation, safety and ethical conducts. The Group has developed the Jolimark procurement price enquiry system to enhance the Group's bargaining power in procurement and reduce the risk of fraud in procurement. The Group selects suppliers carefully and require them to meet a number of assessment indicators, including track record, experience, financial strength, and reputation, the capability to produce high quality products, quality control effectiveness, environmental protection and safety requirements. Onsite evaluations would be arranged as needed to verify if the suppliers meet the Group's assessment standards. The Group also requires the suppliers to comply with the Group's anti-corruption policy. The Group is dedicated to maintaining a fair partnership which is mutually beneficial to the Group and the suppliers.

(iii) Distributor

The Group sells products to end-customers through third-party distributors. The Group works closely with the Group's distributors to raise the standard of our brand value and customer service by compliance with contracts, credit and management practices, focusing particularly on reaching a mutually agreed approach to attracting and maintaining customers to promote sales growth.

The Group requires distributors and sub-distributors to comply with the Group's retail policy, including but not limited to a national standard retail price, unified store image, marketing rebate initiatives and management against bug-selling, after-sale maintenance and so on.

(iv) Customer

The Group is committed to the provision of a full range of computer peripherals and new products such as cloud printing products, latte art machines, manicure machines, medical-grade compress or based nebuliser and mini-molecular sieve oxygen concentrator that come in a full range of specifications, competitive pricing, premier product quality and after-sale services. In 2021, the Group obtained the registration and production permits for medical-grade compressor-based nebulisers and mini-molecular sieve oxygen concentrators. In April 2024, we obtained the registration and production permit for the mini-molecular sieve oxygen concentrator (5-litre) and commenced commercial production of this product (3-litre, 5-litre, 7-litre series). In June 2025, the Group obtained registration and production license certification for a medical molecular sieve oxygen concentrator (5-litre desktop model) and commenced mass production of the device. This has significantly expanded the Group's portfolio of medical device products, the Group regards customer and public needs as the Group's first priority and always quest for customer satisfaction.

The Group also provides customized product design and technical support services. The Group maintains a VIP database and communicate with customers via different channels, such us the Group's website, after-sales service hotline, mail, marketing materials and social media. The Group also works with distributors to provide trainings for their major frontline sales personnel to offer quality and value-added services to the end users at the retail stores. Besides, the Group concerns the comments from end customers on e-commerce platforms in order to secure feedbacks about products and services for improvement.

Environmental Protection Policy

The Group focuses on the preservation of natural resources and strives to create an environmentally-friendly work environment. The Group is committed to reducing its impact on the environment through reducing electricity consumption, water consumption, paper consumption, promoting the recycling of packaging materials, office supplies and other materials, and designing and selling products which have passed the environmental labeling certification and energy saving certification.

The Group's environmental management system has been certified to the ISO14001 standard, and the impact of environmental factors during the whole process of production and sales is under control. All wastes are properly disposed of and hazardous wastes are delivered to qualified recyclers. Strict emission control is also implemented on exhaust gas and domestic wastewater. Every year, a qualified cooperative manufacturer is engaged as testing agency to test the exhaust gas in order to ensure to comply with discharge standards. The Group has also established and realized our environmental goals, indicators and management plans.

All materials utilized for the renovation of the office building are environmentally-friendly. When introducing the central air-conditioning systems, The Group gives priority to the purchase of advanced recycling and energy-saving ventilation equipment and facilities to implement the Group environmental protection philosophy. There is a large area of green space within the production facilities of the Group, which accounts for more than 40% of the total area. The Group also places a special emphasis on the daily maintenance of its gardening landscape, underpinned by orderly operations in irrigation, fertiliser application, pest control and trimming, etc. The Group also requires suppliers to strictly abide by the relevant environmental regulations and rules, and provide supervision and encouragement to them in the course of cooperation. The Group has obtained all the necessary permits and approvals from the relevant regulatory authorities in China.

In November 2023, the Group installed solar battery components (solar panels) to take advantage of the adequate sunlight received and large area at the rooftops of the production block and the office block of the plant area. The entire installation project was completed in mid-December 2023 and solar power generation has been put into operation since mid-December 2023. The clean energy generated by this solar power facility supplies electricity mainly to the production and office premises in the Group's plant area during the daytime on working days, and the excess electricity will be transferred into the national electricity grid. In 2024, the total volume of solar photovoltaic power generation was 1,368,400 kWh, of which self-consumption accounted for 715,600 kWh, representing a self-sufficiency rate of 52.3% for photovoltaic power generation (Note: the Company's power consumption at night for overtime work requires grid-supplied electricity, as no electricity storage equipment have been installed yet). In 2025, the total volume of solar photovoltaic power generation was 1,399,800 kWh, with 676,100 kWh used for self-consumption, representing a self-sufficiency rate of 48.3% for photovoltaic power generation.

Compliance with Laws and Regulations

The operations of the Group are primarily conducted by subsidiaries of the Company in Mainland China, and the Company is listed on the Stock Exchange. Therefore, the establishment and operations of the Group are subject to relevant laws and regulations of Mainland China and Hong Kong.

The Group will gather update information on relevant laws and regulations regularly, which cover issues concerning the Group's products, quality, business management, environment, occupational health and safety, and undergo a compliance assessment to ensure full compliance.

For the year ended 31 December 2025 and as at the date of this annual report, the Group has complied with all relevant laws and regulations in Mainland China and Hong Kong that have significant impact on the operations of the Group.

Share Options

The share option scheme adopted on 18 May 2015 (the "2015 Scheme") had a term of ten years and expired on 17 May 2025. Since adoption, 2,900,000 share options have been granted on 25 September 2020 under the 2015 Scheme. No share option was granted under the 2015 Scheme during the year ended 31 December 2025. As at the beginning of the year ended 31 December 2025, the number of options available for grant under the 2015 Scheme was 59,781,950 shares.

In the annual general meeting of the Company held on 28 May 2025, as the 2015 Scheme was due to expire on 17 May 2025, the shareholders adopted a new share option scheme (the "2025 Scheme"), which shall be valid and effective until 27 May 2035, being 10 years after the date of its adoption. The adoption of the 2025 Scheme and the expiration of the 2015 Scheme will not in any way affect the terms of the options already granted under the 2015 Scheme, which will continue to be valid and subject to the terms of the 2015 Scheme. There were 700,000 outstanding options under the 2015 Scheme as at 31 December 2025. Pursuant to the 2025 Scheme, the Company may grant to, amongst others, the Directors and employees of the Company and its subsidiaries, for the recognition of their contribution to the Group, options to subscribe for the Shares. The purposes of the 2025 Scheme are to enable the Company to grant options to the eligible participants as incentives or rewards for their contribution or potential contribution to the growth and development of the Group and enable the Group to recruit and retain high-calibre eligible participants and attract human resources that are valuable to the Group. According to the 2025 Scheme, the Board may, at its discretion, invite any eligible participants, including employees and directors, to take up options to subscribe for the Shares in the Company. The total number of Shares which may be issued upon the exercise of all options to be granted under the 2025 Scheme and any other scheme must not, in aggregate, exceed 10% of the number of Shares in issue as at the date when the 2025 Scheme was adopted by the shareholders. Subject to the Listing Rules, the total number of Shares that may be granted to a participant in any 12-month period must not exceed 1% of the issued share capital of the Company.

The Offer must be taken up within the time specified in the Offer document, with a payment of HK$1.00 as consideration for the option. The exercise price of the share option will be determined at the higher of (i) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of Offer; (ii) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; and (iii) the nominal value of the Shares. The total number of shares available for issue in the 2025 Scheme is 61,288,150 which is equivalent to 10% of the shares in issue when the 2025 Scheme was adopted by the shareholders. The share options are exercisable at any time during a period of no more than 10 years from the date of Offer, subject to the terms and conditions of the 2025 Scheme and any conditions of grant as may be stipulated by the Board. Unless terminated by the Company by resolution in general meeting, the 2025 Scheme shall be valid and effective for a period of 10 years commencing on the date on which the 2025 Scheme becomes unconditional. Since adoption, no options have been granted under the 2025 Scheme.

The number of share options available for grant under the 2025 scheme as at 31 December 2025 and as at the date of this report were 61,288,150 shares.

The following table discloses movements in the Company's share options under the 2015 Scheme during the year under audit:

Capacity of the grantees	Date of grant	Exercise price HK$	Outstanding as at 1 January 2025	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 31 December 2025	Percentage of the issued share capital of the Company as at the date of this report	Exercise period
Employees	25 September 2020	0.130 (Note 2 and 3)	700,000	–	–	–	–	700,000	0.11%	25 September 2021 to 25 September 2026 (Note 1)
Total			700,000	–	–	–	–	700,000	0.11%	

Notes:

1. The first 25% of the option can be exercisable at any time on and after the first anniversary of the date of grant. The next 25% of the option can be exercisable at any time commencing from the second anniversary of the date of grant. The third 25% of the option can be exercisable at any time commencing from the third anniversary of the date of grant. The remaining 25% of the option can be exercisable at any time commencing from the fourth anniversary of the date of grant.

2. The closing price immediately before the date of grant was HK$0.130.

3. The exercise price was determined by the Board and was fixed at HK$0.130 per share.

Directors

As at the date of this annual report, the Directors are as follows:

Executive Directors

Mr. Au Pak Yin *(Chairman)*
Mr. Au Kwok Lun *(Chief Executive Officer)*

Non-Executive Director

Mr. Ou Guo Liang

Independent Non-Executive Directors

Ms. Kan Lai Kuen, Alice
Mr. Sun Po Yuen
Mr. Yeung Kwok Keung

Pursuant to Article 114(a) of the Articles of Association, at each of the annual general meeting, one third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, 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 3 years. Mr. Au Pak Yin, Mr. Au Kwok Lun and Mr. Yeung Kwok Keung will hold office only until the coming annual general meeting of the Company to be held on Thursday, 28 May 2026 (the "AGM"). Mr. Au Pak Yin, Mr. Au Kwok Lun and Mr. Yeung Kwok Keung, being eligible, will offer themselves for re-election as Directors at the AGM.

Indemnity and Insurance Provision

The Articles of Association of the Company provides that every Director shall be entitled to be indemnified out of assets of the Company against any liabilities, action, proceeding, claim, demand or expenses as a result of any act or failure to act in carrying out his functions.

The Company has also arranged appropriate directors and officers liability insurance in respect of legal action against Directors.

Directors' Interests in Competing Business

During the year ended 31 December 2025, none of the Directors nor their respective associates (as defined in the Listing Rules) had any interest in a business that competed or might compete with the business of the Group.

Directors' Service Contracts

Mr. Ou Guo Liang has entered into his service contract with the Company pursuant to which he was appointed as a non-executive Director for a term of three years with effect from 1 January 2024. Ms. Kan Lai Kuen, Alice has entered into her service contract with the Company for a term of 3 years commencing from 21 May 2025 and Mr. Sun Po Yuen has entered into his service contract with the Company for a term of 3 years commencing from 27 May 2024. Mr. Yeung Kwok Keung and other Directors have renewed their service contracts with the Company for another term of 3 years commencing from 1 August 2023 and 13 June 2023, respectively. Save as above, none of the Directors had entered into a service contract with any member of the Group which does not expire or is not determinable within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Contracts

Save as disclosed under the heading "Connected Transactions", no contracts of significance in relation to the Group's business to which the Company, any of its fellow subsidiaries or its parent company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Director's Rights to Acquire Shares

Apart from the 2025 Scheme disclosed in the section headed "Share Options" of this annual report, at no time during the year under review was the Company, its holding company or any its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors, their respective spouse or minor children to acquire benefit by means of the acquisition of shares in, or debentures of, the Company or in any other body corporate.

Biographical Details of Directors

Brief biographical details of Directors are set out on page 22 to page 24.

Employees and Remuneration Policy

Retirement Benefit Plans

As stipulated by the rules and regulations in the PRC, the Group participates in the retirement benefit scheme operated by the relevant local government authorities. The Group is required to make contribution on behalf of its employees in the PRC in accordance with the relevant PRC regulations.

Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute 16% of the wages of the employees to fund the retirement benefits of the employees.

In Hong Kong, the Group has set up a retirement scheme according to the mandatory provident fund requirement prescribed by the Mandatory Provident Scheme Ordinance. All the Hong Kong based employees and the Group is required to contribute 5% of their respective monthly wages (up to a maximum contribution of HK$1,500 by each of the employee and the Group) on a monthly basis to the fund.

Disclosure of Interests

(a) Interests and short positions of the Directors and chief executive of the Company

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set forth in Appendix 10 of the Listing Rules (the "Model Code") to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Company/Name of associated corporation	Capacity	Number of ordinary shares held(Note 1)	Percentage in the relative class of share capital (approx.)
Mr. Au Pak Yin ("Mr. Au")	Company	Interest in controlled corporation(Note 2)	445,027,533 (L)	72.61%
Mr. Au	Kytronics Holdings Limited ("Kytronics")	Beneficial owner	5 (L)	100%

Notes:

1. The letter "L" denotes the Director's long position in such securities.

2. 445,027,533 Shares were owned by Kytronics. The issued share capital of Kytronics is owned as to 100% by Kytronics Growth Limited, which in turn is 100% held by Au Pak Yin, Tai Noi Kit Family Holdings Limited, a company wholly-owned by Mr. Au. Mr. Au is therefore deemed to be interested in these shares by virtue of his interests in Kytronics pursuant to Part XV of the SFO.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO to be entered in the register referred to therein or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders and other person's interest in the Shares

As at 31 December 2025, as far as is known to the Directors and the chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Company/Name of associated corporation	Capacity	Number of ordinary shares held	Percentage in the relevant class of share capital (approx.)[Note 1]
Kytronics	Company	Beneficial Owner	445,027,533[Note 2]	72.61% (L)
Kent C. McCarthy	Company	Interest in controlled corporation	31,200,000[Note 3]	5.09% (L)

Notes:

1. The letter "L" denotes the person's long position in such securities.

2. 445,027,533 Shares were owned by Kytronics. The issued share capital of Kytronics is owned as to 100% by Kytronics Growth Limited, which in turn is 100% held by Au Pak Yin, Tai Noi Kit Family Holdings Limited, a company wholly-owned by Mr. Au. Mr. Au is therefore deemed to be interested in these shares by virtue of his interests in Kytronics pursuant to Part XV of the SFO. Ms. Tai Noi Kit is the spouse of Mr. Au. Accordingly, Ms. Tai Noi Kit is deemed to be interested in all the shares in which Mr. Au is interested.

3. 31,200,000 Shares were held by Jayhawk Private Equity Fund II, L.P. which is wholly-owned by Kent C. McCarthy.

Saved as disclosed above, the Directors and the chief executive of the Company are not aware of any person (other than a Director or chief executive of the Company) who, as at 31 December 2025, had any interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Change in Information of Directors

The change in the information of the Directors of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, since the publication of the interim report of the Company for the six months ended 30 June 2025 is set out below:

Name of Directors	Details of changes
Independent Non-Executive Directors:	
Mr. Sun Po Yuen	Appointed as an independent non-executive director of Nameson Holdings Limited (stock code: 1982), a company listed on the Stock Exchange of Hong Kong, with effect from 29th September, 2025.
	Appointed as an independent non-executive director of Nine Dragons Paper (Holdings) Limited (stock code: 2689), a company listed on the Stock Exchange of Hong Kong, with effect from 16th October, 2025.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The updated biographical details of the Directors of the Company are set out in the section headed "Biographical Details of Directors".

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company has been entered into or existed during the year.

Major Suppliers and Customers

During the year, the aggregate sales attributable to the Group's five largest customers represented approximately 44% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 16% of total sales. The aggregate purchases attributable to the Group's five largest suppliers during the year represented approximately 22% of the total purchases of the Group and the purchases attributable to the Group's largest supplier were approximately 8% of total purchases.

None of the Directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

Connected Transactions

Several related party transactions as disclosed in Note 36 to the financial statements prepared in accordance with HKFRS fall under the definition of "continuing connected transaction" in Chapter 14A of the Listing Rules. These continuing connected transaction are fully exempt. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 31 December 2025 and at any time up to the date of this annual report.

Model Code for Securities Transactions

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. The Company has made specific enquiries with all Directors regarding any non-compliance with the Model Code during the year ended 31 December 2025 and all Directors confirmed that they have fully complied with the requirements set out in the Model Code during the year ended 31 December 2025.

Compliance with the Corporate Governance Code

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain a high corporate governance standard and has complied with all code provisions of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") as in effect from time to time (the "CG Code") during the year ended 31 December 2025, save for the deviation from code provision F.1.3 of the CG Code:

In accordance with the requirements of code provision F.1.3 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company. However, due to other business commitments, the chairman of the Board, Mr. Au Pak Yin, was unable to attend the annual general meeting of the Company held on 28 May 2025. Mr. Au Kwok Lun, an executive Director, acted as chairman at the annual general meeting.

Auditor

On 2 December 2024, PricewaterhouseCoopers ("PwC") resigned as auditors of the Company and Gary Cheng CPA Limited ("GCCPAL") was appointed as the auditors of the Company to fill the casual vacancy following the resignation of PwC. Details of the change of auditor were set out in the announcement of the Company dated 2 December 2024 and circular of the Company dated 6 December 2024.

Save as disclosed above, there were no other changes in the auditors of the Company during the past three years.

The financial statements have been audited by the auditor of the Company, Gary Cheng CPA Limited, who, being eligible, will retire and offer themselves for re-appointment at the upcoming AGM.

Approval of the Financial Statements

The consolidated financial statements of the Group for the year ended 31 December 2025 were approved by the Board on 30 March 2026.

On behalf of the Board
Au Pak Yin
Chairman

Hong Kong, 30 March 2026

Biographical Details of Directors

Directors

Executive Directors

Mr. Au Pak Yin, aged 79, is the chairman of the Company and a founder of the Group. He is in charge of corporate strategy and planning and the overall development of the Group. He has over 25 years of experience in distribution and manufacturing of business equipment in the PRC. Mr. Au first started to trade in Hong Kong in 1986 and in 1989, he began to engage in the trading of printers in the PRC. In 1997, Mr. Au and his family members commenced the production of SDM printers by establishing Kongyue Printing. The Group was founded by Mr. Au in 1998 through the establishment of Kongyue Information. Since June 2017, Mr. Au has served as the director of Jiangmen Palace International Food Co., Ltd. (江門麗宮國際食品股份有限公司), which was listed on National Equities Exchange and Quotations on 17 November 2017 (stock code: 872325). Mr. Au is an honorary citizen of Jiangmen. He is the father of Mr. Au Kwok Lun and Mr. Ou Guo Liang.

Mr. Au Kwok Lun, aged 53, is an Executive Director and the chief executive officer of the Company. He is primarily in charge of strategy execution and overall management of the Group. Mr. Au obtained a bachelor of arts degree in technical English from Huazhong University of Science & Technology in 1994 and a bachelor of business administration degree in information and system management from the Hong Kong University of Science & Technology in 1998. Prior to joining the Group in May 1999, Mr. Au Kwok Lun worked as a trainee engineer for Motorola Semiconductor Hong Kong Limited and assistant general manager of Kongyue Technology. He has over 15 years of operational experience in the distribution and manufacturing of business equipment in the PRC and has been overseeing the expansion of the Group. He is experienced in marketing and distribution, product development and supply procurement. Mr. Au is a standing member of the China Computer Industry Association, the Vice Chairman of the Printer Profession Committee of the China Computer Industry Association and a standing member of the China Computer Users Association and a standing member of the Printing and Image Display Application Sub-Committee of the China Computer Users Association, a member of the Executive Committee of Jiangmen Division, Pearl River Delta Industries Committee, Hong Kong Federation of Industries, and the Chinese People's Political Consultative Conference of Jiangmen City. In 2005, Mr. Au received the 2005 Young Industrialist Awards of Hong Kong from the Federation of Hong Kong Industries. Mr. Au Kwok Lun is the son of Mr. Au Pak Yin and the brother of Mr. Ou Guo Liang.

Non-Executive Director

Mr. Ou Guo Liang, aged 50, is a Non-Executive Director of the Company. Mr. Ou was the Executive Director of the Company since 2005. From 1 January 2021, Mr. Ou was re-designated from an Executive Director to a Non-Executive Director. Mr. Ou is also the director of Jolimark Technology Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong, and the legal representative of Jiangmen Kong Yue Jolimark Tax Control Services Limited, a non wholly-owned subsidiary of the Company established in the People's Republic of China. He has over 15 years of experience in sales and marketing. Mr. Ou obtained a bachelor of economics degree in international corporate management from the Central University of Finance and Economics (中央財經大學) in 1998. Mr. Ou joined the Group in November 1998. Since June 2017, Mr. Ou has served as the chairman of the board of Jiangmen Palace International Food Co., Ltd. (江門麗宮國際食品股份有限公司), which was listed on National Equities Exchange and Quotations on 17 November 2017 (stock code: 872325). Mr. Ou is the son of Mr. Au Pak Yin, current executive Director and chairman of the Company and the brother of Mr. Au Kwok Lun, current executive Director.

Independent Non-Executive Directors

Ms. Kan Lai Kuen, Alice, aged 71, was appointed as an Independent Non-Executive Director on 21 May 2019. Ms. Kan has over 25 years of experience in corporate finance and is well experienced in both the equity and debt markets. She has held various senior positions in international and local banks and financial institutions. Ms. Kan is a director and a shareholder of BLS Capital Limited and its responsible officer for asset management under the Securities and Futures Ordinance (the "SFO"). Ms. Kan is a fellow member of the Association of Chartered Certified Accountants and the Australian Society of Certified Practising Accountants, and an associate member of the Hong Kong Institute of Certified Public Accountants. She is also a licensed responsible officer under the SFO.

Ms. Kan currently also serves as independent non-executive director for several listed companies on the Stock Exchange, namely, Cosmopolitan International Holdings Limited (stock code: 120), and Regal Hotels International Holdings Limited (stock code: 78).

Ms. Kan was an independent non-executive Director of Shougang Concord International Enterprises Company Limited (stock code: 697) between September 2004 and May 2018, China Energine International (Holdings) Limited (stock code: 1185) between January 2008 and February 2020, Mason Group Holdings Limited (stock code: 273) between May 2017 and November 2019, Shimao Services Holdings Limited (stock code: 873) between October 2020 and August 2022 and Shimao Property Holdings Limited (stock code: 813) between March 2006 and August 2022. Between April 2011 and April 2020, Ms. Kan was an independent director of AVIC International Maritime Holdings Limited, a company listed on the Catalist Board of the Singapore Stock Exchange.

Mr. Sun Po Yuen ("Mr. Sun"), aged 65, was appointed as an Independent Non-Executive Director on 27 May 2024. Mr. Sun had been an audit partner with PricewaterhouseCoopers ("PwC") in Hong Kong for 25 years until July 2021. He held various leadership positions in different assurance business units, including the institutional group for Hong Kong and Macau, the entrepreneurial group for Hong Kong and Southern China and the capital markets services group for Hong Kong and Mainland China. He acted as Lead Director of both governance boards of PwC China and PwC Asia Pacific and was a member of the global board of PwC.

Mr. Sun was a member of the Listing Committee of the Stock Exchange of Hong Kong Limited from 2009 to 2014. He was a director of the Hong Kong Science and Technology Parks Corporation and chairman of its audit committee from 2012 to 2018, a director of the Hong Kong Applied Science and Technology Research Institute Company Limited and chairman of its audit committee from 2007 to 2012 and a director of the Estate Agents Authority and a member of its disciplinary committee and finance and strategic development committee respectively from 2006 to 2010. Mr. Sun previously served as Chairman in 2001/02 of the Association of Chartered Certified Accountants (ACCA), Hong Kong Branch. He was appointed by the Hong Kong SAR Government as a Justice of the Peace in 2012.

Mr. Sun was appointed an independent non-executive director of Nine Dragons Paper (Holdings) Limited in October 2025 and Nameson Holdings Limited in September 2025, all companies listed on the Stock Exchange of Hong Kong. He was also appointed an independent non-executive director of Sinofert Holdings Limited in June 2024, a company listed on the Stock Exchange of Hong Kong. In April 2023, he was appointed an independent non-executive director of Bank of Shanghai (Hong Kong) Limited, which is a restricted licensed bank in Hong Kong and a wholly-owned subsidiary of Bank of Shanghai, whose A shares are listed on the Shanghai Stock Exchange. He serves as a Senior Advisor of Chartwell Capital Limited since August 2021. Mr. Sun previously served as non-executive director of FWD Group Holdings Limited and FWD Management Holdings Limited since October 2022 and was re-designated as an independent non-executive director from October 2023 until he retired from both directorships in February 2025. Mr. Sun is also a governing committee member of the Hong Kong Polytechnic University Foundation since 2014 and previously the vice-chairman of the Outstanding PolyU Alumni Association from 2020 to 2022. He was awarded the Outstanding PolyU Alumni Award in 2013 and was conferred a university fellowship by the Hong Kong Polytechnic University in 2018. Mr. Sun obtained Professional Diploma in Accountancy from Hong Kong Polytechnic University (formerly known as The Hong Kong Polytechnic) in November 1984 and became a member of Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants) since June 1988 and a fellow member of ACCA since May 1993.

