NETJOY HOLDINGS LIMITED
云想科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2131)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

The board (the "**Board**") of directors (the "**Directors**") of Netjoy Holdings Limited (the "**Company**" or "**Netjoy**") hereby announces the audited consolidated financial results of the Company and its subsidiaries and consolidated affiliated entities (together, the "**Group**" or "**we**") for the year ended December 31, 2025 (the "**Reporting Period**") together with the comparative figures for the year ended December 31, 2024 as follows:

FINANCIAL RESULTS HIGHLIGHTS

	Year ended December 31,		
	2025	2024	Year-on-year Change
	(RMB in millions, except percentage)		
Revenue	**2,937.79**	3,149.63	**(6.73)%**
Gross profit	**268.48**	122.28	**119.57%**
Loss before tax	**(47.71)**	(465.14)	**(89.74)%**
Loss and total comprehensive loss for the year	**(53.10)**	(462.09)	**(88.51)%**
Adjusted net loss	**(36.91)**	(444.58)	**(91.70)%**

MANAGEMENT DISCUSSION AND ANALYSIS

2025 ANNUAL RESULTS HIGHLIGHTS

In 2025, the pace of global economic recovery remained dragged down by factors such as interest rate policies and a slowdown in external demand, which caused the overall operating environment to persistently be challenging. Nevertheless, underpinned by the Chinese government's continuous rollout of consumption-boosting policies and domestic demand expansion measures, China's consumer market demonstrated strong resilience, with market confidence gradually recovering. During the year, China's gross domestic product grew by approximately 5.0% year-on-year ("**YoY**"), successfully achieving the annual growth target. Total retail sales of consumer goods surpassed RMB50 trillion for the first time, up 3.7% YoY, of which online retail sales nationwide increased by 8.6% YoY, reflecting that online consumption and the digital economy maintained sound growth momentum. With the ongoing release of pent-up consumer demands and the steady recovery of retail market, brand clients' willingness to invest in marketing also gradually improved, providing a solid foundation for the development of the digital marketing services industry.

Meanwhile, digital marketing market in China is also shifting towards intelligent and omni-channel development. Artificial intelligence ("**AI**") technology has further penetrated core business processes such as content creation, material generation, intelligent media placement, client management and data analysis, driving marketing services to gradually evolve from traditional human-powered approach to a new, AI-driven model, significantly enhancing operational efficiency and conversion performance. On the other hand, the continuous evolution of short video, social media and content platforms has further elevated the significance of new media channels, with brand clients setting higher expectations on cross-platform integrated marketing, omni-channel reach, and precise media placement. Integrated marketing service providers with multi-platform media resources, data analysis capabilities and AI technological strength will be better positioned to exploit economies of scale and capture the growth opportunities brought by market consolidation.

Furthermore, as Chinese enterprises continue to accelerate their pace of global expansion, "going out" has gradually extended from mere product exports to encompass full-funnel requirements including brand marketing, content operation, and localized operation. Meanwhile, a growing number of overseas brands are actively entering the Chinese market, driving sustained growth in marketing demands for "coming into" China. Driven by these mutual market demands, enterprises' needs for one-stop cross-border marketing, media placement, and localized operation services continue to rise.

Amidst the ever-changing market environment, the Group adhered to its three core strategies of "platformization", "diversification" and "internationalization", continuously scaled up the application of AI technology, improved its new media presence, and actively expanded into overseas markets and new business models to propel sustaining robust business growth. During the year, the Group's gross billing amounted to approximately RMB9.148 billion, representing a YoY increase of approximately 19.87%, primarily attributable to the continuous optimization of its business structure and the expansion into diversified business sectors, which boosted its overall business scale. Affected by the adjustments to the placement strategies of certain clients and changes in the business mix, total revenue decreased by approximately 6.73% YoY to approximately RMB2.938 billion. Meanwhile, through ongoing optimization of its business structure, enhanced operational efficiency, and strengthened cost control measures, the Group achieved an improvement in gross profit margin. Gross profit increased by approximately 119.57% YoY to approximately RMB268 million, and the gross profit margin increased by approximately 5.26 percentage points YoY to 9.14%. Although overseas business and new businesses such as WeChat Video Accounts were still in their early-stage investment phase, the Group narrowed its net loss for the year compared to the same period last year by continuously optimizing its business structure, improving gross profit margins, and strengthening cost control. Loss for the year was approximately RMB53.10 million, representing a decrease of approximately 88.51% YoY. Adjusted net loss was approximately RMB36.91 million, representing a decrease of approximately 91.70% YoY. As of December 31, 2025, the Group maintained positive cash flows from operating activities, with cash and bank balances of approximately RMB397 million, and its overall financial position remained sound.

Leveraging its content creation capabilities, media resource deployment, and intelligent delivery technology accumulated through years of deep cultivation in the digital marketing field, the Group had cumulatively provided services to 42,956 advertising clients across 395 industry verticals, covering multiple sectors including online gaming, internet services, financial services, healthcare, e-commerce, culture and media, and consumer goods. During the year, the number of key account ("**KA**") clients served by the Group continued to grow, demonstrating a continuous and high recognition from the market and clients for the Group's brand influence, professional service capabilities, and project execution abilities.

In terms of regional markets, the Group continued to advance its dual strategies of "going out" and "coming into" China, and has achieved notable breakthroughs in its overseas business. On one hand, leveraging the localized service capabilities of its overseas business platform and comprehensive cross-border marketing qualifications, the Group actively expanded into high-growth sectors such as healthcare, assisting over 150 overseas brands in successfully entering the Chinese market by providing one-stop solutions covering brand marketing, media placement, and localized operations. On the other hand, the Group continued to expand its overseas footprint, assisting domestic brands in brand promotion, content distribution, and commercial operations through mainstream overseas social media platforms, further broadening its overseas revenue sources and continuously enhancing its global business landscape.

Thanks to its outstanding digital marketing capabilities, innovative technology strength, and remarkable market performance, the Group received multiple industry recognitions during the year, including the "Best Digital Investor Relations Award" from RoadshowChina and Excellence IR, "Expansion Breakthrough Partner", "Expansion Pioneer Partner" and "Super-Charged Partner Award" from Bilibili, "2024 Cross-Border Outstanding Partner Award" from Ocean Engine, "Outstanding Contribution Award" and "RuiTuo Pioneer Award" from Alibaba Entertainment, "Shanghai Digital Advertising Leading Enterprise" and "Shanghai Advertising Industry Innovation Leading Figure" from the Shanghai Advertising Association, "Elite Partner Agency" and "Effective Life Achievement Award" from Alipay Advertising, "2025 Benchmark Partner Award" from Magnetic Engine, and "Long-term Mindset Brand Bronze Award" from Rednote. These honors fully demonstrated the Group's comprehensive competitive edges in intelligent marketing, media ecosystem cooperation, and digital innovation.

2025 ANNUAL RESULTS REVIEW

Intelligent marketing solutions

Intelligent marketing solutions remain the Group's core business, accounting for approximately 88.84% of the Group's total revenue for the year. As a one-stop intelligent platform for the marketing industry, the Group's full-process services cover marketing strategy formulation, mass content creation, cross-platform precision distribution, and real-time data feedback, continuously providing brand clients with efficient, precise, and measurable marketing solutions. In addition, the Group leverages Key Opinion Leaders (the "**KOLs**") and Key Opinion Consumers (the "**KOCs**") to provide brand clients with product seeding, promotion, and brand awareness amplification across various scenarios. Driven by the growing digital economy and the gradual rebound in advertising spending from brand clients, the Group leveraged its platform-based operational advantages, its expanded media channel coverage and enhanced advertising efficiency to sustain a relatively stable performance of its intelligent marketing solutions business. During the year, revenue from intelligent marketing solutions decreased by 13.21% YoY to RMB2.610 billion. Affected by adjustments to the advertising strategies of some clients and changes to the business mix, revenue from this business has declined. However, as traffic acquisition costs have been gradually optimised and the Group continued to improve its business structure and operational efficiency, the gross profit of this business increased by approximately 96.35% YoY to RMB95 million, with an increase in the gross profit margin by approximately 2.03 percentage points YoY to 3.65%, reflecting a further improvement in profitability. As of the end of the Reporting Period, the short video delivered and stylized by the Group had accumulated more than 1,415.1 billion times of exhibition and more than 488.9 billion times of video viewing, which reflected the Group's ability in content creation and precision distribution.