Mr. Yeung Kwok Keung, aged 78, was appointed a non-executive director of the Company on 1 August 2011 and assumed the role of an Independent Non-Executive Director since 21 October 2013. He was involved in information technology, logistics and venture capital investment until his retirement in 2008. As a Distinguished Fellow of the Hong Kong Computer Society, Mr. Yeung had also served as its President. He was also the Chairman of the Information Technology Committee of the Hong Kong SAR Government.

Mr. Yeung participated broadly in public and community services, and served on professional bodies for many years. He had also served on a variety of high level advisory bodies in academia, industry and the government. He was a member of Hong Kong Productivity Council, Hong Kong Vocational Council and Hong Kong Logistics Council.

He is a Justice of the Peace in Hong Kong and an honorary citizen of Changchun.

Save as disclosed otherwise, there is no relationship (including financial, business, family or other material/relevant relationship) between any members of the Board.

Corporate Governance Report

The Company has adopted and complied with all the code provisions as set out in the Corporate Governance Code during the year ended 31 December 2025, save as disclosed below.

In accordance with the requirements of code provision F.1.3 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company. However, due to other business commitments, the chairman of the Board, Mr. Au Pak Yin, was unable to attend the annual general meeting of the Company held on 28 May 2025. Mr. Au Kwok Lun, an executive Director, acted as chairman at the annual general meeting.

The following summarises the Company's corporate governance practices and explains deviations, if any, from the Corporate Governance Code.

Directors' Securities Transactions

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. The Company has made specific enquiries with all Directors regarding any non-compliance with the Model Code during the year ended 31 December 2025 and all Directors confirmed that they have fully complied with the requirements set out in the Model Code during the year ended 31 December 2025.

Board of Directors

As at 31 December 2025, the Board comprises two Executive Directors, being Mr. Au Pak Yin and Mr. Au Kwok Lun, one Non-Executive Director, being Mr. Ou Guo Liang and three Independent Non-Executive Directors, being Ms. Kan Lai Kuen, Alice, Mr. Sun Po Yuen and Mr. Yeung Kwok Keung. Mr. Au Kwok Lun and Mr. Ou Guo Liang are the sons of Mr. Au Pak Yin. The Directors are considered to have a balance of skills and experience appropriate for the requirements of the business of the Company. The Company has established mechanisms to ensure independent views and input available to the Board, including the number of independent non-executive Directors made up over one-third of the Board, regular Board meetings are being held on the affairs of the Company, and the independent non-executive Directors are free to express their views and provide guidance to the Company. Details of the Directors are shown on pages 22 to 24 of this annual report.

During the year ended 31 December 2025, four board meetings and one general meeting were held and the attendance was as follows:

Name of Director	General meeting attendance	Board meeting attendance
Executive Directors		
Mr. Au Pak Yin	0/1	3/4
Mr. Au Kwok Lun	1/1	4/4
Mr. Ou Guo Liang	0/1	2/4
Independent Non-Executive Directors		
Ms. Kan Lai Kuen, Alice	1/1	4/4
Mr. Sun Po Yuen	1/1	4/4
Mr. Yeung Kwok Keung	1/1	4/4

All of the above Directors had participated in continuous professional development to develop and refresh their knowledge and skills.

The Company has a formal schedule of matters specifically reserved to the Board and those delegated to management. There is a clear division of responsibilities amongst committees and each of them has a specific term of reference. The Board is responsible for determining the overall strategy and approving the annual business plan of the Group, and ensuring the business operations are properly planned, authorised, undertaken and monitored. All policy matters of the Group, material transactions or transactions where there is conflict of interests are reserved for the Board's decisions.

The Board has delegated the day-to-day responsibilities to the executive management.

Chairman and Chief Executive Officer

Mr. Au Pak Yin has been appointed by the Board as the Chairman, who is responsible for the leadership and effective running of the Board, and ensuring that all key and appropriate issues were discussed by the Board in a timely and constructive manner.

Mr. Au Kwok Lun has been appointed by the Board as the Chief Executive Officer, who is delegated with the responsibilities of operations, business development, investor relations and public relations of the Group.

Independent Non-Executive Directors

The Board also comprises Independent Non-Executive Directors who bring strong independent judgement, knowledge and experience to the Board. As noted under the paragraph headed "Audit Committee" of this annual report, all the Audit Committee members are Independent Non-Executive Directors. This structure is to ensure a sufficient balance of power and authority in place within the Group.

The role of the independent non-executive Directors is to provide independent and objective opinions to the Board, giving adequate control and balances for the Group to protect the overall interests of the shareholders and the Group. They serve actively on the Board and its committees to provide their independent and objective views. They shall devote sufficient time and make contributions to the Company that are commensurate with their role and Board responsibilities. The independent non-executive Directors should make a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments. They shall at least annually attend meeting with the Chairman of the Board without the presence of other Directors.

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors, representing more than one-third of the Board. One of the independent non-executive Directors has the appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

During the tenure of office, all of the independent non-executive Directors have performed their duties and responsibility to the satisfaction of the Board.

Mr. Yeung Kwok Keung has been re-appointed for another three-year term on 1 August 2023. Ms. Kan Lai Kuen, Alice and Mr. Sun Po Yuen have been appointed for three-year terms on 21 May 2025 and 27 May 2024 respectively.

The Board also confirmed receipt of the annual confirmation letter from each of the Independent Non-Executive Directors confirming his/her independence for the year ended 31 December 2025.

Remuneration Committee

The Board has established a Remuneration Committee ("RC"). The RC comprises Mr. Yeung Kwok Keung (Chairman), Mr. Sun Po Yuen and Ms. Kan Lai Kuen, Alice, who are all Independent Non-Executive Directors and Mr. Au Kwok Lun who is an Executive Director.

The principal responsibilities of the RC are to review and make recommendations to the Board on the overall remuneration structure and policy for all Directors and senior management. The Company's objective for its remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration and fees paid to members of the Board, market rates and factors such as each director's workload, performance, responsibility, job complexity and the Group's performance are taken into account. The remuneration packages for the Directors and our senior management is based on their experience, level of responsibility, length of service and general market conditions. The RC is also responsible for reviewing and approving matters relating to share schemes under Chapter 17 of the Listing Rules.

During the year ended 31 December 2025, the RC had reviewed and made recommendations to the Board on the remuneration packages of the Directors and senior management, and also reviewed matters related to the share option scheme (including matters related to share schemes under Chapter 17 of the Listing Rules).

For the year ended 31 December 2025, the RC held one meeting. The attendance record of each member is as follows:

Name of Director	Attendance
Mr. Yeung Kwok Keung *(Chairman of RC)*	1/1
Ms. Kan Lai Kuen, Alice	1/1
Mr. Au Kwok Lun	1/1
Mr. Sun Po Yuen	1/1

The principal responsibility of the RC is to determine the remuneration of the Directors and the senior management.

Nomination Committee

The Board has established a Nomination Committee ("NC"). The NC comprises Ms. Kan Lai Kuen, Alice (Chairman), Mr. Sun Po Yuen and Mr. Yeung Kwok Keung, who are all Independent Non-Executive Directors. During the year ended 31 December 2025, NC had reviewed the structure, diversity and composition of the Board, and put forward recommendation to the Board on re-election of retiring directors.

For the year ended 31 December 2025, the NC held one meeting. The attendance record of each member is as follows:

Name of Director	Attendance
Ms. Kan Lai Kuen, Alice *(Chairman of NC)*	1/1
Mr. Sun Po Yuen	1/1
Mr. Yeung Kwok Keung	1/1

The Board adopted a board diversity policy setting out the approach to diversify members of the Board. The Company believes that a diversified perspective can be achieved through considering a number of factors, including but not limited to skills, regional and industry experience, background, race, gender and other qualities. The Company will also take into account factors based on its own business model and specific needs from time to time. Board appointments will continue to be made on a merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board.

The NC will review the board diversity policy on a regular basis to ensure its continued effectiveness.

Board Nomination Policy

The Nomination Committee endeavours to ensure the Board of directors has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy and in order for the Board to be effective. In order to fulfill the requirements, formal and transparent procedures for the selection, appointment and re-appointment of Directors should be formulated.

The Nomination Committee has primary responsibility for identifying suitably qualified candidates to become members of the Board and making recommendations to the Board and thereafter shareholders of the Company for election as Directors or appoint Directors to fill casual vacancies at general meetings.

Criteria for the nomination of a Director

Board appointments will be made on a merit basis and candidates will be considered against objective criteria. The selection criteria used in assessing the suitability of a proposed Director (the "Candidate") are listed below:

(i) the Candidate's academic background and qualifications (including professional qualifications, skills and knowledge which are relevant to the Company's business and corporate strategy);

(ii) the Candidate's relevant experience in the industry;

(iii) the Candidate's character and integrity;

(iv) the Candidate's willingness and capacity to devote adequate time commitment in discharge of a director's duties;

(v) whether the Candidate can contribute to the Board a diversity of perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;

(vi) (where the Candidate is proposed to be appointed as an independent non-executive Director) whether the Candidate is in compliance with the criteria of independence under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and

(vii) any other factors as may be determined by the Board from time to time.

Auditor's Remuneration

Gary Cheng CPA Limited had been appointed as the auditor of the Group. During the year ended 31 December 2025, fee for audit services was RMB800,000 and fee for non-audit services was RMB150,000.

Audit Committee

The Board establishes a formal and transparent arrangement for considering how it applies the financial reporting and internal control principles and for maintaining an appropriate relationship with the Company's auditors. The Audit Committee ("AC") established by the Company has clear terms of reference. The Company confirmed receipt of acknowledgement from all directors of their responsibility for preparing the accounts.

All the members of the AC are Independent Non-Executive Directors. The AC is chaired by Ms. Kan Lai Kuen, Alice who is a certified public accountant and the committee members are Mr. Sun Po Yuen and Mr. Yeung Kwok Keung.

The functions specified in Code Provision D.3.3 of the Corporate Governance Code were included in the Terms of Reference of the AC. The Terms of Reference of the AC also explains the role and the authority delegated by the Board.

During the year, the AC also performed the Company's corporate governance function and reviewed related policy and made recommendation to the Board.

Two meetings were convened by the AC during the year ended 31 December 2025. The attendance record of each member is as follows:

Name of Director	**Attendance**
Ms. Kan Lai Kuen, Alice *(Chairman of AC)*	2/2
Mr. Sun Po Yuen	2/2
Mr. Yeung Kwok Keung	2/2

During the year ended 31 December 2025, the AC discussed and reviewed the final results of 2024 and interim results of 2025 and other reports for the year. Also, the AC met with the external auditor to discuss auditing and internal control matters.

Board Diversity Policy

The Board adopted a board diversity policy pursuant to the CG Code. The Company recognises and embraces the benefits of diversity of Board members. The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company business. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against selection criteria, having regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, which would include 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 the Board. There is one female director in the Board of the Company and approximately 59% of our total workforce was female.

Dividend Policy

The Company considers stable and sustainable returns to the shareholders of the Company to be the goal. The Dividend Policy, in the consideration of the dividends payment, is to allow the shareholders to participate in the Company's profits whilst retaining adequate reserves for the Group's future growth.

The declaration, payment, and amount of dividends will be subject to the Board's discretion. Dividends may be paid out of the distributable reserves of the Company as permitted under the relevant laws. There can be no assurance that the Company will be able to declare or distribute any dividend in the amount in any specific periods. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

The payment and the amount of any dividends will depend on a number of factors, including but not limited to:

(i) the Group's actual and expected financial performance;

(ii) the retained earnings and distributable reserves of the Company and each of the members of the Group;

(iii) the Group's working capital requirements, capital expenditure requirements and future expansion plans;

(iv) the Group's liquidity position;

(v) the general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group;

(vi) the applicable laws and regulations including the Companies Law of the Cayman Islands and the Company's Bye-laws; and

(vii) any other factors that the board of directors of the Company deems relevant.

The Dividend Policy will be reviewed from time to time by the Board.

Directors' Training

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills. The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. From time to time, Directors are provided with written materials and director training webcasts to develop and refresh their professional skills. During the Reporting Period, all Directors had participated in appropriate continuous professional development activities.

Company Secretary's Training

Pursuant to rule 3.29 of the Listing Rules, the Company Secretary must take no less than 15 hours of relevant professional training in each financial year. The Company Secretary has taken no less than 15 hours of relevant professional development training by means of attending seminars and reading relevant guideline materials.

Directors' Responsibility in Preparing Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Year. The Company has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgments and estimates. The Board is responsible for presenting a balanced, clear and understandable assessment in annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements.

Internal Control and Risk Management

The Board is entrusted with the overall responsibility for establishing and maintaining the Group's internal control and risk management systems and reviewing their effectiveness. The Group's internal control system has been designed for safeguarding assets, maintaining proper accounting records and ensuring reliability of the financial information. The Board has conducted a review of the effectiveness of the internal control and risk management systems of the Group which covers all material controls, including operational, financial and compliance controls and risk management functions. The internal audit department of the Company is implementing a procedure to review the major operational, financial and compliance controls and risk management functions of the Group on a continuing basis which aims to cover all major operations of the Group on a rotational basis. The Group also performs periodic review to ensure that resources, staff qualifications and experience of internal audit functions are adequate.

The Group's risk management framework includes the following elements:

- identify significant risks in the Group's operation environment and evaluate the impacts of those risks on the Group's business;
- develop necessary measures to manage those risks;
- monitor and review the effectiveness of such measures.

The implementation of risk management framework of the Group was assisted by the Group's internal audit department so that the Group could ensure new and emerging risks relevant to the Group's operation are promptly identified by management, assess the adequacy of action plans to manage these risks and monitor and evaluate the effectiveness of the action plans. These are on-going processes and the AC reviews periodically the Group's risk management systems.

Based on the reports from the Group's internal audit department, the Board considers the Group's risk management and internal control system is adequate and effective and the Group has complied with the provisions on risk management and internal controls as set out in the Corporate Governance Code.

Communication with Shareholders and Shareholders' Rights

The Company aims to, via its corporate governance structure, enable all its shareholders an equal opportunity to exercise their rights in an informed manner and allow all shareholders to engage actively with the Company.

Participation at General Meetings

The general meetings of the Company provide an opportunity for direct communication between the Board and the shareholders. The Company encourages the participation of the shareholders through annual general meetings and other general meetings where the shareholders meet and exchange views with the Board, and to exercise their right to vote at meetings. The Company shall arrange notices of meetings and circulars containing details on proposed resolutions to be sent to the shareholders no less than 20 business days before the meeting. At general meetings, separate resolutions are proposed on each substantial issue, including the election of individual Directors. Poll voting has been adopted for decision-making at shareholders' meetings to ensure that each share is entitled to one vote. Details of the poll voting procedures are set out in the circular sent to shareholders prior to the meeting and explained at the commencement of the meeting. Voting results are published on the websites of the Stock Exchange and the Company on the day of the annual general meeting.

Convening Extraordinary General Meetings

Extraordinary general meetings shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company 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 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Enquires to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the company secretary of the Company by mail at Unit 07, 21/F., K. Wah Centre, 191 Java Road, North Point, Hong Kong or by email at investor@jolimark.com. The Company Secretary forwards communications relating to matters within the Board's direct responsibilities to the Board and communications relating to ordinary business matters, such as suggestions, inquiries and customer complaints, to the chief executive officer of the Company.

Shareholders' Communication Policy

The Company considers that effective communication with the Shareholders and stakeholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company is committed to enhancing long-term shareholder value through regular communication with its shareholders, both individual and institutional.

The Company endeavours to maintain an ongoing dialogue with the Shareholders and in particular, through annual general meeting and extraordinary general meeting (the "EGM"). In respect of each matter to be considered at the annual general meeting and the EGM, including the re-election of Directors, a separate resolution will be proposed by the Company. The Board members will be available at the annual general meeting and the EGM to meet with the Shareholders and answer their enquiries. The Company would also invite representatives of the auditor of the Company to attend the annual general meeting of the Company to answer Shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence.

The Company recognises the importance of shareholders' privacy and will not disclose shareholders' information without their consent, unless required by law to do so.

The communication channels under the shareholders' communication policy are as follows:

Shareholders' Enquiries

Shareholders may direct their questions about their shareholdings to the Company's share registrars. Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available. Shareholders and the investment community can contact the secretary of the Company by email, fax, phone or mail via designated contacts of the Company during office hours in order to enable them to make any query in respect of the Company.

Corporate Communications

Corporate communication documents (including annual report, interim report, notice of meeting, circular and proxy form) would be provided to shareholders in both English and Chinese versions to facilitate Shareholders' understanding.

Corporate Website

Information on the Company's investor relations website is updated on a regular basis. Corporate communications are posted on the Company website as soon as practicable following their publication on the website of Stock Exchange. Such information includes, but not limited to, annual reports and interim reports, results announcements, ESG reports, circulars and notices of general meetings.

Shareholders' Meetings

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that shareholders' needs are best served. Board members and external auditor would, where appropriate, attend annual general meetings to answer shareholders' questions.

Vision, Mission, Core Values and Corporate Culture

Vision:
To enable all to feel the goodness of living, work and life through the best technologies.

Mission:
To assist in the forging of "Made in China" brands.

Core Values:
To serve the interests of others as well as the Company, earning respect by giving our best;
Responsibility and commitment, loyalty and respect, perfection and innovation; mutual creation, benefit, sharing and growth.

Corporate Philosophy:
To strive for perfection and distinction, provide solutions to customers' problems, offer products that none other can offer, and procure customer satisfaction through innovation, quality, value-for-money, efficiency and sincere services.

Anti-corruption Policy

The Group places a strong emphasis on integrity and credibility. The Group would under no circumstances tolerate any incident of corruption and bribery during the course of business. The Group has established an internal control department which conducts business audit on the procurement department and other relevant departments on a regular basis. All business contracts entered into with third-party manufacturers are subject to professional vetting by the legal department, while the new online Jolimark procurement price enquiry system has enhanced the Group's bargaining power in procurement and lower the risk of fraud in relation to procurement. Internally, a range of financial management regulations have been formulated to facilitate regulation, while employees in charge of sales and other key positions are required to sign the "Undertaking of Business Integrity and Compliance" to ensure prevention of corruption and bribery at source. Gifts and hospitality offered to family members or close associates of an employee by business partners are deemed as gifts and hospitality offered to such employee and are therefore prohibited.

To ensure staff compliance with relevant policies and high ethical standards, the Group has provided anti-corruption and anti-bribery education and training to Directors and staff other than frontline production workers. The Group has also carried out propagation by convening relevant meetings and warned staff against acts of offering or accepting bribery, corruption, fraud, extortion and money-laundering.

The Group encourages employees and third-party manufacturers and other relevant personnel to report in writing or verbally any suspected offering and acceptance of bribery, corruption, fraud, extortion or money-laundering and other business improprieties via its designated hotline and email. Upon receipt of such reports, the internal control department will conduct thorough investigation of such matters in accordance with the Group's procedures and provide stringent protection for the reporting parties. If verified, such matters will be dealt with in accordance with the Group's rules and regulations. Where criminal offences have been committed, the case will be referred to the judicial authorities.

Whistleblowing Policy

The Group has formulated whistleblowing procedures (the "Whistleblowing Policy") which set out the objectives, scope of application, personnel covered by the policy, duties and jurisdiction, and approaches to prevent, control and deal with allegations relating to illegal, unethical and inappropriate conduct at workplace. The Whistleblowing Policy is aimed at providing the means to raise serious allegations relating to violations against standards or codes or in financial matters or probable illegal conduct, while ensuring confidentiality and protecting any reporting parties who reasonably believe that such allegations are justified from harm, discrimination or disadvantaged positions. The Whistleblowing Policy applies to all employees and business partners of the Group. The identity of whistleblowers will be kept strictly confidential.

The Whistleblowing Policy does not aim to question the financial or business decisions made by the management, nor should it be drawn upon for the reconsideration of any other matters which have already been dealt with according to other procedures. The Whistleblowing Policy does not supersede other complaint procedures.

Anonymous allegations

The Group encourages whistleblowers to identify themselves in allegations to the extent practicable, as anonymous allegations are often difficult to verify/prove. The Group's internal control department will consider anonymous allegations on a discretionary basis. In exercising the discretion to accept anonymous allegations, the following factors should be considered:

- seriousness of the issue raised;
- credibility of the allegations; and
- whether the allegations could be practically investigated based on factors or sources other than the complainant.

Untruthful allegations

If a whistleblower reasonably believes that making an allegation is justified, even if such allegation has yet to be verified through investigation, then the Group will not take any disciplinary or other actions against him/her. However, if a whistleblower makes an allegation without reasonably believing that such allegation is true and in the interest of the Group (for example, if such allegation is reckless, malicious or made for the benefit of personal interest with no public interest at stake), the Group might take disciplinary actions against the whistleblower.

Procedures for making allegations

The best way for employees to make allegations is to bring the matter to the immediate supervisor to which he/she directly reports to. However, this might be dependent on the seriousness and sensitivity of the issue involved and the party/parties who is/are allegedly engaged in malfeasance. The whistleblower may take the allegations directly to the Group's internal control department. The whistleblower should act with care to ensure that the information reported by him/her is accurate.

Actions to be taken on receiving reports of allegation

The Group's internal control department will record and investigate details of the allegations. If such allegations disclose evidence of criminal offences, a report will forthwith be made to the Board of Directors, who will decide whether the matter should be reported to the police.

The Group agrees that it is necessary to assure the whistleblower that the reported matter has been properly dealt with. Hence, subject to any legally imposed restrictions, the Group will notify the results of any investigation to the reporting party. The Board of Directors takes full responsibility for the implementation of such policy, formulation of administrative procedures to be followed and form records to be kept. The internal control department shall report whistleblowing cases to the Audit Committee and the Board of Directors regularly. The whistleblowers will not be identified in the report.

Dissemination of Inside Information

The Group is committed to a consistent practice of timely, accurate and sufficiently detailed disclosure of material information about the Group. The Group has in place a policy on disclosure of inside information which sets out the procedures and internal controls for handling and dissemination of inside information. Such policy provides guidelines to the Directors, officers and all relevant employees of the Group to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information.

Key procedures in place include:

- define the requirements of periodic financial reporting to the Board and Company Secretary to enable them to assess inside information and make timely disclosures, if necessary;

- controls the access to inside information by employees on a need-to-know basis, and safeguarding the confidentiality of the inside information before it is properly disclosed to public; and

- procedures of communicating with the Group's stakeholders, including shareholders, investors, analysts, etc. in ways which are in compliance with the Listing Rules.

The Group has also established and implemented procedures to handle enquiries from external parties related to the market rumours and other Group's affairs.

To avoid uneven dissemination of inside information, the dissemination of inside information of the Company shall be conducted by publishing the relevant information on the Stock Exchange's website and on the Company's website.

Constitutional Documents

There are no significant changes in the Company's constitutional documents during the year.

Environmental, Social and Governance Report

Introduction

This is the environmental, social and governance (the "ESG") report (the "ESG Report") of Jolimark Holdings Limited (the "Company" and together with its subsidiaries, the "Group") for the year ended 31 December 2025.

The Company believes that this ESG Report enables the Company to convey the Group's sustainability related matters in a transparent and accountable manner, which is key to gaining the trust of its stakeholders. The Group is committed to making continuous contributions to the sustainable development in China and overseas, and fulfilling corporate social responsibilities at various operational levels. This ESG Report provides an overview of the Group's performance related to sustainable development in the areas of the environment, community, employment, labour practices and operation convention for the year ended 31 December 2025.

Since incorporation, the Group has been striving for excellence and sustainability. In addition to constantly improving its business results and growth, the Group is also highly concerned about the protection of employee rights and the environment, and is dedicated to giving back to the society and promoting self-improvement of employees. By incorporating social responsibilities into its development and long-term planning, the Group seeks to promote harmony among and mutual benefits for the economy, society, and environment, as well as coordinated and comprehensive sustainable development.

Governance Framework

The Group has established the Production Safety Management Committee ("Safety Committee") and Environmental Management Task Force (hereinafter referred to as the "EMS Team") to deal with and address Group's day-to-day production safety management and environmental management matters. The Board of the Company convenes meetings on a regular basis to review reports on environmental, social and governance matters and exercise supervision over pertinent matters.

The ESG management policies of the Group are to: protect the environment and emphasise safety production; conserve energy and reduce emissions to lower risks; put people first and safeguard health; encourage all-staff participation and comply with regulations; improve our system and strengthen the management; prioritise prevention and propel continuous improvement.

The Group has identified factors that can control and exert an influence on the environment in terms of activities, products and services, as well as their associated environmental impact, hazardous sources and their associated detriment.

When identifying the environmental factors, the Group considers the following situations:

(a) changes including planned or new development, as well as new or changed in activities, products and services;

(b) abnormal conditions and emergencies that can be reasonably foreseen.

The Group uses the established standards to evaluate and determine those key environmental factors that have or will have a significant impact on the environment. The Group has formulated measures, control plans and emergency response plans with a view to exercising effective control over the said material environmental factors, and communicates the related information among different levels and functionalities.

When identifying hazardous sources and occupational health impact, the Group considers the following situations:

(a) how the work is organized, social factors (including workload, working hours, sacrificing others, harassment and bullying), leading role and corporate culture;

(b) usual and unusual activities and conditions, including hazardous sources and occupational health impact as a result of the following aspects;

(c) the previous relevant events within or outside the Group, including emergencies and their causes, as well as potential contingencies;

(d) personnel, including considering the followings:

    (1) those who can access to the workplace and their activities, including employees, contractors, visitors and others;

    (2) those nearby the workplaces that can be affected the Group's activities;

    (3) employees who are not under the direct control of the Group;

(e) the actual or proposed changes in (regarding) the Group's operation, process and activities;

The Group has formulated the "Emergency Plan for Production Safety Incidents" and "Emergency Plan for Environmental Emergencies" and submitted the same to competent authorities of the local government for record.

The Group sets the ESG related targets, indicators and management plans, and periodically reviews the achievement of the corresponding targets and indicators on a quarterly basis and prepare the written report.

Reporting Principles

Reporting standard

This report has been prepared in accordance with Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong "Environmental, Social and Governance Reporting Code" (the "ESG Reporting Code"). In case of any discrepancy between the Chinese and English versions of this report, the Chinese version shall prevail. This report has been reviewed and approved by the Board of the Company.

Reporting Principles

The preparation of the Report follows the materiality, quantitative, balance and consistency reporting principles.

I. Materiality

The disclosed information in the Report was carefully gathered, evaluated and presented based on its materiality to the Group's business and its stakeholders.

II. Quantitative

All of the disclosed information, statistics of environmental and social KPIs in particular, were organised and calculated according to a series of standardised methodologies which are illustrated in the relevant sessions.

III. Balance

A picture of the data comparison over years has been given for readers who can see both the achievements and rooms for improvement in terms of ESG management in the Group.

IV. Consistency

The Report has been prepared in the same way in terms of scope and methodology when compared to those in previous years.

ESG Management Approach

The Company's commitment to sustainability has always been at the core of its business operations. The principal ESG management focuses of the Company are as follows:

- To improve environmental performance – ensuring implementation of appropriate policies and management systems to alleviate impact on environment
- To be a responsible employer – endeavouring to be a partner that promotes and supports cultural diversity and attracts and retains high-calibre talents
- To be a good citizen – endeavouring to make contributions to community development
- Ethical operations – safeguarding business integrity and transparency of business activities

The Board assumes ultimate responsibility for the overall direction, strategy, goals, performance and reporting in connection with the Group's sustainability development. With the assistance and input of the Group's EMS Team, the Board has identified certain key ESG agenda and carried out supervision and management accordingly. The EMS Team of the Group has formulated the Group's vision, goals and strategy in sustainability and have monitored and assessed ESG agenda that might affect the Group's business and operations. The Board regularly reviews its ESG policy and risks and formulates and update relevant goals and indicators on an ongoing basis.

Stakeholder engagement

The Group values the opinions of stakeholders and seeks, on a best-effort basis, to fulfill the interests of its shareholders, employees, business partners, customers and the community in a balanced manner. The Group has established an ongoing channel for communication with stakeholders included issues discussed in its operational and decision-making processes. The Group has been actively responding to their concerns and demands.

The Group communicates with its stakeholders on an ongoing basis through multiple channels and has identified the major concerns of various stakeholders.

Stakeholder	Channel for communication	Concerns
Employees	• Group Intranet • Staff meetings • Training and seminars • Employee activities	• Welfare and benefits • Occupation health and safety • Career development
Government and regulatory authorities	• Regular reporting • Supervision and inspection	• Compliance and risk management • Business ethic and anti-corruption • ESG
Investment institutions and shareholders	• Company's announcements • Shareholders' meetings • Group website and e-mails • Roadshows and reverse roadshows	• Compliance and risk management • Economic performance
Suppliers	• Regular communication • Business visits • Review and appraisal meetings • Group website and e-mails	• Supply chain management • Business ethics and anti-corruption
Customers	• Regular communication • Business visits • Sales fairs • Customer Service hotlines • Media activities • Interactive platforms such as WeChat • Group website and e-mails	• Product design and safety • Customer privacy protection • Customer service satisfaction • Protection of intellectual property rights • Business ethics and anti-corruption
Local community	• Community services	• Community investments and charities

Materiality Assessment

The Group has analysed its material issues and identified the material ESG concerns of the Group's stakeholders taking into account its own business, industry environment, operational characteristics and peer experience. Materiality of the issues is prioritised and analysed according to stakeholders' demands.

To ensure the effectiveness of the Group's ESG strategy, the Board reviews annually the outcomes of identifying the Group's material ESG issues to ensure that material ESG issues are covered by its ESG strategy. The process of determining materiality is based on the following principles:

- Consideration of the views and major ESG concerns of key stakeholders.

- Consideration of views of the Group's management on ESG issues and their relevant material impact on the Group's business.

- Review of material ESG issues, including issues that stakeholders are extremely concerned and that have a material impact on the Group's business.

- Assessing the most important ESG matter for the purposes of ESG reporting and future development to prioritise accordingly.

The materiality assessment helps the Group to analyse its ESG risks and opportunities and improve its business strategies accordingly. It also helps the Group to meet the sustainability criteria for reporting and facilitate better allocation of resources to deal with material ESG issues.

Reporting Scope

This ESG Report provides an overview of the Group's performance related to sustainable development in the areas of the environment, community, employment and labour practices and operation convention, ESG management approach, environmental and social performance, as well as material issues within the scope of business for the year ended 31 December 2025. Mandatory disclosures cover entities and their manufacturing facilities that generate the major revenue of the Group's principal activities (investment holding, manufacturing and logistics agent in PRC and Hong Kong).

Business Operations	**Operating Locations**	**Companies**
Manufacturing of printers, coffee art machines, manicure machines, medical equipment	Jiangmen, the PRC	Kong Yue Electronics & Information Industry (Xinhui) Limited
Logistics agent	Hong Kong, the PRC	Xin Yue Logistics Limited
Research and development of network application	Shenzhen, the PRC	Shenzhen Yingmei Kamo Internet Limited

A. Environment

Aspect A1: Emissions

The Group produces a small amount of waste gas only in the welding sequence during the production process, which is emitted after high-altitude concentrated treatment through pipeline in the exhausting system. The waste gas comprises mainly particles and contains no NOx, SO_2 and other pollutants subject to restrictions under the laws and regulations of the PRC, nor does it contain any greenhouse gas.

The Group engages qualified third-party institutions to monitor and test exhaust gas from production on a regular basis each year. According to exhaust gas monitoring tests conducted, exhaust gas emissions were fully compliant in 2025 at a rate significantly lower than the national emission standards. Substantial declines were noted in the monitoring results compared to those reported for 2024 and 2023, indicating notable improvements in exhaust gas emission indicators. Please refer to Table (I) for details of the monitoring results.

Table (I) Exhaust Gas Monitoring Results for 2023–2025

Item monitored		**Referential limit**	**Monitoring Results for 2025**	**Monitoring Results for 2024**	**Monitoring Results for 2023**
Exhaust gas	Particles	Emission intensity: 120 mg/m^3 Emission rate: 2.9 Kg/h	Emission intensity: <20 mg/ Emission rate: <0.04 Kg/h	Emission intensity: <20 mg/m^3 Emission rate: <0.10 Kg/h	Emission intensity: <20 mg/m^3 Emission rate: <0.15 Kg/h
	Non-methane hydrocarbon	Emission intensity: 80 mg/m^3 Emission rate: 8.4 Kg/h	Emission intensity: 1.82 mg/m^3 Emission rate: $7.6*10^{-3}$ Kg/h	Emission intensity: 2.95 mg/m^3 Emission rate: $1.41*10^{-2}$ Kg/h	Emission intensity: 8.40 mg/m^3 Emission rate: 1.13 Kg/h
	Tin and its compound	Emission intensity: 8.5 mg/m^3 Emission rate: 0.25 Kg/h	Emission intensity: N.D; Emission rate: $6.2*10^{-9}$ Kg/h	Emission intensity: N.D; Emission rate: $5.04*10^{-7}$ Kg/h	Emission intensity: 0.0014 mg/m^3; Emission rate: $1.04*10^{-5}$ Kg/h

Note: "N.D" indicates that the value of test results is smaller than the minimum level that could be tested and therefore no results can be shown.

No waste water is produced during the Group's production process, therefore relevant disclosure is not applicable to the production business. Domestic waste water is discharged to the local municipal drainage system after undergoing septic tank treatment. According to waste water monitoring tests conducted, waste water discharge was fully compliant in 2025 and the emission indicators for ammonia nitrogen and petroleum were significantly below the standard values. The increase compared to monitoring results for the previous two years was minimal and represented fluctuations within the normal range. Please refer to Table (II) for details of the monitoring results.

Table (II) Waste Water Monitoring Results for 2023–2025

Item monitored		Referential limit	Monitoring Results for 2025	Monitoring Results for 2024	Monitoring Results for 2023
Waste water	PH scale	6–9	7.2	7.4	7.3
	Suspended particles	100 mg/L	32	8	5
	5-day biochemical oxygen demand	30 mg/L	26.6	8.9	3.2
	Chemical oxygen demand	110 mg/L	90	28.0	16.0
	Ammonia nitrogen	15 mg/L	3.55	4.06	0.042
	Petroleum	8.0 mg/L	0.18	0.19	0.12

The total volume of domestic waste water discharged in 2025 was 35,023 tonnes, a reduction by 6,414 tonnes (discharge volume was 41,437 tonnes in 2024 and 45,389 tonnes in 2023). It was primarily attributable to the Group's promotion of water conservation and implementation of a range of water conservation measures with positive results.

The Group produces only a small amount of hazardous waste in the production/office processes, mainly including scrap electric circuit board and waste printing ribbon. In 2025, 4.43 tonnes of hazardous waste were produced, representing an increase of 0.81 tonne as compared with last year (A total of 3.62 tonnes was generated in 2024 and 2.8 tonnes in 2023), which was primarily attributable to the centralized disposal of a batch of printing ribbon scraps after storage across annual periods, and all of which were delivered to a qualified profes35023sional recycling agency for disposal and submitted to government authorities for approval as required through online reporting.

Furthermore, the Group has endeavored to promote employees' awareness regarding waste recycling and classification and placed recycling cans in living as well as production areas to increase the recycling rate of non-hazardous waste. In 2025, 72.38 tonnes of non-hazardous waste (2024: 96.68 tonnes; 2023: 102.28 tonnes) were produced, representing a decrease of 24.3 tonnes as compared with last year. Non-hazardous waste mainly comprised packaging materials, cardboard boxes, foam sponges and small amounts of domestic wastes. All of those with recovery value were delivered to qualified waste recyclers for recycled use.

All of the Group's hazardous wastes are temporarily stored in the hazardous waste storage. The "Hazardous Waste Assessment Report" has been formulated and submitted to the local competent government authorities for record. The Group has also formulated the Waste Treatment Measures to carefully distinguish and handle general waste, hazardous waste, and recyclable and reusable waste produced during the production process at the source of production lines. Relevant training has been provided to employees to ensure that waste is reasonably classified and collected for the reuse and comprehensive treatment of recyclable substances. The Group directs and encourages its partner suppliers to recycle packaging waste with recovery value and requests suppliers who can use plastic baskets as packaging materials to use plastic baskets wherever possible in order to reduce the production of packaging waste.

In 2025, the Group did not discover any material breach of laws and regulations in relation to the environment.

Aspect A2: Use of Resources

The Group is committed to making good use of resources and reducing resource consumption during its operation. The Group has formulated the Energy and Resource Management Measures as well as the Cooling System Control and Maintenance Measures to regulate the management and control of power, water, paper, oil, and raw materials. Also, the Group vigorously promotes and advocates the idea of energy conservation and consumption reduction among all employees and has implemented and reviewed the energy conservation and consumption reduction measures and assessed their effectiveness throughout the whole business process. The Group attaches particular importance to the control of resource usage starting from the stage of design and development, and all of its products have passed the national grade-I energy saving certification and environmental label certification. While guaranteeing the quality of products, the Group also endeavors to achieve rational use of resources by reducing overall use of raw materials or enhancing maintenance capacities of parts and components and improving the recycling efficiency of materials through design enhancement and design optimization.

The Group does not use/consume coal resources directly in its production and operation. Power consumption for production operations in 2025 amounted to 1,085,400 kWh (Note: power consumption for production operations amounted to 1,066,700 kWh in 2024 and 1,134,700 kWh in 2023), increasing by 18,700 kWh as compared to the previous year, of which 676,100 kWh of photovoltaic power generation was consumed, accounting for 62.3% of the total consumption.

Targeting at different product types and seasonal effects, the Group has formulated differentiated electricity consumption targets. For instance, electricity consumption of each printer is ≤0.52 kWh (the first and fourth quarters) and ≤0.84 kWh (the second and third quarters), and the average annual electricity consumption is ≤0.68 kWh. The electricity consumption of each printer head is ≤0.28 kWh (the first and fourth quarters) and ≤0.32 kWh (the second and third quarters), and the average annual electricity consumption is ≤0.30 kWh. (Note: the power consumption target is applicable only to power consumption for the assembly of such product at the workshop.) The Group keeps equipment running during short breaks and lunch breaks and adopts staff rotation to reduce the idle time of production line equipment. We arrange plan reasonably to prevent the increase in equipment waiting time arising from non-scheduled or frequent line switching. We gradually phase out the equipment with high energy consumption and encourage reduced use or switching-off of air-conditioners and the use of electric fans instead during overtime work by a small number of staff.

In 2025, household and auxiliary electricity consumption was 278,300 kWh (Note: 297,700 kWh for 2024; 449,300 kWh for 2023), decreasing by 17,400 kWh, year-on-year.

As the Group does not use water for production, our domestic water consumption is mainly used for staff drinking, central air conditioning consumption, greening, fire pool evaporation, cleaning and toilet flushing. The Group has no problem in sourcing water that is fit for use, although the annual volume annual domestic water consumption tends to fluctuate to an insignificant extent depending on factors such as staff headcount, hot climate, implementation of the cleaning system, water consumption for greening and the pandemic. The Group fosters water-saving habits through promotion of water-saving among staff. The Group uses water-saving faucets to prevent persistent water dripping, while enhancing inspection of draining, springing, dripping and leakage at water pipes in daily operation to achieve water conservation.

The Group does not use coal or natural gas in its production. Diesel is consumed only by two industrial forklifts or occasionally by the standby generator for electricity generation when the municipal power supply is suspended. (Note: the standby generator has not been put to use in 2025 as solar power generation was in operation during the entire year.) In addition, the Group has several small displacement vehicles for official business needs that consume gasoline. Mobile forklifts are only used for handling, loading and unloading goods in the factory. In 2025, consumption of diesel for forklifts was 670 litres, a decrease of 330 litres over the previous year (Note: 1,000 litres for 2024 and 1,176 litres for 2023). Small corporate business vehicles are only used for business purposes such as business trips of employees and reception of guests subject to strict control measures and approval procedures. In 2025, the consumption of gasoline 25,456 litres, a decrease of 3,047 litres over the previous year. (Note: 28,503 litres for 2024 and 31,250 litres for 2023). In 2025, the Group decommissioned 2 more motorcycles pending retirement to mitigate the environmental impact of tail gas emission and reduce gasoline consumption.

In 2025, the Group consumed 239 tonnes of packaging materials for product packaging, increasing by 7 tonnes compared to the previous year (Note: 2024: 232 tonnes; 2023: 220 tonnes), which reflected the increase in consumption of packaging materials attributable mainly to the increase in production during the year and the requirement for stronger packaging for shipments of desktop oxygen concentrators to Tibet and Qinghai. In recent years, the Group has persisted in increasing the strength of packaging by adding lamination to the exterior packaging of all products, thereby reducing one layer of inner packaging box for each product. This has helped us reduce approximately 200 tonnes or more of packaging box materials over the past year.

Aspect A3: Environment and Natural Resources

The Group consciously takes the impact of its activities and decisions on the environment into overall consideration. The Group has established, promoted and improved its environmental management system and environmental label product management system, strengthened various internal control measures, reinforced environmental monitoring and inspection and implemented strict environmental risk prevention and control measures so as to minimize the impact on the environment and natural resources during its production and operation process.

The Group also reduced the use of electricity and paper, encouraged its employees/suppliers to recycle packaging materials, office supplies and other materials to reduce the consumption of natural resources indirectly, and optimized design to reduce consumption of raw materials. The Group has obtained environmental label certification and energy saving certification for all of its products and all printer products has reached national level I energy efficiency standard.

The Group have been renting electric buses as commuting vehicles for employees since recent years and has encouraged employees to take the Group's public vehicles instead of driving their own cars, so as to reduce the impact on the environment and the consumption of natural resources.

The Group has also enhanced its maintenance of greening plants to increase the plant cover ratio of its factory area. In 2025, we have enlarged our plant cover area by 120 square metres.

Aspect A4: Climate change

I. Governance

Climate-related governance structure

With profound awareness of the significant impact of climate change on humanity and sustainability, the Group has been actively engaged in the implementation of green production and a range of energy-saving and emission-reducing measures, alongside participation in community initiatives relating to environmental protection, with a view to addressing the severe challenge climate change with solid actions. The Group has formulated the dual carbon target of "Carbon peak by 2030 and carbon neutrality by 2035", established and implemented the ISO14001 environmental management system, energy efficiency certification and environmental logo certification, in a move to enhance management of the environment, energy consumption and carbon emission.

Climate change has increased the gravity and frequency of global incidents relating to extreme weather. Apart from escalated physical risks, various national and local governments have also enhanced their climate monitoring measures and promoted technological innovation, statutory assurance, financial commitment and as well as management and governance through joint efforts of the society to address to the severe challenge. In view of the above, the Group is also subject to transition risks arising from policy changes, market trends and technological development in the course of transition to the low-carbon economy. Such risks might not only result in volatility in asset value, but might also affect the supply chain, operational efficiency and market supply / demand, thereby affecting the Group's overall operating and financial conditions. Whilst climate change has presented certain risks to the Group's operations, it has also given rise to opportunities for development. The Group seeks to reduce risks and increase opportunities in the course of addressing climate change by adopting a range of measures, such as optimizing its climate change-related initiatives and adjusting its operational strategies, with a view to delivering long-term value and facilitating sustainable development.

The Group's measures in response to climate change has been fully integrated into its corporate strategic development planning and its governance regime with the establishment of climate change management regimes in relation to four aspects: governance, strategy, risk management and benchmarks and targets, such that risk management regimes and day-to-day operational management are organically integrated and unified, underpinned by a three-tier climate governance structure comprising "Boad-management-operation" with specific responsibilities for each level, so as to provide a robust foundation for the Group's ability to address and manage climate change.

Members of the Board have brought with them long-standing management experience in environmental compliance, occupational health and safety and other areas and are adequately informed in climate-related risks to address the impact of climate change on the Group, whilst consistently enhancing awareness for climate change and risk-related contingency plans on the part of all functional departments.

The Group has been tracking policies and best practices relating to ESG and climate change in a continuous manner through routine senior management meetings, training sessions for specific areas and other means to enhance the ability of the governance body to identify and make decisions regarding climate-related risks and opportunities. The Group's management convenes regular meetings to receive working reports on climate-related matters and makes recommendations accordingly, while exercising supervision in respect of strategies, goals and material issues relating to climate, climate-related investment and climate-related risks and opportunities.

The Group's management receives reports of the Environmental Management Task Force through the annual management assessment and review and the specialized ESG meetings and monitors, manages and supervises the governance process as well as control measures and procedures by exercising approvals for relevant policies and fund allocations to projects. The management also conducts an annual examination on the Task Force's progress in fulfilling targets in respect of climate-related risks and opportunities to determine whether and how the relevant performance indicators should be incorporated into the remuneration policy for the ensuing year.

The Environmental Management Task Force is responsible for the actual implementation of climate-related work and daily management and implementation concerning climate-related risks and opportunities, facilitating the identification of risks and opportunities relating to climate change and vigorous adoption of response measures by various departments. The Task Force is also responsible for the Group's climate-related information disclosure, as well as the full implementation of the Group ISO14001 environmental management regime in implementation of the Group's policies relating to climate-related risks and opportunities. The Task Force convenes meetings on a quarterly basis to plan for, review and identify areas for improvement in implementation, as well as to conduct balancing assessment of climate-related risks and opportunities by reviewing the fulfillment of relevant environmental targets.

The Group has formulated a governance process to monitor, manage and supervise climate-related risks and opportunities, which is organically integrated with the Group's control measures such as environmental management regime and regime of energy conservation for products.

II. Strategy

Climate-related risks and opportunities, business model and value chain, and strategies and decision-making

Base on its business categories and operations an taking into account multiple perspectives such as the direction in which the sector is developing and stakeholders' concerns, the Group has developed a dynamic management mechanism for addressing the impact of climate change with the formulation of "Control Procedures for the Group and Its Scenario Analysis", "Control Procedures for Stakeholders' Demands and Expectations" and "Control Procedures for Risks and Opportunities" for managing and controlling risks and opportunities relating to the Group's environmental protection strategy and environmental management performance.

On the basis of our existing risk management framework, climate risks are being incorporated into our risk management process which ensures that such risks are within the controllable range through a process of identification, assessment and management control. Taking climate and environmental factors into full consideration in procurement, production and sales, we collaborate with our partners along the value chain in a joint effort to address climate change. To address identified risks and opportunities, assessment is conducted on the probability of materializing and the impact on our financial and business conditions and issue-specific measures are formulated complemented by regular control efforts, in an ongoing endeavour to enhance the Group's resilience against risks associated with climate change.

Climate risks and opportunities: the Group identifies and analyzes the impact of climate-related risks and opportunities on the Group value chain on a regular basis, evaluates their short-term, medium-term and long-term impact on the Group's operations and financial performance, and proposes measures to address such risks and opportunities. Climate factors are deeply integrated into our strategic planning regime, as issue-specific mitigation plans are being formulated to address risks, whilst efforts to address opportunities are focused on green transformation pathways with a special emphasis on crucial measures such as developing energy-efficient products and promoting low-carbon solutions, with a view to enabling emission reduction along the industry chain with the benefit of technological innovation and facilitating progress in climate adaptability and sustainable value in a collaborative effort.

To facilitate comprehensive understanding of and effective response to climate-related risks and opportunities, we have conducted in-depth research to identify and analyze climate factors involved in the Group's daily operations. For details of such risks and opportunities, please refer to the section headed "Risk management".

Current and prospective financial impact

Currently, the impact of climate-related factors on the Group's financial conditions is mainly reflected in investment made to facilitate environmental compliance, investment in energy-efficiency and emission reduction projects and the cost of using clean energy, among others. In general, there has not been any material and adverse impact on the Group's current profitability and cash flow. Meanwhile, growth in the demand for green products and the application of low-carbon technologies have also given rise to potential business opportunities. The Group is in the process of building an internal mechanism to track and assess any medium- to long-term impact that the aforesaid climate-related factors might have on its revenue, cost and capital expenditure, which is mainly focused on qualitative analysis at present. In future, we will continue to improve the contents of relevant reports and conduct quantitative statistics in terms of the amounts and proportion represented by assets or businesses involving climate-related risks and opportunities.

Climate resilience

The Group is exercising control over climate risks and seizing climate-related opportunities to address developments in climate change and believes that it has developed resilience for addressing climate-related changes.

In November 2023, the Group installed solar battery components (solar panels) to take advantage of the adequate sunlight received and large area at the rooftops of the production block and the office block of the plant area. The entire installation project was completed in mid-December 2023 with a design annual solar power generation capacity of approximately 1 million kWh. The clean energy generated by this solar power facility supplies electricity mainly to the production and office premises in the Group's plant area during the daytime on working days, and the excess electricity is transferred into the national electricity grid. In 2025, the total volume of photovoltaic power generation was 1,399,800 kWh, of which self-consumption accounted for 676,100 kWh, representing a self-sufficiency rate of 48.3% for photovoltaic power generation. Reduction in carbon emissions has been achieved through direct utilization of solar power generation at the office and production premises.