Backed by years of market insights and a well-established media ecosystem layout, the Group is actively shifting its client mix toward high-growth and high-value industry clients. Meanwhile, the Group maintains a diversified client portfolio, with services covering various industries such as online games, internet services, financial services, healthcare, e-commerce, and culture and media. In terms of "inbound", the Group regards the healthcare industry as a key priority for its future development. During the Reporting Period, the total number of advertising clients served by the Group increased to 1,535, representing a YoY increase of 9.0%. The number of new advertising clients reached 987, representing a YoY increase of 20.5%. The top three client industries by revenue were online games, financial services, and internet services, accounting for approximately 42.1%, 24.0%, and 19.4% of the revenue from intelligent marketing solutions, respectively.

In terms of media channels, the Group continued to consolidate its partnerships with mainstream media platforms while actively expanding into new media ecosystems, continuously improving its omni-channel coverage capabilities. In addition to maintaining in-depth cooperation with major media platforms such as Douyin, Kuaishou and Tencent, the Group achieved rapid growth in business on new media platforms including Alipay and Rednote during the year, with revenue from certain platforms achieving multi-fold YoY growth. The multi-platform strategy further enhanced the Group's cross-platform advertising capabilities and media resource integration advantages, further strengthening its market competitiveness in the digital marketing industry, and enabling the Group to provide brand clients with more comprehensive and efficient omni-channel marketing services.

Driven by the increasing maturity of artificial intelligence generative content (the "**AIGC**") and artificial intelligence agent (the "**AI Agent**") technologies, the Group fully integrated the application of AI technology into all aspects of its marketing business during the year, driving the comprehensive transition towards intelligent development in content creation, material production, marketing operations and data management. During the Reporting Period, the Group's self-developed AI Agent system was officially put into operation. The frequency of using automatic charge-back-transfer to complete intelligent processes such as AIGC continued to increase, demonstrating a sustained surge in both the Group's internal deployment and external market demand for AI marketing services.

In practical application, the total output of AIGC-generated visual content increased by approximately 15 times, while the overall efficiency of AI assets and creative output rose by approximately 50% compared to traditional workflow, effectively reducing the production cost per piece of content while enhancing content creative quality and material refresh speed, further enriching our marketing content and strengthening our market competitiveness.

Meanwhile, the Group also explored cooperation with major media platforms in the AI field, actively participating in multiple media AI co-construction projects. Going forward, the Group will continue to accelerate the application of AI technology across the entire marketing process, further driving the intelligentization of content creation, automation of operational processes, and platformization of service capabilities, thereby enhancing its operational efficiency and profitability.

E-commerce service solutions

Leveraging its extensive media channel resources and marketing experience, the Group continued to expand along the marketing value chain, further developing its e-commerce service solutions business. By establishing full-chain e-commerce service solutions that cover "people, goods, and fields", the Group's e-commerce service solutions are categorized into distribution business and full-service e-commerce operations, offering diversified services such as short-video marketing, platform DP agency operations, live-streaming operations, brand marketing, and inventory management, continuously providing brand clients with one-stop new media e-commerce solutions.

During the Reporting Period, the Group persisted in refining the development model of its e-commerce business, with a core focus on enhancing profitability and operational quality, proactively advancing its business restructuring and team competency development. While maintaining steady business growth, the Group further improved its overall operational efficiency and risk management capabilities. In addition, the Group continued to focus on high-potential product categories, with a particular emphasis on serving well-known brands from vertical categories of personal care. Meanwhile, it refined its media channel deployment across Kuaishou, WeChat Video Accounts, and Douyin, continuously enhancing brand channel operation capabilities. Benefiting from strengthened cooperation with brand clients and continuous improvement in operational capabilities, the Group achieved breakthrough in multiple key projects during the year. Among these, the gross merchandise value (the "**GMV**") of one key partner brand exceeded RMB100 million for the first time throughout the year.

During the Reporting Period, revenue from e-commerce service solutions increased by approximately 74.64% YoY to RMB123.65 million. With the continued expansion of our distribution business and the ongoing refinement of sales strategies, the gross profit of this business increased by approximately 52.30% YoY to RMB67.21 million, with the gross profit margin of approximately 54.36%.

Innovative business

During the year, with micro-short plays as its core business focus, the Group built a full-chain micro-short plays ecosystem that integrated IP creation, content production, drama distribution, platform operations, and commercial monetization, continuously driving the premium, intelligent, and diversified development of the innovative business. During the Reporting Period, revenue from the innovative business was approximately RMB204.19 million, with the gross profit of RMB106.09 million and the gross profit margin of approximately 51.96%.

As of the end of the Reporting Period, the Group has cumulatively participated in the production and distribution of over 90 micro-short plays, with multiple popular themes delivering outstanding performance and the overall hit rate continuing to improve. The Group also continued to optimize the business model of its innovative business, monetizing its micro-short play resources through multiple channels. Meanwhile, the Group continued to enhance the application of AI technology in content production processes and production efficiency, with AIGC micro-short plays successfully launched during the year, and continued to explore the application of AI in live-action dramas, animated dramas, and brand content creation.

In addition to commercial micro-short plays, the Group also actively expanded content application scenarios, successfully establishing cooperative relationships with multiple government departments and large enterprises during the year. Through diversified content formats such as micro-short plays, motion comics and promotional videos, the Group assisted its partners in enhancing brand image and publicity, fully demonstrating its comprehensive strengths in content creativity, IP planning, and brand communication.

BUSINESS OUTLOOK

Looking ahead, the Group will continue to focus on its three core strategic directions of "platformization", "diversification", and "internationalization", continuously accelerating the application of AI technology, improving its marketing services ecosystem and global business presence, further enhancing its core competitiveness to propel the Group towards a high-quality and sustainable development.

In terms of "platformization", the Group will continue to enhance the function of its self-developed platform, building an integrated cloud service ecosystem that covers creative planning, content production, intelligent distribution, and data analytics, thereby enhancing customer stickiness and client acquisition capabilities through faster, more precise, and more intelligent service capabilities. Meanwhile, the Group will continue to accelerate the application of AI technology, creating an AI creative content system that combines "efficient mass production" and "premium differentiation", continuously improving the creative quality of content and the utilization rate of AI-generated content, and further expanding its AI asset library to meet the diversified marketing needs of different brands and industries. In addition, the Group will actively promote the application of AI across a broader range of marketing scenarios, including automatic generation of daily report, competitor analysis, viral video element analysis, and intelligent influencer screening, comprehensively enhancing its marketing decision-making efficiency.

In terms of "diversification", the Group will continue to strengthen its presence across new media channels, fostering closer cooperation with mainstream media platforms while continuously broadening the reach of its media resources. Meanwhile, the Group will actively increase its leading major corporate clients, continuously upgrade its client base, and further consolidate the core revenue sources. In respect of e-commerce services, the Group will continue to expand its presence in high-growth vertical sectors including personal care, continuously improve the business matrix of "new media e-commerce + content e-commerce", and further enhance its brand omni-channel service capabilities. In terms of innovative business, the Group will actively expand into diversified content sectors such as motion comics, continuously broaden content application scenarios, and further demonstrate the Group's social value and brand influence. In addition, the Group will make full use of its existing media channel resources, data assets, and years of experience in marketing to actively explore new business areas with synergistic effects, building a more diversified and sustainable revenue structure.

In terms of "internationalization", the Group will continue to seize market opportunities brought by the rising global demand for brand marketing, continuously advancing its "going out" and "coming into" development strategy. On one hand, the Group will further assist domestic brands in expanding into overseas markets, strengthening its strategic cooperation with multiple overseas media platforms, and providing one-stop full-service agency operations covering brand planning, media placement, content marketing, and e-commerce operations, helping brands continuously enhance their influence in overseas markets. On the other hand, the Group will fully capitalize on its proven capabilities in localized operations and its experience in provision of cross-border services to continuously assist overseas brands in entering the Chinese market, driving the steady development of its "inbound" business.

FINANCIAL REVIEW

Revenue

We generate our revenue primarily from the provision of (i) our intelligent marketing solutions to advertisers directly or through advertising agencies; (ii) e-commerce service solutions; and (iii) innovative business. Our total revenue decreased by 6.73% from RMB3,149.63 million in 2024 to RMB2,937.79 million in 2025, mainly due to the Group's adjustment of its business portfolio. During the year, the Group proactively adjusted its business structure and scaled down certain businesses with relatively lower gross profit margins. Although such adjustments had a short-term impact on the revenue scale, the Group's overall gross profit margin improved as its business mix continued to be optimised, reflecting an enhancement in the quality of its business operations.

Revenue by Business Line

The following table sets forth our revenue by business line for the years indicated:

	Year ended December 31,			
	2025		2024	
	(RMB'000)	***% of the total***	*(RMB'000)*	*% of the total*
Intelligent marketing solutions[1]	**2,609,950**	**88.8**	3,007,060	95.5
E-commerce service solutions	**123,651**	**4.2**	70,805	2.2
Innovative business[2]	**204,186**	**7.0**	71,760	2.3
Total	**2,937,787**	**100.0**	3,149,625	100.0

Notes:

(1) Intelligent marketing solutions include online marketing solutions, SaaS services and AIGC commercial applications.

(2) Innovative business mainly includes short play business.

We enter into annual framework agreements with our advertising customers and charge them for intelligent marketing solutions based primarily on a mix of oCPM, oCPC and CPC. During the Reporting Period, while cooperating with existing media channels, we actively expanded new media channels for in-depth cooperation, which enabled our intelligent marketing solutions business to develop steadily during the Reporting Period. For the year ended December 31, 2025, the revenue generated by the intelligent marketing solution business accounted for 88.8% of our total revenue.

Revenue from intelligent marketing solutions business by type of advertising customers

Our advertising customers include primarily advertisers, and to a lesser extent, advertising agencies.

The table below sets forth a breakdown of revenue generated from our intelligent marketing solutions business by type of advertising customers for the years indicated:

	Year ended December 31,			
	2025		2024	
	(RMB'000)	***% of the total***	*(RMB'000)*	*% of the total*
Advertisers	**2,412,810**	**92.4**	2,714,217	90.3
Advertising agencies	**197,140**	**7.6**	292,843	9.7
Total	**2,609,950**	**100.0**	3,007,060	100.0

Revenue from intelligent marketing solutions business by industry verticals

The advertisers we serve operate in a wide array of industry verticals, which primarily include online games, financial services, e-commerce, internet services, advertising and culture & media.

The table below sets forth a breakdown of revenue generated from our intelligent marketing solutions business by industry verticals for the years indicated:

	Year ended December 31,			
	2025		2024	
	(RMB'000)	***% of the total***	*(RMB'000)*	*% of the total*
Online games	**1,098,472**	**42.1**	886,787	29.5
Financial services[(1)]	**627,163**	**24.0**	707,705	23.5
E-commerce	**89,961**	**3.4**	104,164	3.5
Internet services	**503,492**	**19.4**	851,339	28.3
Advertising	**98,896**	**3.8**	246,567	8.2
Culture & media	**170,260**	**6.5**	207,525	6.9
Others[(2)]	**21,706**	**0.8**	2,973	0.1
Total	**2,609,950**	**100.0**	3,007,060	100.0

Notes:

(1) Financial services primarily include online insurance, consumer financing and retail banking.

(2) Others mainly include business services and healthcare.

For the year ended December 31, 2025, the online game, financial services and internet services industries were our largest sources of advertising customers, which contributed aggregately 81.3% and 85.5% of our total revenue derived from intelligent marketing solutions business for the years ended December 31, 2024 and 2025, respectively.

Key Financial Ratios

	Year ended December 31,	
	2025	2024
Gross profit margin (%)[(1)]	**9.14**	3.88
Net loss margin (%)[(2)]	**(1.81)**	(14.67)
Current ratio (times)[(3)]	**1.66**	1.55
Adjusted net loss margin (%)[(4)]	**(1.26)**	(14.12)
Debt-to-asset ratio (times)[(5)]	**0.57**	0.61

Notes:

(1) Gross profit margin is calculated based on gross profit for the year divided by revenue for the respective year and multiplied by 100%.

(2) Net loss margin is calculated based on loss for the year divided by revenue for the respective year and multiplied by 100%.

(3) Current ratio is calculated based on total current assets divided by total current liabilities.

(4) Equals to adjusted net loss divided by revenue for the year and multiplied by 100%. For the reconciliation from net loss to adjusted net loss, see "Non-IFRS Measure: Adjusted Net Loss" below.

(5) Debt-to-asset ratio is calculated based on total liabilities divided by total assets.

Cost of Sales

The following table sets forth a breakdown of our cost of sales by nature for the years indicated:

	Year ended December 31,			
	2025		2024	
	(RMB'000)	***% of the total***	*(RMB'000)*	*% of the total*
Traffic acquisition costs	**2,491,054**	**93.3**	2,853,090	94.2
Employee benefit expenses	**34,421**	**1.3**	41,689	1.4
Others[(1)]	**143,834**	**5.4**	132,571	4.4
Total	**2,669,309**	**100.0**	3,027,350	100.0

Note:

(1) Others primarily comprise costs in relation to the rental of servers and the outsourcing of content production.

Our cost of sales primarily consists of traffic acquisition costs, employee benefit expenses and others. In 2025, traffic acquisition costs constituted the largest portion of our cost of sales. For the years ended December 31, 2024 and December 31, 2025, our traffic acquisition costs amounted to RMB2,853.1 million and RMB2,491.1 million respectively, accounting for approximately 94.2% and 93.3% respectively, of our total cost of sales for the respective years, which was in line with our business change. For the years ended December 31, 2024 and December 31, 2025, the Group continuously optimized its organizational structure, which led to a reduction in employee benefit expenses from RMB41.7 million to RMB34.4 million, accounting for approximately 1.4% and 1.3% of cost of sales for the respective years. For the years ended December 31, 2024 and December 31, 2025, our other costs amounted to RMB132.6 million and RMB143.8 million, respectively, accounting for approximately 4.4% and 5.4%, respectively, of our total cost of sales for the respective years, the increase of which was attributable to the optimization of quality in short play business and the expansion of e-commerce service solutions business scale.

The following table sets forth a breakdown of our cost of sales by service offerings for the years indicated:

	Year ended December 31,			
	2025		2024	
	(RMB'000)	***% of the total***	*(RMB'000)*	*% of the total*
Intelligent marketing solutions(1)	**2,514,775**	**94.2**	2,958,588	97.7
E-commerce service solutions	**56,440**	**2.1**	26,673	0.9
Innovative business(2)	**98,094**	**3.7**	42,089	1.4
Total	**2,669,309**	**100.0**	3,027,350	100.0

Notes:

(1) Intelligent marketing solutions include online marketing solutions, SaaS services and AIGC commercial applications.

(2) Innovative business mainly includes short play business.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by service offerings for the years indicated:

	Year ended December 31,			
	2025		2024	
	Gross Profit ***(RMB'000)***	**Gross Profit Margin** *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*
Intelligent marketing solutions(1)	**95,175**	**3.6**	48,472	1.6
E-commerce service solutions	**67,211**	**54.4**	44,132	62.3
Innovative business(2)	**106,092**	**52.0**	29,671	41.3
Total	**268,478**	**9.1**	122,275	3.9

Notes:

(1) Intelligent marketing solutions include online marketing solutions, SaaS services and AIGC commercial applications.

(2) Innovative business mainly includes short play business.

The Group recorded gross profit of RMB268.48 million in 2025, representing an increase of 119.57% as compared to the gross profit of RMB122.28 million in 2024. Gross profit margin increased from 3.9% in 2024 to 9.1% in 2025, mainly due to the Group's continuous optimisation of its business structure and enhancement of operational efficiency and cost control measures, which together led to an improvement in the gross profit margin.