The Group has formulated a range of administrative measures, including the "Measures for Energy and Resource Management", "Measures for Management Control and Maintenance of Refrigeration Systems" "Environmental/ Occupational Health and Safety Impact on Stakeholders" and "Measures for Sewage and Exhaust Gas Management", to ensure achievement of its targets in energy conservation and emission reduction. The Group has implemented a number of measures.

The Group has formulated the "Emergency Rescue and Relief Plan for Environmental and Safety Incidents and "System for the Management of Accidents", among others, to ensure rapid response on the part of relevant departments in the event of unforeseen occurrence of disasters to alleviate property loss, personnel injury and impact on climate and the environment. Fire drills, chemical leakage drills and other emergency drills are being conducted on a regular basis to ensure that the Group is adequately prepared for preventive and emergency tasks, such that any impact of accidents on the environment could be prevented or alleviated.

The Group has formulated a range of operating procedures in relation to energy-efficient products and environmental logo products and such products have received energy efficiency certification and certification for environmental logo products.

III. Risk management

Through preliminary assessment and management taking into account compliance requirements, production operations and supply chain conditions on the basis of its existing risk management regime, the Group has started to identify potential risks arising from climate change, which are classified into transition risks and physical risks. Extreme weather will give rise to acute and chronic physical risks. Acute physical risks include typhoon and torrential rain, floods and high temperature, among others. Chronic physical risks include warming climate and rising sea level. Transition risks arise primarily from changes in market conditions, regulatory requirements and policies and relate to policy and law, technology, market and reputation, among others. In future, the Group will further improve its climate risk checklist, assessment methods and monitoring mechanism to form a more systematic internal control and reporting process.

Acute climate-related physical risks: the Group's acute climate-related physical risks include mainly extreme weather and high temperature caused by climate change.

Risk type	Impact on business and value chain	Timeframe of impact	Prospective financial impact	Response measures
Torrential rain, typhoon, flood	1. Extreme weather might cause damage to factories, office buildings and equipment and inventories, resulting in asset loss. 2. Extreme weather might prevent the timely delivery of production materials to the factory, resulting in shortage of materials which would affect production stability. 3. Extreme weather might halt power supply at the factory, resulting in suspension of production which would affect delivery schedules.	Short-term	Rising operating costs Decline in asset value	1. Formulation of emergency plans to address natural disasters. 2. Reinforced protection of critical equipment; purchase of insurance; adjusting work arrangements to ensure staff safety. 3. Scientific arrangement of production plans and meticulous organization of production schedules to increase operating efficiency.
High temperature	1. The Group might be required to acquire more refrigeration equipment and lengthen the operating period of the refrigeration equipment, thereby increasing operating costs. 2. High temperature might increase body energy consumption and tiredness of staff, thereby increasing the risk of staff suffering from heat-related illnesses.	Short-term	Rising operating costs	Driving technological upgrades to increase production efficiency and reduce energy consumption. Scientific and reasonable arrangement of production to avoid high-temperature outdoor operations and provision of heat stress allowance.

Chronic climate-related physical risks: the Group's chronic climate-related physical risks include mainly warming weather and rising sea level caused by climate change.

Risk type	Impact on business and value chain	Timeframe of impact	Prospective financial impact	Response measures
Warming climate	1. Continuous high temperature will increase cooling requirements and the pressure for air-conditioning in office premises, while the rate of cooling equipment failure might escalate, thereby generating additional maintenance cost and increasing the cost of equipment expenses. 2. Reduced productivity will result in increased labour cost. 3. Health risk for staff will increase. 4. Rising temperature will affect sales of products relating to winter and temperature.	Medium- and long-term	Rising operating costs Decline in asset value	1. Formulation of preparatory plans to address high temperature and provision of heat and sun protection gear and medication. 2. Ongoing optimization of energy-saving conversion for energy and ventilation systems at office premises and relevant systems and facilities to enhance energy efficiency and minimize interruption of operations. 3. Formulation of comprehensive sales plans by the sales team ahead of time to accurately assess the impact of seasonality and climate change on the sales of various products.
Rising sea level	1. Higher probability of damage to properties and assets will cause asset value to decrease. 2. Migration of office premises will increase operating cost and affect staff stability.	Medium- and long-term	Rising operating costs	Continuous monitoring of regional climate information, adopting measures to protect our equipment and facilities before the occurrence of floods and implementing relevant emergency plans.

Climate-related transition risks: mainly involving the gradual increase in market demand for energy efficiency in products, uncertainty of application of low-carbon technologies in existing products, and the operational and financial impact of measures taken by the Group to comply with climate-related laws and regulations and address changes in market mechanism.

Risk type	Impact on business and value chain	Timeframe of impact	Prospective financial impact	Response measures
Policy and legal risks	National and local laws, regulations and emerging policies will impost increasingly rigorous requirements for corporate measures to mitigate and accommodate climate change, resulting in the rise of potential compliance cost and litigation risks.	Short-, medium- and long-term	Rising operating cost Increase in compliance cost	Closely monitoring changes in environmental laws, regulations and policies and addressing such changes in a timely manner, enhancing communication with the government and regulatory authorities.
Risk associated with change in market preference	Given increasing consumer awareness for energy conservation and reduction in emission, consumers might be more inclined to choose products with low energy consumption and the inability to meet consumers' expectations in products design and product certification might result in loss of customers for the Group.	Short-, medium- and long-term	Decline in revenue Decline in profit	Active survey and research on market conditions and development of low-carbon green products to meet the needs of consumers.
Risk associated with technological innovation	Low-carbon products often require more eco-friendly raw materials of better quality and advanced energy-efficient technologies, which will result in uncertainty and costing challenge in terms of the compatibility of the Group's product design with new technologies.	Short-, medium- and long-term	Rising capital expenditure Decline in profit	Enhancing research on low-emission and energy-efficient products and increasing stack-up of technologies.
Risk of rising energy cost	As the Group's production operation is mainly using purchased electricity for energy consumption, any adjustment to its energy mix in the future might result in rising energy procurement costs for the Group energy.	Short-, medium- and long-term	Rising operating cost	Driving initiatives in resource conservation and increasing the proportion of green energy, such as solar power generation.
Reputation	Input of more resources is required in order to implement actions and benchmarks addressing climate change; climate risk management and related disclosures conducted to meet stakeholders' and public expectations will result in rising operating costs.	Short-, medium- and long-term	Rising operating cost	Products and services propagating eco-friendliness and sustainability, acquisition of relevant environmental certification to fulfill undertaking on sustainability; ongoing monitoring of and timely response to public opinion; close monitoring of policy and legislation changes relating to climate and environment in China and elsewhere.

Climate-related opportunities: accelerating low-carbon transition of society brings climate-related opportunities to the Group, as government policies support and favour the development of related industries, while market preference for green products with low energy consumption and clean energy development will facilitate cost reduction.

Opportunity type	Impact on business and value chain	Timeframe of impact	Prospective financial impact	Measures to seize opportunities
Policy support and incentives	The government might launch a range of policy incentives in connection with energy-efficient products, environmental protection and green energy, among others, which might include measures such as tax relief, technological support and allowance and market barrier concessions.	Long-term	Revenue growth	The Group will be constantly monitoring policies regarding subsidies and tax relief for sustainability and climate change as well as restrictions for carbon emission Work to obtain certification relating to energy efficiency and environmental protection will be commenced.
Market preference	As consumers begin to prioritize the purchase of eco-friendly products with low energy consumption, low-carbon production solutions and eco-friendly products with relevant certification can meet consumer demand for products with low energy consumption, and the ongoing promotion of low-carbon green products could effectively enhance the Group's reputation and extend its market reach.	Long-term	Revenue growth	In future we will continue to enhance R&D of low-carbon technologies and increase the proportion of low-carbon green products and product with low energy-consumption.
Energy consumption	Reduction in green power cost, active deployment and gradual adjustment of the energy mix for production will be conducive to the building of cost advantage	Medium-term	Reduction in operating cost	Increasing the use of solar power generation as a percentage of total energy consumption for production and operations

IV. Benchmarks and targets

Under its dual carbon target of "Carbon peak by 2030 and carbon neutrality by 2035", the Group recognizes that maintaining a forward-looking perspective and operational resilience in the course of addressing climate change is crucial for corporate development in the long term. Statistical analysis of data on greenhouse gas emission and energy consumption has been conducted on an annual basis to provide a scientific basis for green development, on the basis of which a range of targets, benchmarks and management plans in connection with energy conservation and emission reduction has been formulated taking into account our business development and opportunities arising from climate change.

For 2025, the Group has set the following targets: average electricity consumption at ≦0.7 kWh per machine unit and ≦0.28 kWh per print head; full compliance with required standards at the annual environmental inspection and tests for PCBA processing welding exhaust gas, domestic waste water, and noise at facility boundary; dot matrix printer products under proprietary brands meeting requirements for the energy-efficient logo with 100% of its product models receiving Class I energy efficiency logo; 100% recycling of hazardous waste by qualified recycling service providers; total volume of major non-hazardous waste (waste packaging materials) discharge lowering by 5% versus 2024; total water consumption lowering by 3% versus 2024. All of the above targets have been achieved.

The Group sets relevant targets at the beginning of each year and formulates a range of management plans alongside a range of power-saving and waste-reducing measures to enhance control and supervision in daily operation and implement a mechanism for swift follow-up actions and handling in the event of any issues. The status of target fulfillment is reviewed on a quarterly basis to ensure the achievement of relevant targets.

The Group places a strong emphasis on fire safety and has established a Safety Committee. Safety inspection is being conducted on a regular basis and necessary fire-fighting facilities have been installed, while fire safety training and drills are being organized to reduce the probability of fire hazards and prevent air pollution caused by fire. The Group's production processes, domestic facilities and business operations do not generate any greenhouse gas emissions. Harmful impact on climate is reduced through the use of energy-saving centralized air-conditioning, eco-friendly refrigerators, LED lights, energy-saving electric buses and novel-type fire extinguishers, among others.

The Group also prioritizes the greening of its production facilities. Plantations such as lawns and trees are laid and grown in large areas surrounding the factory area, while green plants are grown in the public terraces of the factory area, as well as the surrounding areas of the newly renovated office block. Trimming and irrigation are done regularly and trees brought down by typhoons are straightened or replanted. Through ongoing expansion of the green area and plantation rate, we endeavour to create a positive impact on the environment.

B. Social

Aspect B1: Employment

The Group strictly abides by the provisions of the PRC Labor Law and has not violated the relevant rules and regulations. The Group has signed a labor contract with each of its employees, and paid the salaries, overtime compensations and related benefits in a timely manner according to (or at a level higher than) the local minimum wage standard without any defaults. Holidays and statutory paid leave entitlements are provided in compliance with national regulations. The Group treats every employee equally so that their employment, remuneration or promotion will not be affected by their social identities such as ethnicity, race, nationality, gender, religion, age, political alignment and marital status.

The following table sets out the details of Group employees:

By employment type		By geographic region		By gender		By age	
Full-time	425	Jiangmen City	416	Male:	184	18–25	16
Part-time	0	Guangdong Province (excluding Jiangmen City)	16	Female:	270	26–40	193
Intern/Temporary Workers	29	Outside Guangdong Province	22			Over 40	245

There was a slight year-on-year decrease in the Group's staff headcount by region, gender and age groups though the change was insignificant.

The Group has established a trade union and a number of staff clubs such as football, badminton, basketball and family clubs, to which special funds are allocated on a monthly basis for the provision of a wide variety of leisure and cultural activities to its employees. The Group also arranges free regular medical check-ups for its employees annually as a token of care to cultivate a sense of belonging among employees.

In addition, the Group offers competitive remuneration packages to its employees. The Group has also adopted a share option scheme and a reward system to recognize and reward employees who have contributed to the growth and development of the Group.

An employee satisfaction survey is conducted by the Group on an annual basis and all valuable feedback from employees on how to improve the workplace environment, enhance operating efficiency and create a harmonious workplace, etc. is carefully considered. In 2025, we scored 89.9 points (2024: 88.4 points; 2023: 92.9 points) for employee satisfaction, which is 1.5 points higher as compared with the previous year.

The employee turnover rate remained at a reasonable level. In 2025, the turnover rate of staff aged below 25 was relatively higher, while staff turnover outside Guangdong Province also increased by a greater margin than the previous year. Staff turnover rates for male and female employees were lower compared to the previous year. The details are set out in the table below.

By age		**By geographic region**		**By gender**	
Under 25:	18	Jiangmen City	75	Male:	38
25~35:	21	Guangdong Province (excluding Jiangmen City)	6	Female:	54
Over 35:	53	Outside Guangdong Province	11		

Aspect B2: Health and Safety

The Group has established the Safety Committee and is committed to improving health and safety performance on an ongoing basis. The Group has established a complete occupational health and safety management system according to the ISO45001 standards, which have been consistently and effectively promoted and implemented to ensure a safe and healthy workplace environment for employees. Moreover, the Group has implemented a range of safety management and safety measures to consolidate the achievements of three-tier safety production standardization.

In the past three years, the Company has not recorded any staff fatality due to work, nor was there any loss of working days due to work-related injuries.

The Group regularly reviews the implementation and effectiveness of related measures and monitors the environmental data of the workplace. The Group has implemented additional preventive measures for risk-related positions by providing training and propagation as well as risk awareness cultivation for related personnel. The Group also distributes labour protection equipment and supervises inspection and implementation to ensure that employees perform labour protection measures as required. Employees in risk-related positions will receive regular occupational disease examination each year. On top of this, a pre-recruitment and post-recruitment occupational disease examination mechanism has also been enhanced to ensure the physical and psychological health of employees. In 2025, the Group carried out 39 (2024: 44, 2023: 54) pre-job, in-job and post-job occupational disease inspection for employees in specific positions. All employees in specific positions have received occupational disease inspection on an annual basis.

The Safety Committee performs major safety inspection on a quarterly basis and takes corrective measures in a timely manner to eliminate safety and health hazards identified. In addition to organizing training on relevant occupational health and safety risks and adopting protective measures for its employees, the Group also supervised and guided related parties and strived to enhance their safety awareness and sense of safety responsibilities by exerting due influence on them.

In 2025, the Group was not aware of any material breach of laws and regulations in relation to occupational health and safety.

Aspect B3: Development and Training

The Group strives to motivate its employees by offering clear career development paths and opportunities to enhance and improve their skills, so as to maintain their competitiveness, professional expertise and ethical standards. The Group has set up a training hall at the Group office that could accommodate more than 100 people in training sessions, equipped with a full range of training facilities and in-house trainers. In view of the pandemic, training has been conducted through a combination of online and offline modes in a vigorous effort to provide pre-job and in-job training for staff.

The details of training in 2025 are set out in the following table:

Percentage of trainees				**Average hours of training (Unit: hour)**			
By employment type		**By gender**		**By employment type**		**By gender**	
Senior management	100%	Male	100%	Senior management	53.9	Male	68.2
Middle management	100%	Female	100%	Middle management	68.3	Female	65.8
Staff/worker level	100%			Staff/worker level	76.2		

Compared to the previous year, there was a slight increase in average training hours across different levels of staff.

The Group works out detailed training programs at the beginning of each year according to the needs of employees, requirements of positions and skills required by various departments within the Group. Training programs cover different areas including management skills, sales & production, customer services, quality control, exhibition planning, code of conduct, and other industry-related skills. The Group conducts training courses according to schedule and emphasizes the effectiveness of such courses, while the HR Department of the Group conducts regular follow-ups on the implementation of various training sessions.

In particular, after the lifting of anti-epidemic control measures, the Group actively responded to the government's call by organizing online training, providing product-specific courses for all employees through Dingding and Tencent classrooms. The Group also arranged relevant staff members to actively participate in relevant training sessions organized by pertinent government departments. The Group also arranges employees to receive employee vocational skills training conducted by other professional training institutions appointed by the Group every year to further acquire know-how and skills.

Aspect B4: Labor Standards

The Group prohibits the employment of child and forced or compulsory labor in any of its operations. The HR department of the Group verifies the age of employees during the recruitment process and employs only those aged 18 and above. Employees of the Group work on a "5 days per week, 8 hours per day" basis. Employees are entitled to paid leaves as per regulations of the State. The Group provides air-conditioned workplace where employees are allowed to enjoy light music, take short breaks, or relax in other ways during work to alleviate their sense of tiredness. All employees have the rights to terminate employment with the Group freely by giving reasonable notice. In 2025, the Group was not aware of any employment of child labor or forced or compulsory labor. The Group did not receive any complaints from government authorities, nor was it required to compensate employees or subject to penalties due to violation of labor standards. When employees join the Group, the HR department thoroughly reviews their employment information (including but not limited to ID card, academic certificate, qualification proof and employment certificate from previous employers). Should any employee be found to mis-represent or hide information, the Group shall be entitled to terminate the labor contract without any compensation according to the law. If a case of forced labor is reported, the head of the department concerned shall be held accountable and dealt with as per the Group's relevant regulations.

In 2025, the Group was not aware of any material breach of laws and regulations in relation to employment of child labor or forced labor.

Aspect B5: Supply Chain Management

The Group actively promotes sustainable development of the supply chain and encourages its partners to fulfill social responsibilities in joint efforts. The Group has established long-term cooperative relationships with many suppliers and strived to ensure their compliance with the Group's commitments to quality, environmental protection, low carbon operation, safety and ethical conducts.

The Group's suppliers are mainly located within Guangdong Province and in particular the Pearl River Delta region, the number and distribution of which are set out in the following table:

By geographic region (Unit: number of suppliers)

Overseas	54	Outside Guangdong Province	32	Guangdong Province (excluding Jiangmen City)	262	Jiangmen City	40

The Group exercises prudence in its selection of suppliers and requires them to satisfy several evaluation criteria, including track records, experience, financial strength, reputation, the capability to produce high quality products, effectiveness in quality control, and responsibilities in environmental protection, safety, and public welfare. For major suppliers, the Group will establish an assessment team to perform on-site assessment on them and verify their samples before including them in the Group's list of qualified suppliers.

The Group selects suppliers in a reasonable manner based on such factors as quality, delivery date, price and service. At least two standby suppliers are maintained for each type of material. The quality, delivery date, pricing, service and other aspects of suppliers will be rated on a quantitative basis every quarter and suppliers who do not meet the required rating of the Group will be downgraded or suspended for the purposes of procurement.

In selecting qualified suppliers, relevant suppliers are required to sign the ROHS Guarantee Agreement and the ROHS Labeling Statement, while suppliers of plastic raw materials, plastic parts, packaging materials and circuit boards are required to sign the Toxic and Harmful Material Limit Guarantee Agreement. The relevant suppliers are also required to provide ROHS test reports of raw materials (such as SGS) when sending samples for confirmation. The relevant suppliers are checked every year on a sample basis and suppliers failing to meet the required levels will be required to make rectification.

Suppliers are also required to observe the Group's anti-corruption policy. The Group is dedicated to maintaining equal cooperation with its suppliers in a mutually beneficial manner. We would also conduct long-term quality monitoring and regular review of all suppliers to ensure effective influence and control on the supply chain.

Aspect B6: Product Responsibilities

The Group believes that products are at the core of corporate competitiveness. To effectively improve the product quality and protect customer rights and interests, the Group keeps strict control over product quality starting from the stage of research and development. In 2025, the Group enhanced DQA control in the quality control process with the aim of enhancing quality control over the stages of design and testing, so that product quality control could be brought forward to save the time and cost for rectification. Through comprehensive engineering testing, procurement on demand, production in strict adherence to operational guidelines, all-inclusive inspection and thoughtful after-sales services, stringent product quality control has been exercised over all subsequent stages. The Group performs multiple tests on functions and performance before delivering products to the warehouse, so as to ensure premium product quality to the satisfaction of customers.

To ensure excellence in product quality, the Group exercises rigorous quality control by adopting a set of internal product standards which is more stringent than the national standards. A number of the Group's products have received the Scientific and Technological Progress Awards granted by provincial and municipal government authorities, and the dot-matrix type printer and mini printer under the "Jolimark" brand have both been awarded the title of Provincial Famous Brand Product.

In 2025, the Group received 2 online complaints regarding services for its products. The after-sale department collaborated with the quality control department to address and handle customer complaints. Follow-up actions were also taken to contact the complainant in a timely manner regarding the handling of the complaint, with a view to understanding whether customer was satisfied with how the complaint had been handled.

The Group has set up a "400" telephone line and created a private website to facilitate timely response to customers' inquiries and requests for services. The Group also attaches great importance to online feedback on issues, as it regularly collects customers' opinions and calls upon relevant departments to act in coordination for solutions. For complaints about quality issues, the Group facilitates proper solutions through on-site handling at the customer's venue by technical support personnel or returns or replacements of products in a manner as required by the customer.

The Group assigns dedicated personnel to manage intellectual property rights and establishes a specific intellectual property rights information platform to obtain latest information on intellectual property rights and prevent any acts of infringement, while enhancing comprehensive market tracking and monitoring of products under proprietary intellectual property rights to prevent infringement by other parties. We keep track with the Company's core technical development personnel and make timely applications to China National Intellectual Property Administration or National Copyright Administration in connection with the latest technologies, products and software developed by the Company. After due examination, we obtain licensing certificates (covering invention patents, utility models, design patents and computer software copyrights) to ensure protection of the Company's technical and intellectual property rights under national regulations. A designated encrypted platform has been established for the aforesaid certificates and technical data to enhance control, management and protection of technical data.

Rules and regulations governing confidentiality have been established, whereby employees are required to sign labor contracts, confidentiality agreements and/or non-competition agreements with confidentiality provisions according to the degree of their privity to technical secrets.

The Group has strengthened the management and protection of trade secrets, regulated the business activities of technical personnel and related activities of mobile personnel involved in the development of patented technologies and formulated stringent technical information access procedures, so that each person can only access part of the core technology and cannot master the complete core technology and technical secrets are better protected. The Group has established an intellectual property product security system from the perspective of computer network, which provides authentication of computers and user identities by using the network identity authentication system and record computer usage registered by users. The Group has established a network monitoring system to monitor and limit document operations of computers so as to prevent users from copying data from the internal network system at will. The Group uses the online/off-network strategy to isolate the Group internal network system from the external networks and strictly controls the use of external equipment and network output to prevent the leaking of internal information.

During the process of technology transfer (licensing) and technological cooperation, the ownership, scope and duration of application the intellectual property rights involved, and the distribution of subsequent research achievements shall be specified in detail, and relevant legal documents shall be signed.

The Group has strengthened awareness of intellectual property rights protection in connection with its cooperation with foreign companies. The ownership of patents or trademarks is clearly defined in export agency contracts signed with foreign companies to prevent malicious and preemptive application for patents or registration of trademarks by agencies. When accepting a foreign company's commissioning for processing and production under its brand, we will require the foreign company to present documents proving that it is the holder or legal user of the patents and advanced technologies pertaining to the products, and the contracts shall clearly stipulate the legal responsibility for relevant intellectual property rights to prevent involvement in disputes over intellectual property rights.

The Group also attaches great importance to product quality and the quality of after-sales services. The Group's products are manufactured through stringent design and development processes, engineering testing and verification. Pilot production in smaller volumes and mass verification are being conducted and, if necessary, products will be delivered to customers for trial purposes. Mass production will commence after improvements have been made to solve problems identified during the test process. During the mass production, rigorous initial inspection, self-inspection, routine inspection and full-function inspection are performed in accordance with the Group's product inspection process, followed by stringent random inspection by OQC. Only products which have passed such inspections will be admitted to the warehouse.

The Group has constructed a complete sales and aftersales service network with the licensing of more than 1,300 certified sales outlets in medium-sized and large cities and tier-2 and tier- 3 cities throughout China. For products sold online, the Group strictly observes a policy of "7-day return or exchange without reason". For products within the warranty period, on-site repair services are being provided by contracted dealers. Damaged key components and parts returned by customers will be collected, verified and analyzed. Data generated from such analyses will form the basis on which improvements to product quality will be made.

While the Group seldom has access to information of end customers as its products are sold mostly through dealers, the Group nevertheless attaches great importance to the protection of customers' information and privacy. The Group has set up access permission for dealers' information and customers' information obtained through the after-sale system. Such information is used for internal statistics and analysis only and shall not be used for any commercial purposes nor disclosed to other parties. The Group also requires its dealers to refrain from disclosing customers' information and privacy to other irrelevant third parties, or using the information for any form of commercial purposes for their own profit.