Other Income and Gains

Our other income and gains increased from RMB20.79 million for the year ended December 31, 2024 to RMB23.03 million for the year ended December 31, 2025, mainly due to an increase of RMB2.78 million in government subsidies received by the Group in 2025 as compared with 2024.

Research and Development Expenses

Our research and development expenses primarily comprise (i) employee benefit expenses; (ii) outsourcing development expenses; and (iii) others, mainly consisting of server rental expenses. Our research and development expenses increased by 22.67% from RMB15.51 million for the year ended December 31, 2024 to RMB19.03 million for the year ended December 31, 2025, which was mainly due to the Group's continued enhancement of its R&D investment to improve its competitiveness and support its long-term development.

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of (i) employee benefit expenses for our sales and marketing staff; (ii) entertainment expenses for the maintenance and management of customer relationships; and (iii) travelling expenses for the transportation and accommodation of business travels of our sales and marketing staff.

Our selling and distribution expenses increased from RMB104.35 million for the year ended December 31, 2024 to RMB175.67 million for the year ended December 31, 2025, which was mainly attributable to our efforts to expand the diversified business market, and the increase in advertising expenses due to the expansion of e-commerce service solutions business and short play business.

General and Administrative Expenses

Our administrative expenses primarily consist of (i) employee benefit expenses; (ii) professional fees; (iii) depreciation and amortization expenses; (iv) office and rental expenses; (v) travelling expenses; and (vi) entertainment expenses for hospitality.

Our administrative expenses increased by 6.64% from RMB92.60 million for the year ended December 31, 2024 to RMB98.75 million for the year ended December 31, 2025, mainly due to the increase in legal and professional service fees during the year, resulting from the Group's advancement of resumption-related work and continuous enhancement of its corporate governance framework, including the engagement of external professional advisers for special reviews, internal control enhancement and other related professional services.

Other Expenses

Our other expenses decreased from RMB60.43 million for the year ended December 31, 2024 to RMB20.97 million for the year ended December 31, 2025, mainly due to the decrease in fair value loss of financial investment and financial derivatives tools.

Impairment Losses on Financial Assets, Net

Impairment losses on financial assets, net represent provisions of impairment of trade receivables, prepayments and other receivables, and debt instruments, net of reversal. We recorded net impairment losses on financial assets of approximately RMB3.43 million for the year ended December 31, 2025, mainly due to the general expected credit loss allowance recognised on our trade receivables.

Finance Costs

Our finance costs slightly decreased from RMB22.00 million for the year ended December 31, 2024 to RMB21.38 million for the year ended December 31, 2025, reflecting the net effect of lower bank loan balances and higher interest rates.

Income Tax Expenses

For the year ended December 31, 2025, our income tax expense was RMB5.39 million, as compared with an income tax credit of RMB3.04 million for the year ended December 31, 2024, primarily due to the narrowing of the Group's pre-tax net loss by RMB417 million during the year.

Loss for the Year

As a result of the above, our loss for the year was about RMB53.10 million, while our loss for the year ended December 31, 2024 was RMB462.09 million, representing a year-on-year decrease of 88.51%, and the loss further narrowed.

Non-IFRS Measure: Adjusted Net Loss

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating impacts of items which our management does not consider to be indicative of our operating performance. We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management.

However, our presentation of adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

The following tables reconcile our adjusted net loss for the years presented to the most directly comparable financial measures calculated and presented in accordance with IFRS:

	Year ended December 31,	
	2025	2024
	(RMB in millions)	
Net loss for the year	**(53.10)**	(462.09)
Add:		
Share-based compensation	**7.23**	23.61
Foreign exchange differences	**3.57**	(3.06)
Income tax expense/(credit)	**5.39**	(3.04)
Adjusted net loss[(1)]	**(36.91)**	(444.58)

Note:

(1) Adjusted net loss is defined as net loss for the year after adding back share-based compensation, foreign exchange differences and income tax (credit)/expenses incurred during the respective year.

Liquidity and Financial Resources

Our business operations and expansion plans require a significant amount of capital, including acquiring user traffic from online publishers, enhancing our content production capabilities, improving our big data analytics and AI capabilities, upgrading our proprietary DMP and other infrastructures as well as other working capital requirements. Historically, we financed our capital expenditure and working capital requirements mainly through cash generated from operations, bank and other borrowings, and capital contributions from shareholders of the Company (the "**Shareholders**"). Our cash and bank balances decreased from RMB595.18 million as at December 31, 2024 to RMB396.72 million as at December 31, 2025, mainly attributable to the repayment of bank loans.

The table below sets out our cash and bank balance (including restricted cash) by currency as at December 31, 2024 and as at December 31, 2025, respectively:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Denominated in RMB	**392,173**	579,163
Denominated in HKD	**3,026**	4,545
Denominated in USD	**1,524**	11,467
	396,723	595,175

As at December 31, 2025, our bank loans amounted to approximately RMB329.03 million (December 31, 2024: approximately RMB603.15 million), which are denominated in RMB. The interest rates on our bank loans ranged from 2.30% to 10.00% (for the year ended December 31, 2024: 1.20% to 4.00%) per annum and the terms of the loans ranged from two months to one year. We will repay the aforementioned borrowings in due course on maturity.

Capital Expenditures

Our capital expenditures in 2025 primarily consists of expenditures on property, plant and equipment for office equipment and leasehold improvement.

The following table sets out our net capital expenditure as at the dates indicated:

	Year ended December 31,	
	2025	2024
	(RMB in millions)	
Property, plant and equipment	**6.00**	0.21
Total	**6.00**	0.21

We incurred capital expenditures of approximately RMB6.00 million for the year ended December 31, 2025, primarily related to office furniture and decoration. We intend to fund our planned capital expenditures through cash generated from operations.

Pledge of Assets

As at December 31, 2025, the trade receivables of some customers of the Group have been pledged to guarantee the trade payables of approximately RMB150.00 million granted to the Group (2024: approximately RMB150.00 million). As at December 31, 2025, certain loans were secured by the Group's restricted cash, which amounted to RMB140.00 million (December 31, 2024: RMB130.00 million).

Foreign Exchange Risk Management

Foreign exchange risk refers to the risk of loss caused by the changes in foreign exchange rates. The operations of the Group are mainly located in the PRC with most transactions denominated and settled in RMB. The Group will closely monitor the relevant situation and take measures when necessary to ensure that the foreign exchange risk is within the controllable range.

Contingent Liabilities

As at December 31, 2025 and 2024, the Group did not have any material contingent liabilities.

Employees

As at December 31, 2025, we had 350 full-time employees. As of December 31, 2025, we did not experience any strikes or any labor disputes with our employees which have had or are likely to have a material effect on our business.

Our employees typically enter into standard employment contracts with us. We place high value on recruiting, training and retaining our employees. We maintain high recruitment standards and provide competitive compensation packages. Remuneration packages for our employees mainly comprise base salary and bonus. We also provide both internal and external trainings for our employees to improve their skills and knowledge. For the year ended December 31, 2025, total staff remuneration expenses including Directors' remuneration amounted to RMB94.40 million.

We contribute to social security insurance and housing provident funds for our employees in accordance with applicable PRC laws, rules and regulations in all material aspects.

We have granted and planned to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development. The Company has adopted a post-IPO share option scheme, a restricted share unit scheme (the "**Restricted Share Unit Scheme**"), an amended post-IPO share option scheme and share award scheme. As at December 31, 2025, the Trustee of Restricted Share Unit Scheme had purchased a total of 34,631,544 shares in the market under the Restricted Share Unit Scheme adopted by the Company on October 18, 2021, representing approximately 4.35% of the total number of shares in issue (excluding treasury shares) as at the date of this announcement (i.e. 795,658,000 shares).

RETIREMENT AND EMPLOYEE BENEFITS SCHEMES

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

No forfeited contribution (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) is available to be utilized by the Group to reduce the contributions payable in the future years or to reduce the Group's existing level of contributions to the pension scheme.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	3	**2,937,787**	3,149,625
Cost of sales		**(2,669,309)**	(3,027,350)
Gross profit		**268,478**	122,275
Other income and gains	3	**23,028**	20,789
Selling and distribution expenses		**(175,668)**	(104,348)
Administrative expenses		**(98,745)**	(92,598)
Impairment losses on financial assets, net		**(3,429)**	(308,878)
Provisions of impairment of Investments in associates		**–**	(2,531)
Research and development expenses		**(19,031)**	(15,514)
Other expenses	3	**(20,967)**	(60,425)
Finance costs		**(21,378)**	(22,003)
Share of profits and losses of associates		**(2)**	(1,903)
LOSS BEFORE TAX		**(47,714)**	(465,136)
Income tax (expense)/credit	4	**(5,390)**	3,042
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(53,104)**	(462,094)
Attributable to:			
Owners of the parent		**(48,028)**	(459,701)
Non-controlling interests		**(5,076)**	(2,393)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	6		
Basic			
– For loss for the year		**RMB(6.3) cents**	RMB(60.2) cents
Diluted			
– For loss for the year		**RMB(6.3) cents**	RMB(60.2) cents

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31, 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**5,790**	2,905
Right-of-use assets		**13,556**	2,824
Intangible assets		**6,201**	15,630
Prepayments and other assets		**2,295**	3,458
Deferred tax assets		**68,572**	71,018
Investments in associates		**29,986**	29,988
Financial assets at fair value through profit or loss		**4,284**	21,782
Debt investments at amortised cost		**7,782**	3,265
Total non-current assets		**138,466**	150,870
CURRENT ASSETS			
Inventories		**5,601**	3,380
Trade and notes receivables	*7*	**1,207,004**	1,278,139
Prepayments, other receivables and other assets		**302,219**	337,903
Financial assets at fair value through profit or loss		**13,160**	7,508
Debt investments at amortised cost		**11,764**	21,342
Restricted cash		**153,505**	166,705
Cash and cash equivalents		**243,218**	428,470
Total current assets		**1,936,471**	2,243,447
CURRENT LIABILITIES			
Trade payables	*8*	**420,040**	528,799
Other payables and accruals		**330,083**	196,497
Interest-bearing bank borrowings		**329,032**	603,148
Lease liabilities		**5,995**	1,740
Contract liabilities		**72,184**	99,528
Tax payable		**8,107**	11,362
Other liabilities		**-**	5,677
Total current liabilities		**1,165,441**	1,446,751
NET CURRENT ASSETS		**771,030**	796,696
TOTAL ASSETS LESS CURRENT LIABILITIES		**909,496**	947,566

	2025	2024
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Lease liabilities	**7,767**	983
Deferred tax liabilities	**–**	33
Deferred income	**1,480**	1,115
Total non-current liabilities	**9,247**	2,131
Net assets	**900,249**	945,435
EQUITY		
Equity attributable to owners of the parent		
Share capital	**148**	148
Treasury shares	**(48,572)**	(47,798)
Reserves	**955,868**	996,665
Total equity attributable to owners of the parent	**907,444**	949,015
Non-controlling interests	**(7,195)**	(3,580)
Total equity	**900,249**	945,435

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2025

	Attributable to owners of the parent									
	Share capital *RMB'000*	**Treasury shares** *RMB'000*	**Share option reserve*** *RMB'000*	**Capital reserve*** *RMB'000*	**Statutory surplus reserve*** *RMB'000*	**Fair value reserve of financial assets at fair value through other comprehensive income*** *RMB'000*	**Retained profits*** *RMB'000*	**Total** *RMB'000*	**Non-controlling interest** *RMB'000*	**Total equity** *RMB'000*
At January 1, 2025	**148**	**(47,798)**	**52,435**	**1,229,628**	**46,459**	**(400)**	**(331,457)**	**949,015**	**(3,580)**	**945,435**
Loss for the year	–	–	–	–	–	–	(48,028)	(48,028)	(5,076)	(53,104)
Shares repurchased	–	(774)	–	–	–	–	–	(774)	–	(774)
Disposal of a subsidiary	–	–	–	–	–	–	–	–	1,361	1,361
Exercise of restricted share units (RSUs)	–	–	(235)	235	–	–	–	–	–	–
Equity-settled share-based arrangements	–	–	7,231	–	–	–	–	7,231	–	7,231
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	100	100
At December 31, 2025	**148**	**(48,572)**	**59,431**	**1,229,863**	**46,459**	**(400)**	**(379,485)**	**907,444**	**(7,195)**	**900,249**

For the year ended December 31, 2024

	Attributable to owners of the parent									
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share option reserve* *RMB'000*	Capital reserve* *RMB'000*	Statutory surplus reserve* *RMB'000*	Fair value reserve of financial assets at fair value through other comprehensive income* *RMB'000*	Retained profits* *RMB'000*	Total *RMB'000*	Non-controlling interest *RMB'000*	Total equity *RMB'000*
At January 1, 2024	148	(46,638)	29,299	1,229,392	46,459	(400)	128,244	1,386,504	(1,328)	1,385,176
Loss for the year	–	–	–	–	–	–	(459,701)	(459,701)	(2,393)	(462,094)
Shares repurchased	–	(1,399)	–	–	–	–	–	(1,399)	–	(1,399)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	(70)	(70)
Exercise of RSUs	–	239	(475)	236	–	–	–	–	–	–
Equity-settled share-based arrangements	–	–	23,611	–	–	–	–	23,611	–	23,611
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	211	211
At December 31, 2024	148	(47,798)	52,435	1,229,628	46,459	(400)	(331,457)	949,015	(3,580)	945,435

* These reserve accounts comprise the consolidated reserves of RMB955,868,000 (2024: RMB996,665,000) in the consolidated statement of financial position.

NOTES TO CONSOLIDATED FINANCIAL INFORMATION

For the year ended December 31, 2025

1. CORPORATE AND GROUP INFORMATION

Netjoy Holdings Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands on March 29, 2019. The registered office address of the Company is 4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company and its subsidiaries (collectively referred to as the "**Group**") were principally involved in the provision of intelligent marketing solutions in the People's Republic of China (the "**PRC**").

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Netjoy International Limited	British Virgin Islands	US$50,000	100	–	Investment holding
Netjoy International (Hong Kong) Limited	Hong Kong, China	HK$1	–	100	Technical and consultation services
Netjoy E-Commerce Limited	Hong Kong, China	HK$10,000	–	100	Trading and e-commerce
NETJOY ASIA PTE. LTD.	Singapore	SG$1,000,000	–	100	Marketing services
Yunxiang Shuke (Shanghai) Information Technology Co., Ltd. ("**Yunxiang Information**") (云想數科（上海）信息技術有限公司) *(note (a))*	PRC/Chinese Mainland	RMB50,000,000	–	100	Technical and consultation services
Letui (Shanghai) Culture Broadcast Co., Ltd. ("**Letui Culture**") (樂推（上海）文化傳播有限公司) *(note (b))*	PRC/Chinese Mainland	RMB10,000,000	–	100	Marketing services

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Horgos Quantum Dynamic Culture Media Co., Ltd. ("**Quantum Culture Media**") (霍爾果斯量子動態文化傳媒有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Marketing services
Horgos Quantum Data Service Co., Ltd. ("**Quantum Data**") (霍爾果斯量子數據服務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Marketing services
Creative Yuedong (Shanghai) Network Technology Co., Ltd. ("**Yunxiang Entertainment**") (创意悦动(上海)网络科技有限公司) *(note (b) and note (c))*	PRC/Chinese Mainland	RMB5,000,000	–	100	Technical and consultation services
Guangzhou Guomeng Network Technology Co., Ltd. ("**Guomeng Internet**") (廣州果盟網絡科技有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Technical and consultation services
Qizheng (Shanghai) Culture Communication Co., Ltd. ("**Qizheng Culture**") (啟征(上海)文化傳播有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Technical and consultation services
Letui Chuanshi (Shanghai) Information Technology Co., Ltd. ("**Letui Information**") (樂推傳視(上海)信息技術有限公司) *(note (b))*	PRC/Chinese Mainland	RMB5,000,000	–	100	Technical and Consultation services
Shanghai Yunxiang E-commerce Co., Ltd. ("**Yunxiang E-commerce**") (上海云想電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB5,000,000	–	100	Marketing services
MIX Technology Co., Ltd. ("**Heguang Technology**") (合光(寧波)科技有限公司) *(note (a))*	PRC/Chinese Mainland	US$10,000,000	–	100	Marketing services