Aspect B7: Anti-corruption

The Group allows zero tolerance for corruption and bribery throughout its operations. The Group has established an internal control department to conduct regular business audit in the procurement department and other relevant departments. All business contracts with third parties shall undergo professional vetting by the legal department. The Jolimark online purchase price enquiry system has been developed and put to application to enhance the Group's bargaining power in procurement and reduce the risk of embezzlement in procurement. A series of internal financial management systems have been formulated for standard management purpose, and employees in key positions such as sales are required to sign the Integrity and Compliance Commitment to ensure corruption and bribery are prevented at the origin. In 2025, there was 1 case of alleged embezzlement by abuse of position within the Group. The case has been filed and is currently under investigation pending to be concluded.

The Group has developed and published a whistle-blowing policy to encourage employees, third parties and other relevant personnel to report any suspected business misconduct in writing or verbally through designated hotlines and email addresses. Upon receipt of the report, the internal control department will carry out thorough investigations on the matter as per the Group's procedures and strictly protect the whistle-blower. Once the offence is verified, the matter will be handled in accordance with the Group's regulations. Cases of criminal offences will be handed over to the judiciary authorities.

To ensure staff compliance with relevant policies and the upkeeping of high ethical standards, the Group organizes education and training on anti-corruption and anti-bribery for the Directors and non-frontline production staff. The Group also convenes meetings to propagate relevant messages and requires employees of key positions to sign the "Undertaking of Integrity and Compliance". Employees have been warned against acts of fraud, blackmailing and money laundering.

Aspect B8: Community Investment

The Group places a strong emphasis on the promotion of community and education projects which represent areas of key concern. The Group has established "Scholarships for Outstanding Students of Jolimark Employees" (Note: in its thirteenth session in 2025) and "Jolimark Education Scholarship" and organized the "Jolimark Cup" literary creation contest for primary and secondary school students in Jiangmen. Each year, the Group allocates funds amounting to several hundred thousand to reward students who excel in character as well as academic studies. These efforts have played a good exemplary role in promoting educational undertakings, fostering an excellent ambience for learning, encouraging students to engage in active exploration, grow in self-confidence and self-reliance and pursue pluralistic development, and inspiring them to realize their potential and shine. Meanwhile, the Group sponsored "Jolimark Cup 2016–2025 Jiangmen Youth Campus Football Level-Four League" in contribution to the growth of teenage football.

To the Shareholders of Jolimark Holdings Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Jolimark Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 66 to 145, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies information.

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

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1(c) in the consolidated financial statements, which indicates that the Group incurred a net loss of approximately RMB49,610,000 during the year ended 31 December 2025. As of that date, the Group had shareholder's deficit of approximately RMB44,007,000 and net current liabilities of approximately RMB75,903,000. The Group had total bank borrowings of approximately RMB100,026,000, of which approximately RMB86,729,000 were current bank borrowings repayable within the next twelve months from 31 December 2025, while it had cash and cash equivalents of approximately RMB11,053,000 as at 31 December 2025. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. All relevant information disclosed in Note 2.1(c) has been considered, and our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key audit matter identified in our audit is related to revenue recognition.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition	
Refer to Notes 24 to the consolidated financial statements. Revenue from sales of goods amounted to approximately RMB143,420,000 for the year ended 31 December 2025. Revenue is recognised net of estimated volume discount and other customer incentives when the Group satisfies a performance obligation by transferring the control of promised good or service to a customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for that good or service. We focused on this area due to the huge volume of revenue transactions generated from sales of numerous kinds of products to a large number of customers, including direct customers and distributors, in many different locations.	We inspected agreements with major customers, on a sample basis, to understand the terms of the sales transactions including the terms of delivery, applicable rebate and discount arrangements and any sales return arrangements to assess if the Group's revenue recognition criteria were in accordance with the requirements of the prevailing accounting standards. We conducted testing of revenue transactions on a sample basis by examining the relevant supporting documents including customer contracts and orders, goods delivery notes and goods receipt records. We tested sales transactions that took place before and after the statement of financial position date, by examining relevant supporting evidence, for example, goods delivery notes and good receipt records, to assess whether revenue transactions were recognised in the appropriate reporting periods. We evaluated the key assumptions of the estimated volume discount and refund liabilities and performed recalculation. We assessed the adequacy of the related disclosures in the consolidated financial statements.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with HKSAs, we exercise professional judgment 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine 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 director on the audit resulting in this independent auditor's report is Ms. Lo Mei Yan.

Gary Cheng CPA Limited
Certified Public Accountants
Lo Mei Yan
Practising Certificate Number: P08056

Hong Kong
30 March 2026

Consolidated Statement of Financial Position

As at 31 December 2025
(All amounts in Renminbi Yuan thousands unless otherwise stated)

	Note	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	6	**40,911**	58,441
Right-of-use assets	7	**7,724**	8,115
Investment properties	8	**517**	1,181
Intangible assets	9	**80**	954
Investments accounted for using the equity method	11	**1,041**	1,119
Financial assets at fair value through other comprehensive income	12	**4,863**	9,321
Deferred income tax assets	20	**816**	124
Club membership		**431**	613
		56,383	79,868
Current assets			
Inventories	14	**39,381**	60,626
Trade and other receivables	15	**26,713**	40,930
Pledged bank deposits	16(c)	**889**	–
Restricted cash	16(b)	**107**	280
Cash and cash equivalents	16(a)	**11,053**	24,434
		78,143	126,270
Total assets		**134,526**	206,138
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital and premium	17	**9,155**	9,155
Other reserves	18	**256,586**	260,301
Accumulated losses		**(307,860)**	(258,252)
		(42,119)	11,204
Non-controlling interests		**(1,888)**	(1,873)
Total (deficit)/equity		**(44,007)**	9,331

As at 31 December 2025
(All amounts in Renminbi Yuan thousands unless otherwise stated)

	Note	2025	2024
LIABILITIES			
Non-current liabilities			
Borrowings	19	**23,297**	24,000
Lease liabilities	7	**807**	105
Provisions for other liabilities and charges	23	**383**	343
		24,487	24,448
Current liabilities			
Trade and other payables	21	**53,882**	45,272
Contract liabilities	22	**6,910**	7,201
Current tax liabilities		**207**	106
Lease liabilities	7	**865**	2,148
Borrowings	19	**91,175**	116,797
Provisions for other liabilities and charges	23	**1,007**	835
		154,046	172,359
Total liabilities		**178,533**	196,807
Total equity and liabilities		**134,526**	206,138

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

The consolidated financial statements on pages 66 to 145 were approved by the Board of Directors on 30 March 2026 and were signed on its behalf:

Mr. Au Pak Yin
Director

Mr. Au Kwok Lun
Director

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025
(All amounts in Renminbi Yuan thousands unless otherwise stated)

	Note	2025	2024
Revenue	24	**143,420**	149,737
Cost of goods sold	26	**(121,569)**	(131,363)
Gross profit		**21,851**	18,374
Other income	25	**1,954**	2,620
Selling and marketing expenses	26	**(21,945)**	(27,123)
Administrative expenses	26	**(30,787)**	(32,985)
Research and development expenses	26	**(12,865)**	(15,064)
Net impairment losses on financial assets	3.1(b)	**(159)**	(74)
Other gains – net	28	**322**	684
Other impairment losses	30	**(3,640)**	–
Operating loss		**(45,269)**	(53,568)
Finance expenses – net	29	**(4,124)**	(4,665)
Share of (loss)/gain of investments accounted for using the equity method	11	**(78)**	40
Impairment loss on the investment in associate	11	**–**	(2,154)
Loss before income tax		**(49,471)**	(60,347)
Income tax (expenses)/credit	31	**(139)**	85
Loss for the year		**(49,610)**	(60,262)
Loss attributable to:			
– Shareholders of the Company		**(49,608)**	(59,834)
– Non-controlling interests		**(2)**	(428)
		(49,610)	(60,262)
Loss per share attributable to the shareholders of the Company during the year (expressed in RMB per share)			
– Basic and diluted	32	**(0.081)**	(0.098)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025
(All amounts in Renminbi Yuan thousands unless otherwise stated)

	2025	2024
Loss for the year	**(49,610)**	(60,262)
Other comprehensive expense, net of tax		
Item that will not be reclassified to profit or loss		
Changes in the fair value of equity investments at fair value through other comprehensive income	**(3,728)**	(7,183)
Total comprehensive expense for the year	**(53,338)**	(67,445)
Total comprehensive expense for the year attributable to:		
– Shareholders of the Company	**(53,323)**	(66,649)
– Non-controlling interests	**(15)**	(796)
	(53,338)	(67,445)

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025
(All amounts in Renminbi Yuan thousands unless otherwise stated)

	Attributable to owners of the Company					
	Share capital and premium (Note 17)	Other reserves (Note 18)	Accumulated losses	Total	Non-controlling interests	Total equity/(deficit)
Balance as at 1 January 2024	9,155	267,115	(198,418)	77,852	(1,077)	76,775
Comprehensive expense						
Loss for the year	–	–	(59,834)	(59,834)	(428)	(60,262)
Other comprehensive expense	–	(6,815)	–	(6,815)	(368)	(7,183)
Total comprehensive expense for the year	–	(6,815)	(59,834)	(66,649)	(796)	(67,445)
Contributions by the shareholders of the Company recognised directly in equity						
Employee share option scheme – value of employee services	–	1	–	1	–	1
Total contributions by the shareholders of the Company recognised directly in equity	–	1	–	1	–	1
Balance as at 31 December 2024 and 1 January 2025	**9,155**	**260,301**	**(258,252)**	**11,204**	**(1,873)**	**9,331**
Comprehensive expense						
Loss for the year	**–**	**–**	**(49,608)**	**(49,608)**	**(2)**	**(49,610)**
Other comprehensive expense	**–**	**(3,715)**	**–**	**(3,715)**	**(13)**	**(3,728)**
Total comprehensive expense for the year	**–**	**(3,715)**	**(49,608)**	**(53,323)**	**(15)**	**(53,338)**
Balance as at 31 December 2025	**9,155**	**256,586**	**(307,860)**	**(42,119)**	**(1,888)**	**(44,007)**

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2025
(All amounts in Renminbi Yuan thousands unless otherwise stated)

	Note	2025	2024
Cash flows from operating activities			
Cash generated from/(used in) operations	34(a)	**5,759**	(39,646)
Income tax paid		**–**	(8)
Interest paid		**(4,051)**	(4,568)
Net cash generated from/(used in) operating activities		**1,708**	(44,222)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(2,244)**	(1,797)
Disposals of property, plant and equipment		**88**	136
Dividend received from an investee company		**267**	84
Interests received		**39**	264
Net cash used in investing activities		**(1,850)**	(1,313)
Cash flows from financing activities			
Proceeds from borrowings		**99,034**	121,397
Repayments of borrowings		**(110,035)**	(86,012)
Principal elements of lease payments		**(1,349)**	(2,707)
Net cash (used in)/generated from financing activities	34(b)	**(12,350)**	32,678
Net decrease in cash and cash equivalents		**(12,492)**	(12,857)
Cash and cash equivalents at beginning of the year		**24,434**	37,291
Cash and cash equivalents at end of the year	16	**11,942**	24,434

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

1. General information

Jolimark Holdings Limited (the "Company") was incorporated in the Cayman Islands on 22 July 2004 as an exempted company with limited liability under the Companies Law (2003 Revision) of the Cayman Islands. The address of its registered offices is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the "Group") are the manufacture and sale of printers, other electronic products and other non-electronic products mainly in the mainland of the People's Republic of China (the "Chinese Mainland").

The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 29 June 2005.

These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 30 March 2026.

2. Summary of material accounting policies

2.1 Basis of preparation

(a) Compliance with HKFRS Accounting Standards and Hong Kong Companies Ordinance Cap. 622 ("HKCO")

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the HKCO.

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the HKICPA

(b) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income ("FVTOCI"), which are carried at fair value.

(c) Going concern basis

For the year ended 31 December 2025, the Group recorded a loss of approximately RMB49,610,000 and a loss attributable to owners of the Company of approximately RMB49,608,000. As at 31 December 2025, the Group had shareholder's deficit of approximately RMB44,007,000 and net current liabilities of approximately RMB75,903,000 respectively. The Group had total bank borrowings of approximately RMB100,026,000, of which approximately RMB86,729,000 were current bank borrowings repayable within twelve months, while it had cash and cash equivalents of approximately RMB11,053,000 as at 31 December 2025.

2. Summary of material accounting policies (Continued)

2.1 Basis of preparation (Continued)

(c) Going concern basis (Continued)

Given the countrywide application of the fully digitalised electronic invoice, domestic market demand of the dot-matrix printers decreased significantly, which led to a decrease of approximately 4.2% in revenue for the Printers Segment for the year ended 31 December 2025.

The above conditions indicated the existence of a material uncertainty which may cast a significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and operating performance of the Group and its available sources of financing to assess whether the Group will have sufficient financial resources to fulfil its financial obligations to continue as a going concern. The plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position, including but not limited to the following:

(i) The Group will closely monitor its compliance of covenants related to bank borrowings and will seek for extension and renewal of its existing bank borrowings upon maturity. The Group has drawn down new loans of RMB10,000,000 from the director in September 2025. The Group also successfully renewed bank borrowings of RMB23,000,000 during January 2026 and February 2026 from its major banking facilities, with a total facility limit of RMB85,000,000. Based on past experience, the directors of the Company believe the Group's existing bank facilities will be able to be extended or renewed upon maturity as most of these borrowings are secured by the Group's land use right included in right-of-use assets;

(ii) The Group anticipates that the domestic market demand for dot-matrix printers will stabilise. The Group will continue to develop and enhance the functionalities of its dot-matrix printers and expand its sales channels. Additionally, the Group also continues to expand its product offerings in the emerging consumer printing equipment and medical equipment market. The directors of the Company are optimistic to the potential and growth of the sales which will provide steady and additional cash inflows to the Group;

(iii) The Group has taken certain strict cost and expenditures control measures during the year, and will continue to implement such measures to reduce its operating cash outflow; and

(iv) The Group obtained a standby facility of RMB45,000,000, including an unutilised principal amount of RMB35,000,000 to act as a safeguard for obtaining financial resources from the controlling shareholder when required.

2. Summary of material accounting policies (Continued)

2.1 Basis of preparation (Continued)

(c) Going concern basis (Continued)

The directors of the Company have reviewed the Group's cash flow projections prepared by the management, which cover a period of not less than twelve months from 31 December 2025. In light of the above and taking into account the anticipated net operating cash inflows as well as the above plans and measures, the directors of the Company believe that the Group will have sufficient financial resources to satisfy its future working capital requirements as and when they fall due in the coming twelve months from 31 December 2025. Accordingly, the directors of the Company consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate cash flows through:

(i) Continued availability of the existing bank facilities of the Group and the timely renewal of its bank borrowings upon maturity;

(ii) Successful implementation of the plans and measures to improve the operation performance of the business of printers and medical equipment products to generate operating cash inflow; and

(iii) Successful implementation of the measures to strictly control cost and expenditures payments to reduce operating cash outflow.

Should the Group be unable to achieve the above plans and measures such that it would not be able to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

(d) Amended standards adopted by the Group

The Group has applied the following standards, amendments and interpretations for the first time for their annual reporting period commencing 1 January 2025. The adoption of these standards, amendments and interpretation does not have significant impact on the consolidated financial statements of the Group.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

The amendments listed above did not have material impact on the Group's results and financial position for the current period and are not expected to significantly affect the current or future periods.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

2. Summary of material accounting policies (Continued)

2.1 Basis of preparation (Continued)

(e) New and amended standards and interpretations not yet adopted

Certain new accounting standards and amendments and interpretations to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments)	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standard – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Hong Kong Interpretation 5 (Revised)	Hong Kong Interpretation 5 Presentation of Financial Statements Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors of the Group are currently assessing the impact of these new accounting standards and amendments. Except for the impact on disclosure and presentation of financial statements that would be brought by HKFRS 18 as mentioned below, the directors of the Group do not anticipate that the application of the amendments in the future will have material impact on the consolidated financial statements of the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement.

2. Summary of material accounting policies (Continued)

2.2 Principles of consolidation and equity accounting

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December 2025.

(a) Subsidiaries

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

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

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

(b) Associates

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

(c) Equity method

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

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

2. Summary of material accounting policies (Continued)

2.2 Principles of consolidation and equity accounting (Continued)

(c) Equity method (Continued)

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.11.

2.3 Business combinations

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

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

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

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

2. Summary of material accounting policies (Continued)

2.3 Business combinations (Continued)

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

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

2.4 Separate financial statements

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

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

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the senior management of the Company that make strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of Group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi Yuan ("RMB"), which is the Company's functional and the Group's presentation currency.

2. Summary of material accounting policies (Continued)

2.6 Foreign currency translation (Continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss within "finance expenses – net". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within "other gains/(losses) – net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 years
Plant and machinery	3–10 years
Furniture and fixtures	5 years
Leasehold improvements	Lower of lease term or estimated useful life of 5 years
Motor vehicles	5 years

2. Summary of material accounting policies (Continued)

2.7 Property, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of profit or loss.

2.8 Investment properties

Investment properties, principally comprising leasehold property and self-owned properties, are held for long-term rental yields, and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment properties are carried at costs. An entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. Examples of evidence of a change in use include:

- commencement of owner-occupation, or of development with a view to owner-occupation, for a transfer from investment property to owner-occupied property, and

- end of owner-occupation, for a transfer from owner-occupied property to investment property.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its net book amount at the date of reclassification becomes its cost for accounting purposes.

Depreciation on investment properties is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Self-owned properties	20 years
Leased properties	Lease term

2. Summary of material accounting policies (Continued)

2.9 Intangible assets

(a) Proprietary technology and software

Proprietary technology and software are recognised at historical cost. Proprietary technology and software have a definite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost of proprietary technology and software over their estimated useful life (3 to 10 years).

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

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

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(b) Research and development

Research expenditure and development expenditure that do not meet the criteria in (b) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.10 Club membership

The useful lives of membership of the club is assessed to be definite. Membership with finite life is subsequently amortised over the useful economic life of 10 years and assessed for impairment whenever there is an indication that the membership may be impaired. The amortisation period and the amortisation method for membership with a finite useful life are reviewed at least at each financial year end.

2. Summary of material accounting policies (Continued)

2.11 Impairment of non-financial assets

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

2.12 Investments and other financial assets

(a) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and

- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income ("OCI"). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2. Summary of material accounting policies (Continued)

2.12 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Debt instruments

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

- Amortised cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognised is recognised directly in consolidated statement of profit or loss and presented in "other gains/(loss) – net".

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated statement of profit of loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the consolidated statement of profit or loss.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented in "other gains/(loss) – net".

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses) – net" in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

2. Summary of material accounting policies (Continued)

2.12 Investments and other financial assets (Continued)

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

2.13 Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. It excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The carrying amount of trade receivables is presented after netting off the expected credit losses. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 15 for further information about the Group's accounting for trade receivables and Note 2.11 for a description of the Group's impairment policies.

2. Summary of material accounting policies (Continued)

2.15 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Share capital and premium

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

Where any group company purchases the company's equity instruments, for example as the result of a share buy-back, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

2.17 Trade and other payables

Trade payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

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

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

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

2. Summary of material accounting policies (Continued)

2.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2. Summary of material accounting policies (Continued)

2.21 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Other long-term employee benefits obligations

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(c) Post-employment obligations

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

Pension obligations

The Group participates in a number of defined contribution plans in the Chinese Mainland, the assets of which are generally administrated by the relevant authority of the Chinese Mainland. The pension plans are generally funded by payments from employees and the relevant group entities. The Group pays contributions to the pension plans on a mandatory or contractual basis which are calculated as a percentage of the employees' salaries.

The Group has no legal or constructive obligations to make further payments once the required contributions have been paid, even if the plans do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

The contributions are recognised as employee benefit expenses when they are due and are not reduced by contributions forfeited by those employees who leave the scheme prior to fully vesting in the contributions.

2. Summary of material accounting policies (Continued)

2.21 Employee benefits (Continued)

(d) Long Service Payment ("LSP")

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measured on a net basis. The estimated amount of LSP obligation is determined after deducting the negative service cost arising from the accrued benefits (being projected and attributed to periods of service) derived from the Group's MPF contributions that have been vested with employees and would be used to offset the employee's LSP benefits, which are deemed to be contributions from the relevant employees.

(e) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.22 Share-based payments

The Group operates an equity-settled share-based compensation plan, under which the Group receives services from employees as consideration for shares options of the Group. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

Non-market performance and service conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The grant by the Company of options over its equity instruments to the employees of subsidiaries of the Group is treated as capital contribution to the subsidiaries in the Company's financial statements. The fair value of employee services received, measured by reference to the fair value of the options granted, is recognised over the vesting period as an increase to investment in subsidiary, with a corresponding credit to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

2. Summary of material accounting policies (Continued)

2.23 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.24 Revenue recognition

(a) Sales of goods

The principal activities of the Group are manufacture and sale of printers and other electronic products. The Group sells the products to end users mainly through third party distributors or corporate customers ("customers"). Sales are recognised when control of the products has transferred, being when the products are delivered to the specific locations designated by the customers, the customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The printers are often sold with retrospective volume discounts based on aggregate sales over a certain period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely amount, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 30-180 days, which is consistent with market practice. The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2. Summary of material accounting policies (Continued)

2.24 Revenue recognition (Continued)

(b) Provision of services

Provision of services is recognised in the accounting period in which the services are rendered.

2.25 Interest income on financial assets at amortised cost

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.26 Dividend income

Dividends are received from financial assets measured at FVTOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in other comprehensive income if it relates to an investment measured at FVTOCI. However, the investment may need to be tested for impairment as a consequence.

2.27 Dividends distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2.28 Leases

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

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

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

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

- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

2. Summary of material accounting policies (Continued)

2.28 Leases (Continued)

- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- lease payment to be made under an extension option if the Group is reasonably certain to exercise the option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

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

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

2. Summary of material accounting policies (Continued)

2.28 Leases (Continued)

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalue its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

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

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

2.29 Government grants

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

(All amounts in Renminbi Yuan thousands unless otherwise stated)

3. Financial Risk Management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

The Group's businesses are principally conducted in RMB, except for import of certain raw materials and machinery from overseas suppliers, sales of goods to overseas customers and borrowing that are denominated in United States dollars ("US$"), Japanese Yen ("JPY") and Hong Kong dollars ("HK$"). The Group's activities exposed it to foreign exchange risk arising from various currency exposures, primarily with respect to US$, JPY and HK$. The majority of its non-RMB assets and liabilities are cash and cash equivalents, trade and other receivables, trade and other payables and borrowings.

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities at the respective statement of financial position dates are as follows:

	As at 31 December	
	2025	2024
Financial assets		
– US$	**382**	1,385
– HK$	**634**	1,032
	1,016	2,417
Financial liabilities		
– US$	**1,431**	1,417
– JPY	**521**	650
– HK$	**3,421**	3,474
	5,373	5,541

As at 31 December 2025 and 2024, the Group had more financial liabilities than financial assets outside the Chinese Mainland. The Group manages and monitors its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by reducing the financial liabilities if needed. The Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk.

As at 31 December 2025, if RMB had strengthened/weakened by 5% against the US$, JPY and HK$ with all other variables held constant, post-tax loss for the year would be lower/higher by RMB183,000 (2024: RMB131,000), which is mainly attributable to net result of exchange differences on translation of US$, JPY and HK$ denominated trade and other receivables, cash and cash equivalents, borrowings and trade and other payables.

3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

The Group's major interest-bearing assets are cash and cash equivalents, restricted cash and pledged bank deposits. The maturity term of cash and cash equivalents, restricted cash and pledged bank deposits are within 12 months or at fixed rates so there would be no significant interest rate risk for these financial assets.

The Group's major interest-bearing liabilities are borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest risk which is partially offset by cash held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest risk. As at 31 December 2025, if interest rates on bank borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax loss for the year would increase/decrease by RMB1,000 (2024: RMB1,000), mainly as a result of higher/lower interest expenses on these variable rate borrowings.

The Group has not used any financial instrument to hedge its exposure to interest rate risk.

(iii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group which are classified on the consolidated statement of financial position either as financial assets at FVTOCI (Note 12). To manage its price risk arising from investments in equity securities, the Group diversified its portfolio.

The carrying amounts of financial assets at FVTOCI represent the Group's maximum exposure to price risk.

(b) Credit risk

The carrying amount of cash and cash equivalents, restricted cash, pledged bank deposits, trade receivables, bills and other receivables represent the Group's maximum exposure to credit risk at the reporting date in relation to financial assets. The Group does not hold any collateral as security.

(i) Cash and cash equivalents, restricted cash and pledged bank deposits

The Group considered that there is no significant credit risk associated with cash and cash equivalents, restricted cash and pledged bank deposits at banks since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

(ii) Trade receivables, bills and other receivables

Loss allowance provision for the trade receivables and bills and other receivables was determined as follows. The expected credit losses ("ECL") below also incorporated forward looking information, including the producer price index and consumer price index.

3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Trade receivables, bills and other receivables (Continued)

For sales of goods to customers, the Group has policies in place to ensure credit terms are only granted to customers with good credit histories and credit evaluations were conducted on them periodically, taking into account their financial position, past experience and other factors. For other customers without credit terms granted, advances are received in most cases before delivery is made. Collections of outstanding receivable balances are closely monitored on an ongoing basis to minimise such credit risk.

The Group applies the simplified approach to providing for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. The Group has large number of customers and there was no concentration of credit risk. Trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical loss rates, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

For bills receivables, the majority of bills receivables are selected bank acceptance bills issued by large or medium sized commercial banks in the Chinese Mainland, and with maturity periods normally not more than one year. Management considers the default risk from these bank acceptance bills is low as they consider that Chinese Mainland financial market is highly regulated and bankruptcy or default of Chinese Mainland financial institutions should be rare. The Group uses the expected credit loss model to determine the expected loss provision for bills receivables.

Other receivables mainly include a loan to a related party and temporary deposits. The Group uses the expected credit loss model to determine the expected loss provision for other receivables. Management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

Impairment on bill and other receivables are measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. The Group considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit loss. Management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables included in prepayments and other current assets based on historical settlement records and past experience.

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and indicators of severe financial difficulty.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Trade receivables, bills and other receivables (Continued)

As at 31 December 2025 and 2024, the loss allowance provision for trade receivables, bills and other receivables reconciles to the opening loss allowance for that provision as follows:

	Trade receivables	Bills and other receivables	Total
As at 1 January 2024	1,911	474	2,385
Receivables written off during the year as uncollectible	(1,144)	(272)	(1,416)
Impairment losses recognised, net of reversal	89	(15)	74
As at 31 December 2024	856	187	1,043
As at 1 January 2025	**856**	**187**	**1,043**
Impairment losses recognised, net of reversal	**241**	**(82)**	**159**
As at 31 December 2025	**1,097**	**105**	**1,202**

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by arranging banking facilities; the Company aims to maintain flexibility by settlement of amounts due from subsidiaries.

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty particularly over (a) the level of demand for the Group's products; and (b) the availability of bank and other finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors of the Company have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements. Further information on the Group's borrowings is given in Note 2.1 (c) and Note 19.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

3. Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
As at 31 December 2025				
Borrowings	**93,172**	**9,073**	**15,343**	**117,588**
Trade and other payables (excluding accrued payroll and other taxes payables)	**49,227**	**–**	**–**	**49,227**
Lease liabilities	**909**	**816**	**6**	**1,731**
	143,308	**9,889**	**15,349**	**168,546**
As at 31 December 2024				
Borrowings	118,875	16,456	8,228	143,559
Trade and other payables (excluding accrued payroll and other taxes payables)	40,850	–	–	40,850
Lease liabilities	2,198	106	–	2,304
	161,923	16,562	8,228	186,713

3.2 Capital risk factors

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

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total assets as shown on the consolidated statement of financial position. As at 31 December 2025, the total borrowing for the Group was RMB114,472,000 (2024: RMB140,797,000) and the gearing ratio, which is calculated by total borrowings divided by total assets was 85.1% (2024: 68.3%).

(All amounts in Renminbi Yuan thousands unless otherwise stated)

3. Financial Risk Management (Continued)

3.3 Fair value estimation

Financial assets and liabilities

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table presents the Group's financial assets that are measured at fair values at 31 December 2025 and 2024.

	2025	2024
Level 3		
Financial assets at FVTOCI (Note 12)	**4,863**	9,321
Total	**4,863**	9,321

Apart from the forementioned financial assets at FVTOCI, the Group's financial instruments recognised in the consolidated statement of financial positions are mainly cash and cash equivalents, trade and other receivables, borrowings and other financial liabilities carried at amortised cost. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivables and payables is either close to current market rates or the instruments are short-term in nature.

During the year ended 31 December 2025 and 2024, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities. There were no transfers among level 1, 2 and 3 during the year ended 31 December 2025 (2024: nil).

3. Financial Risk Management (Continued)

3.3 Fair value estimation (Continued)

Financial assets and liabilities (Continued)

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the recent market transactions for the same or a similar asset, and
- for other financial instruments – discounted cash flow analysis.

The Group manages the valuation of level 3 instruments for financial reporting purpose on a case-by-case basis. The Group assesses the fair value of the Group's level 3 instruments by using valuation techniques.

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurement:

Description	Fair value as at 31 December		Valuation techniques	Unobservable inputs	Range of significant unobservable inputs		Relationship of unobservable inputs to fair value
	2025	2024			**2025**	2024	
	RMB'000	RMB'000					
Financial assets at FVTOCI – unlisted equity securities	**509**	845	Market approach	Price Earnings Ratio ("P/E ratio")	**15.97–39.26**	14.73–66.12	The higher P/E, the higher fair value (Note 1)
	2,348	2,164	Market approach	Price-to-Book Ratio ("P/B ratio")	**0.47–1.62**	0.35–1.5	The higher P/B, the higher fair value (Note 2)
	2,006	6,312	Market approach	P/E ratio (2024: Recent market price per share)	**15.72–38.56**	26.83	The higher P/E, the higher fair value (2024: The higher recent market price per share, the higher fair value)

Note 1: An increase in P/E ratio used in the isolation would result in an increase in the fair value measurement of the Financial assets at FVTOCI, and vice versa. As a result of the volatile financial market in 2025, the management adjusted the sensitivity rate from increase and decrease of 1 time in P/E ratio for the purpose of performing the sensitivity analysis. An 1 time increase/decrease in the P/E ratio while holding all other variables constant would increase/decrease in the carrying amount of the investment by RMB29,000 (2024: RMB51,000) respectively.

Note 2: An increase in P/B ratio used in the isolation would result in an increase in the fair value measurement of the Financial assets at FVTOCI, and vice versa. As a result of the volatile financial market in 2025, the management adjusted the sensitivity rate from increase and decrease of 0.1 time in P/B ratio for the purpose of performing the sensitivity analysis. A 0.1 time increase/decrease in the P/B ratio while holding all other variables constant would increase/decrease in the carrying amount of the investment by RMB217,000 (2024: RMB200,000) respectively.

4. Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Net realisable value of inventories

Net realisable value of inventories is based on the management's best estimations of selling price of the inventories in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are made with reference to the current market conditions and the historical experience of selling goods of similar nature. It could change significantly as a result of changes in market condition. Management reassesses these estimations at each statement of financial position date.

(b) Long term assets impairment

At the end of each reporting period, the Group reviews the carrying amounts of its long-term assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. Critical Estimates and Judgements (Continued)

(c) Provision of ECL assessment on trade and other receivables

The Group make allowances on receivables based on assumptions about risk of default and expected loss rates. The Group used judgements on making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The ECL assessment is sensitive to changes in estimates. The information about the Group's trade and other receivables and the ECL are disclosed in Note 15 and Note 3.1(b) respectively.

(d) Fair value assessment of financial assets at FVTOCI

As at 31 December 2025, the Group has unlisted equity securities measured as at fair values by level 3 fair value hierarchy of approximately RMB4,863,000 (2024: RMB9,321,000) as at 31 December 2025. The fair value are determined based on significant unobservable inputs using valuation techniques, judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumption or inputs could affect the reported fair values of these instruments. Details of valuation methodologies or inputs are set out in Note 3.3(b).

(e) Estimation of provision for service warranty

The Group offers five years warranties for its printer products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information could differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives, as well as parts and labor costs. The information of the service warranty is set out in Note 23.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

5. Segment information

The directors and chief executive officer of the Group are the CODM of the Group. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM manages the Group's business from the perspective of different product lines of the Group, i.e. printers and others. The CODM assesses the performances of the operating segments based on a measure of segment revenue and segment results.

The segment revenue and results and the reconciliation with loss for the year ended 31 December 2025 are as follows:

	Printers	Other products	Total
Revenue (from external customers) (Note (a))	**124,656**	**18,764**	**143,420**
Segment results	**(8,805)**	**(4,154)**	**(12,959)**
Other income			**1,954**
Administrative expenses			**(30,787)**
Net impairment loss on financial assets			**(159)**
Other gains – net			**322**
Other impairment losses			**(3,640)**
Finance expenses – net			**(4,124)**
Share of loss of investments accounted for using the equity method			**(78)**
Income tax expenses			**(139)**
Loss for the year			**(49,610)**
Segment results include:			
Selling and marketing expenses	**(18,943)**	**(3,002)**	**(21,945)**
Research and development expenses	**(9,120)**	**(3,745)**	**(12,865)**

The segment revenue and results and the reconciliation with loss for the year ended 31 December 2024 are as follows:

	Printers	Other products	Total
Revenue (from external customers) (Note (a))	130,139	19,598	149,737
Segment results	(21,569)	(2,244)	(23,813)
Other income			2,620
Administrative expenses			(32,985)
Net impairment losses on financial assets			(74)
Other gains- net			684
Finance expenses – net			(4,665)
Share of gain of investments accounted for using the equity method			40
Impairment loss on the investment in associate			(2,154)
Income tax credit			85
Loss for the year			(60,262)
Segment results include:			
Selling and marketing expenses	(24,297)	(2,826)	(27,123)
Research and development expenses	(11,010)	(4,054)	(15,064)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

5. Segment information (Continued)

(a) Revenues from external customers are for sales of goods. There is no inter-segment sales for the year ended 31 December 2025 and 2024.

(b) The Group is domiciled in the Chinese Mainland. The revenue from external customers are as follows:

	2025	2024
In the Chinese Mainland	134,246	139,265
In overseas	9,174	10,472
	143,420	149,737

(c) Information about major customers

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

	2025	2024
Customer A	22,841	17,569
Customer B	19,363	49,465

(d) As at 31 December 2025 and 2024, the Group's non-current assets were mainly located in the Chinese Mainland.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

6. Property, Plant and Equipment

	Buildings	Plant and machinery	Furniture and fixtures	Leasehold improvements	Motor vehicles	Total
As at 1 January 2024						
Cost	74,105	208,320	21,190	7,324	12,151	323,090
Accumulated depreciation	(30,407)	(170,186)	(18,911)	(4,992)	(10,181)	(234,677)
Impairment	–	(8,693)	(195)	–	–	(8,888)
Net book amount	43,698	29,441	2,084	2,332	1,970	79,525
Year ended 31 December 2024						
Opening net book amount	43,698	29,441	2,084	2,332	1,970	79,525
Additions	–	1,738	26	33	–	1,797
Disposals	–	(355)	(6)	–	(138)	(499)
Depreciation	(2,186)	(6,994)	(335)	(784)	(796)	(11,095)
Impairment (Note (b))	–	(11,133)	(154)	–	–	(11,287)
Closing net book amount	41,512	12,697	1,615	1,581	1,036	58,441
As at 31 December 2024						
Cost	74,105	207,059	12,898	7,357	8,701	310,120
Accumulated depreciation	(32,593)	(174,536)	(10,934)	(5,776)	(7,665)	(231,504)
Impairment	–	(19,826)	(349)	–	–	(20,175)
Net book amount	41,512	12,697	1,615	1,581	1,036	58,441
Year ended 31 December 2025						
Opening net book amount	**41,512**	**12,697**	**1,615**	**1,581**	**1,036**	**58,441**
Additions	**–**	**2,244**	**–**	**–**	**–**	**2,244**
Disposals	**–**	**(396)**	**(1)**	**–**	**(1)**	**(398)**
Depreciation	**(3,313)**	**(3,654)**	**(207)**	**(765)**	**(214)**	**(8,153)**
Impairment (Note (b))	**(3,323)**	**(7,703)**	**(134)**	**(63)**	**–**	**(11,223)**
Closing net book amount	**34,876**	**3,188**	**1,273**	**753**	**821**	**40,911**
As at 31 December 2025						
Cost	**74,105**	**180,606**	**12,887**	**7,357**	**8,692**	**283,647**
Accumulated depreciation	**(35,906)**	**(149,889)**	**(11,131)**	**(6,541)**	**(7,871)**	**(211,338)**
Impairment	**(3,323)**	**(27,529)**	**(483)**	**(63)**	**–**	**(31,398)**
Net book amount	**34,876**	**3,188**	**1,273**	**753**	**821**	**40,911**

Depreciation was expensed in the following accounts in the consolidated statement of profit or loss:

	2025	2024
Cost of goods sold	**5,367**	7,433
Administrative expenses	**2,213**	3,120
Research and development expenses	**79**	78
Selling and marketing expenses	**494**	464
	8,153	11,095

6. Property, Plant and Equipment (Continued)

(a) As at 31 December 2025, approximately RMB36,702,000 (2024: RMB43,978,000) of the property, plant and equipment were pledged as collateral for the Group's bank borrowings of approximately RMB85,000,000 (2024: RMB106,000,000). The plant and machinery were released as at 31 December 2025 upon fully repayment of bank borrowings (Note 19).

(b) Impairment

The impairment occurred on two levels:

(i) Assets level impairment

The recoverable amount of land-use-rights, buildings and leasehold improvements, with carrying amount of approximately RMB46,076,000, is estimated individually by the fair value less costs of disposal ("FVLCD"). Considering the Group is loss-making for the year ended 31 December 2025, management consider this is an impairment indicator and has conducted impairment tests on long-term corporate assets which has not allocated to specific cash generated unit ("CGU").

The FVLCD is estimated using the depreciated replacement cost approach. Depreciated replacement cost is defined as "the current cost of replacement (reproduction) of a property less deductions for physical deterioration and all relevant forms of obsolescence and optimisation". It is based on an estimation of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

Key assumptions used in the valuation included estimated land cost of RMB297.67 per sq.m. and estimated construction costs of RMB1,211.38 to RMB2,082.09 per sq.m.. Cost of disposal was also considered as immaterial in the valuation. The fair value measurement is categorised into Level 3 fair value hierarchy. The land-use-rights, buildings and leasehold improvements were impaired to its recoverable amount of approximately RMB42,690,000, which is the carrying value at year end and the impairment of approximately RMB3,386,000 (2024: Nil) has been recognised in the consolidated statement of profit or loss for the year ended 31 December 2025.

(ii) CGU level impairment

Given the countrywide application of the fully digitalised electronic invoice, domestic market demand of the dot-matrix printers decreased significantly, the operating cash inflows from sales of dot-matrix printers, which was the Group's main products, were decreased during the years ended 31 December 2025 and 2024 respectively. As a result, the actual net operating cash flows or operating profit or loss flowing from the asset being used for the printer business were significantly worse than management's expectation. Both circumstances contribute to the indication of impairment of long-term assets. The management has conducted impairment tests on long-term assets accordingly.

The Group classifies the long-term assets comprising property, plant and equipment, intangible assets and right-of-use assets being used for the printer business as a CGU ("Printer CGU") to conduct impairment test of the long-term assets.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

6. Property, Plant and Equipment (Continued)

(b) Impairment (Continued)

(ii) CGU level impairment (Continued)

The recoverable amount of the Printer CGU was determined based on a VIU calculation. According to the assessment results provided by the management of the Group, the Group estimated that the relevant Printer CGU, amounting to approximately RMB8,470,000, would not generate sufficient future net cash inflows. Consequently, the recoverable amount of the CGU was determined to be nil. As a result, a full impairment loss of approximately RMB8,470,000 was recognised for the net carrying amount of this CGU during the year ended 31 December 2025.

The impairment amount related to the Printer CGU was approximately RMB8,470,000 (2024: RMB12,208,000), among which approximately RMB7,837,000 (2024: RMB11,287,000) and RMB633,000 (2024: RMB921,000) were allocated to the property, plant and equipment and intangible assets, respectively.

The impairment losses of approximately RMB8,470,000 (2024: RMB12,208,000) are included in cost of sales in the consolidated statement of profit or loss for the year ended 31 December 2025.

7. Leases

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	As at 31 December	
	2025	2024
Right-of-use assets		
Land-use rights (Note)	**5,988**	6,277
Buildings	**1,736**	1,838
	7,724	8,115
Lease liabilities		
Current	**865**	2,148
Non-current	**807**	105
	1,672	2,253

(All amounts in Renminbi Yuan thousands unless otherwise stated)

7. Leases (Continued)

(a) Amounts recognised in the consolidated statement of financial position (Continued)

Movement of right-of-use assets is shown as below:

	2025	2024
Right-of-use assets		
Opening balance as at 1 January	8,115	9,105
Additions/Modification	2,007	1,681
Termination	(1,141)	(39)
Depreciation	(1,257)	(2,632)
Ending balance as at 31 December	7,724	8,115

Note: As at 31 December 2025, Land-use rights of RMB5,988,000 (2024: RMB6,277,000) were pledged as collateral for the Group's bank borrowings of RMB85,000,000 (2024: RMB91,000,000) (Note 19).

(b) The consolidated statement of profit or loss shows the following amounts relating to leases:

	2025	2024
Depreciation charge of right-of-use assets		
Land-use rights	289	289
Buildings	968	2,343
	1,257	2,632
Interest expense (included in finance cost)	22	142
Expense relating to short-term leases	384	372
Gain on early termination of lease	98	1

The total cash outflow for leases in 2025 was approximately RMB1,755,000 (2024: RMB3,221,000).

(c) The Group's leasing activities and how leases are accounted for

For both years, the Group leases various offices and warehouses for its operations and staff quarter. Rental contracts are typically made for fixed periods of six months to five years, but they might have termination options as described in (d).

(d) Extension and termination options

Extension and termination options are included in a number of leased offices across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

7. Leases (Continued)

(e) The carrying amounts of lease liabilities are denominated in the following currencies:

	As at 31 December	
	2025	2024
RMB	**879**	1,857
HK$	**793**	396
	1,672	2,253

8. Investment Properties

	As at 31 December	
	2025	2024
Non-current assets – at cost		
Opening balance as at 1 January	**1,181**	961
Additions	**–**	631
Depreciation	**(410)**	(411)
Impairment loss recognised in profit or loss	**(254)**	–
Closing balance as at 31 December	**517**	1,181
As at year end		
Cost	**2,095**	2,727
Accumulated depreciation	**(1,324)**	(1,546)
Impairment loss recognised in profit or loss	**(254)**	–
Net book amount	**517**	1,181

The carrying amounts of investment properties situated in Hong Kong and outside Hong Kong are as follows:

	As at 31 December	
	2025	2024
In Hong Kong	**–**	315
Outside Hong Kong	**517**	866
	517	1,181

As at 31 December 2025, the Group interests situated in the Chinese Mainland and Hong Kong of two (2024: three) properties. The fair values of these investment properties were approximately of RMB1,025,000 located in Chinese Mainland (2024: RMB1,849,000 located in Chinese Mainland and RMB132,000 located in Hong Kong).

8. Investment Properties (Continued)

Amounts recognised in profit and loss for investment properties:

	As at 31 December	
	2025	2024
Rental income (Note 25)	**214**	191

(i) Fair value hierarchy

As at 31 December 2025 and 2024, as certain of significant inputs used in the determination of fair value disclosure of investment properties are arrived at by reference to certain significant unobservable market data, the fair value of all investment properties of the Group is included in level 3 of the fair value measurement hierarchy.

(ii) Valuation techniques

Fair values of the investment properties of the Group are generally derived using the term and reversionary method. This method is based on the tenancy agreements as at the respective valuation dates. The rental income derived within the tenancy agreements are discounted by adopting term yields and the potential reversionary income are discounted by adopting appropriate reversionary yields for the period beyond the rental period in the tenancy agreements. Potential reversionary income and the reversionary yields are derived from analysis of prevailing market rents. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

The higher the market rents or the lower the term yields and reversionary yields, the higher the fair value.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

9. Intangible Assets

	Goodwill	Proprietary technology (Note (i))	Software	Development cost	Total
As at 1 January 2024					
Cost	48	9,343	4,407	50	13,848
Accumulated amortisation	–	(7,737)	(2,285)	(50)	(10,072)
Impairment	–	(675)	(496)	–	(1,171)
Net book amount	48	931	1,626	–	2,605
Year ended 31 December 2024					
Opening net book amount	48	931	1,626	–	2,605
Amortisation	–	(470)	(212)	–	(682)
Impairment (Note (ii))	(48)	(226)	(695)	–	(969)
Closing net book amount	–	235	719	–	954
As at 31 December 2024					
Cost	48	7,755	4,407	–	12,210
Accumulated amortisation	–	(7,250)	(2,497)	–	(9,747)
Impairment	(48)	(270)	(1,191)	–	(1,509)
Net book amount	–	235	719	–	954
Year ended 31 December 2025					
Opening net book amount	**–**	**235**	**719**	**–**	**954**
Amortisation	**–**	**(138)**	**(103)**	**–**	**(241)**
Impairment (Note (ii))	**–**	**(17)**	**(616)**	**–**	**(633)**
Closing net book amount	**–**	**80**	**–**	**–**	**80**
As at 31 December 2025					
Cost	**48**	**7,755**	**4,407**	**–**	**12,210**
Accumulated amortisation	**–**	**(7,388)**	**(2,600)**	**–**	**(9,988)**
Impairment (Note (ii))	**(48)**	**(287)**	**(1,807)**	**–**	**(2,142)**
Net book amount	**–**	**80**	**–**	**–**	**80**

Notes:

(i) Proprietary technology mainly represents technical skill to produce printer products.

(ii) The impairment made in 2025 and 2024 relates to the Printer CGU, details please refer to Note 6.

Amortisation amounting to approximately RMB241,000 (2024: RMB682,000) was included in administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2025.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

10. Investments in Subsidiaries

The following is a list of the principal subsidiaries at 31 December 2025:

Name	Place of incorporation	Principal activities and place of operations	Particulars of issued share capital/paid-in capital	Attributable equity interest held
Directly held by the Company				
Ying Mei Investment Limited	The British Virgin Islands ("BVI")	Investment holdings/Chinese Mainland	US$50,000	100%
Kong Yue Investment Limited	BVI	Investment holdings/Chinese Mainland	US$50,000	100%
Indirectly held by the Company				
Jolimark Technology Limited	Hong Kong	Investment holding/Chinese Mainland	HK$10,000	100%
上海江諾數碼科技有限公司 Shanghai Jiangnuo Digital Technology (Note (i))	Chinese Mainland	Wholesale of business equipment and tax control equipment/Chinese Mainland	RMB2,000,000 (2024: RMB20,000,000)	100%
江門江裕映美信息科技有限公司 Jiangmen Kong Yue Jolimark Information Technology Limited	Chinese Mainland	Sales of business equipment and tax control equipment/Chinese Mainland	HK$16,050,000	100%
新會江裕信息產業有限公司 Kong Yue Electronics & Information Industry (Xinhui) Limited ("Kongyue Information")	Chinese Mainland	Manufacturing and sales of business equipment and tax control equipment/ Chinese Mainland	US$25,660,000	100%
Xin Yue Logistics Limited	Hong Kong	Logistics agent/Hong Kong	HK$2	100%
江門市江裕映美税控服務有限公司 Jiangmen Kong Yue Jolimark Tax Control Services Limited	Chinese Mainland	Marketing of tax control equipment/Chinese Mainland	RMB500,000	95%
Jolimark Printing Solutions (Hong Kong) Limited	Hong Kong	Wholesale of business equipment and tax control equipment/Hong Kong	HK$10,000	100%

(All amounts in Renminbi Yuan thousands unless otherwise stated)

10. Investments in Subsidiaries (Continued)

Name	Place of incorporation	Principal activities and place of operations	Particulars of issued share capital/paid-in capital	Attributable equity interest held
Indirectly held by the Company (continued)				
深圳映美卡莫網絡有限公司 Shenzhen Yingmei Kamo Internet Limited	Chinese Mainland	Research and development of the internet of things/Chinese Mainland	RMB10,000,000	100%
高勝科技國際集團有限公司 Gowin Technology International Holdings Limited	Hong Kong	Investment holding/Hong Kong	HK$20,002	65%
深圳市映星信息技術有限公司 Shenzhen Yingxing Information Technology Limited	Chinese Mainland	Import and export service for electronic business/Chinese Mainland	RMB3,000,000	65%
極客王電子科技（深圳）有限公司 Geek King Electronic Technology (Shenzhen) Co., Ltd.	Chinese Mainland	Import and export service for electronic business/Chinese Mainland	RMB300,000	65%
Jolimark Healthcare Technology Limited	Hong Kong	Sales of medical equipment/Hong Kong	HK$10,000	100%

Note i: the subsidiary commenced deregistration procedure on 4 December 2025.