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Letui Chuanpin (Jing County) E-commerce Co., Ltd. ("**Letui Chuanpin**") (樂推傳品(涇縣)電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	E-commerce
Letui Zhixiao (Lishui) Culture Communication Co., Ltd. ("**Zhixiao Lishui**") (樂推智效(麗水)文化傳播有限公司) *(note (b))*	PRC/Chinese Mainland	RMB2,000,000	–	100	Marketing services
Shanghai Leman Yunxiang E-commerce Co., Ltd. ("**Leman Yunxiang**") (上海樂曼云享電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	E-commerce
Shangxiang Leyun (Shanghai) E-commerce Co., Ltd. ("**Shangxiang Leyun**") (尚想樂云(上海)電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	E-commerce
Shangxiang Lehai (Shanghai) E-commerce Co., Ltd. ("**Shangxiang Lehai**") (尚想樂海(上海)電子商務有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	E-commerce

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Hepinsheng (Shanghai) Enterprise Management Co., Ltd. ("**Hepinsheng**") (合品盛(上海)企業管理有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Consulting
Shanghai Lebao Yunxiang Business Consulting Co., Ltd. ("**Lebao Yunxiang**") (上海樂保云享商務諮詢有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Consulting
Yunxiang Shuke (Xi'an) Information Technology Co., Ltd. ("**Yunxiang Shuke Xi'an**") (云想數科(西安)信息技術有限公司) *(note (b))*	PRC/Chinese Mainland	US$10,000,000	–	100	Consulting
Shanghai Tetui Cultural Media Co., Ltd. ("**Tetui Cultural**") (上海特推文化傳媒有限公司) *(note (b))*	PRC/Chinese Mainland	RMB2,040,816	–	51	Advertisement related activity
Shanghai Chuangjie Network Technology Co., Ltd. ("**Chuangjie Network**") (上海創節網絡科技有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,176,471	–	76.5	Marketing services
Huzhou Letui Shuzhi Cultural Communication Co., Ltd. ("**Huzhou Letui**") (湖州樂推數智文化傳播有限公司) *(note (b))*	PRC/Chinese Mainland	RMB2,000,000	–	100	Marketing services
Jiangshan Letui Zhitou Cultural Communication Co., Ltd. ("**Jiangshan Letui**") (江山樂推智投文化傳播有限公司) *(note (b))*	PRC/Chinese Mainland	RMB2,000,000	–	100	Marketing services

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Indirectly controlled by the Company pursuant to the contractual agreements					
Netjoy (Shanghai) Network Technology Co., Ltd. (“**Netjoy Network**”) (嗨皮(上海)網絡科技有限公司) *(note (b))*	PRC/Chinese Mainland	RMB53,528,203	–	100	Entertainment-oriented content platform operation
Wuhan Juhaokan Network Technology Co., Ltd. (“**Wuhan Juhaokan**”) (武漢劇好看網絡科技有限公司) *(note (b))*	PRC/Chinese Mainland	RMB1,000,000	–	100	Planning and production of short plays
Shanghai Opera Good-looking Network Technology Co., Ltd. (“**Shanghai Juhaokan**”) (上海劇好看網絡科技有限公司) *(note (b))*	PRC/Chinese Mainland	RMB4,000,000	–	100	Planning and production of short plays

Notes:

(a) These entities are registered as wholly-foreign-owned enterprise under PRC law.

(b) The entities are registered as limited liability companies under PRC law.

(c) On April 2,2025, the name of the entity changed from Yunxiang Entertainment (Shanghai) Co., Ltd. to Creative Yuedong (Shanghai) Network Technology Co., Ltd.

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

Netjoy Network and Tradeplus provide value added telecommunications services and radio and TV program production and operation services to customers. Due to regulatory restrictions on foreign ownership in providing value added telecommunications services and prohibition on foreign ownership in providing radio and TV program production and operation services in the PRC, a wholly-owned subsidiary of the Company, Yunxiang Information, has entered into contractual arrangements (“**Contractual Arrangements**”) with Netjoy Network and Tradeplus and their respective registered shareholders. The Contractual Arrangements enable Yunxiang Information to effectively control, recognise and receive substantially all the economic benefits of the business and operations of Netjoy Network and Tradeplus.

In summary, the Contractual Arrangements enable the Group to, among others:

- receive substantially all of the economic benefits from Netjoy Network and Tradeplus in consideration for the services provided by Yunxiang Information to Netjoy Network and Tradeplus;
- exercise effective control over Netjoy Network and Tradeplus; and
- hold an exclusive option to acquire all or part of the equity interests in and/or the assets of Netjoy Network and Tradeplus when and to the extent permitted by the PRC laws and regulations.

Accordingly, Netjoy Network and Tradeplus and their respective subsidiaries are controlled by the Company based on the Contractual Arrangements though the Company does not have any direct or indirect equity interest in Netjoy Network and Tradeplus.

2. SUMMARY OF MAJOR ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

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

1 Effective for annual periods beginning on or after January 1, 2026
2 Effective for annual/reporting periods beginning on or after January 1, 2027
3 No mandatory effective date yet determined but available for adoption

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

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

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards or IFRS Accounting Standards. (See commentary on page (50)) IFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

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

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

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

Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency (see commentary on page (49)) require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 Financial Reporting in Hyperinflationary Economies, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

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

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

- IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers	**2,937,787**	3,149,625

Revenue from contracts with customers

(i) Disaggregated revenue information

	2025	2024
	RMB'000	*RMB'000*
Types of services		
Intelligent marketing solutions services		
– All-in-one services	**2,484,788**	2,920,153
– Advertisement distribution services	**125,162**	86,907
E-commerce service solutions	**123,651**	70,805
Innovative business	**204,186**	71,760
Total revenue from contracts with customers	**2,937,787**	3,149,625
Timing of revenue recognition		
Services transferred at a point in time	**2,932,859**	3,131,534
Services transferred over time	**4,928**	18,091
Total revenue from contracts with customers	**2,937,787**	3,149,625

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Intelligent marketing solutions services

The performance obligation is satisfied upon the user clicking one of the customer-sponsored links (oCPC) or upon optimising the number of times that the advertisement has been displayed for cost per thousand impression advertising arrangement (oCPM) for users. The payment is generally due within 180 days from the date of billing.

E-commerce service solutions

Live streaming business performance obligation is satisfied at the point in time when the live broadcast duration and sale transaction of goods is completed. The payment is generally due within 75 days from the date of billing.

Revenues from sales of products through the e-commerce platforms and distribution channels are recognised when control of the promised goods is transferred to the customers, which generally occurs upon the acceptance of the goods by the customers. Short-term advances are normally required before the delivery of goods.

Innovative business

Short-term advances are normally required before rendering the short play business.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 ***RMB'000***	2024 *RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	**99,528**	50,360

There is no revenue recognised in the current reporting period from performance obligations satisfied in previous periods for the years ended December 31, 2025 and 2024, respectively.

The transaction prices allocated to the remaining performance obligations unsatisfied as at December 31, 2025 are RMB72,184,000 (December 31, 2024: RMB99,528,000).

All the remaining performance obligations unsatisfied as at December 31, 2025 are expected to be recognised within one year as the performance obligations are part of the contracts that have an original expected duration of one year or less.

An analysis of other income and gains and other expenses are as follows:

	2025	2024
	RMB'000	*RMB'000*
Other income and gains		
Bank interest income	**2,537**	1,167
Net investment income from debt instruments	**5,555**	9,908
Government grants*	**7,771**	4,990
Foreign exchange gain, net	**–**	3,060
Gain on disposal of a subsidiary	**1,007**	–
Gain on disposal of other liabilities	**5,677**	–
Others	**481**	1,664
Total other income and gains	**23,028**	20,789
Other expenses		
Foreign exchange loss, net	**3,565**	–
Fair value loss on financial assets at fair value through profit or loss	**11,745**	30,950
Fair value losses on other liabilities, net	**–**	4,455
Loss on disposal of financial instruments	**1,982**	4,767
Others	**3,675**	20,253
Total other expenses	**20,967**	60,425

* There are no unfulfilled conditions or contingencies relating to these grants.

4. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of the Group are domiciled and operate:

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

British Virgin Islands

Under the current laws of the British Virgin Islands ("**BVI**"), Netjoy Holdings Limited is not subject to tax on income or capital gains. In addition, upon payments of dividends by Netjoy Holdings Limited to its shareholder, no BVI withholding tax is imposed.

Hong Kong

Hong Kong profits tax was provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits of the Group's companies operating in Hong Kong during the year.

Chinese Mainland

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and the respective regulations, the subsidiaries which operate in Chinese Mainland are subject to Enterprise Income Tax ("**EIT**") at a rate of 25% on the taxable income. Preferential tax treatment is available to Netjoy Network, since it is certified as High and New Technology Enterprises, and Netjoy Network is subject to a preferential income tax rate of 15% from 2024 to 2026.

According to Several Opinions of the State Council on Supporting the Construction of Kashgar and Horgors Economic Development Zones (國務院關於支持喀什霍爾果斯經濟開發區建設的若干意見) promulgated on September 30, 2011, and Notice of the Preferential Policies of Enterprise Income Tax in the Two Special Economic Development Zones of Kashgar and Horgors in Xinjiang (財政部、國家稅務總局關於新疆喀什霍爾果斯兩個特殊經濟開發區企業所得稅優惠政策的通知) promulgated by the Ministry of Finance of the PRC (中國財政部) and the State Administration of Taxation of the PRC (中國國家稅務總局) on November 29, 2011, from 2010 to 2020, the newly established enterprises in Kashgar and Horgors within the Catalog of Encouraged Industries in Poverty Areas of Xinjiang for Preferential Tax Treatment (新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄) granted the preferential tax treatment of five-year EIT exemption beginning from the first taxable year after the becoming profitable. Upon the expires of the tax exemption period, the local share of EIT would be exempted for another five years, and a subsidy would be granted by the Finance Bureau of the Development Zone in the form of rewards. Quantum Culture Media was entitled to the PRC tax bureau for EIT exemption from January 1, 2017 to December 31, 2021 and the exemption of EIT charged by local tax bureau according to Preferential Filing Record of EIT (企業所得稅優惠事項備案表) from January 1, 2022 to December 31, 2026 and obtained the related approval from the PRC tax bureau, which takes account for 40% of the total EIT.

According to the Implementation Opinions on Accelerating the Construction of Kashgar and Horgos Economic Development Zones (關於加快喀什、霍爾果斯經濟開發區建設的實施意見), from January 1, 2010 to December 31, 2020, enterprises newly established in the development zone that fall within the scope of the Catalogue of Enterprise Income Tax Preferences for Industries Encouraged to Develop in Difficult Areas of Xinjiang (新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄) will be exempted from enterprise income tax for five years from the tax year in which the first production and operation income is obtained. After the tax exemption period expires, the local share of EIT will be exempted for another five years, and the subsidy will be granted by the Finance Bureau of the Development Zone in the form of rewards. Quantum Data was in an accumulated tax loss position as at December 31, 2025 and the tax holiday has not yet begun.

Pursuant to the Notice on Enterprise Income Tax Policies for the Integrated Circuit Design and Software Industries (關於集成電路設計和軟件產業企業所得稅政策的公告) issued by the Ministry of Finance of the PRC and the State Administration of Taxation of the PRC and with approval from the tax authorities in charge, one of the Group's subsidiaries, Tradeplus, is entitled to an exemption from CIT for two years, commencing from the first year that Tradeplus generates taxable profit, and a deduction of 50% on the CIT rate for the following three years. Tradeplus was in accumulated tax loss positions as at December 31, 2025 and the tax holiday has not yet begun.

	2025	2024
	RMB'000	*RMB'000*
Current income tax:		
Chinese Mainland	**2,977**	4,638
Deferred tax	**2,413**	(7,680)
	5,390	(3,042)

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rate of 25% for Chinese Mainland in which the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, is as follows:

	2025	2024
	RMB'000	RMB'000
Loss before tax	**(47,714)**	(465,136)
Tax at the statutory tax rate	**(11,929)**	(116,284)
Effect of different tax rates for specific provinces and countries or enacted by local authority	**4,887**	10,992
Profit attributable to associates	**–**	(698)
Additional deduction on research and development expenses	**(4,758)**	(4,602)
Tax losses and temporary differences not recognised	**14,148**	91,850
Expenses not deductible for tax	**3,042**	15,700
Tax expense/(credit) at the effective rate	**5,390**	(3,042)

5. DIVIDENDS

The Board of directors did not recommend the payment of any dividend for the year ended December 31, 2025 (2024: Nil).

6. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares, excluding treasury shares, of 761,093,067 (2024: 764,181,379) outstanding during the year.

The calculation of basic loss per share is based on:

	2025	2024
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent	**(48,028)**	(459,701)

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**761,093,067**	764,181,379

Because the diluted loss per share amount is decreased when taking share options and RSUs into account, the RSUs and share options had anti-dilutive effect on 2025 and 2024 diluted loss per share amount. Therefore, the diluted earnings per share amount is based on the loss for the year of RMB48,028,000 and the weighted average number of ordinary shares of 761,093,067 outstanding during the year.

7. TRADE AND NOTES RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Included in current assets:		
Trade receivables	**1,516,026**	1,629,215
Notes receivable	**53,607**	6,769
Impairment	**(362,629)**	(357,845)
Total	**1,207,004**	1,278,139

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk, except RMB215,239,000 (2024: RMB399,201,000) derived from one (2024: one) major customer. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Less than 1 year	**1,147,900**	1,244,364
1 to 2 years	**5,497**	17,335
Over 2 years	**–**	9,671
Total	**1,153,397**	1,271,370

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025	2024
	RMB'000	*RMB'000*
At beginning of year	**357,845**	247,678
Impairment losses, net	**4,784**	110,167
At end of year	**362,629**	357,845

An impairment analysis is performed at each reporting date. For those trade receivables which do not share similar characteristic, the provision are assessed individually based on customers' credit and estimated future cash flow. For trade receivables that have similar characteristic, the provision rates are based on ageing analysis. The ageing of trade receivables is calculated based on the date of revenue recognition. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

As at December 31, 2025, the accumulated individual impairment was RMB288,444,000 (2024: RMB291,107,000), with carrying amounts before impairment of RMB288,444,000 (2024: RMB315,148,000), respectively. The decrease is primarily due to collections from certain enterprises by December 31, 2025, resulting in a reduction of trade receivables and a corresponding decrease in ECL.

Set out below is the information about the ageing of the trade receivables as at the end of the reporting period, based on the past due date and credit risk exposure on the Group's trade receivables using a provision matrix:

As at December 31, 2025

	Expected credit loss rates	**Gross carrying amounts** *RMB'000*	**Impairment** *RMB'000*
Collective impairment:			
Less than 1 year	**1.30%**	**1,163,006**	**15,106**
1 to 2 years	**69.47%**	**18,008**	**12,511**
Over 2 years	**100.00%**	**46,568**	**46,568**
Total	**6.04%**	**1,227,582**	**74,185**

As at December 31, 2024

	Expected credit loss rates	Gross carrying amounts *RMB'000*	Impairment *RMB'000*
Collective impairment:			
Less than 1 year	1.30%	1,256,836	16,315
1 to 2 years	68.03%	21,293	14,485
Over 2 years	100.00%	35,938	35,938
Total	5.08%	1,314,067	66,738

As at December 31, 2025, trade receivables from certain customers were pledged to secure trade payables amounting to RMB150,000,000 (2024: RMB150,000,000) granted to the Group.