All the subsidiaries are limited liability companies.

The names of certain of the companies referred to in these consolidated financial statements represent management's best effort in translation of the Chinese names of these companies as no English names have been registered or available.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

11. Investments Accounted for Using the Equity Method

The amounts recognised in the consolidated statement of financial position for associates are as follows:

	2025	2024
Balance as at 1 January	**1,119**	3,233
Share of (loss)/gain – net	**(78)**	40
Impairment charge (Note)	**–**	(2,154)
Balance as at 31 December	**1,041**	1,119

Note: Set out below are the associates of the Group as at 31 December 2025 and 2024. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Region of business	% of ownership interest **2025**	% of ownership interest 2024	Nature of relationship	Principal activity	Measurement method	Carrying amount **2025**	Carrying amount 2024
武漢數元網絡技術有限公司 Wuhan Shuyuan Digital Network Technology Limited Company ("Shuyuan")	Chinese Mainland	**19.60%**	19.60%	Associate	Engaged in software development, system integration and technology consulting	Equity method	**1,041**	1,119
武漢鴻瑞達信息技術有限公司 Wuhan Hong Rui Da Information Technology Limited Company ("Hong Rui Da")	Chinese Mainland	**49.20%**	49.20%	Associate	Engaged in computer system services, data processing, software applications and technology consulting	Equity method	**–**	–
新余凱易教育投資合夥企業(有限合夥) Xinyu Kaiyi Education Investment Limited Partnership ("Kaiyi")	Chinese Mainland	**19.96%**	19.96%	Associate	Engaged in asset management, investment management and project investment planning	Equity method	**–**	–
上海良標智能科技有限公司 Shanghai Liangbiao Intelligent Technology Co., Ltd.	Chinese Mainland	**35.00%**	35.00%	Associate	Engaged in intelligent equipment design, manufacturing and sales, with related import–export services.	Equity method	**–**	–

The names of certain of the companies referred to in these consolidated financial statements represent management's best effort in translation of the Chinese names of these companies as no English names have been registered or available.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

11. Investments Accounted for Using the Equity Method (Continued)

Summarised financial information of material associate

Summarised financial information in respect of the Group's material associates is set out below. The summarised financial information below represents amounts in associates' financial statements prepared in accordance with HKFRS Accounting Standards adjusted by the Group for equity accounting purposes.

Shuyuan

	As at 31 December	
	2025	2024
Current assets	**5,385**	5,764
Non-current assets	**186**	254
Current liabilities	**(260)**	(308)
Net assets	**5,311**	5,710

	2025	2024
Revenue	**3,212**	3,702
Profit or loss for the year	**(399)**	204

A reconciliation of the above summarised financial information to the carrying amount of each of the interest in Shuyuan is set out below:

Net assets of Shuyuan		
Proportion of the Group's ownership interest in Shuyuan	**19.6%**	19.6%
The Group's share of net assets of Shuyuan	**1,041**	1,119

12. Financial Assets at Fair Value through Other Comprehensive Income

	2025	2024
Level 3 – unlisted		
Balance as at 31 December	**4,863**	9,321

Notes:

(a) During the year ended 31 December 2025, the fair value losses are mainly derived from the investments in Ele-Cloud Information Technology Co., Ltd ("Ele-Cloud"). Ele-Cloud mainly engages in invoices and tax information management services solutions in Chinese Mainland.

(b) The above unlisted investments represent the Group's entity interest in Ele-Cloud. The directors of the Company have elected to designate these investments in financial assets at fair value through other comprehensive income as they are held for long-term strategic purpose.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

13. Financial Instruments by Categories

		As at 31 December	
	Note	**2025**	2024
Financial assets			
Financial assets at amortised cost			
Trade and other receivables (excluding prepayments, deposits paid to acquisition of intangible assets and other tax recoverable)	15	**17,970**	31,888
Cash and cash equivalents	16(a)	**11,053**	24,434
Restricted cash	16(b)	**107**	280
Pledged bank deposit	16(c)	**889**	–
Financial assets at FVTOCI	12	**4,863**	9,321
		34,882	65,923
Financial liabilities			
Liabilities at amortised cost			
Trade and other payables (excluding accrued payroll and other taxes payables)	21	**49,227**	40,850
Lease liabilities	7	**1,672**	2,253
Borrowings	19	**114,472**	140,797
		165,371	183,900

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

14. Inventories

	As at 31 December	
	2025	2024
Raw materials	**28,401**	46,667
Work in progress	**1,295**	2,148
Finished goods	**9,685**	11,811
	39,381	60,626

The cost of inventories recognised in the consolidated statement of profit or loss amounted to RMB121,569,000 (2024: RMB131,363,000).

During the year ended 31 December 2025, a provision of RMB1,381,000 (2024: RMB10,009,000) was made to write down the inventories (Note 26) and recognised as cost of goods sold in the consolidated statement of profit or loss.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

15. Trade and Other Receivables

	Note	As at 31 December 2025	2024
Trade receivables			
– Third parties		**16,316**	14,396
Less: loss allowance of trade receivables		**(1,097)**	(856)
	a	**15,219**	13,540
Bills receivables	b	**–**	15,617
Less: loss allowance of bills receivables		**–**	(70)
		–	15,547
Deposits paid to acquisition of intangible assets			
– Related party	36(d)	**100**	100
Prepayments			
– Third parties		**2,122**	1,557
Other receivables			
– Third parties		**9,282**	9,944
– Related party	36(d)	**95**	359
Less: loss allowance of other receivables			
– Third parties		**(104)**	(112)
– Related party		**(1)**	(5)
		9,272	10,186
		26,713	40,930

(All amounts in Renminbi Yuan thousands unless otherwise stated)

15. Trade and Other Receivables (Continued)

(a) The Group's sales to customers are generally granted with credit terms within 90 days or extended as considered appropriate by the directors of the Company. As at 31 December 2025 and 2024, the ageing analysis of the trade receivables based on invoice date is as follows:

	As at 31 December	
	2025	2024
Less than 30 days	**6,058**	7,681
31–90 days	**4,062**	3,335
91–180 days	**4,026**	2,109
181–365 days	**1,073**	415
Over 365 days	**–**	–
	15,219	13,540

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2025 a provision of approximately RMB1,097,000 (2024: RMB856,000) was made against the gross amounts of trade receivables.

(b) As at 31 December 2025 and 2024, bills receivables represent bank acceptance bills.

During the year ended 31 December 2025 and 2024, the Group entered into a series of agreements, discounting the bills receivables in the commercial banks. Under these arrangements, the Group has transferred the bank acceptance bills to the banks in exchange for cash and is prevented from selling or pledging the receivables. The Group has retained late payment and credit risk. The Group therefore continues to recognise the transferred assets in the consolidated statement of financial position.

The Group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

No bank acceptance bill is held by the Group as at 31 December 2025.

As at 31 December 2025, no transferred receivables recognised in bills receivables (2024: RMB15,436,000).

Management considers that in substance the banks collect the amounts receivable on the entity's behalf and retain the cash in settlement of the separate financing transaction. The Group therefore presents the cash inflows received from the bank as financing cash inflows and the subsequent payments by the debtor as both operating cash inflows and financing cash outflows.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

15. Trade and Other Receivables (Continued)

(c) The carrying amounts of trade and other receivables, excluding prepayments, deposits paid to acquisition of intangible assets and other tax recoverable, are denominated in the following currencies:

	As at 31 December	
	2025	2024
RMB	**17,768**	31,602
US$	**67**	142
HK$	**135**	144
	17,970	31,888

(d) As at 31 December 2025 and 2024, trade receivables of approximately RMB7,626,000 and RMB3,715,000 were past due respectively.

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB7,626,000 (2024: RMB3,715,000) which are past due as at the reporting date. Out of the past due balances, approximately RMB3,313,000 (2024: RMB589,000) has been past due 90 days or more and is not considered as in default as there are long term/on-going relationship and good repayment records from these customers. The Group does not hold any collateral over these balances.

(e) The maximum exposure to credit risk is the carrying amounts of trade and other receivables. The Group does not hold any collateral as security.

16. Cash and Cash Equivalents, Restricted Cash and Pledged Bank Deposits

(a) Cash and cash equivalents

	As at 31 December	
	2025	2024
Cash	**71**	76
Cash at bank	**10,827**	24,228
Other cash equivalents	**155**	130
	11,053	24,434
Pledged bank deposits (Note (c))	**889**	–
	11,942	24,434

	As at 31 December	
	2025	2024
Cash and cash equivalents		
Denominated in:		
RMB	**11,127**	22,303
US$	**315**	1,243
HK$	**500**	888
	11,942	24,434

16. Cash and Cash Equivalents, Restricted Cash and Pledged Bank Deposits (Continued)

(a) Cash and cash equivalents (Continued)

The maximum exposure to credit risk is the carrying amounts of cash and cash equivalents.

As at 31 December 2025, included in cash and bank balance of the Group was approximately RMB11,127,000 (2024: RMB22,303,000) of bank balance denominated in RMB placed with bank in the Chinese Mainland. RMB is not a freely convertible currency. Under the Chinese Mainland Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks in the Chinese Mainland that are authorised to conduct foreign exchange business.

(b) Restricted cash

As at 31 December 2025 and 2024, restricted cash held at banks amounted to approximately RMB107,000 (2024:RMB280,000) is legally frozen due to the legal claims as set out in Note 23.

(c) Pledged bank deposits

Pledged bank deposits carry fixed interest rate of 1% and represent deposits pledged. Deposits amounting to approximately RMB889,000 have been pledged to secure bill payable and are therefore classified as current assets. The pledged bank deposits will be released upon the settlement of bill payable.

17. Share Capital and Premium

	Number of ordinary shares of HK$0.01 each	Nominal value of ordinary shares HK$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Authorised					
Balance as at 31 December 2024 and 2025	10,000,000,000	100,000			
Issued and fully paid					
Balance as at 1 January 2024, 31 December 2024 and 31 December 2025	612,881,500	6,129	6,402	2,753	9,155

(All amounts in Renminbi Yuan thousands unless otherwise stated)

18. Other Reserves

	Merger reserve (Note (i))	Statutory reserve fund and enterprise expansion fund (Note (ii))	Share option reserve (Note (iii))	Financial assets at FVTOCI	Total
Balance as at 1 January 2024	136,904	106,633	17,423	6,155	267,115
Employee share option scheme – value of employee services	–	–	1	–	1
Revaluation – net (Note 12)	–	–	–	(7,183)	(7,183)
NCI share in revaluation – gross	–	–	–	368	368
Balance as at 31 December 2024	136,904	106,633	17,424	(660)	260,301
Balance as at 1 January 2025	**136,904**	**106,633**	**17,424**	**(660)**	**260,301**
Revaluation – net (Note 12)	**–**	**–**	**–**	**(3,728)**	**(3,728)**
NCI share in revaluation – gross	**–**	**–**	**–**	**13**	**13**
Balance as at 31 December 2025	**136,904**	**106,633**	**17,424**	**(4,375)**	**256,586**

(i) Merger reserve of the Group represents the difference between the share capital of subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange pursuant to the reorganisation undertaken by the Group in preparation of the listing of the shares of the Company on the Stock Exchange which has been set out in the Prospectus of the Company dated 20 June 2005.

(ii) In accordance with relevant rules and regulations applicable to foreign investment company in the Chinese Mainland, the Group's certain subsidiaries are required to make appropriations from net profit, after offsetting accumulated losses from prior years to Statutory Reserve Fund and Enterprise Expansion Fund before it distributes profit to its shareholders. The appropriation to Statutory Reserve Fund should be 10% of its profit after taxation calculated under Chinese Mainland accounting rules and regulations, until the accumulated total of the fund reaches 50% of the registered share capital of the company and appropriation to Enterprise Expansion Fund is solely determined by the board of directors of the company. The Statutory Reserve Fund can be used to offset accumulated losses brought forward from prior years or, upon approval by the relevant authority to increase the share capital of the company, the Enterprise Expansion Fund can only be used to increase share capital of the company upon approval by the relevant authority.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

18. Other Reserves (Continued)

(iii) Share options reserve

The following tables disclose details of the Company's share options held by the employees and movements in such holding during the year.

For the year ended 31 December 2025:

Date of grant	Exercise price per share (HK$)	Vesting period	Exercisable period	Number of share options					
				Outstanding as at 1 January 2025	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	Outstanding as at 31 December 2025
25 September 2020 (Note (a) and Note (b))	0.13	25 September 2020 to 25 September 2024	25 September 2021 to 25 September 2026	700,000	–	–	–	–	700,000
				700,000	–	–	–	–	700,000
		Exercisable at the end of the year		175,000	–	–	–	–	175,000
		Weighted average exercise price (HK$)		0.13	–	–	–	–	0.13

(a) The first 25% of the option can be exercised at any time on and after the first anniversary of the grant of the option. The next 25% of the option can be exercised at any time commencing from the second anniversary of the grant of the option. The third 25% of the option can be exercised at any time commencing from the third anniversary of the grant of the option. The fourth 25% of the option can be exercised at any time commencing from the fourth anniversary of the grant of the option.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

18. Other Reserves (Continued)

(iii) Share options reserve (Continued)

The following tables disclose details of the Company's share options held by the employees and movements in such holding during the year. (Continued)

For the year ended 31 December 2024:

				Number of share options					
Date of grant	Exercise price per share (HK$)	Vesting period	Exercisable period	Outstanding as at 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year (Note (b))	Cancelled during the year (Note (b))	Outstanding as at 31 December 2024
25 September 2020 (Note (a) and Note (b))	0.13	25 September 2020 to 25 September 2024	25 September 2021 to 25 September 2026	1,600,000	–	–	–	(900,000)	700,000
				1,600,000	–	–	–	(900,000)	700,000
		Exercisable at the end of the year		400,000	–	–	–	–	175,000
		Weighted average exercise price (HK$)		0.13	–	–	–	0.13	0.13

(a) The first 25% of the option can be exercised at any time on and after the first anniversary of the grant of the option. The next 25% of the option can be exercised at any time commencing from the second anniversary of the grant of the option. The third 25% of the option can be exercised at any time commencing from the third anniversary of the grant of the option. The fourth 25% of the option can be exercised at any time commencing from the fourth anniversary of the grant of the option.

(b) During the year ended 31 December 2024, 900,000 shares were forfeited and reversed in the consolidated statement of profit or loss and other reserve account.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

19. Borrowings

	As at 31 December	
	2025	2024
Non-current		
Guaranteed bank borrowing (Note (a))	**15,000**	10,000
Secured bank borrowing (Note (b))	**–**	21,000
Less: current portion of non-current borrowings	**(1,703)**	(7,000)
Unsecured loan from a director (Note (c))	**10,000**	-
	23,297	24,000
Current		
Guaranteed bank borrowing(Note (a))	**26**	534
Secured bank borrowing (Note (b))	**85,000**	100,397
Current portion of non-current borrowings	**1,703**	7,000
– Guaranteed bank borrowing	**1,703**	6,000
– Secured bank borrowing	**–**	1,000
Unsecured bank borrowing (Note (d))	**–**	4,500
Unsecured loan from an associate (Note (e))	**2,000**	2,000
Unsecured loan from a non-controlling shareholder (Note (f))	**2,446**	2,366
	91,175	116,797
Total borrowings	**114,472**	140,797

(a) The bank borrowings of approximately RMB15,026,000 (2024: RMB10,534,000) were guaranteed by the directors of the Group, Mr. Au Pak Yin and Mr. Au Kwok Lun, which bears an interest rate range from 2.50% to 3.15% per annum (2024: 2.50% to 3.10%).

Of the guaranteed bank borrowing, approximately RMB26,000 (2024: RMB534,000) include a clause that gives the lender the unconditional right to call the loans at any times and were classified as current liabilities.

(b) As at 31 December 2025, property, plant and equipment of approximately RMB36,702,000 (2024: RMB43,978,000) and land use right (recorded as right of use assets) of approximately RMB5,988,000 (2024: RMB6,277,000) were pledged as collateral for the Group's bank borrowings of approximately RMB85,000,000 (2024: RMB106,000,000).

The amounts presents bank borrowings bearing fixed interest rates ranging from 2.90% to 3.60% (2024: 3.50% to 3.60%) as at 31 December 2025.

As at 31 December 2024, of the secured bank borrowings, approximately RMB15,397,000 is related to transferred receivables, which are recognised as bill receivables (Note 15) and bear and annualised interest rate from 1.07% to 2.30%.

(c) This balance represents an unsecured loan of RMB10,000,000 from Mr. Au Kwok Lun, a director of the Company and payable on maturity date. The borrowings bear an interest rate of 2.50% per annum.

(d) As at 31 December 2024, the unsecured borrowings of approximately RMB4,500,000 bears an interest rate of 3.6% and was repayable in November 2025.

(e) The balance represents an unsecured loan from an associate of RMB2,000,000 (2024: RMB2,000,000) was originally repayable in April 2025 with interest rate of 0.5% per annum. In September 2025, the repayment term was extended to September 2026.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

19. Borrowings (Continued)

(f) The loan from a non-controlling shareholder was originally interest free and repayable in June 2016. The loan became repayable on demand and the due interest was bearing at 5% per annum until the repayment date.

(g) The fair values of the borrowings approximate their carrying amount, as the impact of discounting is not significant.

(h) The Group has the following undrawn loan facilities:

	As at 31 December	
	2025	2024
– Expiring within one year	**87,459**	98,103
– Expiring beyond one year	**–**	–
	87,459	98,103

(i) The maturity of the borrowings is as follows:

	As at 31 December	
	2025	2024
Less than 1 year	**91,175**	116,770
1 to 2 years	**18,704**	16,027
2 to 5 years	**4,593**	8,000
	114,472	140,797

(j) The carrying amounts of the borrowings are denominated in the following currencies:

	As at 31 December	
	2025	2024
RMB	**112,000**	137,897
HK$	**2,472**	2,900
	114,472	140,797

20. Deferred Income Tax

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at 31 December	
	2025	2024
To be realised over 1 year:		
Before offsetting:		
Deferred income tax assets	**1,180**	630
Deferred income tax liabilities	**(364)**	(506)
After offsetting:		
Deferred income tax assets	**816**	124
Deferred income tax liabilities	**–**	–

(All amounts in Renminbi Yuan thousands unless otherwise stated)

20. Deferred Income Tax (Continued)

The net movements on the deferred income tax are as follows:

	As at 31 December	
	2025	2024
Balance as at 1 January	**124**	(2,360)
(Charged)/credited to		
– Consolidated statement of profit or loss	**(38)**	24
– Other comprehensive income	**730**	2,460
Balance as at 31 December	**816**	124

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities

	Changes in fair value of financial assets at FVTOCI over the tax bases	Investment properties	Rights-of-use assets	Total
As at 1 January 2024	(2,360)	–	(1,208)	(3,568)
(Credited)/charged to				
– Consolidated statement of profit or loss	–	(53)	755	702
– Other comprehensive income	2,460	–	–	2,460
As at 31 December 2024	100	(53)	(453)	(406)
As at 1 January 2025	**100**	**(53)**	**(453)**	**(406)**
Charged to				
– Consolidated statement of profit or loss	**–**	**53**	**89**	**142**
– Other comprehensive income	**730**	**–**	**–**	**730**
As at 31 December 2025	**830**	**–**	**(364)**	**466**

(All amounts in Renminbi Yuan thousands unless otherwise stated)

20. Deferred Income Tax (Continued)

Deferred income tax assets

	Lease liabilities
As at 1 January 2024	1,208
Charged to	
– Consolidated statement of profit or loss	(678)
As at 31 December 2024	530
As at 1 January 2025	**530**
Charged to	
– Consolidated statement of profit or loss	**(180)**
As at 31 December 2025	**350**

Deferred income tax assets are recognised for tax loss carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

As at 31 December 2025, the Group estimated unused tax losses of approximately RMB189,552,000 (2024: RMB171,244,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB182,314,000 (2024: RMB164,030,000) that can be carried forward for five years from the year in which the respective loss arose. Other unrecognised tax losses may be carried forward indefinitely.

Under the laws and regulations in Taiwan, withholding tax of 21% (2024: 21%) imposed on dividends distributed in respect of profits earned by investee company located in Taiwan.

PRC withholding income tax of 10% shall be levied on the dividends declared by the companies established in the PRC to their foreign investors out of their profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated or operated in Hong Kong and fulfill the requirements to the tax treaty arrangements between the PRC and Hong Kong. Deferred tax assets have not been recognised for such losses at the reporting date due to the unpredictability of future profit streams in the relevant subsidiaries in the PRC and/or Hong Kong.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

21. Trade and Other Payables

	Note	As at 31 December 2025	2024
Trade payables			
– Third parties	a	**37,985**	26,874
Bills payable	b	**889**	–
Other payables and accrued expenses			
– Third parties	c	**13,684**	12,362
– Related parties	36(d)	**277**	4,779
Refund liabilities			
– Third parties	d	**651**	861
Dividends payable		**396**	396
		53,882	45,272

(a) As at 31 December 2025 and 2024, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 December 2025	2024
Less than 30 days	**15,211**	4,755
31–90 days	**14,137**	14,051
91–180 days	**7,205**	6,606
181–365 days	**64**	385
Over 365 days	**1,368**	1,077
	37,985	26,874

The average credit period on purchases of goods is 121 days (2024: 113 days).

(b) These relate to trade payables in which the Group has issued bills to the relevant supplier for settlement of trade payables. The supplier can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the supplier without further extension. In the consolidated statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

(c) Other payables and accrued expenses mainly consist of accrued employee costs, deposits received and payables for other operating expenses.

(d) Refund liabilities are recognised for volume discounts payable to customers.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

21. Trade and Other Payables (Continued)

(e) The carrying amounts of trade and other payables are denominated in the following currencies:

	As at 31 December	
	2025	2024
RMB	**51,774**	43,027
US$	**1,431**	1,417
JPY	**521**	650
HK$	**156**	178
	53,882	45,272

22. Contract liabilities

(a) The Group has recognised the following liabilities related to contracts with customers:

	As at 31 December	
	2025	2024
Contract liabilities		
– Sales contracts of printers	**6,910**	7,201

(b) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the year		
– Sales contracts of printers	**6,709**	15,939

(c) Unsatisfied performance obligations

As at 31 December 2025, the transaction price allocated to all performance obligations not yet satisfied by the Group was from contracts with original expected duration of more than one year is approximately RMB492,000 (2024: RMB414,000).

(All amounts in Renminbi Yuan thousands unless otherwise stated)

23. Provisions for other liabilities and charges

	As at 31 December					
	2025			2024		
	Current	**Non-current**	**Total**	Current	Non-current	Total
Warranties provision (Note (i))	**483**	**383**	**866**	469	343	812
Legal claims (Note (i))	**524**	**–**	**524**	366	–	366
	1,007	**383**	**1,390**	835	343	1,178

(i) Information about individual provisions and significant estimates

Warranties provision

The warranties provision represents management's best estimate of the Group's liability under 5-year assurance-type warranty granted on certain printer products, based on prior experience.

Legal claims

During the year ended 31 December 2025 and 2024, the Group had a dispute with the former employees. Provision has been made against the legal claims according to the court's judgement.