Transferred financial assets that are not derecognised in their entirety

At December 31, 2025, the Group endorsed certain bills receivable accepted by banks in Chinese Mainland (the "**Endorsed Bills**") with a carrying amount of RMB53,607,000 (2024: RMB6,769,000) to certain banks. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

Transferred financial assets that are derecognised in their entirety

At December 31, 2025, the Group endorsed certain bills receivable accepted by banks in Chinese Mainland (the "**Derecognised Bills**") with a carrying amount in aggregate of RMB43,623,000 (2024: RMB15,803,000). The Derecognised Bills had a maturity of five to six months at the end of the Reporting Period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

8. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	2025 ***RMB'000***	2024 *RMB'000*
Within 90 days	**404,318**	475,000
91 to 365 days	**4,999**	39,702
Over 1 year	**10,723**	14,097
Total	**420,040**	528,799

The trade payables are non-interest-bearing and are normally settled within 30 to 90 days.

MATERIAL ACQUISITION, DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND SIGNIFICANT INVESTMENT

Save as disclosed in the consolidated financial statements in this announcement, during the year ended December 31, 2025, the Group has no material acquisitions or disposals of subsidiaries, associates and joint ventures or significant investment.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

As at the date of this announcement, the Group does not have any future plans for material investment and capital assets.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended December 31, 2025.

EVENTS DURING AND SUBSEQUENT TO THE REPORTING PERIOD

(1) Suspension of trading on the Stock Exchange

Trading in the Company's shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, April 1, 2025, and will remain suspended until the Company meets all resumption guidance, remedies the issues causing its trading suspension and fully complies with the Listing Rules to the Stock Exchange's satisfaction.

(2) Resumption guidance

As stated in the Company's announcement dated July 8, 2025, the Stock Exchange has formulated the following guidelines for the resumption of trading in the Company's Shares: (i) conduct an appropriate independent forensic investigation into the Prepayments and the related transactions, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions; (ii) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence; (iii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules; (iv) publish all outstanding financial results required under the Listing Rules and address any audit modifications; (v) demonstrate the Company's compliance with Rule 13.24; and (vi) inform the market of all material information for the Shareholders and other investors to appraise its position. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on September 30, 2026. If the Company fails to remedy the issues causing its trading suspension, fulfill the resumption guidance and fully comply with the Listing

Rules to the Stock Exchange's satisfaction and resume trading in its shares by September 30, 2026, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period or to cancel the listing of the Company immediately, where appropriate.

(3) Progress in fulfilling resumption guidance

For details of the progress of the Company in reaching the guidelines for resumption of trading, please refer to the announcements issued by the Company on July 15, 2025, July 21, 2025, September 30, 2025, December 29, 2025, March 30, 2026, and June 30, 2026. The Company will continue to include relevant progress in quarterly updates and announcements in due course.

On April 14, 2025, the Company engaged one of the big four accounting firms as the forensic consultant to conduct an independent investigation of internal facts on the prepayment (the "**Independent Investigation**"). Please refer to the announcement of our company dated April 2, 2026 for details of the Independent Investigation results.

On the other hand, the Company engaged an internal control consultant to conduct an independent review of the Group's internal control procedures (the "**Internal Control Review**"), and to provide suggestions on remedial measures taken by the Company and conduct follow-up review (the "**Follow-up Review**"). For details of the Internal Control Review results, please refer to the announcement of the Company dated June 22, 2026. For details of the Follow-up Review results, please refer to the announcement of the Company dated August 6, 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended December 31, 2025, none of the Company or any of its subsidiaries or its consolidated affiliated entities had purchased, sold or redeemed any of the listed securities of the Company (including treasury shares). As of December 31, 2025, the Company did not hold any treasury shares (as defined in the Listing Rules). From the adoption of the RSU Scheme to December 31, 2025, the trustee of the RSU Scheme has purchased a total of 34,631,544 shares of the Company on the Hong Kong Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made to all the Directors and each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

CORPORATE GOVERNANCE CODE

The Company has adopted the principles and all applicable code provisions of the Corporate Governance Code (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 its corporate governance practices.

Save for the deviations from the code provisions disclosed below, the Company has complied with all applicable code provisions of the Corporate Governance Code during the Reporting Period.

(i) Code Provision B.2.2 stipulates that every director (including those with a specified term of office) should be subject to retirement by rotation at least once every three years. The Company was unable to complete the retirement by rotation arrangement of the directors in accordance with the Company's articles of association and the applicable code provisions as a result of the failure to convene the annual general meeting (the "**AGM**") during the Reporting Period. The Company has convened the AGM on August 3, 2026 to arrange for the retirement by rotation of the Directors, so as to comply with the relevant code provisions.

(ii) Code Provision D.1 requires an issuer to publish financial results and reports in a timely manner. Due to the delay in the Company's audit and certain internal review procedures during the year, the following items have been delayed: the announcements of the annual results for 2024, the interim results for 2025, the annual results for 2025, and the annual report for 2024, the interim report for 2025 and the annual report for 2025. The Company has uploaded the announcements of the annual results for 2024, the annual report for 2024, the interim results for 2025 and the interim report for 2025 on June 28, 2026, July 10, 2026 and July 24, 2026, respectively. The Company has taken measures to strengthen the financial reporting and information disclosure processes to ensure future compliance with the time requirements under the Listing Rules.

(iii) Code Provision D.2 stipulates that the board of directors should be responsible for maintaining a sound and effective internal control and risk management system. During the year, the Company noted uncertainties in the recovery of prepayments made to certain suppliers. In this regard, the Company has engaged an independent internal control consultant to conduct an Internal Control Review on the Company's internal control procedures and identified certain areas for improvement in internal controls. Relevant details have been disclosed in the Company's announcement dated June 22, 2026. The Company has taken and will continue to take rectification measures in response to the relevant findings and recommendations to strengthen the internal control system.

(iv) Code Provision F.1 stipulates that the board of directors should be responsible for maintaining ongoing dialogue with shareholders, in particular, communicating with shareholders and encouraging their participation through formal meetings (including general meetings) and other appropriate channels under the issuer's shareholder communication policy. Although the Company did not convene the AGM during the Reporting Period, it has updated its shareholders via announcements on the findings of the Independent Investigation, Internal Control Review, the progress on complying with the Stock Exchange's resumption guidance, and other material matters relating to the Company. In addition, the Company has kept its investor relations communication channels open to facilitate ongoing engagement with shareholders. The Company convened the AGM on August 3, 2026 and will ensure strict compliance with the relevant time requirements in the future.

Save as disclosed above, during the year ended December 31, 2025, the Company has complied with the remaining applicable principles and code provisions of the Corporate Governance Code and has complied with the majority of the recommended best practice provisions set out in the Corporate Governance Code. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**"), consisting of two independent non-executive Directors, namely, Mr. CHEN Changhua (Chairman) and Dr. RU Liyun, and one non-executive Director, namely Mr. DAI Liqun. Written terms of reference have been adopted for the Audit Committee, which clearly specify its duties and responsibilities and are available for inspection on the websites of the Company and the Stock Exchange.

The Audit Committee has, together with the senior management and the Company's external auditor, reviewed the accounting principles and practices adopted by the Group, and reviewed the audited consolidated financial statements of the Group for the year ended December 31, 2025.

This annual results announcement is based on the audited consolidated financial statements of the Group for the year ended December 31, 2025 as agreed with the Company's external auditors.

AUDITOR'S SCOPE OF WORK

The figures in respect of the Group's consolidated statements of financial position, consolidated statements of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in this preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND 2025 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.netjoy.com). The annual report for the year ended December 31, 2025 containing all the information required by the Listing Rules will be dispatched to the Shareholders (if required) and published on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank the management and employees of the Group for their efforts and dedication during the Reporting Period. I would also like to thank the regulators for their guidance and Shareholders and customers for their long-term support.

By order of the Board
Netjoy Holdings Limited
XU Jiaqing
Chairman of the Board

Shanghai, The People's Republic of China, August 6, 2026

As at the date of this announcement, the Board comprises Mr. XU Jiaqing as executive Director; Mr. DAI Liqun and Mr. WANG Jianshuo as non-executive Directors; and Mr. CHEN Changhua, Dr. RU Liyun and Ms. CUI Wen as independent non-executive Directors.