(ii) Movement in provisions

Movements in each class of provision during the financial year are set out below:

	2025		
	Service warranties	**Legal claims**	**Total**
Carrying amount at beginning of the year	**812**	**366**	**1,178**
Charged to profit or loss	**54**	**158**	**212**
Carrying amount at end of the year	**866**	**524**	**1,390**

	2024		
	Service warranties	Legal claims	Total
Carrying amount at beginning of the year	–	–	–
Charged to profit or loss	812	366	1,178
Carrying amount at end of the year	812	366	1,178

(All amounts in Renminbi Yuan thousands unless otherwise stated)

24. Revenue

(a) Revenue from contracts with customers

	2025	2024
Sales of goods – at a point in time		
– Printers	**124,656**	130,139
– Other products	**18,764**	19,598
	143,420	149,737

(b) The Group is domiciled in the Chinese Mainland. The revenues from external customers were as below:

	2025	2024
In the Chinese Mainland	**134,246**	139,265
In other countries	**9,174**	10,472
	143,420	149,737

25. Other Income

	2025	2024
Interest income of bank deposits	**39**	264
Interest income from an associate (Note 36(b))	**6**	129
Dividend received from an investee company	**267**	84
Government subsidies (Note)	**409**	1,059
Rental income from investment properties (Note 8)	**214**	191
Other rental income	**117**	214
Service income	**889**	535
Others	**13**	144
	1,954	2,620

Note: The government subsidies mainly included the value added tax ("VAT") refund and subsidies granted from certain government authorities in the Chinese Mainland for the Group's technology improvement on production skills and research as a High and New Technology Enterprise in the Chinese Mainland. All subsidies received from governments were non-recurring in nature with one-off conditions attached, which has been satisfied by the Group.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

26. Expenses by Nature

	2025	2024
Depreciation and amortisation	10,243	15,002
– Property, plant and equipment	8,153	11,095
– Right-of-use assets	1,257	2,632
– Intangible assets	241	682
– Investment properties	410	411
– Club membership	182	182
Raw materials and consumables recognised in cost of goods sold and expenses	97,746	88,319
Employee benefit expenses	50,313	53,142
Transportation expenses	3,788	4,120
Travel and entertainment expenses	2,687	4,043
Repairs and maintenance	1,766	2,641
Outsourcing labor costs	42	31
Expenses relating to short-term leases	384	372
Provision for inventories	1,381	10,009
Service fees for product development	1,543	2,221
Auditor's remuneration	950	750
– Audit services	800	750
– Non-audit services	150	–
Advertising and promotion fees	2,233	1,863
Impairment losses of intangible assets and property, plant and equipment	8,470	12,256
Legal and professional fees	242	2,542
Provision for legal cases	158	366
Others	5,220	8,858
	187,166	206,535

27. Employee Benefit Expenses

	2025	2024
Wages and salaries	39,151	42,340
Employee share option scheme – value of employee services (Note 18)	–	1
Staff welfare and insurance	4,958	5,204
Pension costs – defined contribution plans	6,204	5,597
	50,313	53,142

(All amounts in Renminbi Yuan thousands unless otherwise stated)

27. Employee Benefit Expenses (Continued)

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2024: one) director whose emoluments are reflected in the analysis in benefits and interests of directors (Note 38). The emoluments payable to the remaining four (2024: four) out of the five highest paid individuals during the year are as follows:

	2025	2024
Salaries and other benefits	1,574	1,553
Retirement scheme contributions	150	70
Compensation for loss of office:		
– Contractual payment	–	945
	1,724	2,568

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
Emolument bands (in HK dollar)		
HK$0–HK$1,000,000	4	4

28. Other Gains – Net

	2025	2024
Foreign exchange (losses)/gains – net	(55)	170
Losses from disposal of property, plant and equipment	(310)	(363)
Gain on early termination of lease	98	1
Written off of prepayments	–	(313)
Written off of trade and other payables	–	277
Compensation income	–	200
Recovery of impairment loss on other receivable previously recognised	321	–
Others	268	712
	322	684

(All amounts in Renminbi Yuan thousands unless otherwise stated)

29. Finance Expenses – net

	2025	2024
Interest expenses on:		
– Bank borrowings	3,598	4,082
– Discounted bills with recourse	159	344
– Discounted bills without recourse	219	–
– Lease liabilities	22	142
– Loan from a director	53	–
– Loan from a non-controlling shareholder	80	81
Exchange (gain)/loss on bank borrowings	(7)	16
	4,124	4,665

30. Other Impairment Losses

	2025	2024
Impairment losses recognised in respect of:		
– Property, plant and equipment (Note 6)	3,386	–
– Investment properties (Note 8)	254	–
	3,640	–

31. Income Tax Expenses/(Credit)

	Note	2025	2024
Current income tax expenses			
– Hong Kong profits tax	a	64	129
– Corporate income tax	b	–	–
– Dividend withholding tax	c	37	18
		101	147
Under/(over) provision in prior years			
– Hong Kong profits tax	a	–	101
– Corporate income tax	b	–	(309)
		–	(208)
Deferred income tax		38	(24)
		139	(85)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

31. Income Tax Expenses/(Credit) (Continued)

The income tax on the Group's loss before taxation differs from the theoretical amount that would arise using the enacted tax rate of the home countries of the Group entities as follows:

	2025	2024
Loss before income tax	(49,471)	(60,347)
Tax calculated at applicable corporate income tax rate	(9,385)	(10,899)
Tax losses for which no deferred income tax assets were recognised	6,728	7,875
Additional deductible allowance for research and development expenses	(1,125)	(1,250)
Utilisation of previously unrecognised tax losses	(44)	–
Effect of share of profit or loss of an associate	(12)	(6)
Effect of dividend income not subject to tax	(59)	–
Effect of expenses not deductible for tax purposes	1,552	2,180
Effect of income not taxable for tax purpose	(44)	(1,924)
Effect on deductible temporary difference not recognised	2,549	4,238
Withholding income tax	37	18
Income tax at concessionary rate	(53)	(106)
Tax concession	(5)	(3)
Over-provision in prior years	–	(208)
	139	(85)

31. Income Tax Expenses/(Credit) (Continued)

(a) Hong Kong profits tax

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

(b) Corporate income tax

The main business of the Group is conducted by Kong Yue Electronics & Information Industry (Xinhui) Limited ("Kongyue Information"), which is a foreign investment company based in Jiangmen City, the Chinese Mainland. The corporate income tax (the "CIT") of Kongyue Information is provided for on the basis of its profit reported in the Chinese Mainland statutory financial statements, adjusted for income and expenses items, which are not assessable or deductible for income tax purpose.

Pursuant to the Chinese Mainland Corporate Income Tax Law (the "CIT Law"), the CIT rate is 25%. As Kongyue Information has been qualified as High and New Technology Enterprises ("HNTE") for three years from 2023 to 2026, it enjoys a preferential CIT rate at 15% (2024:15%) for the year ended 31 December 2025. The effective CIT rate of other group entities in the Chinese Mainland is 25% (2024: 25%).

(c) Dividend withholding tax

Pursuant to the Detailed Implementation Regulations for implementation of the CIT Law issued on 6 December 2007, dividends distributed out from the profits generated by the Chinese Mainland companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding tax rate may be applied when the immediate holding companies of the Chinese Mainland subsidiaries are established in Hong Kong and fulfil the requirements to the tax treaty arrangements between the Chinese Mainland and Hong Kong.

Withholding tax of 21% is imposed on dividends distributed in respect of profits earned by investee company located in Taiwan that are received by non-Taiwan resident entity.

During the years ended 31 December 2025 and 2024, no provision for dividend withholding tax is necessary.

(d) Overseas income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2013 Revision) of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. Subsidiaries of the Company in the BVI are incorporated under the International Business Companies Act of the BVI and, accordingly, are exempted from income tax in the BVI.

32. Loss Per Share

Basic loss per share is calculated by dividing the loss attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding on an assumption of conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are share options. The 700,000 (2024: 700,000) options granted and remained unexercised are not included in the calculation of diluted loss per share because they are antidilutive for the year ended 31 December 2025. These options could potentially dilute basic loss per share in the future.

	2025	2024
Loss attributable to the shareholders of the Company (RMB'000)	**(49,608)**	(59,834)
Weighted average number of ordinary shares in issue (shares in thousands)	**612,882**	612,882
Basic and diluted loss per share (RMB per share)	**(0.081)**	(0.098)

33. Dividends

No dividend was paid or declared or proposed for ordinary shareholders of the Company for both years, nor has any dividend been proposed since the end of the reporting period.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

34. Cash flow information

(a) Cash used in operating activities

	2025	2024
Loss before income tax	**(49,471)**	(60,347)
Adjustments for:		
– Depreciation and amortisation (Note 26)	**10,243**	15,002
– Gains on early termination of lease	**(98)**	(1)
– Losses from disposal of property, plant and equipment (Note 28)	**310**	363
– Net impairment losses on financial assets (Note 3.1(b))	**159**	74
– Provision for service warranties	**54**	812
– Provision for legal claims	**158**	366
– Provision for inventories (Note 26)	**1,381**	10,009
– Interest income (Note 25)	**(45)**	(393)
– Employee share option scheme – value of employee services (Note 27)	**–**	1
– Finance expenses – net (Note 29)	**4,124**	4,665
– Impairment loss of intangible assets and property, plant and equipment and investment properties (Note 26 and Note 30)	**12,110**	12,256
– Impairment loss on the investment in associate (Note 11)	**–**	2,154
– Share of loss/(gain) of investments accounted for using the equity method (Note 11)	**78**	(40)
– Dividend income from an investee company (Note 25)	**(267)**	(84)
– Written off of trade and other payables (Note 28)	**–**	(277)
– Written off of prepayments (Note 28)	**–**	313
	(21,264)	(15,127)
Changes in working capital:		
– Inventories	**19,864**	(537)
– Trade and other receivables	**(1,333)**	(15,292)
– Restricted cash	**173**	(280)
– Contract liabilities	**(291)**	(9,172)
– Trade and other payables	**8,610**	762
Cash generated from/(used in) operations	**5,759**	(39,646)

(All amounts in Renminbi Yuan thousands unless otherwise stated)

34. Cash flow information (Continued)

(b) Reconciliation of liabilities arising from financing activities

	Liabilities arising from financing activities		
	Borrowings (Note 19)	Lease Liabilities (Note 7)	Total
As at 1 January 2025	**140,797**	**2,253**	**143,050**
Financing cash flows	**(11,001)**	**(1,349)**	**(12,350)**
Addition/modification of leases	**–**	**2,007**	**2,007**
Early termination of lease	**–**	**(1,239)**	**(1,239)**
Interest expenses recognised	**4,109**	**22**	**4,131**
Interest payments presented as operating cash flows	**(4,029)**	**(22)**	**(4,051)**
Foreign exchange adjustments	**(7)**	**–**	**(7)**
Discount arrangement of notes receivables	**(15,397)**	**–**	**(15,397)**
As at 31 December 2025	**114,472**	**1,672**	**116,144**

	Liabilities arising from financing activities		
	Borrowings (Note 19)	Lease liabilities (Note 7)	Total
As at 1 January 2024	111,034	2,688	113,722
Financing cash flows	35,385	(2,707)	32,678
Addition of leases	–	2,312	2,312
Early termination of lease	–	(40)	(40)
Interest expenses recognised	4,507	142	4,649
Interest payments presented as operating cash flows	(4,426)	(142)	(4,568)
Foreign exchange adjustments	16	–	16
Discount arrangement of notes receivables	(5,719)	–	(5,719)
As at 31 December 2024	140,797	2,253	143,050

35. Capital commitments

The future aggregate minimum payments of property, plant and equipment and intangible assets are as follows:

	2025	2024
Not later than 1 year	**100**	306

36. Related-party Transactions

Mr. Au Pak Yin controls 100% of Au Pak Yin, Tai Noi Kit Family Holdings Limited and in turn control 100% of Kytronics Growth Limited and Kytronics Holdings Limited ("Kytronics"). Mr. Au Pak Yin controls the 72.61% shareholdings of Kytronics in the Company.

In addition to those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties.

(a) Name and relationship with related parties

Name	Relationship
Au Pak Yin, Tai Noi Kit Family Holdings Limited	Ultimate holding company of the Company (incorporated in British Virgin Islands)
Mr. Au Pak Yin	Ultimate beneficial owner and also the director of the Company
Au Family	Beneficial owners of the Company including Mr. Au Pak Yin, Ms. Tai Noi Kit, Mr. Au Kwok Lun, Mr. Ou Guo Liang and Ms. Ou Ri Ai
Close Au Family Members	Close family members of Au Family
江門麗宮國際酒店 Palace International Hotel ("Palace")	Company controlled by close Au Family Members
江門麗宮國際食品股份有限公司 Jiangmen Palace International Food, Inc. ("Palace Food")	Company controlled by Mr. Au Pak Yin
至和健康產業(香港)有限公司 Consolife Healthcare Limited ("Consolife Healthcare")	Company controlled by close Au Family Members
江裕科技園(新會)有限公司 Kong Yue Industrial Park (Xinhui) Limited ("Industrial Park")	Company beneficially owned by Mr. Au Pak Yin and close Au Family Members
珠海江裕健康產業有限公司 Zhuhai Zhi He Healthcare Industry Holdings Limited ("Zhuhai Healthcare")	Company controlled by Mr. Au Pak Yin
Hong Rui Da	An associate of the Group
Shuyuan	An associate of the Group

(All amounts in Renminbi Yuan thousands unless otherwise stated)

36. Related-party Transactions (Continued)

(a) Name and relationship with related parties (Continued)

The names of certain of the companies referred to in these consolidated financial statements represent management's best effort in translation of the Chinese names of these companies as no English names have been registered or available.

(b) Transactions with related parties

The following significant transactions were carried out with related parties:

	2025	2024
(i) Sales of goods (Note (b-1))		
– Palace Food	–	8
– Others	6	8
	6	16
(ii) Purchase of goods (Note (b-1))		
– Palace Food	11	297
(iii) Purchase of services (Note (b-1))		
– Industrial Park	79	110
– Palace	41	182
– Palace Food	–	131
– Hong Rui Da	289	434
	409	857
(iv) Lease payments (Note (b-1))		
– Au Family	219	219
– Industrial Park	355	652
– Guangdong Ganyi	37	37
	611	908
(v) Lease income (Note (b-1))		
– Palace Food	81	176
– Consolife Healthcare	148	148
	229	324
(vi) Interest income (Note (b-1))		
– Hong Rui Da	6	129

Note:

(b-1) The transactions are negotiated with related parties in a normal course of business.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

36. Related-party Transactions (Continued)

(c) Key management compensation

The remuneration of executive directors of the Company and other members of key management of the Group during the year was as follows：

	2025	2024
– Salary and other short-term employee benefits	3,174	3,092
– Retirement scheme contribution	169	131
	3,343	3,223

(d) Balances with related parties

As at 31 December 2025 and 2024, the Group had the following material balances with related parties:

	2025	2024
Trade and other receivables from a related party (Note 15)		
– Hong Rui Da (Note (d-1))	195	459
Trade and other payables to related parties (Note 21)		
– Industrial Park	277	279
– Zhuhai Healthcare	–	4,500
	277	4,779
Loan from an associate (Note 19)		
– Shuyuan (Note (d-2))	2,000	2,000
Loan from a director (Note 19)		
– Mr. Au Kwok Lun (note (d-3))	10,000	–

Notes:

(d-1) The balance comprises deposits paid to acquisition of intangible assets, secured loan and interest receivable from an associate, amounting to approximately RMB100,000 (2024: RMB100,000), Nil (2024: RMB230,000) and RMB95,000 (2024: RMB129,000) respectively. The principal secured loan of RMB230,000 was fully repaid during the year.

(d-2) The balance represents an unsecured loan from an associate of RMB2,000,000 (2024: RMB2,000,000) was originally repayable in April 2025 with interest rate of 0.5% per annum. In September 2025, the repayment term was extended to September 2026.

(d-3) This balance represents an unsecured loan of RMB10,000,000 from Mr. Au Kwok Lun, a director of the Company and repayable on maturity date. The borrowings bear an interest rate of 2.50% per annum.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

37. Statement of financial position and Reserve Movement of the Company

Statement of financial position of the Company

		As at 31 December	
ASSETS	Note	**2025**	2024
Non-current assets			
Investments in subsidiaries	10	**–**	231,673
Club membership		**431**	613
		431	232,286
Current assets			
Amounts due from subsidiaries		**–**	857
Cash and cash equivalents		**298**	586
		298	1,443
Total assets		**729**	233,729
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital and premium	17	**9,155**	9,155
Other reserves	37(a)	**229,510**	229,510
Accumulated losses	37(a)	**(242,350)**	(8,491)
Total (deficit)/equity		**(3,685)**	230,174
LIABILITIES			
Current liabilities			
Other payables		**4,414**	3,555
Total liabilities		**4,414**	3,555
Total equity and liabilities		**729**	233,729

The statement of financial position of the Company was approved by the Board of Directors on 30 March 2026 and was signed on its behalf

Mr. Au Pak Yin	**Mr. Au Kwok Lun**
Director	*Director*

(All amounts in Renminbi Yuan thousands unless otherwise stated)

37. Statement of financial position and Reserve Movement of the Company (Continued)

(a) Reserve movement of the Company

	Accumulated losses	Other reserves
As at 1 January 2024	(5,835)	229,509
Loss for the year	(2,656)	–
Employee share option scheme – value of employee services	–	1
As at 31 December 2024	(8,491)	229,510
As at 1 January 2025	**(8,491)**	**229,510**
Loss for the year	**(233,859)**	**–**
As at 31 December 2025	**(242,350)**	**229,510**

38. Benefits and Interests of Directors

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2025:

Name	Fees	Salaries	Discretionary bonuses	Housing allowance	Allowances and benefits in kind	Employee's contribution to retirement scheme	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking	Total
Executive directors								
Mr. Au Pak Yin	–	–*	–	–	124	–	–	124
Mr. Au Kwok Lun *(Chief Executive Officer)*	220	1,078	–	–	–	33	–	1,331
Non-executive director								
Mr. Ou Guo Liang	–	–*	–	–	–	–	–	–
Independent non-executive directors								
Mr. Yeung Kwok Keung	220	–	–	–	–	–	–	220
Ms. Kan Lai Kuen, Alice	220	–	–	–	–	–	–	220
Mr. Sun Po Yuen (Note (i))	220	–	–	–	–	–	–	220
	880	1,078	–	–	124	33	–	2,115

* It represents the amount less than RMB1,000.

(All amounts in Renminbi Yuan thousands unless otherwise stated)

38. Benefits and Interests of Directors (Continued)

(a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2024:

Name	Fees	Salaries	Discretionary bonuses	Housing allowance	Allowances and benefits in kind	Employee's contribution to retirement scheme	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking	Total
Executive directors								
Mr. Au Pak Yin	–	–*	–	–	114	–	–	114
Mr. Au Kwok Lun								
(Chief Executive Officer)	219	1,063	–	–	–	33	–	1,315
Non-executive director								
Mr. Ou Guo Liang	–	–*	–	–	109	–	–	109
Independent non-executive directors								
Mr. Yeung Kwok Keung	219	–	–	–	–	–	–	219
Ms. Kan Lai Kuen, Alice	219	–	–	–	–	–	–	219
Mr. Zhong Xiaolin (Note (ii))	89	–	–	–	–	–	–	89
Mr. Sun Po Yuen (Note (i))	130	–	–	–	–	–	–	130
	876	1,063	–	–	223	33	–	2,195

* It represents the amount less than RMB1,000.

Notes:

(i) The director is appointed on 27 May 2024.

(ii) The director retired on 27 May 2024.

During the years ended 31 December 2025 and 2024, none of the directors of the Company waived their emoluments nor have agreed to waive their emoluments.

Aggregate emoluments paid to or receivable by directors in respect of their services as directors, whether of the Company or its subsidiary undertaking		Aggregate emoluments paid to or receivable by directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking		Total	
2025	2024	**2025**	2024	**2025**	2024
1,991	1,972	**124**	223	**2,115**	2,195

38. Benefits and Interests of Directors (Continued)

(b) Directors' material interests in transactions, arrangements or contracts

Except as disclosed to Note 19(c) to the financial statements, no other transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which the directors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during both years.

(c) Directors' retirement benefits

During the year ended 31 December 2025 and 2024, there were no additional retirement benefit received by the directors except for the attribution to a retirement benefit scheme as disclosed in Note(a) above.

(d) Directors' termination benefits

During the year ended 31 December 2025 and 2024, there was no termination benefits received by the directors.

(e) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2025 and 2024, no consideration was paid for making available the services of the directors of the Company.

(f) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2025 and 2024, there was no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favour of directors.

39. Events after the reporting period

Save as disclosed elsewhere in this report, there are no other material subsequent events took place after 31 December 2025 and up to the date of this report.

Five-Year Financial Summary

(All amounts in Renminbi Yuan thousands unless otherwise stated)

Consolidated Statement of Financial Position

	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
ASSETS					
Non-current assets					
Property, plant and equipment	**40,911**	58,441	79,525	96,284	105,928
Right-of-use assets	**7,724**	8,115	9,105	11,121	11,891
Investment properties	**517**	1,181	961	1,161	–
Intangible assets	**80**	954	2,605	3,997	5,889
Investments accounted for using the equity method	**1,041**	1,119	3,233	6,850	7,094
Financial assets at fair value through other comprehensive income	**4,863**	9,321	18,964	18,167	31,195
Deferred income tax assets	**816**	124	–	4,110	6,661
Club membership	**431**	613	795	984	2,167
Restricted cash	**–**	–	–	–	441
	56,383	79,868	115,188	142,674	171,266
Current assets					
Financial assets at fair value through profit or loss	**–**	–	–	–	62,170
Inventories	**39,381**	60,626	70,098	101,399	112,461
Trade and other receivables	**26,713**	40,930	31,613	43,550	46,836
Other assets	**–**	–	–	–	920
Pledged bank deposits	**889**	–	–	–	–
Restricted cash	**107**	280	–	–	155
Cash and cash equivalents	**11,053**	24,434	37,291	68,974	63,325
	78,143	126,270	139,002	213,923	285,867
Total assets	**134,526**	206,138	254,190	356,597	457,133
EQUITY					
Capital and reserves attributable to shareholders of the Company					
Share capital and premium	**9,155**	9,155	9,155	9,155	9,155
Other reserves	**256,586**	260,301	267,115	265,872	274,447
Accumulated losses	**(307,860)**	(258,252)	(198,418)	(118,175)	(77,587)
	(42,119)	11,204	77,852	156,852	206,015
Non-controlling interests	**(1,888)**	(1,873)	(1,077)	(777)	(129)
Total (deficit)/equity	**(44,007)**	9,331	76,775	156,075	205,886

(All amounts in Renminbi Yuan thousands unless otherwise stated)

Consolidated Statement of Financial Position (Continued)

	31 December 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
LIABILITIES					
Non-current liabilities					
Borrowings	**23,297**	24,000	21,000	1,110	16,549
Lease liabilities	**807**	105	1,297	2,467	3,518
Provision for other liabilities and charges	**383**	343	–	–	–
Deferred income tax liabilities	**–**	–	2,360	2,117	5,488
	24,487	24,448	24,657	5,694	25,555
Current liabilities					
Trade and other payables	**53,882**	45,272	44,746	66,156	104,465
Contract liabilities	**6,910**	7,201	16,373	8,973	26,989
Current tax liabilities	**207**	106	214	–	–
Lease liabilities	**865**	2,148	1,391	2,062	1,318
Borrowings	**91,175**	116,797	90,034	117,637	92,920
Provision for other liabilities and charges	**1,007**	835	–	–	–
	154,046	172,359	152,758	194,828	225,692
Total liabilities	**178,533**	196,807	177,415	200,522	251,247
Total equity and liabilities	**134,526**	206,138	254,190	356,597	457,133
Net current (liabilities)/assets	**(75,903)**	(46,089)	(13,756)	19,095	60,175
Total assets less current liabilities	**(19,520)**	33,779	101,432	161,769	231,441

(All amounts in Renminbi Yuan thousands unless otherwise stated)

Consolidated Statement of Profit or Loss

	2025	2024	2023	2022	2021
Revenue	**143,420**	149,737	203,484	279,191	344,606
Cost of goods sold	**(121,569)**	(131,363)	(180,961)	(214,092)	(248,998)
Gross profit	**21,851**	18,374	22,523	65,099	95,608
Other income	**1,954**	2,620	4,035	4,580	3,425
Selling and marketing expenses	**(21,945)**	(27,123)	(30,985)	(32,891)	(39,275)
Administrative expenses	**(30,787)**	(32,985)	(39,158)	(38,600)	(44,999)
Research and development expenses	**(12,865)**	(15,064)	(20,615)	(27,978)	(33,521)
Net impairment losses on financial assets	**(159)**	(74)	(698)	(745)	(448)
Other gains/(losses) – net	**322**	684	(1,420)	1,946	1,338
Other impairment losses	**(3,640)**	–	–	–	–
Operating loss	**(45,269)**	(53,568)	(66,318)	(28,589)	(17,872)
Finance expenses – net	**(4,124)**	(4,665)	(5,715)	(6,242)	(6,118)
Share of (loss)/gain of investments accounted for using the equity method	**(78)**	40	(165)	(244)	(839)
Impairment loss on the investment in associate	**–**	(2,154)	(3,452)	–	–
Loss before income tax	**(49,471)**	(60,347)	(75,650)	(35,075)	(24,829)
Income tax (expenses)/credit	**(139)**	85	(4,143)	(4,934)	(353)
Loss for the year	**(49,610)**	(60,262)	(79,793)	(40,009)	(25,182)
Attributable to:					
– Shareholders of the Company	**(49,608)**	(59,834)	(79,469)	(40,027)	(25,139)
– Non-controlling interests	**(2)**	(428)	(324)	18	(43)
	(49,610)	(60,262)	(79,793)	(40,009)	(25,182)
Loss per share for loss attributable to the shareholders of the Company during the year (expressed in RMB per share)					
– Basic	**(0.081)**	(0.098)	(0.130)	(0.065)	(0.041)
– Diluted	**(0.081)**	(0.098)	(0.130)	(0.065)	(0.041)

Certain figures have been reclassified to conform to the current presentation.